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# Possible sales tax is not so 'streamlined'

The secretary of revenue is oh so nice about it, but there's no way the Sebelius administration or the Kansas Senate are going to let go of the \$70 million a year they hope to get from "destination" sourcing" of the state sales tax.

Destination sourcing is part of something called the "Streamlined Sales Tax" law, a national proposal aimed at letting states tax Internet and catalog sales, wherever they originate.

As mail-order sales grow, states see a huge hole in their tax laws. Sellers have to collect tax on merchandise going to their home state or another state where they operate, but not elsewhere.

The U.S. Constitution bars states from collecting tax on goods in "interstate commerce." When we buy from, say L.L. Bean, we're supposed to file a return with the state and pay something called a "compensating use tax."

You did that last time you bought a jacket, didn't you?

To get around this, states want Congress to approve an interstate compact, or agreement, to allow them to collect tax for each other. Part of that plan is a uniform tax code, the Streamlined Sales Tax. And this model law requires sellers to "source" sales tax by destination, that is where the merchandise *goes*, not where it is shipped, as is done today.

This might not sound too tough, but Kansas alone has more than 700 potential taxing districts and about 300 actual rates. There is no computer program which will accurately source tax rates. The state has one that works by ZIP codes, but its accuracy is suspect.

If this Orwellian scheme ever goes into effect, merchants will have to "source" the whole nation, with thousands of tax zones. It may not be much of a burden to the average downtown retailer, but many small businesses ship merchandise. The amount of manual work looking up tax zones is astronomical for them.

A newspaper, with subscriptions going all over the state, or a trophy shop which ships to multiple counties, a photographer sending out wedding prints or a store that sells a lot on the Internet, all will have to comply.

Kansas Secretary of Revenue Joan Wagnon, meeting with a group of publishers last month, said her department would bend over backward to help people comply. Enforcement of the law has been "relaxed" so far, but will be tightened later this year. She said merchants can use an average of their distribution if that's the only reasonable way they can figure the tax. Even that will be a lot of work.

Of and by itself, the sales tax change may not be that important, but it adds to the increasing regulatory burden, state and federal, that makes it harder for businesses to succeed each year.

There are new federal rules under the Patriot Act, the tax code, Occupational Health and Safety, the Health Insurance Portability and Accountability Act (HIPAA), health insurance, and so on, an endless stream of new and complicated regulations.



# Little Texas town has a big heart

hen life hands you lemons, make lemonade. Following our week in Juarez, we were on our way from El Paso to San Antonio when we spotted an interesting-looking antique store in the little town of Sabinal, Texas. We browsed the aisles, then struck up a conversation with the owner, Mr. Baker.

He and Jim shared an interest in Indian arrowheads, and from under the counter he pulled out some framed displays that most of his customers don't get to see. We promised to stop again next time we were through town and crawled back into the van. That's one.

spotted a car wash across the street and up.' said, "Let's wash off some of that Juarez dirt.'

A few minutes later, all clean and dripping, we were ready to roll. However, the van wasn't. It would "turn over" but asked. would not start. Jim is a good automotive sibilities, coming to the conclusion that it about check-out time." That's five. was the fuel pump. It was now well past 5 o'clock, and he headed out to find a repair shop.



## That's four.

With our pillows and overnight gear in our arms, we straggled into the lobby and I said, "I guess it's pretty obvious we need a room."

Without missing a beat, the man behind It was late in the afternoon when Jim the counter said, "Sorry, we're all filled

The parking lot was completely empty, but I halfway believed him. Then I caught the twinkle in his eye.

"When is check-out tomorrow?" I

"Whenever Gil gets done with your diagnostician and eliminated all the pos- van," he answered. "Don't you worry The college boy had told me that "The Triple T" was the best place in town to eat, and it was just a block away, so we headed over to get supper. A nice young couple with their little boy were seated at the table next to us and, naturally, we struck up a conversation. We learned that the husband was a career military man just returned home from Iraq. We thanked him for what he had done for his country and he said, "Knowing that the troops were being supported by people back home made it all worthwhile. I thank you." That's six, his wife made seven. After the family left, another couple called out and invited us to share their table while we all had coffee. Chip had been involved in emergency medicine, ited back and forth, and before he left he even teaching emergency medical Technician courses before a horrible accident forced him to leave his profession. Semiretired, he works as a home remodeler. Before the cafe kicked us out, Chip and Barbara were "old friends." We parted with promises to e-mail, and to stop in and

go to church with them next time we pass through. That's eight and nine.

Next morning, we headed out in search of coffee and found some at a little convenience store down the street. We could tell it was the local coffee shop because of all the pickups parked out front. We spotted a little table outside and Jim suggested I grab it while he went in for coffee. I had barely settled in when a cowboy tossed a box of doughnuts on the table and said, "I think I'll sit here with you."

Somehow, I thought Jim had already talked to him inside and invited him to share our table so I said, "Sure. Anyone with doughnuts is welcome."

Jim showed up with our coffee and obviously did not know who this guy was but quickly shook hands and sat down.

The cowboy introduced himself as Robert. We learned he managed a hunting reserve and, along with his wife, operated a hunting supply store. He said, "Here, y'all got to meet somebody." He jumped up and soon came back with his black Labrador, Beau. A few minutes later Robert's wife, Lena, pulled up and introductions were made all around. When we explained our predicament she asked, "Were y'all the ones having trouble at the car wash last night?" Ilaughed and said, "Your town must be like ours. Everyone has probably already heard about these two stranded Kansans." "Oh, I wish we'd a' known," Lena said. "Y'all coulda stayed out at our place." That's ten and eleven. Twelve, if you count Beau. Almost a dozen people went out of their way to either help us or make us feel welcome. Life has a way of doing stuff like that; taking a situation that could have seemed like a huge mistake and turning it into a memorable experience. It's a long way around, but would your town be as well represented with hospitality as little Sabinal, Texas, was? I hope

Then the state adds its own share.

Maybe it's no wonder job creation is lagging in this country. Small business creates most new jobs, but the government makes it harder to be in business every year.

The funny thing is, Kansas may never see that \$70 million a year from the "streamlined" (read complex) sales tax. Much of it will be collected under present law as the states put pressure on companies which ship without collecting taxes, but already have operations everywhere. Wal-Mart is a key example, Lands End (now owned by Sears) another.

L.L. Bean is the exception, but is forcing them to pay tax worth making Kansas even more unfriendly to business growth? Not – Steve Haynes likely.

LETTER TO THE EDIT

What he found was Mr. Baker, who insisted that Jim let him take him to a mechanic he knew. In the meantime, I'm staying with the van; the owner of the car wash came by and offered his help. That's two.

"Help is on the way, "I said.

"Well, y'all just let me know if there's anything I kin do to hep," he called over his shoulder.

A college kid, cleaning out his pickup in the stall next to where our dead van sat, asked if we were from around there. His mother was originally from Sabinal and their family had just recently moved back, so he didn't know all the locals. We vissaid, "Here," and tossed me a brand new beach towel from the resort where he works. That's three.

A few minutes later, Mr. Baker delivered Jim, who had news that a wrecker was on the way. Right on cue, a big red tow truck pulled in and Gil had us hooked up and loaded in no time.

'There's a motel right next door to my shop," he said. "I'll drop you off there."

WRITE:

'Cause that is one place we are definitely going back to.

### To the Editor:

and women of the Norton City Council and the Norton County Commissioners. Have you ever heard the old saying "United we stand, divided we fall"? The recent squabbles amongst you lead me to believe you have not.

Yes, it is a good thing to have the courage of your convictions; it is also a good thing to have the vision and foresight to see when it is courageous to compromise. We are all very aware that budgets are strained and when money gets tight, tempers get short. But the welfare of the city of Norton rests in your hands and in the decisions you make. The current state

administration is doing all it can to close This letter is an open appeal to the men down our small northwest Kansas cities. Do we really want to help them do that by our shortsighted penny pinching and divisiveness?

Fussing and feuding serve no good end. You remind me of one of my father's old adages, "Sounds like a burlap bag full of wet cats." Those cats usually ended up being tossed in the creek as I recall. Are we going to toss Norton out the same way?

Please, can you find unity in your diversity for the good of all?

> With concern, Liza Deines Norton

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We do not publish form letters or letters about topics which do not pertain to our area. Thank-yous should be submitted to the Want Ad desk.

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# ISSN 1063-701X

215 S. Kansas Ave., Norton, KS 67654

Published each Wednesday and Friday by Haynes Publishing Co., 215 S. Kansas Ave., Norton, Kan. 67654. Periodicals mail postage paid at Norton, Kan. 67654

Postmaster: Send address changes to Norton Telegram, Norton, Kan. 67654

Official newspaper of Norton and Norton County. Member of the Kansas Press Association, National Newspaper Association, and the Nebraska Press Association

# Nor'West Newspapers

#### **Dick and Mary Beth Boyd** Publishers, 1970-2002

Incorporating the Norton County Champion Marion R. Krehbiel, editor

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