

**Senate Committee on Taxation
Opposition to Senate Bill 222- One Year Moratorium on PEAK
Presented by Eric Stafford, Vice President of Government Affairs**



Thursday, February 9, 2017

Madam Chair and members of the committee, my name is Eric Stafford, Vice President of Government Affairs for the Kansas Chamber. The Kansas Chamber appreciates the opportunity to testify in opposition to Senate Bill 222 which places a one-year moratorium on the Promoting Employment Across Kansas (PEAK) program.

In 2009, the Kansas legislature passed legislation creating the PEAK program allowing companies to retain Kansas withholding taxes when a qualifying company adds at least 10 jobs in a metropolitan county or five new jobs in non-metropolitan counties. PEAK was introduced as a discretionary program to foster economic development and attract investment to our state and now attracts investment from both out-of-state companies as well as companies seeking to expand within our state.

Kansas has very few economic development incentive programs available to attract and retain jobs and business. PEAK is one of those few programs available and in its short existence has shown very positive results. According to a December 2014 Legislative Post Audit review of Kansas' Major Economic Development Programs, PEAK has shown a \$57 per dollar spent return on investment to the state, the second highest return among the six programs analyzed by KLPA.

Our organization has expressed concerns over the repeal of the small business tax cuts and what potential harm that could cause the state's economy. Placing a moratorium on the PEAK program, on top of reversing the small business tax cuts, sends a very strong message that our state does not care about private sector economic growth or stability for Kansas businesses.

Thank you for the opportunity to testify in opposition to SB 222, and I am happy to answer questions at the appropriate time.



The Kansas Chamber, with headquarters in Topeka, is the leading statewide pro-business advocacy group moving Kansas towards becoming the best state in America to do business. The Chamber represents small, medium and large employers all across Kansas.