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House Bill 2023 Testimony
House Taxation Committee

Chairman Johnson and Members of the Committee:

Thank you for the opportunity to testify in front of your Committee.

I am a CPA with 30 years of experience and I work primarily with small to mid-size, privately held companies, providing accounting, tax and financial advisory services. As an advisor who has witnessed first hand the economic benefits of the existing Kansas tax policy with respect to the taxation of “flow through” taxable income, I oppose House Bill 2023. Additionally, many of my business clients also oppose House Bill 2023, including Ken Brock, Names and Numbers, Pittsburg, who cannot be in attendance today but asked me to testify on his behalf.

I have personally seen the benefits of the existing tax law for flow through entities in that since 2013. I have seen businesses be able to retain more of their profits and use that capital to hire additional employees and/or retain current employees. The impact to Names and Numbers is that they have either been able to hire or retain approximately 5 extra employees each year the current law has been in place.

Additionally I have seen the current tax policy be instrumental in helping relocate companies from other states to Kansas as well as helping retain businesses in Kansas. In helping businesses assess site location, I have worked with a number of companies who have stayed in Kansas largely because of the current tax law for flow through businesses.

In many cases, other benefits and incentive programs are fairly similar between states. When considering Kansas current tax policy for flow through business, moving to, or staying in Kansas, becomes an obviously better financial choice.

I believe that passage of House Bill 2023 will take away a significant competitive advantage for Kansas to attract and retain business and private sector jobs.

Thank you for allowing me to provide testimony to your Committee

Daniel F. Kjergaard