

# Metal Finishing Company, Inc.

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ATTN: Kansas House Committee on Taxation

Chairman Johnson, Ranking Member Gartner, and Members of the Committee:

Good afternoon and thank you for the opportunity to present this written testimony in support of SB 22. My name is Robert Babst Jr. and I am President of a 3<sup>rd</sup> generation Kansas family owned business named Metal Finishing Company. We currently employ approximately 350 full time employees in the Wichita, KS and Wellington, KS areas. We also operate a division in Chihuahua City, Mexico.

Our company is primarily focused on serving the aerospace market and we are fortunate to count a wide range of direct customers from major OEMs such as Boeing, Spirit, Textron, Gulfstream, and Bombardier all the way down to a multitude of smaller local Kansas based machine shops. Our core business involves offering inspection, heat treatment, and coating services and while we are a relatively small part of the economic cost of an aerospace part, we are an absolutely critical component in ensuring the strength of the aerospace cluster in the Wichita area.

We began our operation in Mexico about nine years ago in support of Wichita based customers such as Cessna and Beechcraft (now both part of Textron). It is important to note that this foreign location did not result in a single job displaced from our Kansas operations, but rather has allowed us increased market visibility and helped in bringing more opportunities for our core business in Kansas. We count multiple customers at our Wichita headquarters that we would not be doing business with if not for our Mexico presence, and have added well over 50 employees in Kansas since we opened the Mexico division.

As the aerospace industry is enjoying unprecedented growth, we feel strongly that Kansas needs to ensure we maintain tax policies favorable to business growth. We have been approached multiple times by other states seeking to attract aerospace companies, and favorable tax policies are often a cornerstone of their sales pitch. We feel strongly it is in

Kansas's best interest to modernize our tax code by passage of SB 22. This will be an important step in continuing to make Kansas a business-friendly environment and encourage companies (like ours) with an international footprint to choose growth in Kansas over other alternatives.

Best Regards and Rock Chalk!

Robert H. Babst, Jr.  
President  
Metal Finishing Company