



## **KS House District 114 Candidate Jeff Stroberg's statement on Tax Reform**

Taxes are complex. As a certified public accountant, I know how to look at tax policies. Too often, when passing tax regulations, the legislature will waive the prospect of income tax relief. In reality, they give greater cuts to those who can most afford to pay their fair share, leaving slim relief to those that who struggle making ends meet.

It was only a few years ago that Kansas had to endure the failed Brownback tax experiment. No one wants to go back to that. This debacle allowed exceptionally large business owners to not pay state income tax. About 86 percent of the reduced tax dollars were because of the breaks to large businesses.

Issues I want to address include:

- Kansas has the highest sales tax on food anywhere in the nation. I would like to work towards eliminating this all together. To do it all at once could be financially risky to the state's budget, so I would propose we take a phased-in approach, whereby those with the greatest need and the elderly are given relief through credits on their Kansas income tax returns, until we can responsibly eliminate food sales tax altogether.
- Kansas has regulations to tax foreign source income to low or no tax counties. This is done by only a handful of international corporations. Some members of the legislature have repeatedly tried to change this so that companies could allocate income to places such as Oman, United Arab Emirates or Bahrain, thus placing an additional \$200M tax burden on honest Kansas taxpayers. This would be misguided and wrong.
- Property taxes were raised to replace program cuts due to the Brownback plan and other weak legislation by the Republican-led legislature. The legislature gave property tax exemptions away that even *they* think was bad policy. For example, regarding tax abatements for interstate pipelines, Jim Denning, R-Overland Park was quoted as saying, "The (law) was probably not our best work." Yet, there has been no action taken to correct these measures.
- A return to implementation of the local ad valorem tax reduction fund (LAVTRF) would help with local government's restraint on increasing property tax rates. The state has not funded the program since 2003. Over the past 15 years, this has required local Kansas government agencies to increase property taxes by \$1.3B. It is time for action!
- To itemize expenses on an individual's state tax return, one must also itemize on the federal return. This should be decoupled so that if a taxpayer has deductible expenses in excess of the state's standard deduction, they can reduce their taxable income by the excess amount. No one should be paying more than their fair share.

There was a time when Kansas had a more balanced system between for income, property and sales taxes. This is commonly referred to as "a three-legged stool." Vote for me, Jeff Stroberg so I can get elected to serve you Topeka and work hard to make taxes fair for all Kansans. Let's balance the stool!