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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 Chairman Adam Smith and 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.

Because of 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. Small businesses struggle to build brand recognition and attract new customers without broader marketing strategies, which are 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.

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. 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. Organizations such as the National Restaurant Association have already expressed support for similar advertising incentives at the federal level. By passing this legislation, Kansas would be taking an important step toward ensuring that small businesses have access to the resources they need to overcome financial barriers and thrive in an increasingly competitive market.

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.

Sincerely,

Zoey Wadick  
CVB & Communications Director  
City of Council Grove