

1000 S.W. Jackson St., Suite 100  
Topeka, KS 66612-1354



Phone: (785) 296-3481  
Fax: (785) 296-5055 TTY: 711  
admin@kansascommerce.com  
KansasCommerce.com

Pat George, Secretary

Sam Brownback, Governor

## **Written Testimony of Commerce Secretary Pat George Regarding Ending High Performance Incentive Program (HPIP) in SB 240**

Members of the Conference Committee, the legislation you are considering today, SB 240, would repeal KSA 79-32,160a, which allows companies to earn and claim investment tax credits under the High Performance Incentive Program (HPIP).

Currently, eligible companies can receive a 10 percent tax credit on capital investments in a "qualified Kansas business." In order to become eligible for HPIP, companies must pay higher than average wages and invest in employee training and education.

These are the exact types of jobs the state is seeking to create. Many major manufacturing companies in the state participate in HPIP, including aviation, tire, pet food, automobile and others. HPIP is also utilized by major service companies across the state.

To end this program would significantly weaken the state's economic toolbox and the state's ability to attract quality companies that offer high-paying jobs. That, in turn, will weaken our efforts to spur much needed job growth.

I urge the Conference Committee to reconsider its intention to end the HPIP program.

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SN Assmnt & Tax

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Attachm't # 1