

**House Taxation Committee
February 10th, 2022
Room 346-S
Written Proponent Testimony for HB 2499
David Soffer, Director of Business Development**

WANRack stands in support of HB 2499. HB 2499 would create a refund for state retail sales and compensating use taxes paid on property used or consumed in the provision of video service, internet access service, or telecommunication service.

Currently broadband providers are actively working to provide access to consumers across the State, at a time when its services are becoming more critical. One way to assist in making services more accessible, is by creating a pro-business/pro-tax environment for telecommunications providers across the State. HB 2499 helps decrease the cost to deploy telecommunications infrastructure. This deployment is necessary to provide wireless telecommunication services to more areas in need of increased connectivity. Unfortunately, companies do not have unlimited capital budgets. We are all faced with complex decisions on where to spend our limited resources. Sales taxes imposed on telecommunication property used, directly reduce the amount of capital available to invest, which is a contributing factor to investment decisions.

We certainly understand the difficulties presented to legislature in deciding which industries deserve tax refunds. We ask the legislature give special consideration to an industry that will be required to invest billions in providing services to rural areas across the State. This investment will allow rural areas to have increased access to high-speed internet, a necessity in today's global economy. Making it easier to invest in our Kansas communities, as other states have done, will ensure the continued increase in investment in our Kansas communities and goal to provide connectivity across the State.