



February 2, 2022

Mr. Chairman and members of the Committee,

On behalf of the Wichita Regional Chamber of Commerce and our 1,500 members, thank you for the opportunity to provide written testimony in support of HB 2499, AN ACT concerning taxation; relating to sales and compensating use tax; providing for a refund of tax paid on sales of property used in video, internet access and telecommunications services.

HB 2499 would provide a refund for state retail sales and compensating use taxes paid on property used or consumed in the provision of video service, internet access service, or telecommunication service. The refund amount would be capped at \$40.0 million per calendar year. If total claims for refund exceed \$40 million, the amount of tax refunded would be prorated. The provider of video service, internet access service, or telecommunications service would be allowed to claim the refund between January 1st and April 1st for any purchases that were made for the previous calendar year.

The state of Kansas is receiving a significant sum of money from the federal government to increase internet access and speeds through the deployment of broadband. The ensuing projects will benefit the entire state population, including current and future businesses. These funds were not intended to create a sales tax windfall for state government. In fact, every dollar associated with the buildout of broadband that is paid into the state treasury in the form sales tax is a dollar that doesn't go to its intended goal improving connectivity for everyday Kansans, especially those in rural and underserved parts of the Sunflower state.

With this in mind, we urge the Committee to report H.B 2499 favorable for passage.

Very truly yours,

A handwritten signature in black ink that reads "Jason P. Watkins". The signature is written in a cursive style with a prominent initial "J".

Jason P. Watkins