

Kansas City Star opinion column – March 4, 2010

## **Giveaways are too costly: States need good plans to increase revenues**

The budget scenarios in Missouri and Kansas have gone from bad to awful. Where's the plan from the state capitals?

Legislators in both states have spent too much time this session telling Washington what to do about things such as health care, and not enough time reviewing the tax giveaways that have contributed to the disastrous fiscal pictures. Talk about fiddling while Rome burns.

In Missouri, Gov. Jay Nixon needs to explain what went wrong with his original budget plan for the next fiscal year, which included \$300 million in federal "budget stabilization" funds that apparently won't be forthcoming.

In Kansas, politicians have known for at least a year that they must do something to bring in revenue. But Gov. Mark Parkinson's proposals to increase sales and cigarette taxes never got any traction, and he seems to have conceded the fight against his state's ludicrous number of tax exemptions before it even got started.

Lawmakers are understandably loath to increase taxes in a recession. But anti-tax rhetoric misses the point that all citizens benefit from a well-funded state, and not all taxes impact all citizens.

Missouri's comically low cigarette tax of 17 cents a pack could be quadrupled and remain among the lower tobacco taxes in the nation. Kansas' cigarette tax should be increased to the national average, \$1.34 a pack.

Missouri and Kansas have been exceptionally generous about handing out tax breaks in recent years. In Missouri, tax exemptions for buyers of yachts and other big boats cost state and local governments \$6 million a year. Kansas actually exempts more sales from the state's 5.3 percent sales tax than it includes.

Both states need to embark on a review of their giveaways, and revoke those that do the least for the common good. Yet we've seen no energy in either capital to make such a move.

Lawmakers are refusing to confront the obvious: States must raise more money or let prisoners walk, close schools and courts, hope roads and bridges don't fall apart, and cut more services for the disabled, poor and elderly.

We'd hate to think such a draconian scenario constitutes the plan.