



March 4, 2025

Mr. Chairman and Members of the Committee,

On behalf of the Wichita Regional Chamber of Commerce and our roughly 1,300 members covering all sectors of the Kansas economy, thank you for the opportunity to provide testimony in support of H.B. 2308, AN ACT concerning economic development; enacting the aviation and innovative manufacturing in Kansas act; relating to tax and other incentives for projects in specified industries or for headquarters with specified job requirements of at least 250 new employees and specified capital investment requirements; providing for a refundable income, privilege and premium tax credit for a portion of such capital investment; retention of certain payroll withholding taxes; sales tax exemption for project construction and machinery and equipment; Kansas first award for procurement made from Kansas companies; establishing the aviation and innovative manufacturing in Kansas act Kansas first fund; providing for appropriations for such fund; establishing the aviation and innovative manufacturing in Kansas act new employee training and education fund.

The Chamber stands in strong support for H.B. 2308 because it is a critical tool for ensuring that Kansas remains competitive in the rapidly evolving transportation manufacturing sector, particularly in aerospace manufacturing, sustainable aviation fuel, and sustainable vehicles.

As you are well aware, Kansas has long been a leader in aerospace manufacturing, with a strong history of innovation and job creation. As we continue to see rapid technological development in this sector, it is imperative that we remain at the forefront of emerging industries like sustainable aviation fuel and sustainable vehicles. These sectors will play an increasingly significant role in shaping our economy in the years ahead. HB 2308 provides an important mechanism to support and grow these industries, enabling Kansas to maintain its leadership position.

The benefits provided by this bill to qualified businesses are slightly more than our traditional economic development tools, but they are necessary to ensure Kansas can successfully compete for large, high-impact projects. In today's global economy, it is no longer enough to rely on our historical advantages. Kansas must have access to the same modern tools and incentives that other states offer in order to win these large projects. H.B. 2308 helps us do just that by providing a performance-based approach that rewards investment and job creation.

A key feature of this bill is its requirement for both capital investment and a minimum job creation commitment. This dual requirement ensures that businesses are not only making a financial commitment to Kansas but are also creating high-quality jobs for our workforce. This



balance of investment and job creation will foster long-term economic growth and opportunity in our state.

Another important aspect of H.B. 2308 is its focus on workforce development, addressing one of the most critical concerns for businesses in the aerospace and transportation sectors. The bill includes a training benefit, which requires a partnership with Kansas community colleges or technical colleges. This provision is vital for ensuring that our workforce is equipped with the skills needed to meet the demands of these growing industries. By working with local colleges, we are not only preparing our workers for the future but also strengthening the connection between education and industry in Kansas.

The bill also provides support to current Kansas companies through the Kansas First provision. This provision ensures that companies already established in Kansas can benefit from the incentives outlined in the bill, reinforcing the value of retaining and expanding existing businesses in the state.

H.B. 2308 also proposes performance-based incentives that are closely aligned with business success. Investment tax credits, payroll refunds, and training rebates are awarded only after a company has made its investment and hired new employees. This ensures that taxpayers' dollars are spent efficiently and that incentives are directly tied to real outcomes in terms of investment and job creation.

Furthermore, H.B. 2308 includes meaningful safeguards to ensure accountability and transparency. The bill requires annual reporting from the Kansas Department of Commerce and includes a sunset provision, ensuring that these incentives are effective and continuously evaluated. Additionally, the inclusion of clawbacks ensures that if a company does not meet the expectations outlined in the agreement, Kansas can recover any unearned incentives.

In conclusion, H.B. 2308 provides an important and necessary tool to keep Kansas competitive in the aerospace and transportation sectors, particularly in emerging technologies like sustainable aviation fuel and sustainable vehicles. By incentivizing capital investment, job creation, and workforce development, this bill will help secure Kansas' future as a leader in these industries. The Wichita Regional Chamber of Commerce strongly supports H.B. 2308 and urges the committee to it favorable for passage.

Thank you and I would be happy to stand for questions at the appropriate time.

Very truly yours,

Jason P. Watkins

Wichita Regional Chamber of Commerce