



Kansas Agribusiness Retailers Association (KARA)

Renew Kansas Association

Kansas Grain & Feed Association (KGFA)

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Date: January 23, 2018
To: Senate Committee on Commerce
From: Randy Stookey, SVP and General Counsel
RE: Written Testimony In Support of HB 2168, Creating the Ad Astra Rural Jobs Act

Chairperson Lynn and members of the committee, thank you for the opportunity to comment in support of House Bill 2168, creating the Ad Astra Rural Jobs Act. This testimony is submitted jointly on behalf of the Kansas Grain and Feed Association (KGFA), the Kansas Agribusiness Retailers Association (KARA), and Renew Kansas Association.

KGFA is the state association of the grain receiving, storage, processing and shipping industry in Kansas. KGFA's membership includes over 950 Kansas business locations and represents 99% of the commercially licensed grain storage in the state. KARA is a voluntary trade association that appreciates membership of over 700 agribusiness firms that supply fertilizers, crop protection products, seed, petroleum products, and agricultural services to Kansas farmers. Renew Kansas (formerly, Kansas Association of Ethanol Processors), is the trade association of the Kansas ethanol processing industry.

As proposed in HB 2168, the Ad Astra Rural Jobs Act would allow tax credits on income, premiums, or privilege taxes for taxpayers who contribute capital to an "approved investment company" to fund a "rural business concern" with less than 500 employees, in a "rural area" with a population of less than 60,000. Businesses engaging in manufacturing, plant sciences, technology, or agricultural technology could qualify for the program.

Beginning in tax year 2020, 20 percent of the tax credit could be claimed annually over a five-year period. The amount of tax credits claimed in any one fiscal year would be limited to \$20 million. The tax credits would not nonrefundable and nontransferable except to an "affiliate" company.

The purpose of this bill is to initiate and foster economic growth and opportunities in rural communities across our state. Growing the Kansas economy requires job creation all across our state. As associations whose membership is largely based in rural areas of our state, we appreciate initiatives that support economic growth in rural areas. Good jobs are vital to maintaining strong, viable communities. We have supported the Rural Opportunity Zone program and expansion of that program. The proposed Ad Astra Rural Jobs Program continues that important work.

Thank you for allowing us the opportunity to submit testimony in support of HB 2168.