

Senate Assessment and Taxation Committee
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Room 548-S
Proponent Testimony for HB 2106
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WANRack stands in support of HB 2106. HB 2106 would provide a sales tax exemption for sales of property and services used in the provision of communications services.

Currently broadband providers are actively working to provide access to consumers across the State, at a time when its services are becoming more critical. One way to assist in making services more accessible, is by creating a pro-business/pro-tax environment for telecommunications providers across the State. HB 2106 helps decrease the cost to deploy telecommunications infrastructure. This deployment is necessary to provide broadband services to more areas in need of increased connectivity.

Unfortunately, companies do not have unlimited capital budgets. Costs continue to skyrocket due to supply chain challenges, capital intensive projects taking shape across the US simultaneously and inflation, among other factors. Every broadband company faces complex decisions on where to spend our limited resources. Sales taxes imposed on telecommunication property used, directly reduces the amount of capital available, which is a contributing factor in decision making process.

We certainly understand the difficulties presented to legislature in deciding which industries deserve tax exemptions. We ask the legislature give special consideration to an industry that will be required to invest billions in providing services to areas across the State. This investment will allow more communities, many of which are rural, to have increased access to high-speed internet, a necessity in today's global economy. Making it easier to invest in our Kansas communities, as other states have done, will ensure the continued increased investment in our Kansas communities and achieve the goal of providing connectivity across the State.