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*Kansas Senate Assessment and Taxation Committee
March 11, 2025*

Chairwoman, Committee Members,

Commerce Bank is pleased to offer our support for HB 2096, a bill that proposes an important amendment to the Kansas Housing Investor Tax Credit, making these credits fully transferable and expand their usability. We believe this amendment will play a crucial role in enhancing the development of affordable housing across Kansas, especially in smaller cities and counties where housing needs are often the most urgent.

The Kansas Housing Investor Tax Credit has been an essential tool for developers seeking to build and rehabilitate affordable housing in communities that are often underserved. By allowing developers to access tax credits, this program has helped finance numerous housing projects, benefiting both the local economy and the residents in need of stable housing. However, the current structure of the tax credit presents significant challenges for developers, where investor interest can be limited, and project financing is often harder to secure.

HB 2096 addresses this issue directly by allowing the Kansas Housing Investor Tax Credit to be fully transferable without limitation to year the credit can be claimed. This change will enable developers to more effectively market and sell the credits, significantly enhancing their ability to raise capital for projects. By expanding the market for these credits, developers will be able to attract a broader range of investors, ultimately providing more funding for housing projects and allowing developers to complete housing initiatives.

For developers working in rural communities, this change will have an even more substantial impact. Smaller cities and counties often struggle to compete with larger metropolitan areas for investment and resources. The ability to sell tax credits more easily will help level the playing field, empowering developers to bring needed housing to areas where it is most scarce. This amendment will also stimulate local economies by creating jobs in construction, real estate, and related industries.

Commerce Bank is committed to supporting economic and real estate development throughout Kansas. We believe HB 2096 is a vital step forward in ensuring that Kansas continues to grow and thrive, while addressing the need for affordable housing across the state. By passing this bill, the legislature will help ensure that Kansas' rural communities can attract investment, create jobs, and provide high-quality housing for Kansas residents. We strongly urge the committee to support HB 2096 and appreciate your consideration of this important issue.

Sincerely,
Alijah Rollins & Nadia McMichael