



Written Testimony in Opposition to Senate Bill 240

Senate Taxation Committee Wednesday, April 3, 2013

Mr. Chairman and Senate Taxation Committee Members:

My name is Jennifer Bruning, and I am Vice President of Government Affairs with the Overland Park Chamber of Commerce. I am submitting written testimony today in opposition to Senate Bill 240, which would decrease the corporate income surtax and eliminate certain income tax credits, including the investment tax credit offered within the High Performance Incentive Program (HPIP).

Historically the HPIP program has been an important part of Kansas' economic development toolbox, offering employers that pay above-average wages and demonstrate strong commitment to skills development for their workers a 10 percent income tax credit for eligible capital investment in their facility exceeding a certain threshold. Several Overland Park Chamber members and area businesses have been awarded HPIP tax credits in the last 10 years and have cited access to these credits as one of the key positive factors in their decision-making process to locate their facility in Kansas or expand their current facility.

We understand that the Governor and Legislature's tax policy goal is to eventually eliminate both personal and corporate income taxes and that income tax credits at that time will no longer be relevant. However, we are extremely concerned that the constant threat by the Legislature of eliminating these state tax credits before that income tax elimination goal is ever realized will lead to Kansas losing out on job creation opportunities. Companies seeking to relocate to a new state or make a large capital investment require certainty and longevity in the incentive proposals being offered to them, and any ambiguity in an offer will lead to Kansas being on the losing side of a company's relocation or expansion decision-making process. We have to be able to offer concrete incentives that the company knows it can rely on – not policy goals that may not come to fruition.

We respectfully ask that you oppose Senate Bill 240.