pinion



Other **Viewpoints**

Tax system needs a major overhaul

Perhaps the realization that most Kansans are now paying a higher tax rate on a gallon of milk than on a bottle of liquor will prompt Kansas legislators to take a serious and comprehensive look at the state's tax structure.

In more than a third of Kansas cities — including all but one of the cities with populations over 25,000 — residents are paying a general sales tax that is higher than the 8 percent state tax charged on packaged liquor. The sales taxes in those communities are a combination of the 6.3 percent state sales tax and various local tax levies that drive the rate above 9 percent in some cities.

The state sales tax went from 5.3 percent to 6.3 percent on July 1 because Kansas legislators, backed into a corner at the end of the session, decided the increase was the least painful way to balance the state budget. The tax will go back to 5.7 percent in 2013, with the continuing tax dedicated to funding an \$8.2 million transportation plan.

The state's alcohol tax has remained at 8 percent since 1983. During that period, the state sales tax has increased five times. Because Kansas is one of only seven states that levies its full sales tax rate on food, many Kansans now find themselves paying a higher tax rate on food than on alcohol.

To their credit, the legislators interviewed on the subject recognized how out of whack this situation is, but as April Holman, policy director for Kansas Action for Children, pointed out, "this is what happens when your tax system is a hodgepodge of whatever is the most politically expedient."

Holman and others also questioned whether having a higher tax rate on food than on liquor accurately reflected "the values of our state." It probably doesn't, but this situation is only a small part of a tax system that needs a comprehensive review.

The idea of a small increase in the state income tax rate for higher income Kansans was never considered by state legislators in the last session. Lawmakers also refused to take a look at state tax exemptions — many passed to benefit individual groups — to see if they all still make sense or could be reversed.

State Sen. Marci Francisco made the apt point that leaving major tax and budget decisions until the end of the session, reduced discussion and narrowed the Legislature's options. After spending most of the session in denial about the need to raise revenue, legislators didn't have time to consider big issues like tax exemptions or rebalancing the state's tax load; a broad sales tax increase was the expedient solution.

The current tax situation shouldn't be seen as simply a battle between food and alcohol. It is just one symptom of a state tax system that is in need of repair and should have top priority when legislators reconvene in January.

Lawrence Journal-World, via The Associated Press



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COLBY FREE PRESS

155 W. Fifth St. Colby, Kan. 67701 (USPS 120-920)

(785) 462-3963 fax (785) 462-7749

Send news to: colby.editor @ nwkansas.com State award-winning newspaper, General Excellence, Design & Layout.

Columns, Editorial Writing, Sports Columns, News, Photography. Official newspaper of Thomas County, Colby, Brewster and Rexford.

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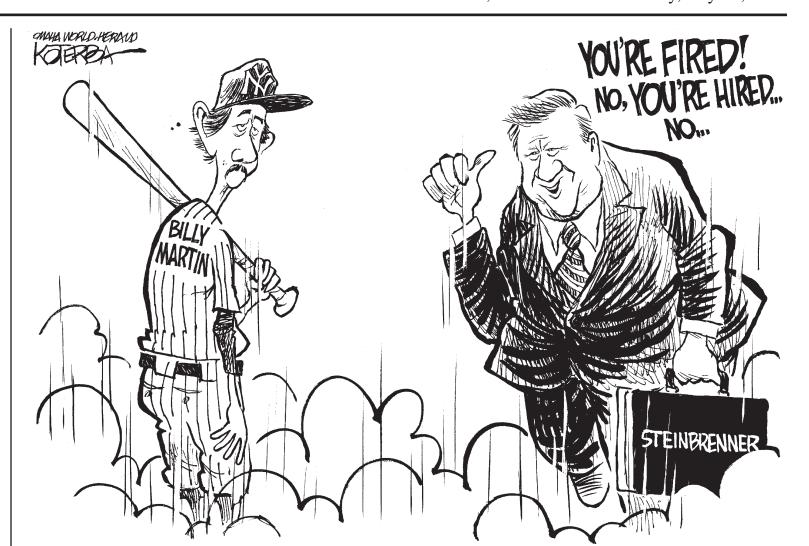
THE COLBY FREE PRESS (USPS 120-920) is published every Monday, Wednesday, Thursday and Friday, except the days observed for Memorial Day, Independence Day Labor Day, Thanksgiving Day, Christmas Day and New Year's Day, by Nor'West Newspaper,

PERIODICALS POSTAGE paid at Colby, Kan. 67701, and at additional mailing offices. POSTMASTER: Send address changes to Colby Free Press, 155 W. Fifth St., Colby,

THE BUSINESS OFFICE at 155 W. Fifth is open from 8 a.m. to 6 p.m. Monday to Friday, closed Saturday and Sunday. MEMBER OF THE ASSOCIATED PRESS, which is exclusively entitled to the use for publication of all news herein. Member Kansas Press

SUBSCRIPTION RATES: In Colby, Thomas County and Oakley: three months \$35, one year \$85. By mail to ZIP Codes beginning with 676 and 677: three months \$39, one year \$95. Elsewhere in the U.S., mailed once per week: three months \$39, one year \$95.

Association and National Newspaper Association. Student rate, nine months, in Colby, Thomas County and Oakley, \$64; mailed once per eek elsewhere in the U.S. \$72



Impolite travelers not uncommon

The chutzpah of some travelers is unbeliev-

You see it driving, on the bus or subway, but nowhere is it more apparent – or more appalling – than on the airlines.

Just a few examples:

My sister flew out to Colorado to meet us last week. She said in Denver, since she had a four-hour layover, she got to the gate before the airline agent. When the poor woman got there, passengers peppered her with questions and complaints before she could even log onto the computer.

Sis said she stuck up for the agent, and later, when she got her boarding pass, found herself "upgraded" to a front-row seat in the little Beech 1900 she flew on up into the moun-

She put her bag in the overhead and took her seat, then a woman passenger boarded, found "her" bin full, removed Sis's pack and tossed it at her.

"Here," she said. "You can find someplace

The flight attendant and the passenger be-

Steve Haynes Along the

Sappa her bag back to a bin in the center of the plane.

She said it wasn't worth a fight. Later, the guy behind her told her the last time he'd seen something like that on an air-

plane, it'd caused a fist fight. So, where do people like this get the idea they own the world? You got me.

The next one is not uncommon. Some people don't bother to read their seat assignments. They just board the plane and take the seat they want, usually a desirable aisle seat.

When the real seatholder comes, they simply refuse to move. Usually, it's not worth a Just as common are the people who com-

plain about things over which neither the hind her stood mouths agape, but Sis just took airlines nor anyone else has much control. A

friend's son related that on a flight home from Germany, he'd witnessed some appalling behavior.

It seems a woman passenger had given birth over the Atlantic. The pilot decided to divert to a Canadian city to allow the woman, her husband and the tiny "premie" to get quickly to the hospital.

The flight was hours late, and apparently, some of the passengers complained bitterly.

What did they want? To have the pilot make

the woman hold that baby all the way to Den-Don't people have any common sense?

Don't they care about anyone but themselves?

What ever happened to virtues like compassion, respect for the rights of others, common decency?

Steve Haynes is editor and publisher of The Colby Free Press and president of Nor'West Newspapers. In his spare time, whenever that is, he like to ride and watch trains.

Kansas has handled budget crisis well

Mark

I'm proud of how we have handled the budget crisis in Kansas. While many other states are just now making the tough decisions to balance their next year's budget, in Kansas we have already done so. I wanted to write about how we've been able to do this.

I'm reluctant to write about the challenge state government has faced in the recession, because I know it is nothing compared to what Kansas families and businesses have had to endure: Lost jobs, lost savings, lost businesses and sometimes, lost hope, found all too often across the state.

But the job of the governor is to balance the budget, and my goal was to develop a plan that would work for the next five years. Provided that we have normal economic growth, we've been successful in meeting that goal.

The Triple Whammy

Our budget problem was the result of three factors, all converging this year. Most people realize the first is the recession, resulting in lower state revenue. To put this in perspective, the state had never had more than one year in a row of declining revenue. We have now gone

The second and third factors are less talked about. The second factor is that we dramatically lowered state taxes during the 1990s and 2000s. You may be asking yourself what I'm talking about, because you haven't noticed your taxes going down. To attract and hold businesses we lowered or eliminated taxes most people don't pay.

The third factor is that we were spending more than we were taking in, even before the recession. This was principally because the Legislature responded to a court ruling that required it to adequately fund Kansas schools, but failed to find the money to meet this requirement. So, for two years right before the recession, we were spending \$500 million more than we were taking in each year.

The bottom line is that we would have had major budget problems even without the recession.

How We Fixed It

because I realize it's hard to follow. But some by the economy. We continue to do what we



Parkinson Governor

of Kansas

general things will help. Our State General Fund budget was around \$6.4 billion. Income was \$1.3 billion short.

We filled the \$1.3 billion gap by making \$1 billion in cuts and raising \$300 million in revenue from a sales tax increase that will last three years.

My preference would have been to solve the entire shortfall with cuts. No one wants to raise taxes. But, after the fifth round of cuts, I became convinced that to cut any further would hurt our public schools, universities, public safety system, roads and safety net.

Fortunately, 64 members of the Kansas House and 23 members of the Senate agreed with me. The result is that we balanced our budget for 2010 and now have a balanced budget heading into 2011.

Decisions Avoided Disaster

There are some who argue that our \$1 billion in budget cuts went too far and others who believe that our \$300 million one-cent sales tax was unnecessary. What those critics fail to realize is that the cost of doing nothing, of delaying the tough decisions into the future, would be much worse.

Many other states in the country have delayed these painful decisions and are just now starting to pay the price. Illinois owes its schools and other agencies \$5.01 billion. Last week, I spent time with the gover-

nors from New York, Michigan, Washington, Maryland and Pennsylvania. The stories were all the same - their budgets are out of balance and essential services of state government like schools and public safety will be cut severely.

What Can Derail This?

There are two factors that could unbalance I want to avoid a long discussion of numbers the budget. One would be dismal performance

can to create economic growth in Kansas, but at some point we simply need the national economy to turn up.

The second risk is the failure of Congress to provide us some additional aid known as the Federal Medicaid Assistance Program. Congress provided this aid to the states as part of the Recovery Act, and it looked like it would provide additional aid this year.

We reluctantly counted on getting this money, about \$130 million, in our 2011 budget. We only counted it after it had passed both the U.S. House and Senate.

Unfortunately, it passed in different bills that now need to be reconciled. More unfortunate is that this issue has become political, delaying its ultimate passage.

Biggest Jobs Bill Ever In addition to how we handled the budget

situation, what makes me most proud of the Legislature is that we not only protected what our ancestors had built, but we passed legislation that moves us into the future. The most significant was the passage of a transportation plan that will build roads, maintain existing roads and work on railroad lines and airports all over the state. Not only will this create tens of thousands of jobs during the construction phases, it will create enduring economic development once the projects are complete.

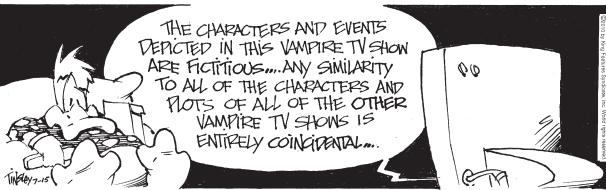
And to top it off, we also passed legislation that created a statewide public smoking ban, passed a bill that takes the first step in expanding insurance coverage to include autism, and ended a dispute that will result in nursing homes across the state receiving additional federal funding.

It was a great session. As you learn about the incredible struggles that most other states are having, I hope you take pride that in Kansas we have solved our budget challenge. The solution, however, is fragile.

Under any scenario we need the economy to grow. Without growth, even the best-laid plans simply won't work. In the meantime. let's celebrate a legislative session where Republicans and Democrats came together, solved some difficult problems and actually finished ahead of time.'

Mallard **Fillmore**

Bruce Tinsley



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