



**Testimony of Patrick Fucik on behalf T-Mobile Before the
Kansas House Utilities Committee
January 31, 2023**

Chairman Smith and members of the House Committee on Taxation, please consider the following written testimony in support of HB 2110 which would allow certain taxpayers, including wireless telecommunications providers, to elect to use a single sales factor apportionment methodology in determining their income tax liabilities, instead of the current evenly weighted three-factor apportionment.

T-Mobile supports the concept of allowing specified industries with capital intensive businesses and/or high employment levels in Kansas to mitigate the impact of the current income tax apportionment methodology through a single sales factor election. The current three-factor apportionment model weighs a company's payroll, property and sales in the state compared to the company's total payroll, property and sales in order to determine the portion of that business's income that is attributable to Kansas. The result is that businesses that investment more in Kansas and employ more people with good-paying jobs in Kansas are penalized with a higher apportionment factor thereby resulting in a higher income tax liability. A single sales factor election allows those businesses to look solely to their sales in Kansas, which helps promote economic development within the State rather than such investment being deterred.

We are and have been investing heavily in our network since the T-Mobile / Sprint merger was finalized almost three years ago. T-Mobile is continuing to fulfill its commitment to investing over \$40B into its network in Kansas and across the country in order to build the country's largest, fastest and most reliable 5G network. We have made great strides in meeting this commitment, which is evidenced by the fact that our 5G network now covers 323 million people and our fastest 5G coverage – Ultra Capacity – covers 260 million people in the nation. The combination of our high-band millimeter wave spectrum (30 GHz – 300 GHz), Ultra Capacity mid-band spectrum (2 – 6 GHz) and our extended range low-band spectrum (600 MHz) places T-Mobile in a unique industry-leading position offering 5G across the nation. The enactment of HB 2110 would be beneficial and provide relief from any negative income tax impact arising from our increased investment in our network and employees in Kansas.

T-Mobile supports HB 2110 because it helps provide businesses, such as ours, that invest heavily and employ large numbers of Kansans with an election to utilize single sales factor apportionment and avoid the potential for an increased income tax liability solely due to a robust presence and investment in the State.

Thank you for your consideration of my testimony.

Patrick Fucik
Director State Government Affairs Mobile 913-687-5548 patrick.r.fucik@t-mobile.com