



February 8, 2018

Madame Chair and Members of the Committee,

On behalf of the Wichita Regional Chamber of Commerce and our 1,800 members, thank you for the opportunity to present written testimony in support of S.B 303. This legislation would allow small businesses to expense their capital investments rather than using a depreciation schedule. If passed, it will be retroactively applied to January 1, 2017, as was the income tax increase on these same businesses.

Kansas small businesses used to have the ability to expense capital investments, but that allowance was rescinded as part of the 2012 personal income tax cuts that also exempted non-wage business income for S-corporations, limited liability companies, etc.

C-corporations and banks were and still are allowed to expense capital investment.

While it was necessary to disallow expensing for small business as part of the 2012 income tax rewrite, it is likewise necessary to reinstate the allowance for expensing now that the exemption of taxes for non-wage business income has been removed. The Chamber believes this is a matter of fairness and equity.

The Chamber would also point out that several states and the United States government allow for the expensing of capital investment as they recognize this is a critical element in the development of jobs.

Once again, thank you for the opportunity to present our support and we urge the Committee to report S.B. 303 favorable for passage.

Very truly yours,

Jason P. Watkins  
Wichita Regional Chamber of Commerce