

Other Viewpoints

Tax plan sausage needs to be watched

The old adage that laws are like sausages is certainly true with the tax-cut plans in the Legislature: It's not appetizing to watch them being made.

Still, Kansans should pay attention – and voice their opinions – because what the Legislature decides could have significant impact on our state.

Gov. Sam Brownback started the sausage-making when he released a tax-reform plan in January. It was aimed at cutting income taxes and was supposed to be revenue neutral. But the plan actually cost about \$90 million and would raise taxes on those making less than \$25,000. It also would make permanent the temporary statewide sales tax increase and eliminate many tax credits and deductions, including for mortgage interest.

GOP House leaders quickly abandoned the governor's plan and said they would draft their own proposal that wouldn't punish the poor. But it turned out that their plan still would raise taxes on the poor and would raid about \$350 million from the state's highway plan.

The full House heavily amended that plan, making sure the highway money stayed put. Seemingly on the spur of the moment, the House also voted to eliminate the statewide sales tax on groceries.

In the end, the House bill could reduce state revenues nearly \$2.2 billion over five years.

The Senate seemed more methodical – that is, until last week.

When a tax bill similar to Brownback's came to the floor, senators stripped out many key provisions. The bill failed to pass, but after a lot of arm twisting by Brownback and his staff, the Senate reconsidered and approved the gutted bill.

The Senate plan would reduce tax revenue by \$3.7 billion over five years. The senators also approved a bill to provide \$180 million over the next four years to cities and counties for property tax relief.

Now the tax plans go to a conference committee, which will try to reconcile them. It's unclear whether that will result in a plan that a majority of lawmakers would support or that the state could afford.

Meanwhile, a study released last week by the Center on Budget and Policy Priorities warned that getting rid of state income taxes could lead to higher property or sales taxes and cuts to state services. It noted that states without an income tax, such as Texas, have higher sales or property taxes, or both, than states that levy an income tax.

Many Kansans don't understand why state leaders are even talking about cutting taxes when school districts are closing buildings and the waiting lists for social services continue to grow. In fact, 58 percent of Kansans surveyed last fall by the Docking Institute of Public Affairs at Fort Hays State University favored increasing income taxes on top earners – not lowering them, as the tax plans do. And 63 percent of those surveyed supported tax increases on large corporations.

But what does the public know about making sausage?
– *The Wichita Eagle, via the Associated Press*



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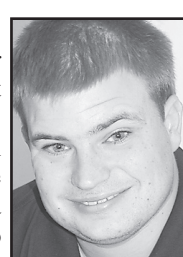
Conservatives take aim at 'Lucky Duckies'

There is one issue liberals and conservatives agree on: the tax system is unfair. But their reasons for reaching this conclusion couldn't be more different.

The Democrats have been pushing for tax hikes on the wealthiest Americans, whereas the Republicans have been trying to sell the idea that low-income Americans are the ones who are not paying enough taxes. If those freeloaders were forced to pay for the taxpayer-supported benefits they receive, Congress would have an easier time balancing the budget and generating revenue, so the argument goes.

If anything, Republicans like U.S. Rep. Tim Huelskamp, R-Kan, argue, the wealthy are being forced to shoulder too much of the tax burden. I mean, my God, the top 20 percent of earners – except for the ones who weasel out of paying taxes by exploiting loopholes in the tax code – pay 91 percent of all taxes while the average moocher, I mean person, in the bottom 40 percent actually receives a payment from the government. No wonder a *Wall Street Journal* editorial once referred to this motley crew as lucky duckies.

Huelskamp, an advocate of a national sales tax, isn't the only Republican perceptive enough to point at the how lucky people are to be poor in America. Former presidential hopeful Rick Perry and Tea Party queen Michele Bachmann have hitched a ride on the tax-the-poor bandwagon.



Andy Heintz

• Wildcat Ramblings

According to an article in the *New Republic*, upon announcing his presidential bid, Perry told a room full of conservative activists and bloggers that "we're dismayed at the injustice that nearly half of all Americans don't pay any income tax."

Bachmann mouthed similar rhetoric while speaking to the South Carolina Christian Chamber of Commerce.

"Part of the problem is today, only 53 percent pay any federal income tax at all; 47 percent pay nothing. We need to broaden the base so that everybody pays something, even if it's a dollar. Everyone should pay something because we all benefit."

There is only one problem with the narratives presented by Bachmann, Perry and my man Timmy "the Tea Party tornado" Huelskamp: the poor do pay taxes, just not income taxes. Poor Americans still must pay federal payroll taxes, sales taxes, utility taxes and gas taxes. In fact, with the exception of Vermont, the poor pay more taxes than the rich in every

state, according to official data compiled by the Institute on Taxation and Economic Policy.

David Cay Johnson, a columnist for *tax.com*, writes that one-fifth of Alabama families who make less than \$13,000 pay almost 11 percent of their total income in state and local taxes, while those who make \$229,000 or more pay less than 4 percent of their overall income in taxes.

While the federal tax burden on the ostensibly oppressed super wealthy has been reduced over the years, most Americans have seen their federal taxes rise. Johnson wrote that, despite their lush incomes, the top 400 U.S. taxpayers paid less federal taxes in 2007 than they did in 1961 while the majority of Americans saw their federal tax burden rise from 13.1 in 1961 to 22.5 percent in 2007. But hey, look on the bright side: maybe if we're extra nice, the super wealthy will allow some of their wealth to trickle down to the rest of us ragamuffins. If not a trickle, a couple of drops would be nice (There I go being envious again. Sorry, Grover Norquist).

Putting all silliness aside, a close look at these numbers begs the question: Are the lucky duckies really that lucky after all?

Andy Heintz, a K-State journalism graduate, loves K-State athletics and fishing, sports and opinion writing.

Health care law still not right for Kansas

Two years ago, President Obama signed his new health care reform bill into law – promising to lower health care costs and strengthen our health care system for millions of Americans.

Over the past two years, the widespread impact of the new law has become painfully clear: it is making things worse. Health care costs are skyrocketing, access to quality care has been severely weakened, and many Americans will lose their current insurance coverage as a result of the law. It is no surprise that two years after passage, a majority of Americans still oppose this flawed plan.

Because of its failure to reduce health care costs, families and individuals across our country have already felt the impact of this health plan. Americans are paying higher insurance premiums and when the law is fully implemented, health insurance premiums for families will rise by \$2,100, according to the non-partisan Congressional Budget Office.

Not only will costs continue to rise, but the law provides strong incentives for businesses to drop health coverage for their employees. Contrary to the popular pledge that you can "keep your plan if you like it" – the Obama administration now estimates nearly 70 percent of all businesses will be forced to give up their current employee health plans. American citizens will foot the bill for the law's new entitlement structure by paying higher taxes to help cover an estimated \$390 billion increase in government subsidies and federal health spending.

The president's health care law will also jeopardize access to quality health care for rural Americans and threaten the survival of small towns. Instead of working to strengthen Medicare, the law cut the program by nearly \$530 billion to create a new entitlement. These cuts disproportionately affect rural hospitals



U.S. Senator Jerry Moran

• Moran's Memo

in Kansas and across the country because they care for a higher percentage of Medicare patients than their urban counterparts.

If Medicare rates are cut even further below the actual cost of care, this will create shortages of doctors, nurses, and other providers. The president's own chief Medicare actuary raised concerns that cuts to hospitals and other Medicare providers could cause as many as 40 percent of providers to become unprofitable. This will severely jeopardize access to care for Kansans in rural communities, where 75 percent of our hospitals are located.

Our country's economic growth has also been stifled because of the health law. Since the law passed, it has generated more than 12,000 pages of new regulations. These new regulations are a major concern for businesses in a challenging economic climate, and the uncertainty surrounding them is discouraging businesses from expanding and hiring. In fact, a recent Gallup survey found 48 percent of small businesses are not hiring because of the potential cost of health insurance under this law and 46 percent are not hiring given their concerns over the law's burdensome new regulations.

State budgets have also been hit hard by the new health care law – nearly 40 of which are facing a severe budget shortfall this year. Medicaid already consumes, on average, 24 percent of states' budgets. This law will add nearly 25 million individuals to Medicaid rolls, the larg-

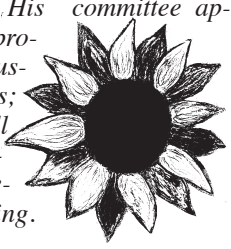
est single expansion of Medicaid in the program's history.

The federal government will cover the cost of this huge expansion during the law's initial three years, but beginning in 2017, states will shoulder this cost, which is reported to be \$118 billion through 2023. This mandate on state budgets will crowd out local priorities like education and public safety.

This week, the U.S. Supreme Court heard arguments over the constitutionality of President Obama's health care law. In a recent survey conducted by ABC News/Washington Post, two-thirds of Americans said the Supreme Court should throw out the individual mandate or the law in its entirety. The health care law has generated significant uncertainty for American families and businesses, which has only compounded the steep economic challenges already facing our nation. It is critically important that the Court determine as soon as possible whether the law is constitutional.

A 2,700-page plan that increases costs, restricts economic growth and jeopardizes access to care is the wrong direction for Kansas and for our country. We need to replace this damaging law with sensible, targeted reforms to drive down health care costs without hindering access to quality health care. These are the commonsense policies that the American people support.

Jerry Moran of Hays is the junior U.S. senator from Kansas. His committee appointments include Appropriations; Banking, Housing and Urban Affairs; Veterans' Affairs; Small Business and Entrepreneurship; and the Special Committee on Aging.



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COLBY FREE PRESS

155 W. Fifth St. (USPS 120-920) (785) 462-3963
Colby, Kan. 67701 fax (785) 462-7749

Send news to: colby.editor@nwkansas.com

State award-winning newspaper, General Excellence, Design & Layout, Columns, Editorial Writing, Sports Columns, News, Photography. Official newspaper of Thomas County, Colby, Brewster and Rexford.

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THE COLBY FREE PRESS (USPS 120-920) is published every Monday, Wednesday, Thursday and Friday, except the days observed for Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day and New Year's Day, by Nor'West Newspaper, 155 W. Fifth St., Colby, Kan., 67701.

PERIODICALS POSTAGE paid at Colby, Kan. 67701, and at additional mailing offices. POSTMASTER: Send address changes to Colby Free Press, 155 W. Fifth St., Colby, Kan., 67701.

THE BUSINESS OFFICE at 155 W. Fifth is open from 8 a.m. to 6 p.m. Monday to Friday, closed Saturday and Sunday. MEMBER OF THE ASSOCIATED PRESS, which is exclusively entitled to the use for publication of all news herein. Member Kansas Press Association and National Newspaper Association.

SUBSCRIPTION RATES: In Colby, Thomas County and Oakley: three months \$35, one year \$85. By mail to ZIP Codes beginning with 676 and 677: three months \$39, one year \$95. Elsewhere in the U.S., mailed once per week: three months \$39, one year \$95. Student rate, nine months, in Colby, Thomas County and Oakley, \$64; mailed once per week elsewhere in the U.S. \$72

Mallard Fillmore

• Bruce Tinsley



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