



Written Testimony:

Submitted by Angela Cassette, Managing Director of Music Theatre Wichita. I joined the organization as Development Director in 2013 and was promoted to Managing Director in the fall of 2019.

I am writing to submit proponent testimony for HB 2709.

This bill would offer sales tax relief for non-profit theatres in Kansas. There are a number of theatres in our state that produce for local audiences, and Music Theatre Wichita is the largest. With our \$4.5 million annual budget, we acquire licenses to mount our own productions of shows; we hire designers, craftspeople, and technicians to build sets and costumes and to run rehearsals and shows; and we hire actors and musicians to perform.

During a typical season we bring more than 65,000 patrons to downtown Wichita, filling our local restaurants and bringing dollars into our community. A 2018 economic impact study showed us that 1 in 4 Music Theatre Wichita patrons travel from outside our county. It was estimated that at least \$1.8 million per year in *new* economic activity is brought to Wichita, via out of state employees who move to Kansas for the summer, and those who travel in to see shows.

Our organization pays quite a bit of taxes on our ticket sales each year – even during our very strange pandemic year of 2021 the tax obligation on our sold tickets was \$127,000. We also grew our full-time staff number to twelve, and typically hire up to 200 seasonal employees, resulting in employment/payroll taxes.

HB 2709 will have no impact on those taxes, and we will gladly continue to pay them. But this bill will provide us relief from sales tax when we purchase goods. Last year we spent approximately \$30,000 on sales tax on goods to build sets and costumes, protect our workers and patrons, and operate our business.

Kansas – and our hometown of Wichita – is known for being small business friendly. I know we have small business owners among our lawmakers. You will of course understand through your experience the impact of this tax relief on an organization of our size.

The pandemic hit arts organizations exceptionally hard, but we remained agile, producing theatre safely and:

- Growing our full-time staff.

- Serving more than 43,000 patrons during the 2021 year via seven large-scale productions, at a time when theatres across the country remained shuttered.
- Hiring 60-75 contract workers per production, ranging from Broadway performers acting on our stage while their production was shut down to local stagehands whose income from working live events had disappeared entirely for a year or more.
- Each production returned money to the Wichita community as well:
  - We finished the year using about 1500 hotel room nights (not including guests and family of performers traveling to town)
  - Returned some business to those who depended on our patronage pre-pandemic (those who print our playbills, nearby restaurants, and a host of local merchants)

As a not-for-profit organization, our goal is to generate revenue that we then pour back into our mission. We have a strong board and staff who do our utmost to make savvy business decisions; however, our goal is not to create profit but to serve our mission. And HB 2709 would undoubtedly help us serve our mission. By easing our tax burden, the legislature could help our organizations create and preserve jobs, recruit and retain talent in Kansas, and continue to make our state a great place to live and raise a family.

I have two small children, and we so enjoy the privileges of living in a place like Wichita, where arts and culture activities are so accessible. Our favorite institutions to visit – besides Music Theatre Wichita, of course! - are Wichita's Botanical Gardens, the Wichita Art Museum, Exploration Place, and the Sedgwick County Zoo.

All these organizations are already exempt from sales tax.

We request that you make the decision to add theatres like ours to your list. Thank you for your consideration.