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Testimony of Patrick Fucik on behalf of Sprint Corporation
On Kansas HB 2940
Kansas House Taxation Committee
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Good afternoon Chairman Johnson and members of the committee. My name is Patrick Fucik and I am the National Director of State Government Affairs for Sprint. Thank you for the opportunity to provide testimony in support of HB 2940.

Currently, Kansas law provides for a 10 year net operating loss, or NOL, carryforward period. However, Federal NOL carryforward periods have been changed to indefinite (instead of 20 years) as part of 2017 Federal Tax Reform. Because of Kansas's short 10 year NOL carryforward period, capital intensive taxpayers will risk that deduction expiring. Allowing NOLs in Kansas to expire unused is harmful to Kansas businesses and represents a permanent loss of tax deductions for Kansas companies, largely attributable to Federal Tax Reform.

HB 2490 simply changes the Kansas NOL carryforward period from the existing 10 years to 20 years. Currently, 33 states allow either a 20 year or an indefinite NOL carryforward period (16 states have 20 years and 17 states have indefinite). The passage of HB 2490 would help mitigate the potential for expiring deduction for capital intensive Kansas taxpayers and a 20 year carryforward period vs indefinite carryforward period is less costly to Kansas.

Last year, this committee amended and unanimously passed HB 2388 which as amended is identical to HB 2940 before you today. A second NOL bill, HB 2417, was also introduced last year and remains in this committee.

On behalf of Sprint, I respectfully ask for favorable passage of HB 2490 and thank you for your consideration of my testimony. I would be happy to answer any questions at the appropriate time.