



Senate Financial Institutions and Insurance Committee
Oral Testimony in SUPPORT of SB37, Kansas Housing Investor Tax Credit Act
February 8, 2023

Mr. Chairman and members of the committee:

My name is Brad Smoot and I am testifying today in support of Senate Bill 37 on behalf of the American Property Casualty Insurance Association (APCIA).

Representing nearly 60 percent of the U.S. property casualty insurance market, APCIA promotes and protects the viability of private competition for the benefit of consumers and insurers. APCIA represents the broadest cross-section of home, auto, and business insurers of any national trade association. In Kansas, APCIA's members write more than \$4.2 billion in property and casualty insurance premiums.

We believe premium tax credits offer a smart means to promote investment in a better housing market. Those investments can have ripple effects to create opportunities and growth in the state's economy.

We believe the bill can be strengthened by adding language to avoid unintended consequences related to retaliatory taxes. Retaliatory taxes come into play when an out-of-state insurer from a higher tax state does business in Kansas. If retaliatory protections are not added to this bill, out-of-state insurers would be less likely to participate in the program because these insurers could lose the benefits of these tax credits if they have to pay increased retaliatory taxes as a result of getting these tax credits

We suggest the same language used in other tax credit statutes in Kansas be added as a new subsection.

For purposes of calculating any tax due under K.S.A. 40-253, and amendments thereto, from a taxpayer not organized under the laws of this state, the credit allowed by this section shall be treated as a tax paid under K.S.A. 40-252, and amendments thereto.

We appreciate the opportunity to express our support and urge your consideration of this proposed amendment. I am happy to answer any of your questions.