



The Historic Lackman-Thompson Estate

11180 Lackman Road
Lenexa, KS 66219-1236

913.888.1414

Fax 913.888.3770

TO: Rep. Marvin KleeB, Chairman
Members, House Commerce Committee

FROM: Ashley Sherard, Vice-President
Lenexa Chamber of Commerce

DATE: February 6, 2013

RE: **Written Testimony on HB 2124—Unemployment Comp**

The Lenexa Chamber of Commerce would like to express its support for the goals reflected in HB 2124, which puts forth proposals intended to continue recharging the Unemployment Compensation Trust Fund (UCTF) while improving rate stability and fairness and encouraging accountability and re-employment.

Unemployment compensation is an important issue to the business community. Unemployment compensation taxes are paid solely by employers, and they are a significant business expense. In Kansas, unemployment compensation tax collections stand behind only property, sales and use, income, and motor fuels taxes in total amount of state and local taxes collected.

Unfortunately, businesses' options are limited if unemployment compensation tax assessments become too high. In recent years, business owners have testified they have been forced to lay off employees or forego plans to hire/rehire workers, increasing the number of UC claimants. Worse, some go out of business altogether, reducing the overall number of Fund contributors and increasing the burden on those remaining. For these reasons, it is critical to control unemployment compensation costs.

Accordingly, we urge you to favorably consider long-term changes to the unemployment compensation system that would facilitate stability and sustainability, protect the integrity and fairness of experience ratings, and encourage re-employment, which we believe would help Kansas employers in meeting their unemployment compensation tax obligations and support our state's continued economic recovery.

Thank you for your consideration of this important issue.

House Commerce & Economic
Development Committee

Date: 2-7-13

Attachment #: 9