



**House Committee on Taxation  
Testimony in Support of House Bill 2499  
Presented by Eric Stafford, Vice President of Government Affairs**

**Wednesday, February 2, 2022**

Mister Chairman and members of the committee, my name is Eric Stafford, Vice President of Government Affairs for the Kansas Chamber. The Kansas Chamber appreciates the opportunity to support House Bill 2499 which would exempt machinery and equipment used for telecommunications and internet services across the state.

Kansas has recognized the value of exempting machinery and equipment from sales tax for a number of industries. According to the Kansas Department of Revenue website on the manufacturing exemption, "The law defines "manufacturing or processing business" as a business that utilizes an integrated production operation to manufacture, process, fabricate, finish, or assemble items for wholesale and retail distribution as part of what is commonly regarded as a industrial manufacturing or processing operation or a agricultural commodity processing operation."

Additionally, Kansas law exempts other machinery and equipment not specific to manufacturing equipment including computers and equipment utilized by a manufacturing or processing business, M&E that is utilized to manufacture or rebuild tangible personal property that is used in manufacturing, portable plants for aggregate concrete, and others.

HB 2499 provides equitable tax treatment for equipment necessary to deliver telecom and internet services to customers across the state similar to the manufacturing exemption offered in the creation of other products. These investments are costly for Kansas businesses and subjecting this equipment to sales tax only creates a pass-through cost to customers.

Thank you for the opportunity to submit testimony in support of House Bill 2499, and I am happy to answer any questions at the appropriate time.