

Arkansas City Area Chamber of Commerce
106 S. Summit Arkansas City, KS 67005
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February 21, 2025

House Committee on Tax
Kansas House of Representatives
Kansas State Capitol
300 SW 10th Ave.
Topeka, KS 66612

Re: Testimony in Support of House Bill No. 2276 – Kansas Small Business Ad Tax Credit

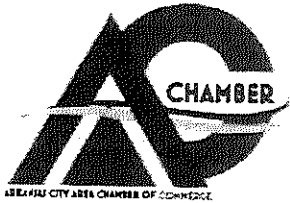
Dear Members of the Committee,

I am writing to express my strong support for House Bill No. 2276, which seeks to introduce a tax credit for small businesses that advertise their products and services through local news outlets. As a Chamber of Commerce professional, I have worked with many startup and expanding businesses, helping them navigate the challenges of launching and growing their operations. One of the most significant barriers small businesses face today is the rising costs of doing business, compounded by higher interest rates that make obtaining adequate financing for startups and expansion even more difficult.

Because of these financial constraints, many businesses either exclude marketing from their budgets altogether or allocate only a minimal amount. Instead, they often rely solely on free social media platforms for promotion. While social media can be an effective tool, many small business owners lack the time or expertise to manage it in a way that drives real growth. This limited approach often fails to reach a diverse range of potential customers, particularly those outside their immediate network or demographic. Without broader marketing strategies, small businesses struggle to build brand recognition and attract new customers, critical components of long-term success.

The reality is that 20% of small businesses fail within their first year, and nearly 50% do not survive beyond five years, according to the U.S. Bureau of Labor Statistics. A key factor in these closures is the inability to generate sufficient revenue, which is directly tied to a business's ability to market itself effectively. House Bill No. 2276 offers a solution by providing a nonrefundable tax credit covering 50% of a small business' advertising expenditures with local media outlets, up to a maximum benefit of \$5,000 per business. This incentive would enable small businesses to expand their customer base, improve visibility, and strengthen their financial footing, ultimately supporting the broader Kansas economy.

Furthermore, as someone who actively supports entrepreneurship and business expansion, being able to share this tax credit opportunity with the businesses I assist would provide another valuable tool to encourage startups and growth. Many entrepreneurs hesitate to take the leap into business ownership due to financial concerns, and this tax credit could serve as an additional incentive, making marketing more affordable and helping them establish a strong customer base from the start.



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This initiative would not only benefit small businesses but also provide essential support to local news organizations, which are vital to keeping Kansas communities informed and engaged and are struggling like many small businesses in rural communities. At a time when many local media outlets are facing financial hardships, this bill offers a dual benefit, strengthening small businesses while reinforcing local journalism.

I urge you to support House Bill No. 2276 and help provide Kansas small businesses with the means to succeed. If you have any questions, please don't hesitate to contact me. Thank you for all you do to make Kansas a great place to live and do business.

Warm Regards,

A handwritten signature in black ink, appearing to be 'Arty Hicks', written over a horizontal line.

Arty Hicks,
Executive Director
The Arkansas City Area Chamber of Commerce