



March 19, 2024

WRITTEN TESTIMONY IN OPPOSITION TO SENATE BILL 546
Senate Assessment & Taxation Committee

Sen. Tyson and Members of the Committee:

The Manhattan Area Chamber of Commerce stands in strong opposition to Senate Bill 546, which proposes to buy down the corporate income tax rate by discontinuing the state's HPIP (High Performance Incentive Program) and PEAK (the withholding tax benefits of the promoting employment across Kansas act) and repealing unused tax credits.

These programs are designed for both new and existing companies and have proven to be an effective tactic in increasing the number of jobs in our area and across Kansas.

In fact, the Kansas Economic Development Alliance estimates more than 33,000 jobs have been created or retained in FY 2023 through existing active agreements. In addition, KEDA estimates more than 2,224 new jobs are projected to be created from the PEAK program in new agreements reached over the next five years.

The High Performance Incentive Program is designed for just that – high performing new and existing companies that pay above average wages. HPIP is bringing both new capital investment and high wage jobs. In FY 2023, more than 60 initial project certifications and in excess of 350 recertifications were issued, with total estimated FY 23 capital investment generated ringing in at \$7.2B.

In Riley and Pottawatomie Counties alone, the High Performance Incentive Program accounts for total capital investment of more than \$225M.

The elimination of these incentives will take away two key tools that have proven to be effective in the creation and retention of jobs in our area. While reducing the corporate income tax will assist all corporations, doing it by eliminating targeted incentives will stymie growth and investment in Kansas.

Thank you for your consideration.

Jason Smith, President & CEO
Manhattan Area Chamber of Commerce