

PUBLIC POLICY STATEMENT

HOUSE COMMITTEE ON TAXATION

RE: Support of HB 2267 – an act concerning income taxation;
relating to credits; high performance incentive program

March 7, 2013
Topeka, Kansas

Testimony provided by:
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KFB Governmental Relations

Chairman Carlson, and members of the House Committee on Taxation, thank you for the opportunity to share our policy and support for HB 2267. I am Brad Harrelson, Assistant Director—Governmental Relations for Kansas Farm Bureau. KFB is the state's largest general farm organization representing more than 40,000 farm and ranch families through our 105 county Farm Bureau Associations.

As defined in K.S.A. 79-201i the policy of our State is "to promote, stimulate and develop the general welfare, economic development and prosperity of the state of Kansas by fostering the growth and development of agricultural endeavors within the state". It goes on to state that, "Considering this state's heavy reliance on agriculture, the enhancement of agricultural endeavors is deemed to be a public purpose which will

promote the general welfare of the state and be for the benefit of the people of the state.”

As you are aware, production agriculture is very capital intensive and requires substantial investment in land, machinery and equipment. Because of these unique requirements, often accompanied by high risk and marginal returns, high tax obligations places a substantial burden on farmers and ranchers, and often becomes a deterrent to such investment and expansion.

The underlying statute contemplated for amendment today, allows a tax incentive aimed at job creation and growth which is afforded to most Kansas businesses. Kansas farms and ranch operations are businesses too, and should be equally eligible for the same access to incentives for growth and expansion. Just as HPIP encourages traditional business to invest capital and help grow the Kansas economy, so to would it promote growth in production agriculture. The omission of certain NAICS codes for agriculture is an oversight that should be amended.

In conclusion, Kansas Farm Bureau respectfully urges your recommendation to pass favorably HB 2267. Thank you, once again, for the opportunity to share the policy of our members. KFB stands ready to assist you as you consider this important measure. Thank you.