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**Testimony on HB 2499
PROPONENT**

House Taxation Committee

Thursday, February 10, 2022

Chairman Smith and Members of the Committee:

I am here on behalf of AT&T in support of HB2499.

This bill would keep Kansas competitive with neighboring states by providing a limited tax refund for state sales and use taxes paid on equipment used to expand and improve communications networks. These networks provide Kansans with wireline and wireless connectivity, broadband internet access and video services. The tax refund established by this bill, available to all communications providers, would be capped at 40 million dollars.

As you know, Kansas already has similar policies in place that exempt or refund state sales and use taxes on inputs to production of agriculture and manufacturing goods. This bill would afford the same tax benefit to the communications industry.

This policy is important because right now, Kansas is at a competitive disadvantage when it comes to network investment. Twenty- two (22) other states including Texas, Missouri, Oklahoma and Iowa, offer a tax refund or exemption on taxes paid on this type of equipment – or they have no sales tax on it at all. I have provided a handout that details how investment in communication infrastructure is presently treated by our neighboring states.

In closing, I believe HB 2499 is a necessary tax policy to make Kansas more competitive among its neighboring states. AT&T remains committed to Kansas – we've invested \$550 million in our networks over the last three years. We look forward to continued investments and furthering our mission of connection – with each other, and with what people and businesses need to thrive every day.

Thank you for your consideration.

Respectfully submitted,

Michael J. Ruffin
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