



February 6, 2018

Madame Chair and Members of the Committee,

On behalf of the Wichita Regional Chamber of Commerce and our 1,800 members, thank you for the opportunity to present written testimony in support of S.B. 334.

This legislation would extend the time period in which firms would be able to utilize credits earned through the Kansas High Performance Incentive Program (HPIP). Current law requires that HPIP credits be utilized within 16 years from the time they are earned. S.B. 334 would extend that time period, but would reduce the value by 25% if utilized after year 16.

The Chamber believes this is appropriate public policy as the state has benefited from the activities of the firms that have earned the credits under the HPIP program. However, in some cases firms earning HPIP credits have been affected negatively by the national and/or global economies and have been unable to use the credits. Aviation, a major employer and economic driver in the Kansas economy, is a great example. Many Kansas original equipment manufacturers (OEMs) and companies in the aviation supply chain have struggled through a tough recession and low worldwide demand for airplanes and jets.

Fortunately for Kansas, our state's aviation related manufacturers have continued to make investments in real estate, equipment and personnel, even in a down economy. The HPIP program was a large part of the reason why. As these companies begin to benefit from a resurgent economy and a demand for their products their continued investment and increased hiring of high skilled Kansas workers will be slowed if they are unable to realize at least some of the credits they've earned previously, but have been unable to claim.

Kansas aviation firms and advanced manufacturers have a good news story to tell in 2018. They believe brighter days fast approaching. The state of Kansas will benefit greatly from this renewed growth. It is for this reason that we urge the Committee to report S.B. 334 favorable for passage.

Very truly yours,

Jason P. Watkins
Wichita Regional Chamber of Commerce