



March 8, 2010

An Open Letter to the Kansas State Senate: Oppose S.B. 516, Don't Raise Taxes to Plug Budget Gap!

Dear Legislator:

I write on behalf of more than 4,500 Kansas members of the National Taxpayers Union to urge you to oppose the tax hikes in S.B. 516 and instead pursue spending restraint to solve the state's budget deficit. While millions of families and businesses struggle to make ends meet, their state government has racked up a budget deficit of \$467 million. Rather than rely on punitive tax hikes, legislators should trim back spending to alleviate this fiscal burden.

While some insist that reducing expenditures would devastate vital services, a \$467 million reduction would leave the state with roughly the same amount of money to spend as it had in FY 2006. Surely no one would argue that Kansas was drastically worse off that year, especially when considering that the unemployment rate was a full two percentage points lower (at about 4.5 percent) than it is today. Carefully taking a scalpel to the budget to return it to a condition seen just a few years ago will not cripple the state, rather it will be restored to fiscal health without bleeding taxpayers for more money.

But instead of taking this prudent course, S.B. 516 raises taxes on virtually every Kansan at a time when they can least afford it. It would "temporarily" boost the state sales tax by one percentage point, while also levying vastly higher taxes on many tobacco products. The tax on a pack of cigarettes would climb by nearly 70 percent, while other tobacco products would see hikes of up to 400 percent.

These actions would put Kansas at a severe competitive disadvantage when compared to tax rates in neighboring states. A sales tax of 6.3 percent would be substantially higher than Colorado's, Nebraska's, Missouri's, or Oklahoma's. A cigarette tax of \$1.34 per pack would likewise be far higher than all neighbors, which is particularly problematic given how prevalent cross-border shopping is in tobacco purchases.

Senators should avoid adding to the pain Kansans are feeling right now, which is why you should oppose the tax hikes in S.B. 516 and begin the process that millions of your constituents engage in every day: paring back expenses in these lean times.

Sincerely,

Andrew Moylan
Director of Government Affairs