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Kansas House District 125



The End

The 2015 Legislative Session has finally adjourned. The drama ended late Friday afternoon when the Senate agreed to a follow-up tax bill, SB 270. This bill made some changes to the original tax bill, HB 2109, which was passed by the Senate earlier in the week. The House finished debating and passing the same two bills at 4 a.m. Friday on a vote of 63-45. I voted no. The final tax package passed by the Legislature includes the following:

- Increase state sales tax to 6.5% - estimated to generate \$164 million
- Change income tax rates for individuals and tax guaranteed payments – \$50.1 million
- Eliminate itemized deductions on income taxes – \$97 million
- Increase cigarette taxes and tax e-cigarettes – \$40 million
- Forgive penalties and interest for those who have not paid their taxes – \$30 million

What's this mean for us?

Every Kansan gets hurt with the sales tax increase. Our local sales tax will move up to 9.25%. Many local business owners I've talked with are concerned this will increase Internet sales and drive people to make their purchases across state lines. People will see an increase in state income tax due to the elimination of medical deductions and reduction in mortgage interest deductions. Topeka continues to pick winners and losers as certain businesses

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Useful Phone Numbers

Medicaid Fraud

1-866-551-6328

Welfare Fraud Hotline

800-432-3913

remain exempt from taxes while wage earners and other types of businesses pay more. When the state places businesses on different playing fields, it puts some businesses and farmers at a serious disadvantage, making it even more difficult for them to compete.

Why did I vote against the tax package?

First and foremost, this raises taxes on Kansans and some businesses by almost \$400 million while at the same time allowing a loophole for other businesses to pay no taxes at all. Though some of the rhetoric used to twist arms on these bills said otherwise, this vote was never about protecting our schools or community services. It was about whether the Legislature was serious about real revenue reform or whether it just wanted to kick the can down the road a little farther. I believe it's time for real reform in Topeka so that we can close the loopholes, end this practice of putting the state budget on a credit card, and bring sanity and stability to our state's finances.

At no point did this Session offer a real fix to the state's budget crisis. The only options considered were band-aids that played favorites in our tax code, allowing special interests to continue to game the system while our families are left to pick up the tab. At times, good governing requires the courage to stand up and say enough is enough. This was one of those times.

Nothing Good Happens After Midnight

Topeka is quickly learning Washington politics. The House was recessed repeatedly throughout the tax debates with the final session not starting until after midnight. The tax bill initially did not gain enough votes to pass, so a "Call of the House" was issued until enough legislators had been talked into voting for the bill. In addition to the tax increases in the package, several other pieces of policy were added to the bill as a way to pick up additional votes from lawmakers. Sometimes policy additions are good, but often they are policies that have not been vetted in the legislative process, which is a dangerous practice in my opinion. Any

Department On Aging
800-432-3535

Child/Adult Abuse Hotline
800-922-5330

Child & Family Services
888-369-4777

Consumer Protection
800-423-2310

Crime Tip Hotline
800-252-8477

Crime Victim Assistance
800-828-9745

Gov- Brownback
800-748-4408

Highway Road Conditions
511 (in Kansas)

Housing Hotline
800-752-4422

KanCare Assistance
866-305-5147

Kansas Lottery
800-544-9467

Legislative Hotline
800-432-3924

Mental Health Services
888-582-3759

School Safety Hotline
877-626-8203

policy that is good for Kansas should be able to stand on its own merits and pass analysis in the committee process. That's why we have committees. It's often suspect when a policy proposal appears in a bill late at night having skirted the usual vetting process.

The policy pieces inserted in the tax bill include:

- Requiring cities and counties to hold a public election to raise property tax income by more than the rate of inflation. An exception would be granted for infrastructure needs and compliance with federal and state mandates.
- Expanding by \$10 million a program where the state helps fund private school tuition for certain students;
- Requiring automatic tax cuts if state income grows more than two and one half percent in a year, adjusted for required spending on pensions (KPERS) (this goes into effect in 2019);
- Granting a tax cut for Christmas tree farmers.

Session Wrap-Up

I don't know how many times this Session I have been told that if you don't vote for this bill the next one will be worse. We were told numerous times that this bill or that bill would be "the last train leaving the station and you had better be on it." We had the manufactured crisis of government furloughs. Many in Topeka work to create crises so legislators will make decisions out of fear instead of working toward good policy. All of these efforts to operate out of fear made the session drag on for 113 days, 23 days longer than it should have. One of my favorite quotes by Mark Twain is: "There are lies, damned lies and statistics." You definitely have to look deep into the data that is presented in Topeka to find the truth.

I will continue to get to the facts so we can work toward a long-term solution to the financial hole being dug in Topeka. The practice of deficit borrowing and smoke and mirrors with the numbers is not acceptable, and our state

Social Security

800-772-1213

Taxpayer Assistance

785-368-8222

Tax Refund Status

800-894-0318

Unclaimed Property

800-432-0386

Unemployment Insurance

800-292-6333

Vital Statistics

785-296-1400

Voter Registration

800-262-8683

Worker's Comp

800-332-0353

deserves better than that. This year's budget and tax plan borrowed \$1 billion to fund KPERS, sweeps \$350 million a year from the state highway fund, and increases taxes on health insurance. The Governor is expected to announce another \$50 million in cuts in order to achieve a minimal ending balance, which will still be far short of the ending balance required by law. We cannot continue to take this short-sighted approach.

Local control and local government was another area that took a hit this year. The Legislature essentially hamstrung the ability of our local elected officials to fund local government. It was continually asserted this Session that "Topeka knows best" – we saw it in everything from local elections to local control of the purse strings. Most notably was the increase in the state sales tax to historic levels that will eventually shut off this source of funding for local communities and the block grant funding of schools that is forcing many local school boards to tap out their local option budgets. I believe less is more when it comes to state mandates. Our local elected officials should be trusted to do what's best for our local community without unnecessary intervention and added restrictions from the state.

My favorite quote of the week was from Dwight D. Eisenhower: "What counts is not necessarily the size of the dog in the fight – it's the size of the fight in the dog."

Thank you for the opportunity to serve. Together, we can continue this fight for real revenue reform. Please contact me anytime My email is Shannon.francis@house.ks.gov. Also don't forget to sign up for my newsletter at my website, www.shannonfrancis.com.



Paid for by Shannon Francis for State Representative, Lisa Hatcher Treasurer