



Free Press  
Viewpoint

Tax plans offered  
fall short of ideal

Tax plans by all comers – the governor, House Republicans, the Democrats – leave a lot to be desired.  
The governor starts from the premise that reducing or eliminating the state's income tax will attract new businesses and spur those already in the state to make new investments. And while that might be true, the devil, as they say, is in the details.  
One problem with the governor's proposal is that it would reduce taxes on higher-income Kansans, but raise them for the poorest taxpayer. The principal issue is that it would eliminate many tax deductions and credits taken from federal law, including the "earned income credit," which can generate refunds for people who owe no taxes.  
You can argue that this credit is poor public policy, unfair to others who earn money, but raising taxes on only the lowest earners just does not look good. It's too good a gift to give the Democrats.

The governor also would end the highly popular deduction for home-mortgage interest. That should be a winner.

Another issue with the governor's plan is that he would keep the one-cent increase in the state sales tax signed by Gov. Mark Parkinson two years ago to pay for reduced income taxes. But while income taxes are termed progressive because they lean more heavily on the rich than the poor, the sales tax burden falls most heavily on those who earn less.

The House plan avoids some of the pitfalls of the governor's, but it has issues of its own. It would allow six-tenths of a cent of the sales tax increase to expire next year, as the Legislature promised two years ago. But it still would raise taxes on the poor while lowering them for the rich.

The House also would steal \$320 million from the T-Works transportation plan, diverting sales-tax money promised to the road fund and "promising" to pay it back later. Such promises aren't worth the reams and reams of paper they are printed on. If the state is in a financial bind "later," the road fund will suffer.

Transportation is too important to this state to be endangered by politics.

The Democrats, meanwhile, want to commit \$45 million of state tax money to cities and counties for property-tax reduction. The state used to do that, but gave up when the budget crisis forced across-the-board cuts. We doubt the state can afford to get back into this "revenue-sharing" scheme. Cities and counties should raise their own money – or cut their budgets.

A little-mentioned drawback to any of these plans is that whatever is done to make state deductions and credits different from federal law will make Kansas tax returns far more complicated than they are today. At present, the state return is calculated with very few changes from federal practice.

Tinkering with the tax code could cost taxpayers a lot of headaches – and money – as they try to figure the difference. Many changes simply won't be worth the trouble.

We're sure some brand of "tax reform" will come out of this session. Lowering income taxes is a laudable goal, but selling the change will require an overall impression of fairness. No plan out there so far has that, but whatever the Legislature comes up with has to appear fair and workable for all concerned, or it'll be a tough sell.

Taxing the poor to help the rich won't do that. It's just a way to let the Democrats make gains in the fall elections.

- Steve Haynes

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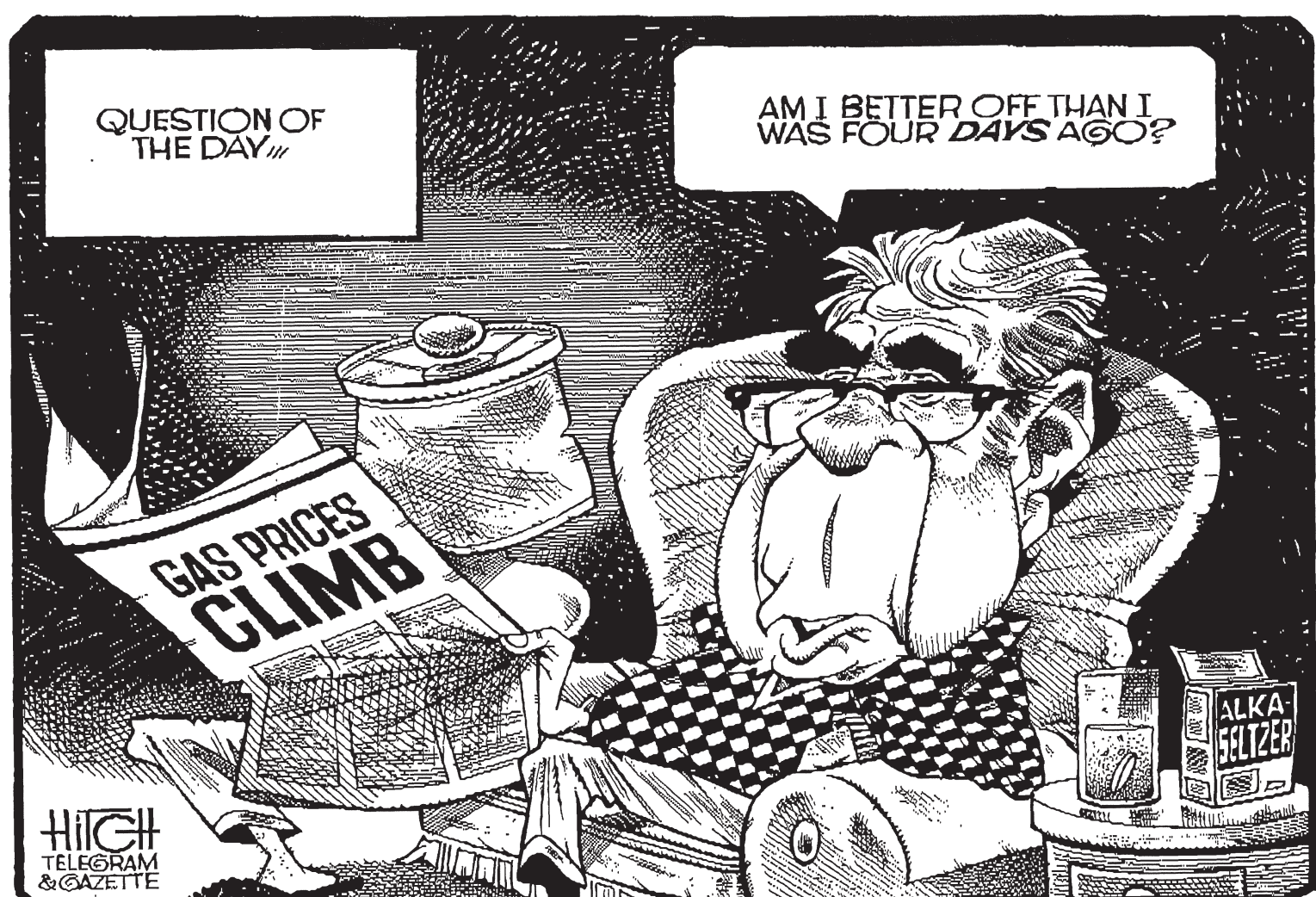
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Any name for grandmother spells 'old'

Some religion, I'm told, has a thousand names for God. Around here, we have a thousand names for grandmother.

I was a little surprised when my daughter announced that I was Nana and Steve was Papa to Taylor, our only grandchild. Taylor's only word at the time was dadadada.

But then, our youngest daughter has never been one to put off a task. She wasn't going to leave the all-important names for the grandmothers and grandfathers up to her daughter. The kid might end up calling both grandmothers by the same name.

Too confusing!  
I don't know where she came up with Papa, and I'm not sure that one will stick. Nana, however, was my name for my mother's mother.

Since youngest daughter is partially named after her – her middle name is Ellis, my grandmother's married name – it's appropriate and I should be so honored.

However, I was a little taken aback at first. It was silly. I loved my grandmother Ellis. She was a wonderful woman.

But, she was old.  
There I've said it.



Cynthia Haynes

• Open Season

I remember her as a wonderful old lady. But the operative word for me here is old.

I'm not old. I'm not even 65 yet. Close, I'll admit, but not there.

Well, of course, I rationalized. My mother was a younger daughter. Her mother would naturally have been older by the time I came along.

So, I did some figuring. I was 62 when Taylor was born. Nana Ellis was 60 when I made my appearance.

The sad truth is, I remember my grandmother as she was when I was in my 20s and she was in her 80s, not the way she was when I was 3 or 4 and she was my age.

So, I'm Nana and happy about it. But I'm not giving in to old age any time soon.

Other names in the family for grandmother include YaYa and Suzy.

Now, YaYa was the pet name bestowed by the sons of Steve's cousin on their grandmother. Aunt Mary was way too proper for me to ever think of her as YaYa, but she seemed to enjoy hearing that from her three grandsons and six great-grandchildren.

Suzy is a mystery to both Steve and me. His grandmother Haynes never wanted to be called grandpa, he said, so Steve and his siblings called her Suzy. Since her name was Mary, the origin of that nickname is a mystery.

I guess I'll have to find out what Taylor is calling her Blake grandmother and grandfather. Could be YaYa or Suzy for all I know. After all, there's no need to waste perfectly good family nicknames.

Cynthia Haynes, co-owner and chief financial officer of Nor'West Newspapers, writes this column weekly. Her pets include cats, toads and a praying mantis. Contact her at c.haynes@nwkansas.com

Carnivals may keep exemption

Last week, the Legislature reached the halfway point of the 2012 session.

As a result, we did not convene on Monday or Tuesday to give clerical staff time to process the legislation passed in advance of the turnaround deadline.

In the next few weeks the House focus will primarily be on legislation, which passed the Senate and has made its way to the House. Work will also continue on overhauling the state tax code, the public employees' retirement system, finalizing the budget, and redistricting – all of which must be done before the regular session ends on March 31.

Local Owned Carnivals

Last week Sens. Ostmeyer and Schmidt, along with Reps. Cassidy, Hineman and I had a conference phone call with the representatives from our local carnivals and the Department of Labor.

I think we have found a resolution to our inspection exemption. It sounds as though as long as the carnivals have and maintain insurance coverage and present a copy to the Department of Labor, our exemption will continue.

February Revenue Returns

This week the Kansas Department of Revenue reported tax-only collections for February totaled \$261.4 million, \$29.9 million above the estimate of \$232.2 million. Sales taxes were up \$10.3 million (6.9 percent) with \$160 million collected. Individual income tax receipts from February were \$53.7 million, \$18.6 million (53.4 percent) above the \$35 million projection.

For the current fiscal year, individual income taxes total \$1.698 billion, \$6.8 million below estimates. From the same period in 2011, individual income taxes are up by \$93.6 million.

Sales tax receipts for the current fiscal year are \$1.423 billion, \$12.7 above the \$1.410 billion prediction. However, promising economic improvement from last year is becoming evident as sales tax collections for 2012 exceed sales tax collections from 2011 by \$109 million.

The February revenue figures indicate the



Rick Billinger

• This week in Topeka

state continues to slowly make economic improvements. However, research shows revenues will remain erratic as the economy gradually recovers. It is essential that the legislature, once again, produce a responsible, balanced budget that relies on real dollars and continued structural reform.

As I mentioned in last week's news letter, when there are surplus dollars everyone wants to spend them. We will have to avoid the temptation.

Every bill having to do with finance will more than likely see someone trying to add on an amendment allowing expenditures for worthy programs.

The governor has proposed more funds for education and income tax relief.

The house seeks property tax relief, so most of the amendments and proposals offered by senators and representatives are and have been part of the plan.

Kansas Public Employees' Retirement Plan being readied

The House Pensions and Benefits Committee this morning unveiled a new pension system establishing a new Tier 3 benefit program, a cash-balance plan for workers hired after Jan. 1, 2014.

It is designed to create a self-funding program for new hires that are eligible, at the same time channel earnings of the pension system's trust funds to reducing the actuarial liability of the system. Hearings on this plan will probably start next week.

Kansas Exports

Exports in Kansas made history in 2011, surpassing the \$11.5 billion mark, the second best year on record for Kansas business. The Department of Commerce released the figures

this week, with Canada being our largest trading partner by far with 22.1 percent, followed by Mexico, 14.0 percent, Japan, 5.7 percent, China, 5.5 percent, and Nigeria, 5.1 percent.

Kansas will be celebrating Agriculture Week, March 5 through 11. Agriculture is Kansas' largest industry, encompassing \$4.9 billion in exports, \$15 billion in products sold, 21 percent of exports, 26 percent of the state's manufacturing, 28 percent of wholesale and 16 percent of retail sales.

Chapel Bill Going To House

The House Federal and State Affairs Committee will be sending to the full house a bill that would authorize the Legislative Coordinating Council to approve designation of a chapel somewhere in the state capitol.

The bill was introduced by House Majority Leader Arlen Siegfried, R-Olathe, to create a place of "prayer or meditation" for lawmakers and anyone in the statehouse.

It was crafted carefully so as not to intertwine government and religion, and it will be built or furnished through private donations. Some years back there was a chapel so this is not a new idea.

Thank you for the honor of serving you!

Rick Billinger is the state representative from the 121st District. He currently serves on the Commerce and Economic Development, Education Funding, Insurance and Local Government committees.

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Mallard Fillmore

• Bruce Tinsley



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