



Copying Kansas Is NOT a Good Idea

Last year, Kansas passed deep income tax cuts similar to what Missouri is now considering, and that have already forced deep cuts to services and tax increases on low-income families. These tax cuts have proven unaffordable in Kansas, and as time goes on will likely *weaken* that state's economy compared to Missouri's.

Here are five reasons why Missouri should not copy Kansas:

1. The Kansas measure cut state income tax rates, primarily for better-off Kansans, and eliminated income taxes for nearly 200,000 profitable businesses. **To help fund the tax cuts, lawmakers raised taxes on less well-off families by eliminating a food sales tax rebate for low-income Kansans, a child care tax credit, and a property tax credit for renters.**
2. The measure has not been the “shot of adrenaline” to the Kansas economy that tax cut proponents promised. According to the Bureau of Labor Statistics, **employment remained essentially unchanged** in the last 6 months of 2012.
3. In fact, the tax cut is likely to harm Kansas' economy by forcing cuts to the services and infrastructure that provide the foundation of economic growth. **The tax cut will cost Kansas \$700 million in the first year alone**, or more than 11 percent of state general revenue, according to the state's own estimates, resulting in cuts to critical public services including schools, health care and transportation.
4. **Kansas had already made some of the deepest cuts to K-12 education spending in the nation**, due to the recession. State funding for education per student dropped by 13 percent compared to pre-recession levels, when adjusted for inflation. The 2012 tax cuts are likely to result in additional reductions. The Governor's budget proposal called for cutting education spending by an additional \$216 per student, reducing overall per student funding by 17 percent compared to pre-recession levels. **The Kansas Supreme Court recently ruled that Kansas isn't meeting its constitutional obligation to fund public schools.** Without significant increases in other taxes, Kansas will be hard pressed to ever catch up.
5. **Moody's Investor Services lowered Kansas' credit outlook** to AA1 negative due to the court ruling and the challenges the state faces as it tries to make up for revenue losses from the income tax cuts .

Kansas was led down a path to crisis based on **fanciful promises and illusions of prosperity**. In Missouri, we know better and should chart our own, more prudent course — one that protects our investments and builds for real prosperity.

For more information, contact the
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