



**Senate Committee on Taxation
Opposition to Senate Bill 223- Modifications to PEAK program
Presented by Eric Stafford, Vice President of Government Affairs**

Thursday, February 9, 2017

Madam Chair and members of the committee, my name is Eric Stafford, Vice President of Government Affairs for the Kansas Chamber. The Kansas Chamber appreciates the opportunity to testify in opposition to Senate Bill 223 which significantly limits Kansas' PEAK program for economic development.

In 2009, the Kansas legislature passed legislation creating the PEAK program allowing companies to retain Kansas withholding taxes when a qualifying company adds at least 10 jobs in a metropolitan county or five new jobs in non-metropolitan counties. PEAK was introduced as a discretionary program to foster economic development and attract investment to our state and now attracts investment from both out-of-state companies as well as companies seeking to expand within our state.

PEAK has been a great program not only for attracting out of state companies but also for Kansas companies seeking to expand their workforce. SB 223 proposes to limit the PEAK program to only companies moving into Kansas from outside of a 250 mile limit. SB 223 ends access to PEAK benefits for any company within the state expanding or retaining jobs. While we do not fully know the intent of the introduction of this bill, we would speculate that the author has issues or concerns over this program and the number of companies in the KC metro area that could be qualifying for PEAK benefits.

Whether it's Missouri or North Dakota, Kansas is competing in a global marketplace for jobs and investment. Denying access to benefits of PEAK for a company considering investing in our state just because of their geographical location is rather short-sighted. Additionally, SB 223 leaves the impression that our elected officials only care about businesses we are trying to bring to Kansas, and do not believe in providing economic incentives to companies already located here.

Our organization has expressed concerns over the repeal of the small business tax cuts and what potential harm that could cause the state's economy. Placing restrictions on the PEAK program, on top of reversing the small business tax cuts, sends a very strong message that our state does not care about private sector economic growth or stability for Kansas businesses, or for businesses looking to relocate to Kansas.

Thank you for the opportunity to testify in opposition to SB 223, and I am happy to answer questions at the appropriate time.



The Kansas Chamber, with headquarters in Topeka, is the leading statewide pro-business advocacy group moving Kansas towards becoming the best state in America to do business. The Chamber represents small, medium and large employers all across Kansas.