



Written Testimony:

Submitted by Angela Cassette, Managing Director of Music Theatre Wichita.

I am writing to submit proponent testimony for HB 2098.

This bill would offer sales tax relief for non-profit theatres in Kansas. Music Theatre Wichita is the largest of the theatres in Kansas who produce for midwestern audiences. Our annual budget is \$5.5 million, and with that we provide educational classes and programs for thousands of children and five large-scale productions each summer. We are a significant employer of artistic and production talent, with a full-time equivalent employment of 102.

We have clear measures of impact and return on investment. Our annual economic impact is \$7.9 million; our more than 50,000 patrons to downtown Wichita, filling our local restaurants and bringing dollars into our community. A 2018 economic impact study showed us that 1 in 4 Music Theatre Wichita patrons travel from outside our county. The impact of arts organizations like ours on recruitment and retention of talent is known, but as of yet unmeasured.

Our organization pays quite a bit of taxes on our ticket sales each year. In 2024, the tax obligation on our sold tickets was \$159,259. We have twelve year-round full-time staff, and hire up to 200 seasonal employees, resulting in employment/payroll taxes.

HB 2098 will have no impact on those taxes, and we will gladly continue to pay them. But this bill will provide us relief from sales tax when we purchase goods. For Music Theatre Wichita primary expenses are items like steel and lumber, which we use for set building.

Kansas – and our hometown of Wichita – is known for being small business friendly. I know we have small business owners among our lawmakers. You will of course understand through your experience the impact of this tax relief on an organization of our size.

As a not-for-profit organization, our goal is to generate revenue that we then pour back into our mission. We have a strong board and staff who do their utmost to make savvy business decisions; however, unlike typical small businesses, our goal is not to create profit but rather to serve our mission. And HB 2098 would undoubtedly help us serve our mission. By easing our tax burden, the legislature could help our organizations create and preserve jobs, recruit and retain talent in Kansas, and continue to make our state a great place to live and raise a family.

In the case of HB 2098, the legislature would be correcting an oversight. Our arts and culture organizations – including, in Wichita, the Botanical Gardens, the Art Museum, Exploration Place, and the Sedgwick County Zoo – are all already exempt from sales tax. And because the government investment in our theatrical organizations at the federal, state, and local level is quite small in comparison to the museums, gardens, zoos, we have the dual challenges of raising *more* private dollars to run our organizations and having donor dollars count for *less* because we are subject to sales tax on goods.

We request that you make the decision to add theatres like ours to your list. Thank you for your consideration.