



**Senate Committee on Commerce**

**Testimony in Support of APEX Megaproject Legislation**

**Presented by Eric Stafford, Vice President of Government Affairs**

**Wednesday, January 19, 2022**

Madam Chair and members of the committee, my name is Eric Stafford, Vice President of Government Affairs for the Kansas Chamber. The Kansas Chamber represents small, medium and large businesses of all industry segments across the state. We appreciate the opportunity to testify in support of the APEX megaproject legislation, which takes idea from two of our state's incentive programs and tailors a competitive incentive package for significant investment projects in our state.

HPIP and PEAK have been two of our state's most effective economic development incentive programs. HPIP offers a 10% income tax credit for capital investments of more than \$50,000 (\$1,000,000 in five metro counties), a sales tax exemption for the capital investment on their qualified facility, and a training tax credit up to \$50,000. PEAK offers businesses investing in the state to retain up to 95% of withholding taxes if creating at least five jobs in non-metro counties, and 10 jobs in metro counties, if those jobs pay above average county median wage for their respective industries.

The proposal before you today is narrowly tailored to projects greater than \$1 billion investment and includes oversight by the Secretary of Commerce to ensure commitments are kept. This proposed legislation is unique and aggressive because not only would the primary company seeking investment in our state qualify when meeting certain obligations, but so would their suppliers. This proposed incentive package is an aggressive attempt to reverse the decades-long decline in population by attracting significant investment opportunities to our great state. In an ideal world, incentives would not be necessary but until all 50 states agree to disarm from the incentives race, we must strive to ensure ours remain competitive while also considering comprehensive tax reform and overall rate reduction.

We appreciate the opportunity to testify in support of the proposed APEX incentive program, and I am happy to answer any questions at the appropriate time.