

# Incentive Opportunities

Whether you're an existing business seeking to expand or an external company exploring relocation opportunities, look no further than Greater Wichita. With a full range of incentives that can be tailored to your business, the region provides everything your business needs to thrive.

## State of Kansas Incentives

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### **Promoting Employment Across Kansas (PEAK)**

PEAK is the state's cash-equivalent economic development tool allowing reimbursement up to 95% of state withholding taxes of eligible employees for a period of 5-10 years. Minimum qualifications for companies include paying new FTEs above county median wage (\$17.90/hr. in Sedgwick County), and to commit to hiring at least ten new employees within two years (or five in rural counties).

### **High Performance Incentive Program (HPIP)**

HPIP was created to incentivize high-performing companies choosing to invest in significant capital investments and paying above average wages for their industry. If the company invests over \$1 million of capital investment (or \$50,000 in rural counties), it qualifies for a 10% income tax credit above the first \$1 million. This benefit also provides an employee training tax credit and a sales tax project exemption. Minimum qualifications of capital investment and paying above average wages apply.

### **Other State Benefits of Note:**

The State of Kansas has no Inventory, Franchise Taxes, or Local Income Taxes. Reimbursable training grants available for certain company expansions.

## Local Incentives

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### **Property Tax Abatement**

Cities in the region may choose to abate 100%\* property taxes for up to ten years either through the issuance of Industrial Revenue Bonds (IRBs) or through an Economic Development Exemption (EDX). IRBs also allow for building materials and equipment permanently installed to be exempt from state and local sales taxes, subject to local governing body approval.

\*Depending on the local municipality and area in the region, additional incentives may be available.

## Workforce Development Incentives

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Workforce Alliance of South-Central Kansas offers multiple programs that can provide up to \$4,500 per worker benefit to employers, depending upon type and industry. All participants must be eligible prior to hire date and the training plans must be approved by Workforce Alliance prior to the beginning of the training period.

### **On the Job Training (OJT) Grant Programs – Training for new hires**

- WIOA Young Adult OJT – Employers who hire new individuals for demand occupations who are 18-24 years of age and pay at least \$12.02/hr. with benefits, can receive up to 50% reimbursement of their training funds.
- WIOA Adult or Dislocated Worker OJT – Employers who hire individuals, especially dislocated workers (laid off due to circumstances out of their control) and pay at least \$15.38/hr. with benefits, can receive up to 50% reimbursement of their training funds.
- Trade Adjustment Assistance OJT – The Trade Adjustment Assistance Program is a federally funded program that helps workers who have lost their jobs because of foreign trade. This can be combined with other programs. Employer must pay at least \$15.38/ hr. or 80% of layoff wage. Either 50% of the training amount or 90% of the amount, if combined with another program.

### **Incumbent Worker Training (IWT) Grant programs – Training for existing employees**

- WIOA Adult or Dislocated Worker IWT – Employers who choose to train current low-wage/ low-skill employees in order avert a layoff can receive up to 50% reimbursement of their training funds

Discover opportunities at [greaterwichitapartnership.org](http://greaterwichitapartnership.org)

### ***Work Opportunity Tax Credit (WOTC)***

The Work Opportunity Tax Credit helps people move from welfare to work and gain on-the-job experience by encouraging private employers to hire within one of several targeted groups of job candidates. These candidates have traditionally face significant barriers to employment, reducing employer's federal income tax liability by as much as \$2,400 per qualified new worker in the first year of employment.

### ***Other Workforce Development Assistance***

A wide variety of services are available to businesses at no cost through the Kansas Workforce Centers located throughout the state. Services include, but are not limited to:

- Statewide and national job listings
- Applicant pre-screening and application acceptance
- Space to conduct interviews as well as staff to assist in scheduling
- Space for job fairs
- Applicant assessment services and testing
- Veteran services
- Current labor market information
- Registered Apprenticeship development assistance

## ***Utility Incentives***

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### ***Evergy Economic Development Rider (EDR)***

The purpose of the EDR is to encourage industrial and commercial business development in the Evergy service territory. This rider provides a qualifying company savings through a discounted rate over five years (25% discount during the first year of use; 20% in the second year; 15% the third year; 10% in the fourth year, and 5% during the last year). Criteria for the EDR include the following:

- Load minimum of 200 kW
- There must be creation of net new jobs
- New or expanded load must be separately metered
- A company cannot be involved in any retail activity at the facility
- The company must receive a separate government incentive for the project
- A completed Economic Development Rider application needs to be returned before any public announcements are made

### ***Gas Economic Development Rider (applies to both Kansas Gas & Black Hills Energy)***

The purpose of the EDR is to encourage industrial, commercial, and military development in the state of Kansas. This rider provides a qualifying company savings through a discounted rate over five years (a 50% discount during the first year of use; 40% in the second year; 30% in the third year; 20% in the fourth year, and 10% during the last year). To qualify, annual usage must exceed 25,000 MCF for new customers or be 25,000 MCF in excess to base period usage for existing customers who are expanding.

## ***Federal Incentives***

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### ***Opportunity Zones***

Federal tax advantages are provided by the Opportunity Zone program, including permanent exclusion from taxable income of capital gains from the sale or exchange of an eligible investment in an Opportunity Fund if held for 10 years. The Greater Wichita Region offers 16 census tracts that provide Opportunity Zone benefits. The City of Wichita offers nine. More information on Wichita's Opportunity Zones can be found at: [bit.ly/OpportunityZonesWichita](http://bit.ly/OpportunityZonesWichita)

## ***Need help with your next business expansion or relocation?***

We invite you to connect with the Greater Wichita Partnership for all of the information and resources available to companies choosing to locate or expand in Greater Wichita region.



### ***Andrew Nave***

Executive Vice President of Economic Development  
[andrew@greaterwichtapartnership.org](mailto:andrew@greaterwichtapartnership.org)  
(316) 500.6650



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