



Overland Park Chamber™

To: Senator Rob Olson and Members of the Senate Commerce Committee

From: Kevin Walker, Senior Vice President of Public Policy

Overland Park Chamber of Commerce

Date: 10 February 2021

On behalf of the members of the Overland Park Chamber of Commerce I appreciate the opportunity to submit testimony in support of SB 91.

The High-Performance Incentive Program (HPIP) is a popular and powerful economic development tool for our state. HPIP provides tax incentives to qualified employers who pay above average wages and make a significant commitment to developing their workforce through enhanced skills development.

Recipients of HPIP funds are eligible for a 10% tax credit when they make capital investments of at least \$50,000. In our five metro areas that minimum commitment threshold increases to \$1 million. Recipients of HPIP funds can carry the tax credit forward for a period of 16 years provided they requalify according to the provisions of the current program.

This bill would allow HPIP recipients to transfer up to 50% of their earned credits subject to several limitations as spelled out in the bill. Additionally, the bill clearly notes that any transferred tax credits are subject to repayment by the original company should the tax credits later become disallowed.

We believe transferability of earned tax credits in accordance with the provisions of SB 91 makes our popular HPIP program even better. This bill further enhances the ability of economic development professionals to recruit and retain high-quality employers to Kansas. The economic development environment is very competitive and having tools, like this, can be critical factors in securing investment in our state.

We urge the committee to recommend SB 91 favorably for passage.