



House Taxation Committee
Tuesday, February 8, 2022
Support of HB2186

Thank you, Mr. Chairman, and members of the House Taxation Committee, for the opportunity to support HB 2186 regarding single factor apportionment of business income for calculating income taxes. Hallmark respectfully asks to add NAICS code 424100-Wholesale Trade to the bill.

For more than 100 years, family-owned Hallmark Cards, Inc. has been dedicated to creating a more emotionally connected world. Headquartered in Kansas City, Missouri and employing 27,000 worldwide, our approximately \$3.5 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;
- Crown Media Family Networks, which operates three linear cable channels: Hallmark Channel, Hallmark Movies & Mysteries, and Hallmark Drama. Crown 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 1,075 employees working in our Kansas facilities, and many more call Kansas home throughout the greater Kansas City area.

Hallmark supports HB 2186 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 have moved to the single sales factor approach to encourage investment in the state.

Thank you for your consideration.

Erin Brower, Sr. Director Government Affairs
Hallmark Cards, Inc.
2501 McGee Trafficway
Kansas City, MO 64108
Erin.Brower@hallmark.com