



February 19<sup>th</sup>, 2020

Representative Sean Tarwater  
Chair, Committee on Commerce, Labor and Economic Development  
Kansas House of Representatives

RE: Support for House Bill 2689 – Amending the angel investor tax credit

Mr. Chairman and members of the Committee:

As President & CEO of BioNexus KC, a Kansas City non-profit that supports the life science and healthcare industries in Kansas, I am writing to encourage passage of House Bill 2689, the extension and amendment of the Kansas Angel Investor Tax Credit Program ("AITC").

The AITC is an important tool for Kansas-grown life science companies that results in the creation of companies, jobs and investments in Kansas technology and IP. Since 2015, I have worked closely with bioscience entrepreneurs in Kansas: first as CEO of BioKansas, the life science trade association in the state, and more recently, at BioNexus KC. At both organizations, I have worked with numerous companies and CEOs who have used the AITC program to raise capital and give themselves a competitive advantage over companies in other regions. I can attest to the positive impact the AITC has had on helping companies form in Kansas, grow in Kansas, and even relocate to Kansas from other states after forming.

Additionally, a common theme I've heard, and one I think you'll hear from other proponents of HB2689, is that the AITC doesn't just stimulate investment in Kansas companies, but it stimulates investment from investors OUTSIDE of the state, money that would likely be deployed elsewhere if it weren't for the AITC. In order to compete regionally and nationally, we need to continue to support and expand successful programs like the AITC to improve our efficiency at moving technologies out of the labs of our state's universities and translate research more effectively into tomorrow's cures and treatments.

HB2689 contains several amendments to the AITC program that will be key to the continued growth and positive impact of the program. Specifically, HB2689 proposes:

- To extend the program through 2026 and increase the amount of credits that individual companies and investors can access annually.
- To expand the amount of tax credits from \$6M (current) to \$8M over the next four years to allow for more Kansas companies to access the program.
- To eliminate the unnecessary qualifications and limitations on the transfer of tax credits, which inhibit the ability of Kansas companies to raise capital and result in a transfer of money from the Kansas Department of Revenue to DORs in other states.

I hope the committee agrees with our perspective and supports passage of HB2689 and the extension and amendment of the Kansas Angel Investor Tax Credit, a truly beneficial program that imparts a significant regional competitive advantage to Kansas and its entrepreneurs. Please help Kansas remain a viable option for life science company formation and growth, and support continued growth of the state's life sciences industry so we can continue to make a positive impact on the state's economy.

Sincerely,

A handwritten signature in black ink, appearing to read "Dennis Ridenour", written over a white background.

Dennis Ridenour  
President & CEO, BioNexus KC