





2025 LEGISLATIVE PRIORITIES

GROW JOBS, KENTUCKY'S POPULATION, AND WORKFORCE THROUGH TAX REFORM

A competitive tax code is key to accelerating job creation and attracting workers and families to Kentucky. With the announcement that Kentucky has met the fiscal conditions outlined in House Bill 8 from 2022, the Chamber's top priority will be advocating to reduce the personal income tax rate to 3.5% in the 2025 session. The Chamber continues to support pro-growth business tax reforms, including a repeal of the Limited Liability Entity Tax, improving the state's tax treatment of business investments, and ensuring that the state sales tax base excludes business inputs to the greatest extent possible.



Policymakers should strategically focus on fostering economic development across the Commonwealth, including in rural communities, by growing Kentucky's signature industries and making targeted investments in local areas to improve quality of life and support job creation and small business formation. As detailed in the Chamber's report, "Building a Foundation for Growth," increasing Kentucky's housing supply should be a key pillar of Kentucky's economic development strategy to ensure the state can grow sustainably and attract new workers and families.

LOWER THE COST OF DOING BUSINESS IN KENTUCKY THROUGH LEGAL LIABILITY REFORM AND SENSIBLE REGULATIONS

To maintain Kentucky's low cost of doing business and build on this attractive feature of our economic climate, lawmakers should ensure the state has sensible environmental regulations and affordable and reliable energy. As Kentucky's liability climate for businesses is ranked among the 10 worst in the nation, lawmakers should pass meaningful reforms to Kentucky's legal liability system and reject legislative proposals that would worsen the state's legal liability climate by driving up costs for employers. To further protect the state's competitiveness, lawmakers should study Kentucky's labor and employment laws, identify areas where Kentucky exceeds federal standards, and implement reforms where necessary.

WANT TO READ MORE?

You can read more about these and other priorities in the full **2025 Legislative Agenda** at **kychamber.com.**



HELP EMPLOYERS GROW THEIR BUSINESSES THROUGH WORKFORCE SOLUTIONS

"Kentucky's Winning Strategy" sets a goal of making Kentucky one of the top 10 states in the nation for workforce participation and putting the state on a path to rapid workforce growth. To reach that goal, the Chamber recommends focusing on the following priorities:

CHILD CARE: Increase access to affordable and high-quality child care as the new Kentucky Collaborative on Child Care works to develop long-term, durable solutions.

INFRASTRUCTURE AND TRANSPORTATION: Invest in high-quality and high-impact infrastructure and transportation projects that efficiently connect Kentuckians with employment opportunities.

BENEFITS CLIFF: Identify solutions to benefits cliff challenges by providing smooth off-ramps for public assistance recipients seeking career advancement, new jobs, and pay increases.

FAIR CHANCE EMPLOYMENT AND SUBSTANCE USE

DISORDER: Reduce liability concerns for employers, streamline and automate expungement for those eligible with nonviolent offenses, create more opportunities for workforce training, and increase access to high-quality wraparound services.

EDUCATION: Make strategic investments in K-12 and postsecondary education, increase the number of high school graduates who complete FAFSA, align state financial aid programs and investments with employer needs, and continue working to meet Kentucky's goal of ensuring at least 60% of Kentucky adults have some form of postsecondary training by 2030.

HEALTH OUTCOMES: Improve Kentucky's health outcomes with an emphasis on reducing smoking rates but also by encouraging private and public sector wellness programs, continuing to support efforts to fight substance use disorder, and ensuring wide access to high-quality health care services throughout Kentucky, including behavioral health services.

WORKFORCE TRAINING: Focus on continual improvements to workforce training in Kentucky, including assessment of systems alignment, spending and return on investment, and program effectiveness.







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LEADERS HIGHLIGHT PROGRESS, OPPORTUNITY, AND COLLABORATION AT

Kentucky Chamber Day Dinner

PRESENTED BY Fidelity

Business leaders from across the Commonwealth gathered on January 9, 2025, for the Kentucky Chamber Day Dinner, presented by Fidelity Investments. During the 30th annual event, state leaders shared their insights on Kentucky's progress, challenges, and opportunities for growth.

Kentucky Chamber Chair Scott Davis spoke on the power of collaboration and partnerships to strengthen the voice of Kentucky businesses and continue the Commonwealth's economic momentum. Kentucky Chamber President and CEO Ashli Watts underscored the vital connection between thriving businesses and strong communities and highlighted the importance of advocating for policies that make Kentucky a top destination to live, work, and do business.

Governor Andy Beshear celebrated another strong year for business investment, reaching every part of the Commonwealth. With \$35 billion in private sector investments and the creation of 59,800 full-time jobs in the five years of his administration, he said he is excited and proud of the potential of "my new Kentucky home"

Senate President Robert Stivers and Speaker of the House David Osborne spoke on the top legislative priority of the 2025 session: lowering the individual income tax rate to 3.5%.

Speaker Osborne noted the bipartisan support for the issue in the legislature, stressing the critical impact of reducing the individual income tax, which has allowed Kentuckians to keep over \$4 billion in their pockets since 2018.

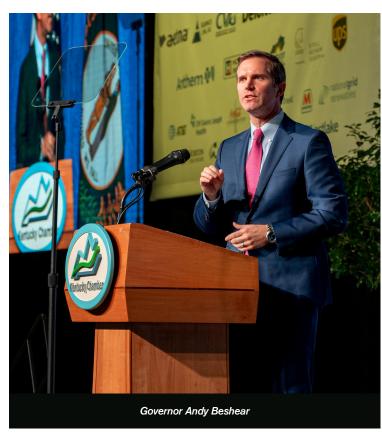
President Stivers recognized the Chamber for its leadership on the "Leaky Bucket" report, which prompted the legislature to address its budgetary issues more than a decade ago.

Senate Minority Leader Gerald Neal focused on common goals and unity in addressing important issues, calling collaboration the bridge between challenges and solutions.

New House Minority Leader Pamela Stevenson shared her vision for the Commonwealth, in which Kentuckians have better access to affordable child care, education, health care, and more.

STAY TUNED

Stay tuned to The Bottom Line for more updates during the 2025 legislative session at **kychamberbottomline.com**.















KENTUCKY CHAMBER LEADS NATIONWIDE COALITION TO PRESERVE CHAMBERS' ABILITY TO

Advocate for Business Issues in Court

The Kentucky Chamber of Commerce, joined by nearly 150 state and local chambers nationwide, filed an amicus brief in December 2024 in a case that could affect chambers' ability to challenge regulations through the court system.

The case stems from a challenge to the Drug Price Negotiation Program created by the 2022 Inflation Reduction Act, which gives the federal government broad powers to control prescription drug prices. When the Dayton Area Chamber, Ohio Chamber, Michigan Chamber, and U.S. Chamber attempted to challenge this program in court, citing its impact on member businesses, the district court dismissed the case. It ruled the lawsuit was not "germane" to the Chamber's mission.

The district court's decision created a new requirement that affected businesses must have a physical presence in a chamber's geographic area to establish standing. The organizations argue this standard could particularly impact chambers in regions where major businesses operate but are not headquartered.

"This case represents a critical fight to preserve chambers' ability to advocate effectively for our members through the court system. A ruling upholding the district

court's decision could significantly hamper our ability to protect Kentucky's business interests against harmful regulations," says Kentucky Chamber President and CEO Ashli Watts.

In the brief, the Kentucky Chamber states that "litigation is an important way it can represent its members' legislative and regulatory interests." Furthermore, the brief argues that chambers should maintain their ability to challenge policies affecting their regional business climate, regardless of where affected companies are headquartered.

The case is before the U.S. Court of Appeals for the Sixth Circuit, and a decision is expected this year.

READ MORE

Read more at **kychamberbottomline.com**.

KENTUCKY CHAMBER DAY DINNER















KENTUCKY CHAMBER LAUNCHES

Fellowship for Civic Leadership Program

The Kentucky Chamber has launched the Fellowship for Civic Leadership, a program that aims to train and connect business leaders, aspiring public officials, and civic-minded individuals who are passionate about public service and free enterprise. Participants will gain hands-on experience in campaign building, fundraising, and voter engagement while developing their leadership skills and network.

LEARN MORE

For those interested in learning more and applying for the program, visit **kychamber.com/fellowshipcivicleadership**.





LAWMAKERS LAY OUT PRIORITIES TO ADVANCE THE COMMONWEALTH AT

Legislative Preview Conference

PRESENTED BY Westlake

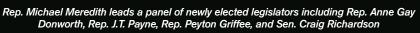
Ahead of the 2025 legislative session, the Kentucky Chamber hosted its Legislative Preview Conference, featuring discussions from lawmakers and business leaders on addressing key issues to advance the Commonwealth.

Highlights from the conference include developing the Commonwealth's future workforce for tomorrow's jobs, leading the nation in energy and artificial intelligence, increasing access to health care in rural areas, and recapping the results of the 2024 election.

READ MORE

Read more at kychamberbottomline.com.









Dr. Ryan Quarles of the Kentucky Community and Technical College System, Sen. Steve West, Rep. Samara Heavrin, Sen. Cassie Chambers Armstrong, and Rep. Matthew Koch discuss education











A GUIDE TO KENTUCKY TAX REFORM

How the Commonwealth Is Strengthening Its Economic Potential Through Pro-Growth Tax Modernization

NEW REPORT EXAMINES KENTUCKY'S RECENT

Tax Reform Efforts and Outlines Next Steps

At the start of the 2025 legislative session, the Kentucky Chamber Center for Policy and Research released, *A Guide to Kentucky Tax Reform*, which details recent state tax reform efforts and offers recommendations for Kentucky's continued progress.

The path Kentucky has taken to implement pro-growth reform legislation from 2018 through 2023 is laid out, along with survey data from last year demonstrating that Kentuckians strongly prefer a tax system with low or no taxes on individual income.

The report is intended to help policymakers and advocates understand the important reforms Kentucky has already implemented to improve the competitiveness of its tax code and to outline next steps.

To stay competitive with other states, the report demonstrates the need to focus on individual consumption and spending rather than production and individual income.

The report calls for policymakers to continue making improvements to House Bill 8's reduction conditions, reforming the Limited Liability Entity Tax, improving the state's treatment of business investments, removing business purchases from the state sales tax base, and ensuring a competitive corporate income tax rate.



LEARN MORE

Scan the QR Code to read the full report, *A Guide to Kentucky Tax Reform*, or visit **kychamber.com/research**.



INAUGURAL STATEWIDE WORKFORCE AND TALENT TEAM CONVENING PRESENTS A

Unified Approach to Economic Growth

State business, workforce, and education leaders hosted the first-ever Statewide Workforce and Talent Team (SWATT) Convening in December, an event to streamline workforce development efforts across the Commonwealth.

The SWATT Convening brought together more than 250 leaders from the Kentucky Chamber of Commerce, Kentucky Economic Development Cabinet, Kentucky Education and Labor Cabinet, Kentucky Department of Education, Kentucky Community and Technical College System (KCTCS), Kentucky Council on Postsecondary Education (CPE), and many more, emphasizing the commitment of

these groups in addressing workforce needs, supporting businesses, and fostering economic growth.

During the two-day convening, Governor Andy Beshear challenged the group to develop actionable goals, panelists shared their experiences and expertise in engaging talent across Kentucky's unique and diverse industries and regions, and SWATT attendees came together in break-out sessions to discuss opportunities and challenges in developing this first-of-its-kind collaborative approach to workforce and economic development.







OP-ED: UNLOCKING KENTUCKY'S GROWTH

Through Housing



ASHLI WATTS PRESIDENT & CEO Kentucky Chamber of Commerce



ANETHA SANFORD CEO & EVP Home Builders Association of Kentucky

The following is an op-ed piece authored by Ashli Watts, President and CEO of the Kentucky Chamber of Commerce, and Anetha Sanford, CEO and Executive Vice President of the Home **Builders Association of** Kentucky.

Kentucky is currently at an economic crossroads. State leaders have prioritized economic growth and workforce development by attracting new business

investments and implementing public policies. However, a major obstacle stands in the way of Kentucky reaching its full potential-housing.

In 2024, the Kentucky Chamber and the Home Builders Association of Kentucky partnered together to release a report titled "Building a Foundation for Growth: Meeting Kentucky's Current and Future Housing Needs," outlining the significant housing challenges facing communities and families across the state. About onethird of Kentucky's housing stock is over 50 years old. Home prices have surged compared to incomes, with median sale prices in some metro areas now five times higher than median household incomes. Overall, the housing shortage in Kentucky may be as high as 206,000 units statewide.

These challenges are already affecting economic growth, according to local leaders surveyed during the Chamber's statewide listening tour. Two-thirds of Kentuckians stated that their communities are being held back by housing challenges, and nearly 90% said their communities could not meet housing needs if a major project were announced. By 2050,



By 2050, Kentucky may need over half a million new housing units to maintain a healthy housing market and keep up with population growth.



Kentucky may need over half a million new housing units to maintain a healthy housing market and keep up with population growth.

This issue is not going unnoticed. Before the 2025 session, the Kentucky legislature released its housing task force report, which aligns closely with our report's recommendations and underscores the urgent need for action. The task force's findings affirm our call for a bold, collaborative strategy to expand housing availability, reduce costs, and meet the needs of our growing economy.

The good news is that Kentuckians want state and local leaders to act. Over 75% of community leaders support new housing developments, even near their own homes, and 86% say policymakers must do more to boost home construction and address the housing shortage.

Meeting our housing needs will require a multipronged approach:

- Empowering cities and counties to reform restrictive land use and zoning rules that hinder home building
- Reviewing regulations driving up housing costs and providing incentives to build affordable homes for working families
- Making strategic investments in housing infrastructure like roads, water, and sewer systems
- Expanding our construction workforce through high schools, colleges, and enhanced training programs

Kentucky's economy has reached new heights, with new jobs, investments, and growth on the horizon. However, we cannot sustain this momentum without addressing the critical housing shortage.

Without adequate housing options, Kentucky risks losing skilled workers to other states, undermining the critical investments we have made in workforce training and business recruitment.

The legislative session in 2025 presents a pivotal opportunity for state leaders to work collaboratively with employers, home builders, and local governments to build on the recommendations of the housing task force and deliver

Housing is crucial to our growth, and we must address our

solutions for communities across the Commonwealth.

housing needs as we strive to make our state the best in the nation to live, work, do business, and raise a family.



READ MORE

Scan the QR Code to read the full report, Building a Foundation for Growth, or visit kychamber.com/housing.

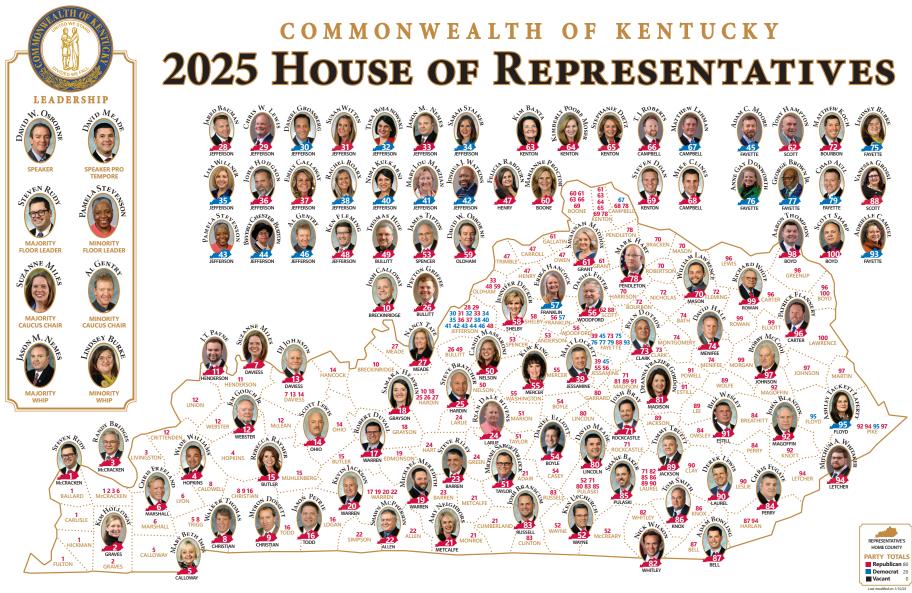


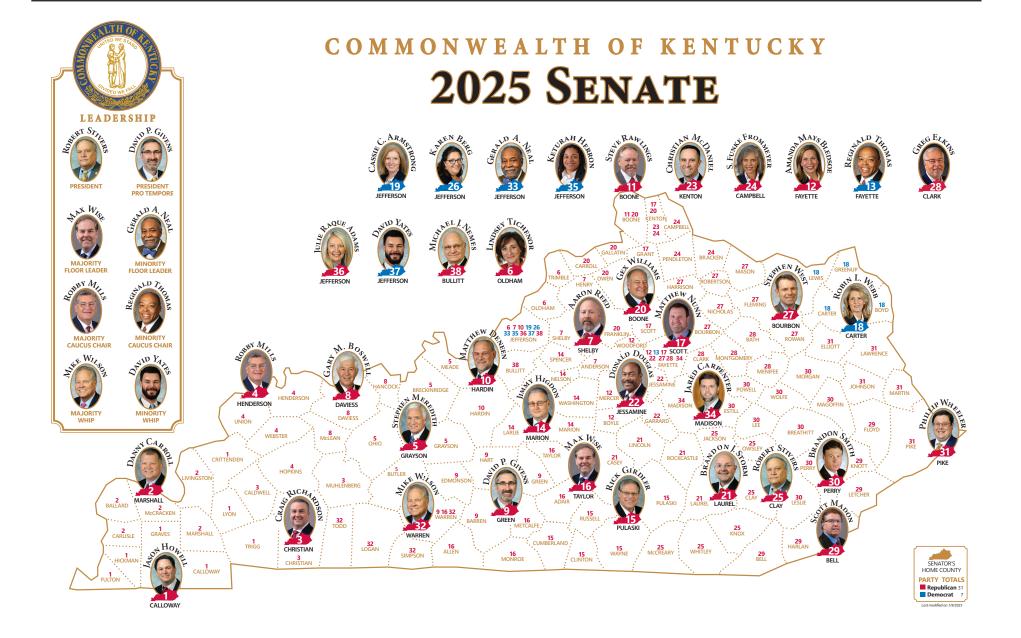




know your Legislators

With many significant pieces of legislation moving through the Kentucky General Assembly, your elected officials need to hear from **YOU** on key issues to help improve the state's business climate. Watch for action alerts from the Kentucky Chamber throughout session and call your legislators at **1-800-372-7181** to express your support for priority bills important to the business community.





Thank you for your investment.

The following is a list of new members of the Kentucky Chamber. Please help us thank these companies for investing in the Chamber's mission by giving them your business.

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KENTUCKY CHAMBER NEWS

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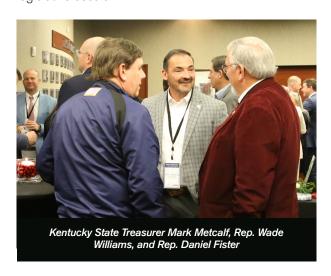




KENTUCKY CHAMBER HOSTS RECEPTION TO WELCOME

Newly Elected Legislators

In December, the Kentucky Chamber partnered with McCarthy Strategic Solutions to host a reception with Kentucky business and state leaders to welcome newly elected legislators to the General Assembly ahead of the 2025 legislative session.





Mark Your Calendars

February 21, 2025 | Inaugural Kentucky Healthcare Innovation Summit - Louisville

February 26, 2025 | OSHA Recordkeeping & Reporting - Lexington

February 27, 2025 | OSHA Forklift - Train the Trainer - Lexington

March 18-19, 2025 | 10th Annual Kentucky Workforce Summit – Lexington

March 26-27, 2025 | 23rd Annual Kentucky Environmental Conference – Lexington

April 29-30, 2025 | 37th Annual Kentucky HR Update - Hybrid/Lexington

May 7-8, 2025 | 14th Annual Kentucky Energy Management Conference - Lexington

May 22, 2025 | 21st Annual Best Places to Work in Kentucky – Lexington

June 3-4, 2025 | OSHA 10-Hour General Industry Voluntary Compliance Course - Louisville

June 3-6, 2025 | OSHA 30-Hour General Industry Voluntary Compliance Course - Louisville

June 26, 2025 | 5th Annual Women's Summit – Lexington

July 25, 2025 | 2nd Annual Kentucky Young Professionals Summit - Louisville

August 12-13, 2025 | 28th Annual Kentucky Environmental Permitting & Reporting Conference - Lexington

August 26-28, 2025 | 41st Annual KYSHRM Conference - Lexington

REGISTER OR SPONSOR AN EVENT

To register for an event visit kychamber.com or contact Lori Jo Goff at 502-848-8727 or lgoff@kychamber.com.

Sponsorship opportunities are available for many of these events. To learn more, contact **Andrea Flanders**, Director of Sponsorship Relations, at **502-848-8786** or **aflanders@kychamber.com**.



KENTUCKY CHAMBER TO HOST Small Business Day at the Capitol on February 26

Join the Kentucky Chamber for its Small Business Day at the Capitol on February 26, 2025, sponsored by Planters Bank. Don't miss the opportunity to network with small business leaders from across the state, have discussions with key legislators, and watch Chamber leaders testify on top issues in front of the House Small Business and IT Committee. Register today by scanning the QR code.





Nominate for the 2025 Class!

The Kentucky Entrepreneur Hall of Fame is celebrating our 15th anniversary of telling the stories of Kentucky's most successful entrepreneurs.

Nomination requirements include revenue & profit achieved; employment generation; contribution to industry; contributions to community-oriented projects and society; and innovation of product or service.

Help us choose the class of 2025 by submitting a nomination! Deadline is May 3, 2025. Visit www.entrepreneurhof.com/nominate.

MEET THE 2024 INDUCTEES

ENTREPRENEURS OF THE YEAR











Co-Founder, CEO/President,

CEO/Founder

Co-Founder - Castellan

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Principal,









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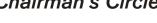




































































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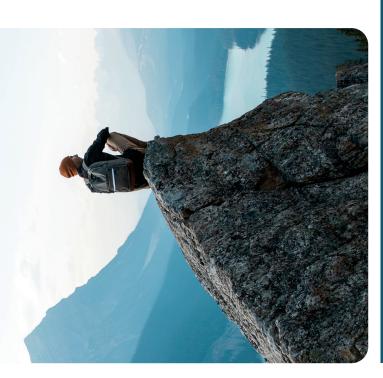
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Pinnacle Treatment Centers Piramal Pharma Solutions Planters Bank, Inc. Republic Bank Republic National Distributing Company Reynolds American Robert W. Baird Co. Incorporated

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