



Testimony in Support of HB 2464

Kansas House Committee on Commerce and Economic Development

Submitted on behalf of the Wichita Regional Chamber of Commerce

Mr. Chairman and Members of the Committee,

On behalf of the Wichita Regional Chamber of Commerce, thank you for the opportunity to testify today in support of **HB 2464**, AN ACT concerning income taxation; relating to credits; extending the number of years that new credits may be issued or earned for contributions to graduates of aerospace and aviation-related educational programs and employers of program graduates.

Wichita has long been known as the *Air Capital of the World*. But in reality, **Kansas is the Air Capital of the World**.

Our state's rich history in aviation manufacturing helped win world wars, fueled decades of innovation, and created a strong middle class for Kansas families — all while making significant and sustained contributions to the **State General Fund** and to local communities across Kansas.

Today, more than **50,000 Kansans** work in aviation and aerospace manufacturing. If those workers formed their own city, it would be the **10th largest city in Kansas** — and it would have an **average income of more than \$97,000 a year**. That would be quite a town.

These are not secondary or service-sector jobs. They are **primary jobs** — jobs that build high-value products that are **exported out of state and out of the country**, bringing outside dollars into Kansas. That export-driven model is exactly what grows state revenues and strengthens our economy.

It is understandable, then, why **other states — and even other countries — want what Kansas has**. Aviation manufacturers are global competitors. They offer exceptional jobs and have the power to supercharge regional and state economies wherever they locate.

And for a time, Kansas felt that pressure acutely.

Over the past two decades, competition became intense. Other states became increasingly creative and aggressive with workforce incentives. As a result, Kansas began to see **aviation jobs leave our state**.

The good news is that **Kansas answered the call**.



Five years ago, the Legislature enacted the **aviation jobs tax credit**, creating:

- Tax credits for employers who hire qualified aviation workers,
- Credits for tuition reimbursement and workforce training, and
- Most importantly, an **income tax credit for individuals who accept aviation jobs in Kansas**.

This program has been a **tremendous success**.

Aviation manufacturers consistently attest that the credit has been **incredibly helpful in recruiting and attracting talent from outside Kansas**, particularly in a highly mobile, highly competitive workforce. I believe you will hear testimony today directly from employers who can speak to that impact firsthand.

This program is also part of the reason that, after Walmart, **Spirit AeroSystems** and **Textron Aviation** rank among the **largest non-government employers in the State of Kansas**.

So, on behalf of the aviation sector — and on behalf of all Kansans who benefit from these high-wage, export-driven jobs — **thank you** for creating and supporting this program.

However, I am here today because this successful program is **scheduled to sunset**.

HB 2464 wisely extends that sunset by ten years. The Wichita Regional Chamber strongly supports that extension. But we would respectfully encourage the Committee to consider **removing the sunset entirely**.

Doing so would send a clear and powerful message to existing manufacturers and to emerging aviation industries — including **advanced air mobility and high-tech drone manufacturers** — that **Kansas is committed to aviation for the long term**, and that no company should hesitate to locate, expand, or invest here.

Aviation is not a short-term strategy for Kansas. It is part of who we are — and who we will continue to be.

Thank you for your time and consideration, and I respectfully ask for your support of **HB 2464**.

I am happy to stand for questions at the appropriate time.

Very truly yours,

Jason P. Watkins