



January 31, 2022

Mr. Chairman and Members of the House Commerce Committee,

On behalf of the Wichita Regional Chamber of Commerce and our 1,500 members, thank you for the opportunity to provide testimony in support of S.B. 347 AN ACT concerning economic development; enacting the attracting powerful economic expansion act; relating to tax and other incentives for projects in specified industries or for a national corporate headquarters with specified capital investment requirements of at least \$1,000,000,000;

The Chamber stands in strong support of enhancing Kansas' economic development tool box in order for our state to reap the benefits of job creation, capital investment and the associated creation of wealth and prosperity for our state and her citizens. Therefore, we strongly support the majority of the policy contained in S.B. 347.

This legislation, passed by the Senate and known as APEX, would create a set of incentives designed to attract some of the world's largest firms to our great state. We know that Kansas already hosts a world class K-12 and Regents education system. We have some of the world's hardest working men and women providing us one of the most talented and capable workforces. What we currently lack is a set of incentives necessary to close deals for mega projects. S.B.347 would remedy that concern.

The Kansas Senate made two notable changes to the original legislation. First, they created a mechanism by which corporate income taxes would see a .5% reduction following any year in which benefits were paid out as a result of the APEX program. We applaud this move and urge you to retain this improvement. However, the Senate also made the income tax credits non-refundable. This change is highly problematic and is reported to be of a big enough consequence that we would lose out on the 4,000 permanent jobs, 6,000 temporary construction jobs and \$4B capital investment associated with the project that was genesis for this legislation in the first place. We strongly urge you to return the provision to its original benefit as introduced.

Thank you again and I am happy to stand for questions at the appropriate time.

Very truly yours,

Jason P. Watkins