



KANSAS BUSINESS INCENTIVES



Business Incentives

- Machinery & Equipment Expense Deduction
- Promoting Employment Across Kansas
- Workforce Training Grants
- Kansas Corporate Income Tax Credits
- Kansas Sales Tax Exemptions
- Machinery & Equipment Property Tax Exemption



M & E Expense Deduction

- One-time deduction
- Difference between the cost of the item and present value of the stream of depreciation deductions
- Based upon the business' Federal depreciation schedule



PEAK

- Promoting Employment Across Kansas
- Withholding Tax Retention Finance Program
- 95% of withholding tax retained for 5 years
- Term of withholding depends on pay of employees over county median wage
- Must create at least 10 net, new jobs within two years in metro areas; or 5 net, new jobs within two years in all other counties



KIT

- Kansas Industrial Training
- Allowable costs may include: instructors' salaries, curriculum planning and development, travel expenses, textbooks, videos and temporary training facilities
- Average award \$200 to \$400 per trainee



KIR

- Kansas Industrial Retraining
- Retrain workforce of existing Kansas company
- For companies restructuring by incorporating new technology, product diversification or new production activities
- Requires at least a dollar-for-dollar match from the company



HPIP

- High Performance Incentive Program
- 10% investment tax credit
- 16-year time frame to use the tax credit
- 100% of corporate income tax liability can be eliminated each year
- Project Exemption from Sales Tax



HPIP

- Eligibility based on:
 - Operate an eligible business – i.e. manufacturing, distribution, back-office, business headquarters
 - Pay above-average salaries
 - Participate in our workforce training programs, i.e. IMPACT or KIT, or spend at least 2% of total annual payroll on workforce training



Other Sales Tax Exemptions

- Labor costs for new construction
- Manufacturing machinery and equipment
- Equipment that supports production line
- Ingredient and component parts used or consumed in production
- Utilities used in production – gas, water, electricity



Personal Property Tax Exemption

- Commercial and industrial machinery and equipment is exempt from state and local property tax by state law
- Broad coverage – includes equipment for manufacturing, warehouse/distribution and office



CDBG

- All Cities or Counties with population 50,000 or less
- Maximum \$750,000 / \$35,000 per FTE
- 51% jobs created LMI
- Private or public fund match required
- Working capital 5 yr – equipment up to 10 yr – real property up to 15 yr





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