

Comments to the Kansas Council on Tax Reform 14 November 2019

I am Vashti Winterburg from Lawrence. I would like to thank the committee for the opportunity to give comments on the topic of tax reform in the state of Kansas.

I would like to begin by thanking all of the tax payers, many of them now deceased, who helped pay for my education, the roads I have driven on, the water and sewage systems, the taxes collected, the legal system and all of the other public goods and services that have made my life and the lives of everyone else in this state better. I have a deep appreciation that our citizen's tax priorities have meant we are not Missouri.

I would principally like to speak today on the issue of equity, although the Governor's priorities of adequacy and stability are also important. As most of you are probably know, during the Brownback Experiment, Kansas established an international reputation for bad tax economics. Yes, the whole country was in the middle of the biggest economic crisis since the Great Depression, but Kansas decided to not only go the route of every other state with a contractionary Herbert Hoover/Andrew Mellon "cut the budget" approach, but added a regressionary "give tax cuts to the rich" plan with predictable contractionary results. Yes, we all know how we ended up in this room today.

In particular, here's how I ended up here. Sometime during the unlamented Tax Experiment, some governmental body in Kansas put out a chart showing by income quintile, that is, by groups of 20%, what the effective Kansas tax rate was. For our lowest income quintile, the effective tax rate was over 10%, and for the highest income quintile, the effective Kansas tax rate was under 4%. The only, only good thing that can be said about such a pre-French Revolution tax system is

that it is sure to fail. As former Republican Legislator Tom Sloan said in 2016, “We have invested \$700.000.000, (in tax cuts) and have nothing to show for it.”

When you build a regressive, libertarian tax system that wants to rely only on sales tax here is what I presume your objectives are:

1)Wreck as many government services as possible, especially the infrastructure that we all depend upon.

2)Be indifferent to the disproportionate levying of taxes on all but the wealthiest

and 3) Be indifferent to actually expanding the state economy.

So, as this committee looks at tax reform, I say, sure, recommit to the “Three Legged Stool” of a balance of sales tax, property tax and progressive income tax. BUT, lean towards equity. Accept that sales tax is regressive because not only does it make life more difficult for those at the economic bottom, it’s also bad economics because it ignores the fact that those at the bottom spend every dime they have, while those at the top take money out of the economy by saving rather than spending, especially in bad times. Using the Multiplier Effect, it’s more efficient for the poor to put all of their income into the immediate economy than to send sales tax to Topeka. It’s also more efficient to collect income tax from those of us who do not spend all of our money on groceries, utilities and rent. It’s also more economically efficient to collect property taxes from those of us who have accumulated wealth. I would remind this committee that not only has the state of Kansas proved Arthur Laffer’s Supply Side economics a resounding failure, but we have also run the experiment in reverse with good results. I say go with good economic AND make the system more equitable.

So am I here today to ask that we get rid of all sales taxes on groceries and

drugs? Nope. The more conservative part of me knows that this state has a lot of catching up to do on old bills. State pensions, schools, including our colleges and universities, our court system, roads, child protective services. You name it, we're behind. We also need to boost our rural areas with Medicaid Expansion. Like the Old Testament story of fat cows and lean cows we also need to get ready for the next economic down turn.

Finally, I do have a very personal request from my friend, Paul. Paul was born with cerebral palsy. He lives on a pittance we call disability, food stamps and Section 8 Housing. Prior to the Brownback Plan, Paul would get an annual refund of about \$200 a year for the amount he paid in sales tax on his groceries. Sam Brownback ended that, and it was not re-instituted when the Brownback Plan was reversed. For most of us \$200 isn't a lot of money, and I'm sure it costs Kansas a certain amount to administer this refund. However, \$200 is a lot of money for people like Paul. As long as Kansas continues to charge taxes on food, we should have a rebate mechanism for people like Paul.

Thank you.