



# Impact of Kansas Tax Cuts on State Economy, Services Disputed

## National

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March 28, 2014

Tax cuts totaling \$800 million enacted by Kansas in 2012 have cost the state 8 percent of the revenue it uses to fund core services, including schools and health care, and raised taxes for low-income families, according to a [report](#) from the Center on Budget and Policy Priorities, a liberal think tank.

“The state’s massive tax cuts have created a large and growing revenue loss and forced further cuts in funding for schools and other public services that the state had already cut because of the recession,” the report said. “The tax plan also has widened inequality and raised taxes on the lowest-income families.”

Called “Lessons for Other States from Kansas’ Massive Tax Cuts,” the report also said there is little evidence that the cuts will spur economic growth. As *Stateline* has [reported](#), legislators in more than two dozen states are debating tax cuts this year.

Sara Belfry, a spokeswoman for Kansas Gov. Sam Brownback, a Republican, dismissed the report as biased and politically motivated. She took issue with all of the conclusions.

“The Brownback administration has created a competitive advantage for Kansas,” she said. “We have grown jobs, reduced unemployment and invested in education.”

She said the governor’s budget includes an increase in state per-pupil aid and for overall state funding for K-12. The dispute, she said, arises because the state and the center use different baselines in calculating school spending.

“It is not unexpected that a report from the Center on Budget and Policy Priorities, a Washington D.C.-based, George Soros-funded, liberal think tank whose studies often are cited by the Obama administration to justify its tax policies and Obamacare, would take exception to the success of this Republican-driven red state model,” Belfry said.

The center lists dozens of foundations among its [underwriters](#), including the Open Society Foundation, a Soros group, as well as the Bill and Melinda Gates Foundation, the Henry J. Kaiser Family Foundation, the Ford Foundation and the Rockefeller Foundation.

The conservative Cato Institute recently gave Brownback an “A” for fiscal policy, based primarily on his tax cuts.

The Kansas tax cuts have become a flashpoint in the current debate over whether to reduce taxes, particularly as state revenues have stabilized after the recession and economic recovery continues. In states where revenues have failed to keep up with projections, some lawmakers are considering raising taxes.

The Tax Foundation, an anti-tax group which analyzes state tax policy, recently slammed how Kansas tax cuts were structured, especially the state’s decision not to broaden the tax base, leaving an \$800 million spending gap. The group also criticized the state for creating a “loophole” by exempting income earned through pass-through corporate entities, which they said would increase the likelihood of tax avoidance.

“The verdict is not yet in on whether the Kansas cuts are a boom, a bust or a wash,” said Joseph Henchman, the foundation’s vice president of legal and state projects.