



Senate Bill 223

Oppose

Written Testimony submitted to the
Senate Assessment and Taxation Committee

Matt Pivarnik, President and CEO
Greater Topeka Chamber of Commerce

March 9, 2017

Madame Chair and Members of the Committee:

The Greater Topeka Chamber of Commerce opposes Senate Bill 223 which changes the eligibility requirements on the state's economic development program called Promoting Employment Across Kansas (PEAK) and eliminates the program for most existing Kansas businesses.

The Greater Topeka Chamber of Commerce gives voice to the business community in Topeka and Shawnee County. Its nearly 1,000 business members represent a broad cross-section of business types, sectors and sizes. The Chamber's affiliated economic development organization, Go Topeka, is primarily responsible for attracting new businesses to the area, working with our existing companies to help them expand their operations here and act as an interface between our businesses and our excellent educational institutions to ensure Topeka has a steady pipeline of skilled talented workers.

We oppose Senate Bill 223 because it removes a very important tool in the state's economic development tool box. PEAK allows qualified employers which create a certain number of good-paying jobs in Kansas to retain 95% of the Kansas payroll withholding taxes for those employees. PEAK and Kansas' other key economic development incentive, HPIP, are critical to our efforts to attract new businesses to Kansas and encourage our existing companies to expand here.

A number of Topeka's fastest-growing employers have taken advantage of these incentives. In most cases, these were companies which could have chosen to locate elsewhere. They chose to relocate to Topeka, or to stay here, for a number of reasons. Having spoken directly with officials at these companies, we know their ability to utilize PEAK tax credits was an important part of their decision-logic. Without the program, our community would almost certainly have lost at least some of these major projects.



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The Topeka Chamber is part of a statewide Coalition of Local Chambers which is likewise dedicated to improving the quality of life and economic prospects in each of the communities it represents. The Coalition has taken the strong position that economic development programs are critical tools used to retain and attract businesses and create jobs throughout Kansas and, thus, supports the preservation of existing programs and other resources, including PEAK and HPIP. The Committee can rest assured this program is critical to communities across the state.

For all these reasons, we urge you to vote against Senate Bill 223.

Contact:

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