



An Economic Development Partnership

Chair Tyson and Members of the Committee

Senate Committee on Assessment and Taxation

RE: Opposition to SB283 – Impact on Economic Growth and Job Creation

Dear Chair Tyson and Members of the Committee,

On behalf of El Dorado, Inc., I am writing to express our strong opposition to SB283, which proposes to decrease individual income tax rates while discontinuing critical tax credits and withholding benefits that have been instrumental in fostering economic growth, business investment, and workforce development in Kansas.

Our organization is dedicated to strengthening the state's economy by attracting new businesses, supporting workforce expansion, and promoting sustainable development. The proposed changes in SB283 threaten to undermine these efforts in the following ways:

1. Weakening Kansas' Competitive Edge for Business Attraction and Retention

- The **High-Performance Incentive Program (HPIP), Job Creation Fund (JCF) and Promoting Employment Across Kansas (PEAK) Act** have been vital in incentivizing companies to invest in Kansas, create high-wage jobs, and drive economic prosperity.
- Removing these programs would put Kansas at a disadvantage compared to neighboring states with stronger economic incentives, making it harder to attract new businesses and retain existing ones.
- Without these programs, businesses will simply take their investments elsewhere – and Kansas communities will lose out.

2. Jeopardizing Workforce Development and Job Creation

- The tax credits and payroll withholding benefits currently in place encourage companies to expand operations and hire locally.
- Without these incentives, job growth may stagnate, and businesses may reconsider future investments in the state.
- These aren't blanket giveaways – our programs require companies to meet high standards to qualify
 1. Businesses must provide at least 50% of employee healthcare premiums, ensuring good jobs with strong benefits.
 2. They must pay above-average wages, driving wage growth for Kansans across industries.
 3. They must invest in workforce training, strengthening long-term career opportunities.



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3. Threatening Affordable Housing and Workforce Stability

- The **Kansas Affordable Housing Tax Credit Act** plays a crucial role in ensuring that workers have access to affordable housing near job centers.
- Eliminating this credit will deter developers from investing in affordable housing projects, exacerbating housing shortages and making it more difficult for employers to attract and retain a skilled workforce.

4. Long Term Economic Loss Far Outweighs a Temporary Tax Cut

- This bill assumes that businesses will still locate in Kansas regardless of incentives – but that is simply not how corporate site selection works.
- Kansas competes with Missouri, Oklahoma, and Nebraska—all of which continue to offer strong incentives.
- If we eliminate our programs, we lose deals before we even have a chance to compete.
- The economic benefits of high-wage jobs, long-term business growth, and tax revenue generation far outweigh the short-term impact of an individual tax cut.

This bill doesn't just cut incentives – it cuts Kansas' ability to compete. Other States aren't making this mistake, they are strengthening their incentive programs while Kansas considers eliminating ours. If this passes, our ability to recruit businesses, retain jobs, and grow our economy will be severely weakened.

For Kansas to remain an attractive place for businesses and workers, we must maintain the strategic programs that have proven to deliver economic success. We strongly urge the committee to reject SB283 and instead pursue policies that enhance, rather than hinder, our state's economic growth.

Thank you for your time and consideration. We welcome the opportunity to discuss this matter further and provide additional insights on how Kansas can continue to grow and prosper.

Sincerely,

Sarah Hoefgen
Executive Director
El Dorado, Inc.