

Testimony on HB 2720 on 9 March 2020

I am Vashti Winterburg from Lawrence. I last spoke to the Council on Tax Reform on 14 November 2019 in favor of restoring the food sales tax refund to low income Kansans. I am here today to not only repeat that recommendation, but to emphasize why it is the right decision in our current economic situation.

In November, I talked about my opposition to making across the board cuts to sales, property and income taxes, even though I believe our sales tax is too high to the point of being counterproductive, particularly among our lower income citizens. I had two reasons: 1) Kansas is still too far behind in paying the state's old bills from Sam Brownback's tax cuts for the rich and 2) the need of the state to put up reserves, if not to goose the economy at the next downturn, to at least try to minimize cuts that would surely add to contracting our economy. Fat cows and lean.

I'm pretty sure that in November last year, none of us thought that come March of 2020, bad management at Boeing or a virus in China would be causing Kansas to look into the economic future with real reservations.

Government spending can and should be a countervailing economic force. This is why I have no problem in restoring the food sales tax refund for low income Kansans. If Kansas learned anything from the late, unlamented Brownback tax experiment it was: Don't Give Tax Cuts to Rich Folks. You're essentially just taking money out of the economy. They don't re-invest. They don't recirculate the money back into the economy.

The opposite happens when you give money to those at the bottom of the economic pile. I'm pretty sure that every penny of this food sales tax cut will come back into the economy, which will have what economists call a multiplier effect. This is exactly what you need to goose an economy, more importantly, stimulating the economy from the bottom up is the most efficient way to do that and now is the time to do it.

A final note: It is both economically inefficient and unconscionable that Kansas has an essentially flat income tax structure. We only have two income tax brackets at that are \$30,000 apart. \$30,000 and \$60,000. One of the richest men in the world pays the same income tax rate in Kansas as someone making \$60,000? Really? We need an income tax system that is way more progressive so that we can make our sales tax way less regressive.

Thank you.