

**To:** Senate Assessment and Taxation Committee  
**From:** Spencer Duncan, Government Affairs Director  
**Date:** March 5, 2025  
**RE:** SB 283– Decreasing Income Tax Rates & Discontinuing Tax Credits  
*Neutral – Oral Testimony*

Thank you to the Chair and Committee for the opportunity to provide this testimony.

SB 283 is intended to address valid concerns relating to several areas. Some of the changes the League has no position on or opposition to. However, due to the elimination of the Affordable Housing Tax Credit section of SB 238 that we believe will be detrimental to housing construction and economic development, the League is neutral with concern and recommendation.

We ask that Sec. 8, page 14, lines 17-43, page 15, lines 1-43, page 16 lines 1-13, be amended.

The League recognizes the state's concerns regarding the long-term fiscal effect of this program. However, the credit is working and leading to the construction of much needed housing across Kansas. Recognizing both sides have important policy considerations, the League suggests adding a cap to the program, not elimination. In the other states that have a similar program, the majority of those have a cap, which has reduced the long-term fiscal impact and made the programs viable. There is a viable recommendation that can be provided to the committee.

Cities across our state are seeking new housing construction. The state suffers from an incredible housing shortage in all areas, and any tool the state can provide is critical to continuing the goal of new builds. In 2024, eighteen cities across Kansas worked with developers to create new housing developments in their communities - directly due to the affordable housing tax credit program. The program is working, and Kansas does not want to lose the momentum it has generated.

We suggest the state place a cap on the program, monitor how that cap reduces the state's long-term fiscal burden, and meanwhile collaborate with stakeholders to see what alternative programs can be developed in the next several years to continue the work this program has created.

Thank you for your consideration and I am always happy to answer questions and provide additional information.



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