



**October 27, 2025**

**2025 Special Committee on Commerce**

**Oral in-person testimony concerning the Kansas Aviation Tax Credit reauthorization, Promoting Employment Across Kansas (PEAK) program, and the High Performance Incentive Program (HPIP)**

Chairman Tarwater, Vice Chairman Alley, and Members of the Committee:

Good morning. My name is Sam Sackett. I am the head of Government Relations for Spirit AeroSystems, headquartered in Wichita. As the largest private-sector employer in Kansas, Spirit is proud to employ more than 12,000 people in the State. Our highly skilled employees engineer, design, and build complex aerostructures for both commercial and defense customers.

Thank you for providing us with an opportunity to testify about three important policies that have direct implications for our employees and the Kansas aerospace industry. The topics I would like to address include the reauthorization of the Kansas Aviation Tax Credit program, the Promoting Employment Across Kansas (PEAK) program, and the High Performance Incentive Program (HPIP). Each of these programs serves as a unique catalyst enabling a strong aerospace talent pipeline, incentivizing the creation of new high-paying jobs in Kansas, and encouraging billions of dollars in capital investment.

**Kansas Aviation Tax Credit**

Since the Legislature created the Kansas Aviation Tax Credit program in 2022, Spirit has promoted it with prospective employees as one of our recruitment tools. However, absent an extension by the Legislature, the Kansas Aviation Tax Credit program is scheduled to sunset in 2026.

Spirit posts information about the Kansas Aviation Tax Credit on every Kansas-based job requisition. This has been a standard process for several years as the company markets available positions to prospective employees both in-state and out-of-state. Spirit also markets the employee Aviation Tax Credit during the job-offer process to reinforce the total value proposition being offered. Finally, Spirit sends a notice at the beginning of each tax season to newly hired employees, reminding them of the tax credit as a way to encourage retention of our current workforce.

As an employer, Spirit does not have access to employee tax information, so the company cannot provide quantitative measurements on the utilization of the program among its workforce. But the antidotal information we receive from employees suggests it has been a positive factor in helping candidates choose to apply for and begin careers at Spirit. We believe this is true for Kansas aviation supplies as well.

We respectfully request your support to reauthorize the Kansas Aviation Tax Credit program.

**PEAK and HPIP**

On a national level where many states have very aggressive cash incentive programs, the Promoting Employment Across Kansas (PEAK) program and High Performance Incentive Program (HPIP) differentiate Kansas and help the State better compete for jobs and investment projects – including from existing Kansas companies trying to expand operations.

These two programs not only incentivize new jobs, but they create a foundation for protecting existing Kansas jobs and coveted advanced manufacturing facilities.

We support the Legislature's desire to have a more competitive corporate income tax rate, and at the same time, we think it is in the State's strategic interest to also incentivize companies to invest in manufacturing plants, equipment, and machinery.

The aerospace industry is a long-lead capital-intensive business. It takes many years (sometimes a decade or more) for new programs to start – and even longer for production lines to reach full-rate or high-rate production levels. In Spirit's experience, PEAK and HPIP have been legacy-building incentive programs as they supported our efforts to invest billions of dollars in buildings, machinery, tooling, and equipment.

These two programs have helped create and anchor manufacturing jobs in Kansas that are building upon our legacy as the Air Capital of the World.

When private-sector employers are deciding where they will create hundreds or thousands of jobs, or where they will invest millions or billions of dollars, Kansans prosper when those jobs and capital come to Kansas.

As the Legislature considers modifications or enhancements to PEAK or HPIP, we look forward to working with you to ensure any changes achieve the intended outcomes. We appreciate your leadership and dedication to fiscal responsibility on behalf of taxpayers and to pro-job economic policies.

Thank you for giving me the opportunity to testify. I look forward to answering your questions.