



**Overland
Park
Chamber™**

To: Chairman Adam Smith and Members of the House Taxation Committee

From: Kevin Walker, Senior Vice President of Public Policy

Overland Park Chamber of Commerce

Date: 16 February 2021

On behalf of the members of the Overland Park Chamber of Commerce I appreciate the opportunity to submit testimony in support of HB 2186. This bill gives taxpayers in specified agricultural and manufacturing NAICS codes the option to elect single factor apportionment when calculating their tax liability to the State of Kansas.

Allowance of this type of taxing option is an effective means of promoting economic development in Kansas, especially since our neighboring state and biggest economic development competitor, Missouri, already allows such a choice. Under single-factor apportionment, the only factor used to determine a company's income tax is its sales in Kansas. Most manufacturers have their assets and employees in a small number of states but sell their product(s) regionally or nationally.

Reversing out-migration and growing our economy is critical for the future of Kansas. We must ensure that future generations have viable employment opportunities and one way of doing that is to make sure employers find Kansas an attractive place to base their operations. With the majority of states allowing for single factor apportionment, it is critically important that Kansas-based entities be given the opportunity to remain competitive.

We encourage the House Taxation Committee to act favorably on HB 2186.