

## State turns thumb screws on businesses, but nicely

The secretary of revenue is oh so nice about it, but there's no way the Sebelius administration or the Kansas Senate are going to let go of the \$70 million a year they hope to get from "destination sourcing" of the state sales tax.

Destination sourcing is part of something called the "Streamlined Sales Tax" law, a national proposal aimed at letting states tax Internet and catalog sales, wherever they originate.

As mail-order sales grow, states see a huge hole in their tax laws. Sellers have to collect tax on merchandise going to their home state or another state where they operate, but not elsewhere.

The U.S. Constitution bars states from collecting tax on goods in "interstate commerce." When we buy from, say L.L. Bean, we're supposed to file a return with the state and pay something called a "compensating use tax."

You did that last time you bought a jacket, didn't you?

To get around this, states want Congress to approve an interstate compact, or agreement, to allow them to collect tax for each other. Part of that plan is a uniform tax code, the Streamlined Sales Tax. And this model law requires sellers to "source" sales tax by destination, that is where the merchandise goes, not where it is shipped, as is done today.

This might not sound too tough, but Kansas alone has more than 700 potential taxing districts and about 300 actual rates. There is no computer program which will accurately source tax rates. The state has one that works by ZIP codes, but its accuracy is suspect.

If this Orwellian scheme ever goes into effect, merchants will have to "source" the whole nation, with thousands of tax zones. It may not be much of a burden to the average downtown retailer, but many small businesses ship merchandise. The amount of manual work looking up tax zones is astronomical for

them. A newspaper, with subscriptions going all over the state, or a trophy shop which ships to multiple counties, a photographer sending out wedding prints or a store that sells a lot on the Internet, all will have to comply.

Kansas Secretary of Revenue Joan Wagon, meeting with a group of publishers last month, said her department would bend over backward to help people comply. Enforcement of the law has been "relaxed" so far, but will be tightened later this year. She said merchants can use an average of their distribution if that's the only reasonable way they can figure the tax. Even that will be a lot of work.

Of and by itself, the sales tax change may not be that important, but it adds to the increasing regulatory burden, state and federal, that makes it harder for businesses to succeed each year.

There are new federal rules under the Patriot Act, the tax code, Occupational Health and Safety, the Health Insurance Portability and Accountability Act (HIPAA), health insurance, and so on, an endless stream of new and complicated regulations.

Then the state adds its own share. Maybe it's no wonder job creation is lagging in this country. Small business creates most new jobs, but the government makes it harder to be in business every year.

The funny thing is, Kansas may never see that \$70 million a year from the "streamlined" (read complex) sales tax. Much of it will be collected under present law as the states put pressure on companies which ship without collecting taxes, but already have operations everywhere. Wal-Mart is a key example, Lands End (now owned by Sears) another.

L.L. Bean is the exception, but is forcing them to pay tax worth making Kansas even more unfriendly to business growth? Not likely.

— Steve Haynes

## Home is where she wants to be

A trip to Washington is fun and educational, but it's not a place I'd ever want to live, or even spend much time.

I know, there are a lot of people there who wouldn't live anywhere else. I guess they like the excitement of being at the center of government, of feeling they have the power to make some sort of difference.

Of course, there are the thousands of taxi drivers, shop clerks, secretaries, city employees, builders and worker bees, who just live there, raise their families and go about the business without ever dealing with the power brokers.

I was pondering why people live in the city, and especially why they live in Washington. The people of the District of Columbia have no vote in national affairs. In Washington, they live in an expensive, unsafe and fairly dirty city. Everywhere you go, there are guards, fences, metal detectors and X-ray machines.

A friend, Tonda Rush, lives in Washington. She is a graduate of the University of Kansas School of Journalism and a lawyer. She speaks with nostalgia of her time in Lawrence and her work on small



### Open Season

By Cynthia Haynes

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newspapers in eastern Kansas. Still, she lives in the District of Columbia and works in Washington. She is a lobbyist for the National Newspaper Association, and a good one.

Why does she stay?

Why did Bob Dole leave Russell all those years ago and never return? I know, I know, he had a job to do in Washington, and now his wife is a senator from North Carolina. But, after he left the Senate and lost his presidential bid, why didn't he return to his roots?

Potomac Fever, Steve calls it.

I guess he's right. But, I'll never understand.

I suppose only time will tell if our current representative, Jerry Moran, catches the fever. Right now, his family is in Hays and he flies home every weekend. But that is a tough

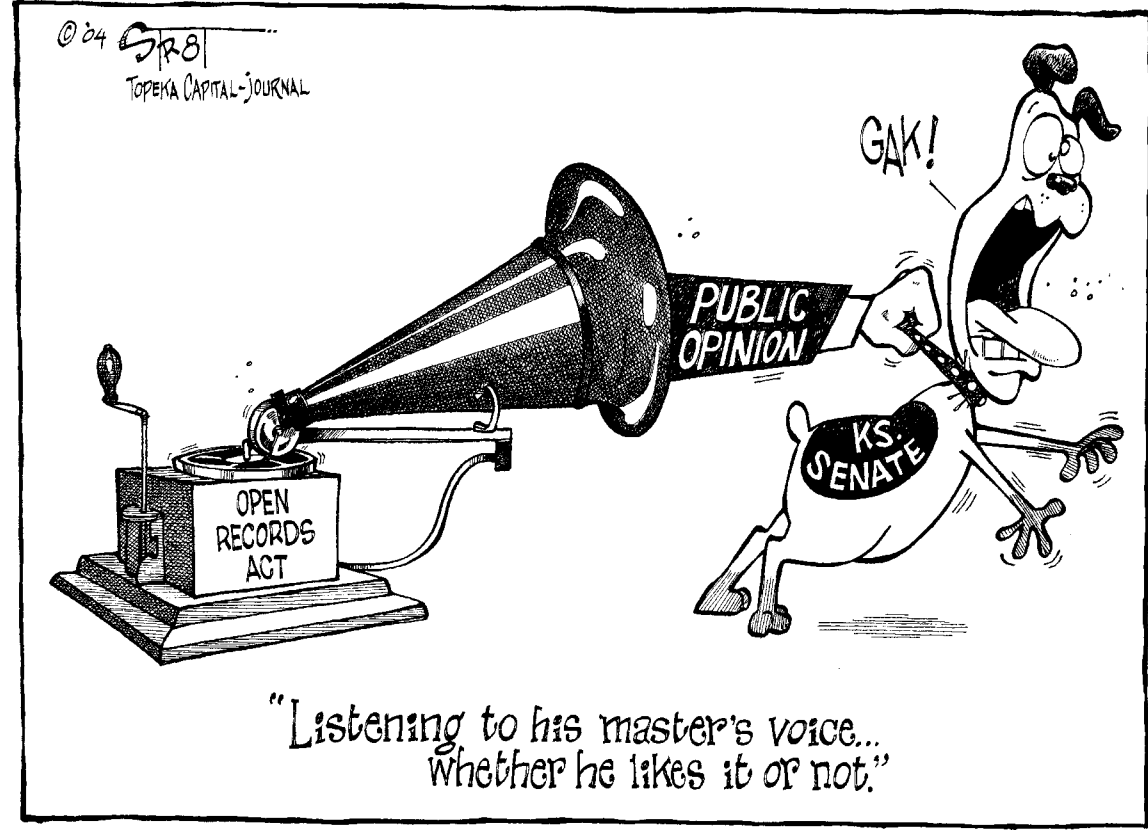
life and will become tougher as his children get into high school.

What if a Senate seat opens up? Mr. Moran would be a great choice, and Bob Dole wants him to run. He is popular and personable, and I would love to have another senator from our end of the state. But what would that do to the amount of time he spends in Hays and Kansas?

Well, I hope Jerry Moran never gets Potomac Fever, but I do hope he has a chance to fulfill whatever dreams he has for his work in Washington. Those are probably opposites, so I guess I'm just glad he's the one in Washington and I get to go home.

Like Dorothy said, "There's no place like home. There's no place like home."

And I'm glad to be back.



## Lots of folks offer their help

When life hands you lemons, make lemonade.

Following our week in Juarez, we were on our way from El Paso to San Antonio when we spotted an interesting-looking antique store in the little town of Sabin, Texas. We browsed the aisles, then struck up a conversation with the owner, Mr. Baker.

He and Jim shared an interest in Indian arrowheads, and from under the counter he pulled out some framed displays that most of his customers don't get to see. We promised to stop again next time we were through town and crawled back into the van. That's one.

It was late in the afternoon when Jim spotted a car wash across the street and said, "Let's wash off some of that Juarez dirt."

A few minutes later, all clean and dripping, we were ready to roll. However, the van wasn't. It would "turn over" but would not start. Jim is a good automotive diagnostician and eliminated all the possibilities, coming to the conclusion that it was the fuel pump. It was now well past 5 o'clock, and he headed out to find a repair shop.

What he found was Mr. Baker, who insisted that Jim let him take him to a mechanic he knew. In the meantime, I'm staying with the van; the owner of the car wash came by and offered his help. That's two.

"Help is on the way," I said. "Well, y'all just let me know if there's anything I kin do to hep," he called over his shoulder.

A college kid, cleaning out his pickup in the stall next to where our dead van sat, asked if we were from around there. His mother was originally from Sabin and their family had just recently moved back, so he didn't know all the locals. We visited back and forth, and before he left he said, "Here," and tossed me a brand new beach towel from the resort where he works. That's three.

A few minutes later, Mr. Baker delivered Jim, who had news that a wrecker was on the way. Right on cue, a big red tow truck pulled in and Gil had us hooked up and loaded in no time.

"There's a motel right next door to my shop," he said. "I'll drop you off there."

That's four.

With our pillows and overnight gear in our arms, we straggled into the lobby and I said, "I guess it's



### Out Back

By Carolyn Sue Kelley-Plotts

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pretty obvious we need a room."

Without missing a beat, the man behind the counter said, "Sorry, we're all filled up."

The parking lot was completely empty, but I half-way believed him. Then I caught the twinkle in his eye.

"When is check-out tomorrow?" I asked.

"Whenever Gil gets done with your van," he answered. "Don't you worry about check-out time." That's five.

The college boy had told me that "The Triple T" was the best place in town to eat, and it was just a block away, so we headed over to get supper.

A nice young couple with their little boy were seated at the table next to us and, naturally, we struck up a conversation. We learned that the husband was a career military man just returned home from Iraq. We thanked him for what he had done for his country and he said, "Knowing that the troops were being supported by people back home made it all worthwhile. I thank you." That's six, his wife made seven.

After the family left, another couple called out and invited us to share their table while we all had coffee. Chip had been involved in emergency medicine, even teaching emergency medical Technician courses before a horrible accident forced him to leave his profession. Semi-retired, he works as a home remodeler. Before the cafe kicked us out, Chip and Barbara were "old friends." We parted with promises to e-mail, and to stop in and go to church with them next time we pass through. That's eight and nine.

Next morning, we headed out in search of coffee and found some at a little convenience store down the street. We could tell it was the local coffee shop because of all the pickups parked out front. We spotted a little table outside and Jim suggested I grab it while he went in for coffee. I had barely settled in when a cowboy tossed a box of doughnuts on the

table and said, "I think I'll sit here with you."

Somehow, I thought Jim had already talked to him inside and invited him to share our table so I said, "Sure. Anyone with doughnuts is welcome."

Jim showed up with our coffee and obviously did not know who this guy was but quickly shook hands and sat down.

The cowboy introduced himself as Robert. We learned he managed a hunting reserve and, along with his wife, operated a hunting supply store. He said, "Here, y'all got to meet somebody." He jumped up and soon came back with his black Labrador, Beau.

A few minutes later Robert's wife, Lena, pulled up and introductions were made all around. When we explained our predicament she asked, "Were y'all the ones having trouble at the car wash last night?" I laughed and said, "Your town must be like ours. Everyone has probably already heard about these two stranded Kansans."

"Oh, I wish we'd a' known," Lena said. "Y'all coulda stayed out at our place." That's ten and eleven. Twelve, if you count Beau.

Almost a dozen people went out of their way to either help us or make us feel welcome. Life has a way of doing stuff like that; taking a situation that could have seemed like a huge mistake and turning it into a memorable experience.

It's a long way around, but would your town be as well represented with hospitality as little Sabin, Texas, was? I hope so.

'Cause that is one place we are definitely going back to.

### From the Bible

My son, be wise, and make my heart glad, that I may answer him that reproacheth me. Proverbs 27: 11

## Kansans need taxpayer 'Bill of Rights'

To the Editor:

We're at it again in Topeka. The state Legislature is deciding whether to raise your property and income taxes as well as sales taxes.

I will do my best to stop any tax increase, but Topeka legislators are being besieged by special interests lobbying for more of your hard-earned money for their own benefit. What will you get, besides a slimmer wallet, if they succeed? They will request even more tax dollars. If we say yes, we only encourage them to ask for more.

We, as legislators and citizens of Kansas, need to consider new approaches to fixing our economic engine. Kansas, like many other states, has wrestled with tight budgets over the past few years. We have treated the symptoms, not the problem.

We must address spending or we will continue to raise taxes and never attract new jobs to our state. We must control the growth of government so that we can better manage our economic future for generations to come.

Our neighbors in Colorado created a good set of rules when they amended their constitution in 1992 with a Taxpayer Bill of Rights — TABOR for short. It requires voter approval for tax increases and it limits state revenue growth to the rate of population growth plus inflation.

### Letter to the Editor

Tax collections over the limit must be refunded to taxpayers. Taxpayers can override the limits by popular vote.

Colorado's law offers the most taxpayer-friendly set of budget rules in the United States (although a patchwork of conflicting Colorado initiatives enacted in the recent past have dulled its potential). Colorado taxpayers have received about \$3 billion worth of rebates. A Kansas TABOR would work better, because we would erect it on a clean foundation, and we have the benefit of learning from the past successes and mistakes of 26 other states with tax and spending limits.

Everyone knows that politics is messy business. Elected officials are constantly pressured to increase spending for specific interests at the expense of general interests — such as a vibrant Kansas economy.

Kansas government spending has increased 1119 percent, while Kansas wages have increased 348 percent, over the 30 years through 2002.

Do you want Kansas government spending to continue to grow three times faster than your wages? That may help explain why Kansas ranks

41st among the states in economic growth over the same time period. Who wants to invest in a state that, effectively, spends all the new income you create and then some?

A tax limit law would place strong constraints on the future growth rate of state spending. And it would provide you an automatic refund when tax collections exceeded the TABOR limits. Go to my website for more details at <http://www.brendalandwehr.org>.

Amending our state constitution is serious business. However, constitutions establish rules that promote the welfare of ALL citizens, both current and future. The experience of other states shows that legislatively imposed tax and spending rules don't work well.

A constitutional amendment is the only solution. Political temptation is too great. The sooner that we can begin to thoughtfully confront that reality, the sooner our families and future generations will reap the benefits.

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