

Eagle editorial: Keep sales-tax promise

Rhonda Holman - 10/14/2012

Gov. Sam Brownback pushed through an unaffordable tax-cut plan last spring with the assurance to Kansans, "I think we are going to be in good shape." Surely he won't now try to help pay for the massive income-tax cut by breaking the 2010 Legislature's promise to lower the statewide sales tax next summer.

That would be wrong, because the income-tax cuts will most benefit business owners and the wealthy and sales taxes fall disproportionately on the poor. The tax plan even newly burdened lower-income Kansans by eliminating the food sales-tax rebate and the child and dependent care credit.

Extending the higher sales-tax rate also would be hypocritical, because Brownback was harshly critical of the hike as a candidate for governor, and he and allies such as the Kansas Chamber of Commerce and Americans for Prosperity have hounded moderate Republican legislators out of office for voting for it.

But Brownback said last week that he hadn't ruled out extending the 6.3 percent statewide sales-tax rate, which was passed as an emergency measure under then-Gov. Mark Parkinson during the downturn and is supposed to drop to 5.7 percent next July. "I'm not opposed to it. It's just, let's see where we are in the budget," Brownback said Wednesday.

Last January, Brownback had included extending the sales-tax hike in his own tax-cut proposal, which even his closest legislative allies quickly rejected because of that and other offsets, including the elimination of the mortgage-interest deduction.

It's hard to fathom how the members of the conservative-controlled House and what's expected to be a newly conservative-controlled Senate could justify voting to keep the higher sales tax now, especially when so many voted against it originally and have been bitterly critical of it since.

"Let's just leave Kansas. Let's forget about buying food in Kansas," said state Sen. Susan Wagle, R-Wichita – likely to become the new Senate president – as she voted against the tax hike in 2010.

True, these are strange times. Whenever such a vote comes, even moderate

Republicans and Democrats may conclude that breaking the sales-tax promise is preferable to further cutting K-12 school spending and social services.

And Brownback finds himself in a bind. On one side he has legislative researchers' projections that the tax cuts will create collective budget shortfalls approaching \$2.5 billion over the next six years, starting with a \$242.2 million shortfall for fiscal 2014, and that retaining the sales-tax hike would bring him a projected \$250 million a year.

On Brownback's other side is the adulation he's getting nationally for the tax cuts – "the biggest tax cut of any state in recent years relative to the size of its economy," wrote Chris Edwards, director of tax policy studies at the **Cato Institute**, in a Wall Street Journal commentary last week.

But Kansans should not let their governor and legislators treat this as an easy choice.

Besides, a promise is a promise – and turning a temporary tax hike into a permanent one is the same thing as a tax increase.