

Panasonic's EV Gamble Isn't Capitalism— It's Corporate Welfare

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Kansas just got played. Again.

Panasonic's \$4 billion EV battery plant in De Soto—touted as the state's biggest economic development deal ever—is now delayed. Why? Because the federal government finally decided to stop propping up the electric vehicle market with taxpayer cash.

President Trump's "[Big, Beautiful Bill](#)" kills the \$7,500 new EV tax credit and the \$4,000 credit for used EVs. It's about time. For too long, Washington picked winners and losers, and in this case, it picked Panasonic—on your dime.

You may like the federal EV tax credit or you may hate it. That isn't the point of Kansas policymakers giving Kansas taxpayer money to a politically-connected business (Panasonic) based on a set of assumptions that extend beyond their ability to control.

Gov. Kelly made a bet with your money, got to take credit at the time, and will be long-gone when the checks start coming due. Now the market is adjusting. Tesla's sales are slowing. EV demand is dipping. And Panasonic has just announced that it won't reach its full production target by 2027 after all. They also failed to announce *when* they expect to reach full capacity.

The \$829 Million Question

Kansas promised Panasonic [\\$829 million in incentives](#) through its APEX megadeal program. But here's the kicker: there are **no wage floors** or **firm job guarantees**. Panasonic has hired only 1,100 people so far, and while it claims it'll hit 2,000 next year, even that's uncertain. The big 4,000-job number politicians like to brag about? Pure speculation.

At the local level, De Soto allocated an additional [\\$229 million in TIF subsidies](#) for roads, water, and sewer projects to support the plant, based on assumptions rather than actual outcomes. This isn't economic development. It's an economic delusion.

Corporate Welfare Doesn't Age Well

Let's stop pretending this is a win. The Panasonic deal is the poster child for why the government shouldn't be in the business of cutting backroom deals. Companies should expand based on demand, not distorted by taxpayer handouts. Let alone handouts that spark even more subsidies.

And this isn't just about EVs. It's a broader indictment of a political class that believes the growth path is giving away your money to private corporations. That's not capitalism—it's cronyism.

De Soto Mayor Rick Walker says we need to “focus on the long game.” But the long game should be **market discipline**, not hopeful headlines. We already played this game before.

Kansas Can't Afford This

Even with state revenues coming in \$248 million above expectations this year, immediate **tax cuts are off the table** because the new tax law ties rate reductions to inflation-adjusted revenue triggers that weren't met. Fiscal year 2025 income tax collections came in at \$6.038 billion—**\$87 million short** of the \$6.125 billion trigger, according to [legislative researchers](#). That means Kansans still won't get relief, while Panasonic holds a golden ticket.

Gov. Laura Kelly says tax cuts would take us back to “dark fiscal times.” But here's the truth: we're already spending \$300 to \$700 million more annually than we're bringing in, and Kansas is projected to run a **\$375 million deficit** by 2029. The real problem isn't tax cuts. It's spending.

Part of the spending Gov. Kelly likes to ignore in “dark fiscal times” rhetoric are the handouts to Panasonic, Integra, and others that her administration touts. That forgone revenue represents taxes not cut for you and “investments” not made in core government services.

Kansas ranks [23rd in per-resident spending](#) and 24th in state-local tax burden. That's not sustainable, especially when you're handing out nearly a billion dollars to a global conglomerate with no hard job requirements.

There's a Better Way

Want economic growth? **Cut taxes for everyone**, not just those with political connections. **Cut spending** so it's tied to population growth plus inflation. And stop littering the budget with carveouts, pet projects, and corporate handouts.

Instead of bribing companies like Panasonic, Kansas should create a flat, broad, consumption-based tax system that rewards work and investment. States like Texas and Florida are already showing the way. Why should Kansas settle for second-tier thinking?