



March 19, 2024

Madame Chair and Members of the Committee,

Thank you for the opportunity to provide testimony in opposition to S.B. 546, AN ACT concerning taxation; relating to income tax; decreasing the corporate income tax rate; discontinuing income, premium and privilege tax credits of the high performance incentive program; repealing unused tax credits relating to abandoned well plugging, agritourism liability insurance, assistive technology contributions, declared disaster capital investment, environmental compliance, owners promoting employment across Kansas and swine facility improvement; relating to withholding tax; discontinuing benefits of the promoting employment across Kansas act.

The Chamber is opposed to S.B. 546 for two primary reasons. First, the PEAK and HPIP programs have proven successful tools in the development of the south-central Kansas area economy. Millions of dollars in capital investment and thousands of jobs have resulted from PEAK and HPIP.

In addition, while the Chamber recognizes the value in the attempt to lower the corporate income tax rate, many beneficiaries of these programs are LLCs and S-Corps. They are pass-through entities and therefore, taxed at individual income tax rates. Decreasing the corporate income tax rate would do nothing for them.

The Chamber would certainly be supportive of and would be eager to participate in conversations related to the lowering of corporate and personal income tax rates. However, we are unsupportive of S.B. 546 and would encourage the Committee not to pass it out favorably.

Thank you, and I am happy to stand for questions at the appropriate time.

Very truly yours,

Jason P. Watkins