

SB 342

Senate Commerce Committee

March 8, 2007

Marlee Carpenter, Vice President of Government Affairs

Chairman Brownlee, Chairman Jordan and members of the committee;

The Kansas Chamber and our over 10,000 members encourages the Kansas Legislature to look at pro-growth business tax policy that will encourage capitol investment and job creation in the state. The Kansas Chamber represents business of all sizes and from all part of the state. More than 95% of our members have less than 50 employees so we speak on behalf of large medium and small business.

The Kansas Chamber is here is support of SB 342, the simplification of the tax credits. The current HPIP program is the flagship economic development program of the state. The current HPIP program is so complicated and complex that only very sophisticated taxpayers that have access to accountants or lawyers can claim this credit. The proposed simplification is overdue and supported by our business members. Our concern comes with the threshold increase. We believe that the proposed \$1 million threshold is much too high. Many small and medium sized businesses that make significant investments in the state would not qualify for tax credits. We believe that a threshold amount between \$100,000 and \$200,000 would be more reflected of the types of investments make in Kansas.

The same is true with the new Jobs Credit. We believe that the 20 jobs requirement is too high, even in the metro area. We would suggest that this number is reduced below Missouri's 10 net new job credit.

The Kansas Chamber is supportive of the overall goal of the bill and is ready and willing to continue to work with the Department of Revenue and Department of Commerce to come to an agreement so that these pro-jobs, pro-business measures advance though the legislative process and gain passage.

Thank you for your time and I will be happy to answer any questions.