

2015 Legislative Update No. 15 from Ron Highland, Representative of the 51st District

The week was one primarily of Tax Committee meetings. Essentially, the Tax and Appropriations Committees are the only committee meetings being held. The Appropriations Committee is waiting until the Tax Committee comes up with a bill that will pass both chambers before finalizing the budget. As a member of the Tax Committee I sat through hours of bill discussions and many new calculations of different proposals to eliminate the deficit predicted for 2016 and 2017. The current deficit predicted for 2016 is \$406 million.

The discussion comes down to two opposing views. One side says that we cannot increase the income tax on anyone. They have good evidence that the current income tax structure is working, even in the current lagging economy. The Department of Revenue tells us that 99% of Kansas businesses have less than 250 employees and that small business employment has grown since implementing the new income tax structure. For them, the only choice is to raise consumption taxes (sales tax and taxes on other items, e.g. cigarettes). The other side claims that the new structure is not working and benefits only a select few, notably the rich. They propose scrapping the structure and starting over with higher income tax rates for all.

The Senate Tax Committee has not been able to pass any bill out of committee for the Senate to consider. The House Tax Committee did pass two bills out. The first, SB 270 had an increase in sales tax, lowered the tax on food and lowered the tax rate on the lowest income bracket. It failed on a voice vote in the House. The Tax Committee will begin work again on Monday morning. A bill has to be passed out of committee and then get 63 votes to pass the House Chamber. This will not be an easy task based on the opposing views noted above. But, we are required by law to pass a balanced budget before we can adjourn. Although there are many who say it cannot be done, we will get it done and most likely it will end with a compromise.

Bills that did pass this week included: House Sub for SB 91- Replaces the renewable energy portfolio requirements with a voluntary renewable energy goal; HB 2154 – Establishes a permissive veteran's preference in private employment; Sen. Sub for HB 2159 – Amends DUI laws; HB 2233 – Establishes the procedure for developing and submitting a state plan to the Federal EPA to comply with the proposed federal Clean Power Plan rule; Sen Sub for HB 2095 – Makes changes to the working after retirement provisions of the KPERS; and House Sub for SB 117 – A compromise bill to amend the bill passed by veto override that was agreed to by the transportation network companies and bankers.

I held a news conference to announce the signing of a letter to go to all school districts to ask them to include a financial literacy class or program in their schools. The joint announcement by the House Education Committee and the Kansas State Board of Education demonstrates how serious everyone is that our students are not prepared for the financial decisions they will be asked to make when they leave home. Many parties testified in the Education Committee that the debt students are incurring early in their lives has become a threat to their future and the nation's future. The response to this joint initiative to educate for financial literacy has been overwhelmingly positive. I have even given interviews about the program from out of state.

You can read the bills and the Conference Committee Reports (CCR) in their entirety by going to the legislative web site, <http://www.kslegislature.org/li/>. If you need help navigating the site you can go to my web site, www.ronhighland.com where there is a syllabus that explains in detail how to get the information you need.

I have heard from many of you in the last few weeks on the budget and tax issue. I read every email, letter, and message, and take your comments into consideration before voting. My contact information is: 785-296-7310; Rm 561 W, State Capitol, Topeka, Kansas, 66612; and ron.highland@house.ks.gov. It is an honor and a privilege to serve you.