

2025

LEGISLATIVE & POLICY AGENDA



SAFEGUARDING OUR SYSTEM OF FREE, COMPETITIVE ENTERPRISE

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THE MISSION OF THE KANSAS CHAMBER OF
 COMMERCE IS TO CONTINUALLY STRIVE
 TO IMPROVE THE ECONOMIC CLIMATE FOR THE
 BENEFIT OF EVERY BUSINESS AND CITIZEN AND TO
 SAFEGUARD OUR SYSTEM OF FREE, COMPETITIVE
 ENTERPRISE.



5 TOP FIVE AGENDA PRIORITIES

The 2025 Legislative & Policy Agenda reflects the Kansas Chamber's efforts to reduce the cost of doing business in Kansas, create jobs and grow the state economy. Its top five priorities highlight key points of focus:

Reduce the Tax Burden

Last year's special session took a positive step to put in place the structure to move Kansas toward a single income tax rate. In 2025, the Chamber will be introducing legislation modeled off North Carolina and West Virginia which uses a growth trigger to allow the state to grow receipts to the level of inflation. Any receipts over that baseline plus inflation amount will be used to lower income taxes until we reach a single rate of 4.5%.

Adopt Single Factor Apportionment for Corporate Income Taxpayers

Kansas should adopt what's known as "single-factor apportionment" to offer tax relief for companies that have chosen to invest in our great state. Kansas is one of only six states that use the "three factor" formula of payroll, property and sales when determining their corporate income tax liability.

Adopt Legal Reform

Kansas has become the 18th best state for trial lawyers as our court system has eroded protections and expanded liability against businesses and individuals. The Kansas Legislature must adopt legal reform measures that improve the legal climate for businesses operating in Kansas.

Health Care Reform

Kansas can continue to take positive steps for increasing access to health care professionals by reasonably and responsibly reducing scope of practice barriers put in place that limit a professional's ability to perform procedures in which they are trained. Additionally, further adoption of professional health care compacts expedite the licensure reciprocity statutes to allow workers from other compact states to more easily transition into the Kansas workforce.

Improve Energy Costs

Kansas ranks 10th in the U.S. for renewable energy production. However, this low-cost source of energy has not resulted in savings for Kansas ratepayers. In fact, it's quite the opposite. Kansas continues to be the highest energy cost state in the region, making manufacturing and production of goods and materials expensive. Kansas must improve its energy costs to be more competitive.

TAXATION*

REDUCE TAXES, ENCOURAGE INVESTMENT AND GROWTH

The Kansas Chamber urges the legislature to reduce the cost of doing business, and will encourage efforts to:

- ▶ Support a phase-in to move Kansas to the single-factor sales apportionment formula when determining corporate income tax liability.
- ▶ Move Kansas toward a competitive, single income tax rate to place us in a position of regional competitiveness on personal and corporate income tax.
- ▶ Reduce government spending instead of increasing the cost of doing business through tax increases.
- ▶ Oppose efforts which would subject professional services to sales tax.
- ▶ Oppose the sunset or repeal of existing sales tax exemptions on business inputs and ensure business to business transactions are exempt from sales tax.
- ▶ Oppose elimination of the High-Performance Incentive Program (HPIP) and reinstate the same qualifying investment thresholds for all Kansas counties.
- ▶ Oppose efforts to freeze or eliminate the Promoting Employment Across Kansas (PEAK) program.
- ▶ Support legislation which moves Kansas from a destination-based state to an origin-based state for the purposes of collecting sales tax on intrastate transactions.
- ▶ Oppose any proposal to redirect the current .4 cent sales tax dedicated to the State Highway Fund and support completion of the projects encompassed in the Comprehensive Highway Plan.

* Both a federal and state issue

Kansas' 2025 Business Tax Climate Index Rank



Source: Tax Foundation's 2025 State Business Tax Climate Index

What does it mean?

The 2025 edition of the Tax Foundation's State Business Tax Climate Index found Kansas ranked 25, up one spot from 26 in 2024. A rank of 1 is best, 50 is worst. Kansas improved slightly, largely due to the significant jump in our UI Tax ranking, which improved to 4th best in the nation. However, our corporate income tax ranking is 27th, individual income tax is 27th, sales tax ranks 30th and property tax ranks 29th. Overall, Kansas maintains a mediocre tax climate and we must become more competitive for businesses and residents.

TALENT SUPPLY & WORKFORCE DEVELOPMENT

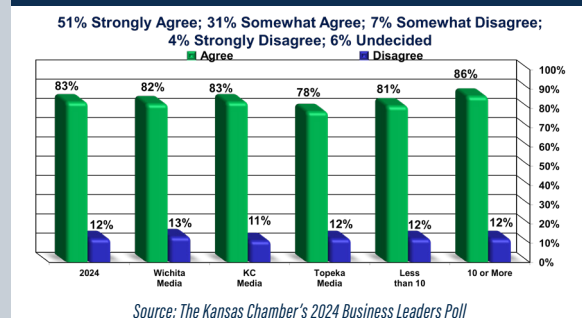
SUPPORT AN EXCELLENT EDUCATION SYSTEM WHICH PRODUCES A WELL-EDUCATED, WELL-TRAINED KANSAS WORKFORCE FOR TOMORROW'S BUSINESS NEEDS

The Kansas Chamber supports increasing the quality of education for tomorrow's workforce and the efficient use of tax dollars through policies that:

- ▶ Support regulatory and statutory changes related to occupational licenses to maintain public safety while allowing licensees to work to the utmost of their professional training and education.
- ▶ Support state implementation of workforce pathway system to provide parents, students and agencies with data to better track program effectiveness and student outcomes through their education and career path.
- ▶ Support a constitutional amendment for the democratically elected legislature to have exclusive authority to determine funding for schools in an effort to eliminate endless litigation over school funding.
- ▶ Support policies which promote coordination of resources and alignment of curriculum between K-12 and higher education institutions to ensure the workforce needs of Kansas businesses and career needs of students are being met.
- ▶ Support efforts to offer parents and students a variety of educational choices regardless of their socio-economic status, and support efforts to create innovative school environments designed to maximize the educational experience for all students.
- ▶ Strengthen requirements to enhance in-classroom spending and eliminate inefficient spending.
- ▶ Support vigorous and dynamic Kansas-based primary and secondary education standards that focus on college and career readiness and which ensure acquisition, retention

- and comprehension of an essential base of knowledge at every step of the educational process toward a career suited to each student's interest and ability.
- ▶ Support efforts to attract and retain the best and brightest teachers for the benefit of our Kansas students through a system that rewards excellence in teaching and innovation.
- ▶ Support efforts to enhance computer science for K-12 students.
- ▶ Support realigning education funding to give a higher weighting of CTE for high-wage, high demand jobs.

Should Higher Ed Incentivize Students?



What does it mean?

83% of business owners felt Kansas' higher education system should incentivize students to enter into high-demand fields of study. While workforce demands continue to be an issue across the country, Kansas policymakers must look at ways to not only properly educate tomorrow's workforce, but also to retain that talent in Kansas.

LEGAL REFORM

PROMOTE FAIRNESS, REDUCE LIABILITY

The Kansas Chamber supports efforts to improve the legal climate in Kansas by reducing incentives for litigation that disproportionately awards plaintiffs and will support legislative efforts to:

- ▶ Support legislation that requires disclosure of third-party financing of litigation.
- ▶ Support reinstating caps on non-economic damages.
- ▶ Support statutory preemption of local units of government from hiring outside counsel to initiate class action litigation unless approved by the Attorney General.
- ▶ Repeal provisions of the current collateral source rule that prevents juries from hearing evidence that some of Plaintiff's claimed damages have already been paid.
- ▶ Support judicial selection reform measures that provide for a greater level of transparency, public input and accountability and encourage the legislature to construct a reasonable reform measure that addresses these objectives.
- ▶ Support legislation regarding admissibility of evidence of seat belt use.
- ▶ Support reform of Kansas law regarding awards of attorneys' fees against insurance carriers who contest coverage for loss under a policy that includes coverage for damage because of lightning, fire, tornado or hail.

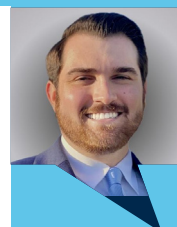


"I want to commend the Kansas Chamber of Commerce for its tireless efforts in promoting policies that foster a strong business climate in Kansas. Their advocacy for fair taxation, regulatory improvement, and workforce development has been instrumental in making Kansas an increasingly attractive place to do business."

Doug Gaumer | First Interstate Bank

"I support the Kansas Chamber's effort to remove barriers to help businesses succeed. The Chamber is a powerful advocate for businesses. With its support, we will continue to grow and thrive and solve problems that affect all Kansans."

Nico Ciccone | NextEra Energy Resources



HUMAN RESOURCE ISSUES*

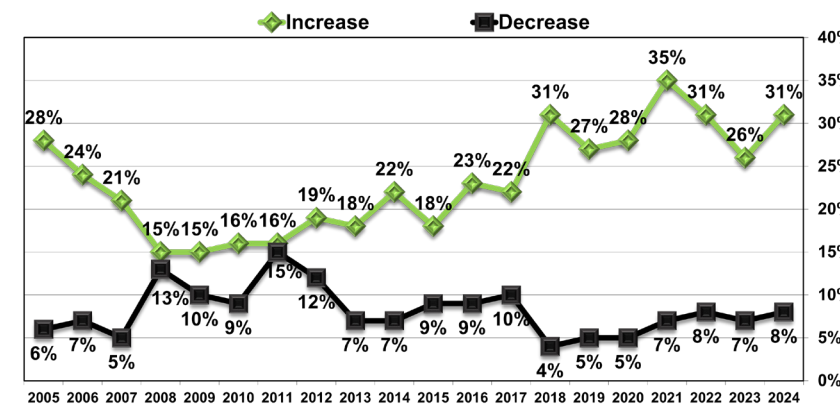
REDUCE COSTS TO PROMOTE GROWTH

The Kansas Chamber supports policies that promote fairness and protect employer costs and will:

- ▶ Support criminal justice reform efforts and programs that offer the opportunity for individuals with criminal records to re-enter the workforce.
- ▶ Support policies that maintain the integrity of the Employment Security Trust Fund, and accurately reflect the employer experience rating when determining contribution rates.
- ▶ Defend the workers' compensation system and the recent reforms with policies that fairly compensate workers legitimately injured performing duties for their jobs, while maintaining low costs for employers.
- ▶ Encourage federal resolution to immigration reform and oppose state legislation increasing penalties or threatening the business licenses of employers who have unintentionally hired illegal workers. In the event Congress again fails to address the immigration situation, support legislation allowing states to implement guest worker programs that address each state's particular workforce needs while protecting our borders from the criminal element.
- ▶ Maintain fair labor practices by opposing unfair advantages for union organizations.
- ▶ Oppose state-led efforts which put employers in conflict with federal discrimination laws.

* Both a federal and state issue

Workforce Growth In The Next Year



Source: The Kansas Chamber's 2024 Business Leaders Poll

What does it mean?

Regardless of recent history, optimism about the coming year is high – 31% expect to do more hiring and only 8% think they will reduce. High optimism and business outlook tends to have a negative effect on their satisfaction with the workforce as business owners remain concerned about the need for additional employees.

REGULATORY AFFAIRS*

SUPPORT FREE ENTERPRISE, ENCOURAGE COMPETITION

The Kansas Chamber supports a regulatory climate that promotes a healthy business climate and instills regulatory certainty, through policies that:

- ▶ Support legislation prohibiting local governments from banning consumer merchandise and plastic containers.
- ▶ Maintain a set of clear requirements in the regulatory process that instills confidence for businesses that follow the rules when seeking to do business in the state.
- ▶ Prevent imposition of burdensome state and federal regulations on business and industry.
- ▶ Encourage the least restrictive method of regulation that supports the goal of protecting the public without limiting competition.

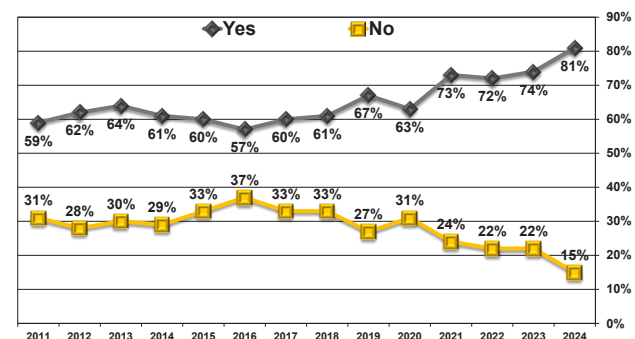
* Both a federal and state issue

What does it mean?

Coinciding with the concern about high taxes is an ever increasing belief that lower taxes would help the economy. This sentiment has been steadily growing since Covid and now hits an astounding 81%.

Source: The Kansas Chamber's 2024 Business Leaders Poll

Would it Help the Kansas Economy to Lower Taxes?



GOVERNMENT EFFICIENCY

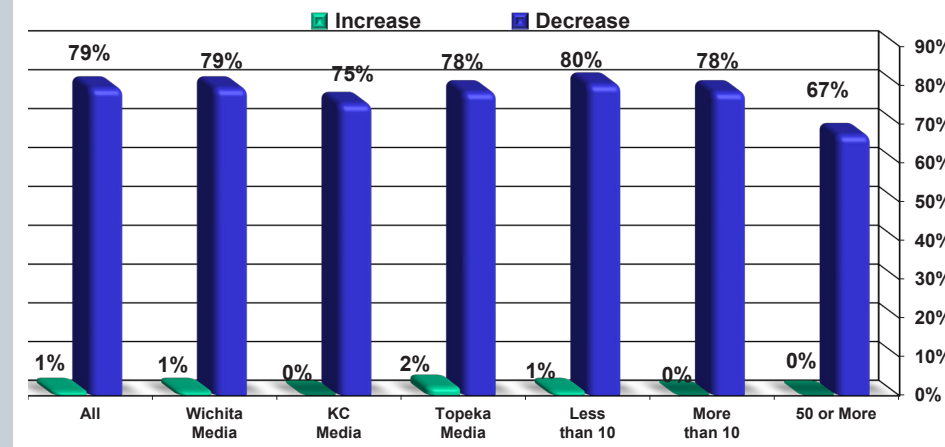
CREATE AN ENVIRONMENT FOR JOB GROWTH

The Kansas Chamber encourages government reform aimed at lowering the overall cost of state government, so it is more affordable to Kansas businesses and residents through policies that:

- ▶ Oppose government competition with private sector companies.
- ▶ Promote adoption of "Lean Government" practices to transform the state into a more efficient enterprise.
- ▶ Support requirement of governor to submit existing resources budget to the legislature before proposing tax increases.
- ▶ Establish transparency and uniformity in budgeting for all levels of government.
- ▶ Support outsourcing state government functions to the private sector while maintaining needed services and lowering the cost of doing business in Kansas.
- ▶ Establish a framework to encourage and incentivize the realignment of state and local units of government.
- ▶ Support efforts to continue identifying strategies to reduce the state pension burden on Kansas taxpayers while maintaining actuarially sound funding levels.
- ▶ Oppose use of public funds to bring litigation in pursuit of more public funding.

Change Property Tax?

1% Increase; 79% Decrease, 19% Stay the Same; 1% Undecided



Source: The Kansas Chamber's 2024 Business Leaders Poll

What does it mean?

Even among the less tax sensitive group of those employing 50 or more, two-thirds want to decrease property taxes.

INNOVATION & ENTREPRENEURSHIP

PROMOTE AND ENCOURAGE ENTREPRENEURSHIP AND CAPITAL INVESTMENT

The Kansas Chamber supports innovation and investment in start-up companies through policies that:

- ▶ Ensure financial barriers for business filings and start-up-related expenses are limited.
- ▶ Promote and expand small business development loans for Kansas start-ups through private institutions rather than the state.
- ▶ Minimize or eliminate barriers for transition of business ownership.
- ▶ Support continuation and expansion of Angel Investor Tax Credit program.

ENERGY & ENVIRONMENT*

PROMOTE MARKET-DRIVEN SOLUTIONS TO REDUCE ENERGY COSTS

The Kansas Chamber supports efforts to maintain a comprehensive energy policy that balances a diverse portfolio of energy sources and technologies, and will:

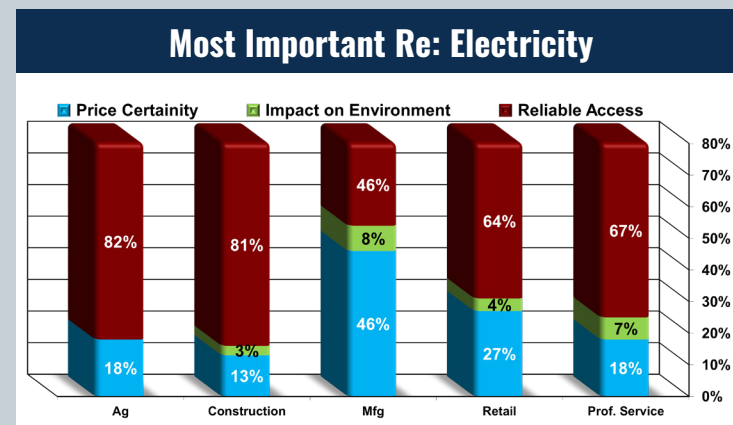
- ▶ Oppose ROFR (Right of First Refusal) laws which eliminate competitive bidding for construction of regional transmission lines.
- ▶ Support limits on increases in transmission delivery charges.
- ▶ Support equitable allocation of transmission and energy costs among regional ratepayers.
- ▶ Support policies that ensure reliable and available electric generation services from a diverse mix of energy fuel sources.
- ▶ Support efforts to achieve regionally-competitive electric rates, delivery costs, and ensure uninterrupted service regardless of source.
- ▶ Support further review of modifications to the Kansas Corporation Commission makeup and appointment process to support the state goal of regionally competitive electric rates.
- ▶ Support implementation of key recommendations from the legislative study on the competitiveness of Kansas energy rates to improve our state's electricity costs.
- ▶ Support policies that create equal competition among energy sources and technologies.
- ▶ Support incentives for businesses to voluntarily utilize energy more efficiently versus penalties and/or mandates.
- ▶ Oppose mandates and policies that increase business costs when sourcing energy.
- ▶ Support efforts to limit or block state and federal regulations which overreach and impose undue expense and regulatory burdens on Kansas businesses and industries.
- ▶ Support review and reform of current rate-making policies and processes to ensure fairness and equity among ratepayer classes.
- ▶ Promote the development of market-driven energy technologies.

* Both a federal and state issue

What does it mean?

Energy costs continue to be a concern for Kansans, especially in the manufacturing sector. While rates themselves on electricity have held flat, additional charges and fees on electricity bills caused by high capital expenditures continue to burden ratepayers on the cost of the overall bill. Kansas must adopt policies to protect ratepayers from excessive and unreasonable spending.

Source: U.S. Energy Information Administration





"The Kansas Chamber is at the forefront of advocating for a thriving business environment that benefits every Kansan. With a strong commitment to fostering economic growth, the Chamber tirelessly works to empower businesses to succeed and, in turn, drive prosperity across the state. Their efforts go beyond economic development—they're driven by a deep love for the well-being and future of all Kansans!"

Nick Strecker | INA Alert, Inc.

"Economic competitiveness is essential for Kansas. INTRUST Bank applauds the Kansas Chamber's efforts to educate lawmakers on the far-reaching consequences of their decisions on Kansas businesses and their operations."

Gary Schmitt | INTRUST Bank



HEALTH CARE*

REDUCE EMPLOYER COSTS, PROMOTE PERSONAL RESPONSIBILITY

The Kansas Chamber supports meaningful health care reform aimed at lowering the overall cost of health care so it is more affordable for employers and will:

- ▶ Support policies that eliminate government restrictions on medical professionals' ability to perform duties within the scope of practice of their professional training.
- ▶ Oppose expansion of Medicaid eligibility.
- ▶ Oppose government competition with the private market.
- ▶ Oppose mandated employer-based coverage or payment.
- ▶ Expand tax incentives available for employers and individuals choosing to purchase individual policies or health savings plans.
- ▶ Defend the rights of employers to choose the health insurance plans they offer.
- ▶ Support access to telemedicine and other service options that increase healthcare options and lower costs to Kansans and employers without prohibiting the right of businesses to freely contract for services.
- ▶ Support state-level implementation of policy measures that improve efficiency and effectiveness of health systems, including the continuation of delivering Medicaid services through a managed care model (KanCare).
- ▶ Oppose cost-increasing mandates insurers are required to include in policies so that more affordable plans are available for employers.
- ▶ Support policies that increase personal participation in health care purchasing.

* Both a federal and state issue



KANSAS Retail Council

The Kansas Retail Council (KRC) focuses on retail business issues that impact small and large retailers in Kansas. The mission of KRC is to provide knowledge, resources and support to Kansas retailers so they can prosper. Through the Kansas Chamber, the KRC gives Kansas retailers a strong, unified voice on legislative and public policy matters.

TAX

- ▶ Reimburse retailers a percentage of the cost to comply with collecting and remitting sales and excise taxes to the state.
- ▶ Oppose efforts which seek to impose a tax on sugary beverages.
- ▶ Support lowering of state sales tax.
- ▶ Protect against changes to long-standing valuation methodology which attempts to take income into consideration when valuing property.

PRODUCTS

- ▶ Oppose bans on plastics, straws, chemicals and other items.
- ▶ Oppose food labeling mandates.
- ▶ Support ability for all stores to sell full strength beer, wine and spirits.

EMPLOYMENT LAW

- ▶ Protect against repeal of Kansas law which prevents local units of government from imposing harmful mandates not required by state or federal law including:
 - Fair scheduling
 - Minimum wage
 - Paid leave



KANSAS MANUFACTURING COUNCIL

The Kansas Manufacturing Council (KMC) is the leading advocacy organization for Kansas manufacturers and companies serving manufacturers, representing small and large manufacturers across the state. The mission of KMC is to provide knowledge, resources and support in order to create a stronger and more prosperous manufacturing sector. Through the Kansas Chamber, KMC has a powerful voice for the state's manufacturing community to advocate for a policy agenda that helps manufacturers compete in the global economy and create jobs across Kansas.

TAX

- ▶ Move Kansas toward a competitive, single income tax rate to place us in a position of regional competitiveness on personal and corporate income tax.
- ▶ Reduce government spending instead of increasing the cost of doing business through tax increases.
- ▶ Support a phase-in to move Kansas to the single-factor sales apportionment formula when determining corporate income tax liability.

REGULATORY AFFAIRS

- ▶ Maintain a set of clear requirements in the regulatory process that instills confidence for businesses that follow the rules when seeking to do business in the state.
- ▶ Prevent imposition of burdensome state and federal regulations on business and industry.

ENERGY

- ▶ Oppose ROFR (Right of First Refusal) laws which eliminate competitive bidding for construction of regional transmission lines.
- ▶ Support limits on increases in transmission delivery charges.
- ▶ Support equitable allocation of transmission and energy costs among regional ratepayers.
- ▶ Support implementation of key recommendations from the legislative study on the competitiveness of Kansas energy rates to improve our state's electricity costs.

- ▶ Avoid picking winners and losers among energy sources and technologies.
- ▶ Support incentives for businesses to voluntarily utilize energy more efficiently versus penalties and/or mandates.

EDUCATION & WORKFORCE DEVELOPMENT

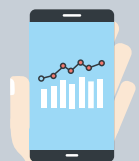
- ▶ Support policies which promote coordination of resources and alignment of curriculum between K-12 and higher education institutions to ensure the workforce needs of Kansas businesses and career needs of students are being met.
- ▶ Support vigorous and dynamic Kansas-based primary and secondary education standards that focus on college and career readiness and which ensure acquisition, retention and comprehension of an essential base of knowledge at every step of the educational process toward a career suited to each student's interest and ability.
- ▶ Support efforts to offer parents and students a variety of educational choices regardless of their socio-economic status, and support efforts to create innovative school environments designed to maximize the educational experience for all students.
- ▶ Support Work Based Learning opportunities for high school students ages 16 and older through legislation limiting liability to the businesses participating in school sponsored programs.

THE NEW KANSAS CHAMBER APP

Stay up to date with the Kansas Legislature through the new Kansas Chamber app. The Chamber app gives you direct access to legislative calendars, journals, district maps and live stream audio from the House and Senate floor – all on your phone. Scan the corresponding QR code to download our app on your iOS or Android device today.



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American Free Enterprise Chamber of Commerce
Kansas Chamber Political Action Committee
Kansas Chamber Education Foundation
Kansas Manufacturing Council
Kansas Retail Council
Leadership Kansas
State Affiliate of Ntnl. Assoc. of Manufacturers (NAM)
State Affiliate of National Retail Federation (NRF)