HB 2756 TESTIMONY BEFORE THE HOUSE COMMITTEE ON TAXATION
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Chairman Johnson and Members of the House Committee on Taxation,

Thank you for allowing me to testify on behalf of Finney County Economic Development Corporation in support of House Bill 2756, the Main Street Parity Bill.

Many communities across Kansas are struggling to find the resources to sustain and grow their hometowns. In Finney County, we have been blessed with significant economic growth over the past several years. In addition to significant investments in manufacturing, logistics, and agriculture, we've added over 400,000 square feet of national retail and our main street is home to many thriving locally-owned businesses. I am fortunate to serve a community that has long practiced responsible government. Our governing bodies have continuously striven to suppress property tax while still providing the necessary services and quality of life amenities that are needed in a growing, thriving community. A big part of our ability to do this has been through a commitment to responsibly use sales tax to invest in essential government services. There is no question that internet sales have had an impact on sales tax collected in our state. I realize that it's been a challenge to determine how best to capture that shortfall and I am pleased to see this Bill come to light.

Access to the internet has helped rural America to maintain its population base by connecting people to the world regardless of where they choose to reside. The internet has also made it more attractive for businesses to locate in rural areas for the same reasons. Unlike in the past when people chose where to live mostly based on job opportunities, in the future we know that because of access to the internet, people will choose where to live based on amenities, social and cultural offerings, and what we commonly refer to as "quality of life."

The time is now to act on capturing sales tax related to internet sales so that we can invest those dollars into the services and amenities that future generations will seek. In Finney County, investing in our future has worked. In the past two years, we've invested $635,000 in economic development and we've attracted more than $400 million in private investment which is a Return on Investment of $639 for each dollar invested. Economic development happens at the local level and it is imperative that the state government empower local communities to invest all resources available toward that end.

With the budget woes Kansas has experienced over the past several years, it is prudent to seize opportunities to enhance income. We all know the cost to provide essential services continues to increase. Budget concerns call for action — reduce expenses, increase revenues, or some combination of the two. Responsible governance demands that we recognize which path is the most fruitful depending on where

we are in the economic cycle. In Kansas, we have reduced investments into our state over the past several years to the point that we are now limiting our ability to grow our economy. It is time to rebuild our essential services, invest in our infrastructure, and enhance the human and social capital in our state if we are to sustain and grow. This Bill helps to get us on the road to a sustainable, positive budget situation. Kansans deserve to know that our state government is in a position to provide adequate services while also investing in our future.

From an economic development standpoint, the sooner we get our State's budget woes out of the national media, the better. As we grow our communities and attract new business to Kansas, a state government that can provide excellent infrastructure, proper education, and a welcoming business climate is extremely important. Businesses looking to invest Kansas will demand it.

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