



Mission:

Working to improve the economic future of communities across Kansas.

Objective:

Shift from a “tax-credit” economic development strategy to a “cash-equivalent” strategy allowing Kansas to be more competitive in the quest to create new jobs.

Action:

Create in statute the “Investment in Kansas Employment” (IKE) Economic Development Program

Proposed IKE Program

Geographic Coverage: All of Kansas - IKE program differs for rural and non-rural

- Non-Rural: Douglas, Johnson, Sedgwick, Shawnee and Wyandotte
- Rural: Remaining 100 counties

Eligible Industry/Business Sectors: All (excluding retail) with following exceptions:

- KBA/Bio-Science NAICS codes (Bio-Science initiative uses payroll withholding tax to fund itself)
- In rural communities with population of 10,000 or less, new retail jobs of two or more are eligible.
*Make IKE and Enterprise Zone language compatible in regards to rural retail job creation

Incentive Type:

- Eligible employers retain payroll withholding tax for a period as a “cash-equivalent” incentive

Benefit Timeframe:

- Qualifying employers retain 100% of payroll taxes for new jobs created for 5 years
(and)
- If wages are more than 120% of county average wage the employer could get another 2 years at 50%

New Job Creation Performance Threshold:

- Rural counties: 2 jobs
- Non-rural counties: 10 jobs

Wage Requirement: New jobs must pay 100% or more of county average wage

- Rural counties: include retail in average wage calculation
- Non-rural counties: no retail included in average wage calculation

Administrator: Kansas Department of Commerce

Auditor: Kansas Department of Revenue