



House Committee on Taxation
Tuesday, January 31, 2023
Support of HB 2110

Thank you, Mr. Chair and members of the House Committee on Taxation, for the opportunity to support HB 2110 regarding single factor apportionment of business income for calculating income taxes.

For more than 100 years, family-owned Hallmark Cards, Inc. has been dedicated to creating a more emotionally connected world and making a difference in the lives of others. Headquartered in Kansas City, Missouri and employing 20,000 worldwide, our approximately \$3.8 billion company operates a diversified portfolio of businesses, including:

- Hallmark Global, which sells greeting cards, gift wrap, and related products in more than 30 languages with distribution in nearly 100 countries and 100,000 rooftops worldwide, including a network of company-owned and independently-owned Hallmark Gold Crown stores in five countries;
- Crayola®, which offers a wide range of art materials and creative play toys designed to spark children's creativity around the globe;
- Hallmark Media, which operates three linear cable channels: Hallmark Channel, Hallmark Movies & Mysteries, and Hallmark Drama. Hallmark Media also features Hallmark Movies Now, a subscription video on-demand streaming service, and Hallmark Publishing, a leading publisher of uplifting eBooks, audiobooks, and print editions; and
- Crown Center, our real estate development company that manages the 85-acre hotel, office, entertainment, and residential campus surrounding Hallmark's headquarters.

Hallmark operates two manufacturing facilities in Kansas, one in Lawrence and one in Leavenworth. There are approximately 950 employees currently working in our Kansas facilities, and many more Hallmarkers call Kansas home.

Hallmark supports SB 91 as it would allow a qualifying taxpayer to elect to use a single sales factor apportionment of business income for calculating income taxes instead of a three-factor approach of calculating a company's property, payroll, and sales in the state. Twenty-nine states and the District of Columbia have moved to the single sales factor approach to encourage investment in the state.

Thank you for your consideration.

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