

**Senate Committee on Commerce**  
**Testimony in Support of Senate Bill 66, Angel Investor Tax Credit Program**  
**Presented by Eric Stafford, Vice President of Government Affairs**

**Monday, February 1, 2021**

Mister Chairman 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 Senate Bill 66 which extends and modifies the state's Angel Investor Tax Credit program.

Our state ranks among the best in the country for infrastructure, education network, work comp costs, and the unemployment insurance tax structure. One area where Kansas has lagged or ranked middle of the pack has been our tax policy, not only for existing companies but for new business/start-ups as well. Each year, we conduct an Annual Competitive Index (ACI) which measures a number of economic metrics to compare Kansas to our region and the nation.

Our 2020 ACI continues to show Kansas lagging compared to other states on our entrepreneurial climate. Recently, GrowthEconomics published the following data for our report:

**Kansas Underperforming on Business Growth and Entrepreneurial Drivers compared with ID, IN, MN, MO, and SC**

The blue coloring below shows states performing five ranks or better than Kansas. Idaho, Indiana, Minnesota, Missouri, and South Carolina are tough competitors when it comes to business growth and entrepreneurial drivers. Note Kansas' relatively weak ranking on Research and Innovation.

<b>Where a state is better than KS by more than 5 ranks</b>	Alabama	Arkansas	Idaho	Indiana	<b>Kansas</b>	Minnesota	Missouri	South Carolina	Wisconsin
Business Growth Index	27	39	4	20	<b>30</b>	15	16	11	32
Economic Diversification	33	36	26	31	<b>35</b>	11	22	23	27
Entrepreneurial Change	12	31	3	29	<b>37</b>	14	6	18	39
Entrepreneurial Vitality	15	46	14	19	<b>39</b>	16	49	30	34
Research & Innovation	15	46	25	34	<b>35</b>	9	31	38	21
Financial & Institutional Capital	17	36	42	28	<b>26</b>	15	32	41	27

While we must continue to look at improving our overall tax climate for all businesses, we must also look to support policies which improve our ranking for newly formed startup companies. SB 66 extends our Angel Investor tax credit program, and makes a few other changes to the program, really one of the few programs dedicated to new companies.

Thank you for the opportunity to testify in support of Senate Bill 66 and I am happy to answer any questions.