



**AMERICANS FOR  
PROSPERITY®**

Testimony on Senate Bill 334

February 6, 2018

Thank you for the opportunity to speak today. My name is Jeff Glendening and I am the Kansas State Director of Americans for Prosperity, the state's largest grassroots advocate for free markets. On behalf of the over 50,000 AFP activists in Kansas, I urge you to oppose Senate Bill 334 which would extend the lifespan of "high performance" tax credits in the state of Kansas.

Across the nation, multiple states have relied on tax credit programs to bring jobs into the state and jumpstart economic growth. Americans for Prosperity has time and time again encountered these programs and found that despite the best intentions, they failed to deliver the promised results. This tax credit is no difference.

The fact that businesses continue to hold over such large amounts of tax credits show that not only is this tax credit program overly generous, but it isn't delivering on its intended goal of spurring economic growth.

The purpose of tax credits is to be a tool for state economic development officials to draw new business investments to a state, whether those investments are new businesses moving to the state, or expansion of businesses which already have a footprint in the state. The rationale for these tax credits is that they will spur in-state investments that would not have happened without the existence of the tax credit. If the business doesn't need to offset their investment, and would have made the same business development decision regardless, then the money the state spent on the tax credit did not spur any economic growth.

However, these high performance tax credits remain unused for years beyond when they were disbursed, showing that the tax credits were not used to offset new investments that would not have otherwise occurred. Rather, these credits are being used to offset massive tax liabilities for specific businesses at a time when Kansas continues to face budget woes.

The extension of this tax credit's life will do nothing to spur further economic growth. Businesses have already made the investments required to obtain the tax credit, extending this program will not incentivize further growth. All extending the life of this tax credit will do is make our state's revenues even more unstable by making it harder to predict what the state's tax expenditures will be from year to year.

For these reasons, I respectfully urge you to vote against Senate Bill 334.

Sincerely,  
Jeff Glendening  
Kansas State Director  
Americans for Prosperity