

**LEGISLATIVE E-REPORT
LEAGUE OF WOMEN VOTERS OF KANSAS**

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LEAGUE OF WOMEN VOTERS OF KANSAS 2012 E-REPORT #12

Paul Johnson – March 16, 2012

TAX POLICY POLITICS

The Kansas House tax battle began with a full floor debate and several amendments. The special interests flexed their political muscle to get their tax or spending breaks protected. The Kansas Senate Taxation committee has now passed their amended version of the Governor's tax proposal. The full Kansas Senate will probably debate tax policy this coming Tuesday. There are many moving parts with this tax policy of eliminating the income tax and very serious implications for the future of state programs and local governments.

The Kansas House passed a very amended version of the Governor's on a final vote of 68 to 56. The realtors across the state flexed their muscle to reinstate the mortgage interest deduction. The highway lobby flexed their muscle to protect full funding for the transportation plan. The oil and gas lobby flexed their muscle to remove any change to generous severance tax exemptions. The tax credits that are refundable for earned income, childcare, food sales tax rebates, etc. were fully reinstated to existing law although the earned income tax credit for 220,000 Kansas' households will be cut in half starting 2014. On a vote of 76 to 44, the most surprising amendment adopted was to eliminate the sales tax on groceries. (Kansas is one of only 7 states with a full sales tax on food.) With all of these amendments, the revenue loss to Kansas for 2013 will be \$323 million thus reducing the 2013 ending balance from \$490 to \$167 million. The revenue losses grow exponentially in future years. With the loss of sales tax on groceries, eliminating the income tax will be particularly difficult. The Kansas House leadership will work behind the scenes to reverse the grocery sales tax change.

The Kansas Senate Taxation committee changed the Governor's tax plan significantly before voting it out for floor action. This committee reinstated the Earned Income Tax credit. Unlike the Kansas House Tax bill that capped the growth in state spending at 3%, the Senate Taxation committee took out any cap on state spending. Unfortunately, the Senate Taxation committee passed SB 445 that expands the homestead property tax refunds from \$700 to \$1200 for higher income homeowners by eliminating the refundable portion of the Earned Income Tax Credit (\$60 million) and eliminating homestead property tax refunds to renters. These issues will be part of the full Kansas Senate debate on taxes.

Unintended consequences will result from this effort to eliminate income taxes as a fundamental funding source for state programs. The agri-business lobby was informed by economic experts that with the elimination of the income tax – expect significant increases in property taxes. The agricultural community has come to rely on income taxes from Johnson County and Sedgwick County to fund several tax breaks such as no sales tax on any farm machinery. It is unclear what will happen with property taxes on farmland? A constitutional amendment changed taxation on farmland from its market value to its 'use' value with a ten-year computation of this use value. As wheat prices have moved from \$3 to \$6 a bushel or corn from \$2 to \$6 a bushel, this higher use value will be factored into higher property taxes. As state programs are downsized with less support for county governments, will less populated counties across Kansas be forced to consolidate? With 288 school districts left from the last school district consolidation in the 1960's, will frozen or declining public education funding from Topeka force inevitable consolidation?

These economic and political proposals are not very complicated. Higher income individuals and corporations are now funding their favorite candidates. Tax policy follows this investment. The Governor's tax policy will lower the taxes most for the wealthiest individuals by eliminating income taxes and non-wage income while building a greater reliance on regressive sales and property taxes.

CORPORATE SWINE UPDATE

House Bill 2502 has now been amended by the Senate Agriculture committee and passed to the full Kansas Senate. It looks like it will be debated on the Kansas Senate floor early next week. The amendment simplified the ballot language of the resolution that would be voted on if enough signatures were collected. The 5% petition threshold of votes cast in the last general election was not increased to the proposed 10%. Many rural counties had around 1,000 votes last November so the 5% petition threshold would be around 50 signatures.

2010 GENERAL ELECTION OFFICIAL TURNOUT OF VOTES CAST

http://www.kssos.org/elections/elections_statistics.html

(click on 2010 General Election Official Turnout)

LOCAL ENVIRONMENTAL PROTECTION PROGRAM (LEPP)

The Senate Ways & Means Subcommittee on the Kansas Department of Health and Environment added \$1.5 million, all from the State Water Plan Fund, for FY 2013 for LEPP. LEPP provides funding and technical assistance to local groups on the implementation of an environmental protection plan. These plans cover wastewater treatment, public water supply protection and non-point source pollution control. This was the only addition to this budget. Overall the

Environment Division full time employee count falls from 487 to 473 and the budget decreases from the agency request of \$77.7 million to \$75.4 million.

HOUSE BILL 2437 – CITIZENSHIP & VOTING

Testimony – Ernestine Krehbiel, President
League of Women Voters of Kansas

- The Department of Motor Vehicles will not have the computer system ready to go for an earlier implementation prior to January 1, 2013.
- This is redundant: a birth certificate is already required to get a photo ID to VOTE.
- This law expands the government of Kansas with cost and bureaucratic scaffolding to implement a heavy handed and undue burden for Kansas voters without evidence of **any voter impersonation** in Kansas. Moving it up to June 2012 does not solve these hurdles for voters nor improve our voting system.
- Costs to a citizen can be a significant barrier to obtaining a birth certificate. Even when the birth certificate is free (if she is from KS), there are hidden costs such as transportation to various agencies. There are fees related to acquiring supporting documents such as out-of-state birth certificates and marriage licenses for women from any state with husbands' last names.
- Elections cannot be fair if willing, eligible American voters are prevented from voting.

We believe that the citizenship documentation is CUMBERSOME, EXPENSIVE and may violate FEDERAL LAW and the US Constitution. There must never be any cost to voting!

SENATE CONCURRENT RESOLUTION NO. 1617

By Senators Holland, Faust-Goudeau, Haley, Hensley and Steineger

A CONCURRENT RESOLUTION urging Congress to pass an amendment to the United States constitution to abolish corporate personhood.

Testimony by Senator Tom Holland

"Citizens United is wrong because it confuses people with corporations and speech with money. Speech is an expression of the people, while money is an expression of corporations. It is speech and people that the First Amendment is concerned with, not money and corporations."

"Citizens United says regulation of money impacts speech and violates the 1st Amendment. I do not believe that historically this is not what the drafters meant, and it is certainly not what we as U.S. citizens mean, or want. The Supreme Court has spoken and we must obey its rulings. But the Court must obey the Constitution, if the Constitution does not clearly enough say what we as the people mean, then we need to change the Constitution so that it does."

"Justice Stevens, whose dissenting opinion was joined by Justices Breyer, Ginsburg and Sotomayor, argued that the **Citizens United** ruling 'threatens to undermine the integrity of elected institutions across the Nation. The path it has taken to reach its outcome will, I fear, do damage to this institution.' Justice Stevens later concluded his dissent with the following: 'At bottom, the Court's opinion is thus a rejection of the common sense of the American people, who have recognized a need to prevent corporations from undermining self government since the founding, and who have fought against the distinctive corrupting potential of corporate electioneering since the days of Theodore Roosevelt. It is a strange time to repudiate that common sense. While American democracy is imperfect, few outside the majority of this Court would have thought its flaws included a dearth of corporate money in politics.'"