

Other Viewpoints

State may require 'revenue reform'

A good economic rule of thumb is not to raise taxes in a recession. Government may need the revenue, but raising taxes theoretically impedes spending, needed to grow the economy.

Kansas legislators who already tend to be of the tax-cutting mentality are using this argument to resist a tax increase now, even as the state is having to make nearly draconian cuts to public services.

It isn't a bad argument. But state government is nearing a point when lawmakers may have no other choice. And if they are thoughtful about it, they ought to be able to identify revenue enhancements that wouldn't slow economic growth.

Repealing many of the multitude of tax credits and exemptions is one opportunity that has come to the forefront in recent months.

"There has literally been an explosion of new sales tax exemptions since 1995," the Kansas Advisory Council on Inter-governmental Relations reports in a white paper.

The council has recommended a moratorium on new property and sales tax exemptions and income tax credits. It also recommends a review of all property tax exemptions granted since 1995 and repealing sales tax exemptions granted by name to specific organizations.

The list of specific sales tax exemptions is an eye-opener. It includes exemptions for such specific organizations as Guadalupe Health Foundation and the Rotary Club of Shawnee Foundation. Looks like many a legislator carried the water for organizations in his or her district, and the Legislature got itself in the position of having to approve all such exemptions.

The council is right about these exemptions. And repealing some would not impair the economy.

Meanwhile, Gov. Mark Parkinson also reportedly will propose an increase to the state's tobacco tax. Kansas' cigarette tax is 79 cents a pack while the national average is \$1.34. Raising it by 55 cents would raise about \$88 million for the state.

An increase in the tobacco tax isn't going to damage economic recovery. If, in fact, it hurts cigarette sales, remember, that wouldn't necessarily be bad.

Such a tax increase also could be earmarked for related public programs — the tobacco tax for Medicaid and other health-related programs, for example.

Taxpayers typically are more comfortable when a tax is attached to something specific and relevant.

An increase in the liquor tax is another option.

An increase in the gas tax may be less palatable than "sin" taxes. But if it could be attached to a new comprehensive transportation program, it actually could be an economic growth strategy. Besides better roads, highway construction means jobs, and the sooner the better.

All of these options should be considered seriously.

Kansans and their legislators need to ask at what point are lower taxes less important than decimated services?

Is it when we have to start releasing prison inmates early? When class sizes grow to more than 30 in elementary schools? When waiting lists for social services are a year or more? When the constitutional right to a speedy trial can't be guaranteed?

We are pushing the limits of austerity in Kansas, testing our low-point for public services versus our tolerance for taxes.

Wherever we end up in this legislative session, we should not allow legislators to reject these tax proposals out of hand.

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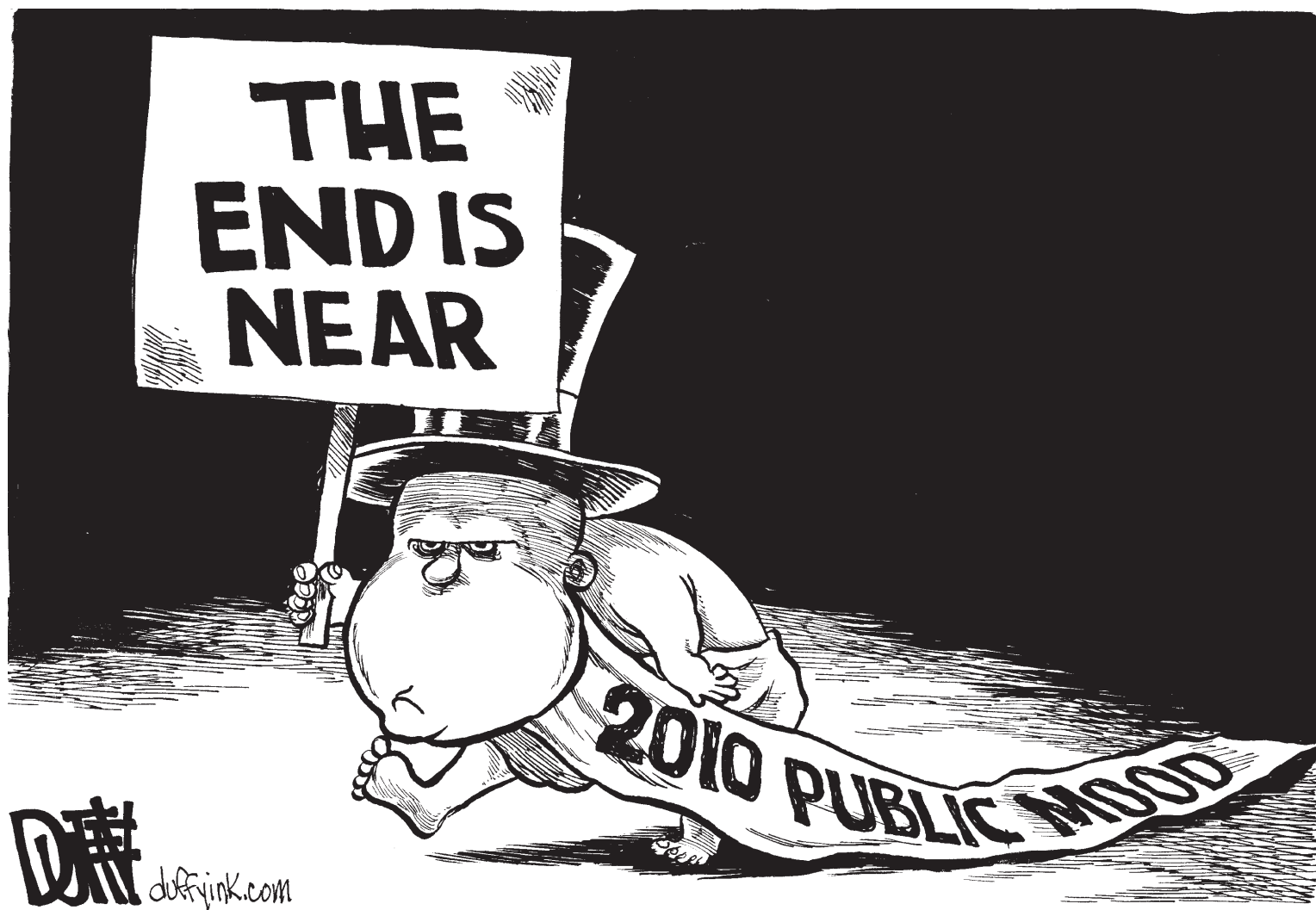
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Low taxes don't make for prosperity

Prosperity cannot be attained by lowering federal income tax rates! At least not prosperity for the masses of people.

Income tax rates have fluctuated up and down since the tax first was levied to fund the military in the earliest days of our nation. There is very little correlation suggesting business boomed when taxes were down and then lagged when taxes went up.

The highest rates most of us can remember were during World War II. In 1944, the rate was 94 percent on the last taxable dollar of income. Business prospered in spite of that rate. Millionaires were made in the manufacturing of war time goods. In spite of that high rate, the 6 percent still allowed investment and the investors didn't quit producing. For those in that bracket, the 6 percent untaxed income far exceeded the average wage earners total income. In the years between 1944 and 1963, the rates remained at 90 percent and above. Farms got bigger and corporations continued to consolidate, and the spread between the wealthy and the poor got wider. Rates gradually went down to 70 percent by 1980.

Then Reaganomics and the trickle-down theory came along. Rates were lowered to the 50 percent maximum level and we went into deficit spending that exceeded the World



Ken Poland

• Ken's World

War II era. The spread between small business and large business grew wider. The rates have dropped steadily since and the deficits, except for a brief period in the Clinton years, have grown.

The disparity of income between assembly-line workers and management has gotten wider. Small family-size businesses have all but disappeared. Income tax is not the primary cause of their disappearance!

What are some of the possibilities for the cause of our national economic failure? Well, for starters, we need to look at interstate and multinational banking. What has the move to off-shore corporate headquarters done for our tax revenues? What has deregulation and the gutting of antitrust laws done for us? What have imported goods that don't have to meet the same standards as U.S.-made goods done for us?

And what has The North American Free Trade Area treaty done for us? I'm not so sure that agreement hasn't contributed far more to the unemployment rate than illegal immigration. At least the immigrants are spending part of their income here in the U.S. And, contrary to popular opinion, the majority of them are not on welfare!

And now for the nail that should seal the coffin on tax cuts to promote prosperity. Until unemployment comes down and livable wages become available, we will not have a turnaround. Why would any manufacturer hire new employees with their tax savings?

The problem is not being able to sell what is being produced now at a profitable figure. What the tax savings in the higher brackets will be used for will be to buy or take over other businesses that are going under. Then they will wait until the economy is right, and they will be in a position to prosper on the labor of the working-class people.

Ken Poland describes himself as a semiretired farmer living north of Gem, a Christian, affiliated with American Baptist Churches, and a radical believer in separation of church and state. Contact him at rwinc@cheerful.com.

Representative values town-hall input

To the Editor:

I recently completed my 13th annual Big First Listening Tour, "From Washington to Home," holding town hall meetings in each of the 69 counties in the 1st Congressional District.

I appreciated meeting with all those who took time out of their day to share their ideas and concerns with me. As a representative for our state, it is essential that I understand the issues that concern Kansans. My annual listening tour helps me accomplish this goal.

My efforts in Washington remain much the same today as they were when I was first elected — to see that we have prosperity in the communities we call home. This has become more difficult as President Obama pursues a big-government strategy, represented by bailouts, stimulus packages, cap-and-trade legislation, government intervention in health care, Cash for Clunkers and financial re-regulation.

I have voted against each of these damaging proposals because they threaten our way of life in Kansas and make it more difficult to leave things better for the next generation. I have heard Kansans' concerns about these issues and will make sure those in our nation's capital understand them as well.

If there were any issues that we did not get to discuss or if you were unable to attend, please contact me through my Web site at www.jerry-moran.house.gov.

Based upon what I heard from Kansans at each town hall meeting, I will return to Washington committed fully to fighting for what I believe is right for America.

U.S. Rep. Jerry Moran, Hays candidate for the U.S. Senate



Free Press Letter Drop

• Our readers sound off

need to keep abreast of expenditures of our taxpayers' money, starting with the local level, in these times. I checked year-end gross salaries of some persons on the county payroll.

The 2009 gross salary of the Thomas County sheriff \$53,377 and the 2009 gross salary of the undersheriff, \$76,983. Any other departments you might be interested in, the figures are available for public knowledge.

Fawna J. Haremza-McFee, Colby

Entitlements do matter

To the Editor:

It used to be that when I heard the word "entitlements," I would shrug it off as so much "blah, blah, blah." But when I discovered that "entitlements" included Social Security and Medicare, it raised my hackles. It wasn't just that I was angry; I was frightened because the speaker was proposing that my livelihood be gradually taken away.

New "politically correct" words have been instigated, especially since the Bush administration, so sometimes one has to contemplate, "What does that really mean?"

My brother Phil, who served in the Navy during World War II, thought I was foolish to write about "preserving Social Security."

"We'll always have Social Security," he said "That's why I was in the Navy. So take it easy. I'm telling you, it will always be there."

What he didn't know and what I didn't

know at the time was that Social Security and Medicare are in the federal budget. Social Security and Medicare should be separated from the federal budget so that it can't be spent for pork-barrel projects.

What some Congress members do is act as if the money "borrowed" from the Social Security Trust Fund for their war or pork is money that Social Security recipients are using up. Eventually, future generations will not have Social Security or Medicare.

Using Social Security for a contingency fund, or as some call it, a "rainy-day fund," should have been discontinued a long time ago.

I didn't get to vote whether or not to have the Iraq or the Afghanistan wars. We in the United States have \$12 trillion in debt now, so watch out; they'll be talking about reducing "entitlements" and you can see they are itching to go whole hog.

In 2008, America's corporate weapons makers peddled nearly \$38 billion worth of everything from attack helicopters to small arms. Countries including Morocco, India, Egypt and the United Arab Emirates accounted for almost \$30 billion of our overall sales, giving U.S. suppliers 70 percent of this market.

What a fine example of a national achievement this sets for all the boys and girls of our land. No doubt they'll bust with pride — unless, of course, they end up having to battle some of the governments we're now arming.

It seems to me that the United States is going to have to stop participating in wars, hopefully sooner than later, because we'll run out of "entitlements" before Congress learns that you can't eat your cake and have it, too!

Edna Hatcher, Colby

We encourage comments on opinions expressed on this page. Mail them to the *Colby Free Press*, 155 W. Fifth St., Colby, Kan., 67701, or e-mail kbottrell@nwkansas.com.

Mallard Fillmore

• Bruce Tinsley

