



House Committee on Commerce, Labor and Economic Development

Testimony in Support of House Bill 2702

Presented by Eric Stafford, Vice President of Government Affairs

Wednesday, February 19, 2020

Mister Chairman and members of the committee, my name is Eric Stafford, Vice President of Government Affairs for the Kansas Chamber. The Kansas Chamber represents small, medium and large businesses of all industry segments across the state. We appreciate the opportunity to testify in support of House Bill 2702, which amends the high-performance incentive program (HPIP).

HPIP has been one of our state's most effective economic development incentive programs. HPIP offers a 10% income tax credit for capital investments of more than \$50,000 (\$1,000,000 in five metro counties), a sales tax exemption for the capital investment on their qualified facility, and a training tax credit up to \$50,000.

The component of HPIP that HB 2702 modifies is the requirement that businesses participate in the Kansas industrial training or Kansas industrial retraining program. Our members have consistently shared with us that the training requirements under the HPIP program are cumbersome. Eliminating this requirement has received unanimous support from our members.

That doesn't mean that on-going training isn't important for businesses in our state. Training and professional development is critical for businesses to compete in today's economy and tight labor market, and having a well-trained workforce is essential for our member's success.

We appreciate the opportunity to testify in support of House Bill 2702, and I am happy to answer any questions at the appropriate time.