



**Testimony of Steve Hahn, President - AT&T Kansas
HB 2255
House Committee on Commerce, Labor and Economic Development
February 18, 2013**

Good afternoon, Mr. Chairman and members of the Committee. My name is Steve Hahn. I am the President of AT&T Kansas and I am here in support of HB 2255.

Today's communications industry is driving a new economy – one that is based on Internet Protocol (IP) broadband networks and wireless technology. It's also one in which speed, mobility and instant connectivity are driving virtually all sectors of our economy - agriculture, health care, manufacturing, financial services and many more.

During the depths of our recent recession, when many industries were struggling to stay solvent or were sitting on capital dollars hoping economic conditions would improve, the communications industry was pouring money into infrastructure and services at a rate of more than \$60 billion a year.

- HB 2255 calls for the creation of a sales tax refund that would bring Kansas' state tax policy in line with many other states in our region, including Missouri and Iowa. Currently, Missouri exempts telecom machinery and equipment from state and local taxes. Kansas competes with neighboring states like Missouri, and indeed the whole country, for investment and jobs, so it is a logical step to offer comparable tax treatment to companies that are willing and eager to invest in Kansas.
- Kansas already offers a similar tax credit to Kansas manufacturers which exempts them from state and local taxes on their equipment and machinery, so adopting this measure is not a departure from current tax policy.

A robust broadband infrastructure is critical to the future of economic growth and job creation in today's economy. And, the demand for broadband applications and services is only going to increase. Thus, it becomes even more important for Kansas to encourage continued investment in and broader deployment of broadband networks with the right conditions and tax policies.

HB 2255 is a good step for Kansas because it encourages new infrastructure investment that we need to keep Kansas competitive.