

## 2012 Kansas Legislative Session

### Senate Substitute for HB 2117

This bill dramatically changes the Kansas income tax structure.

Key components:

- Reducing income tax rates, with the top rate dropping from 6.45 to 4.9 percent and the bottom rate dropping from 3.5 to 3.0 percent.
- Exempting all “pass-through” business income from the personal income tax base.
- Eliminating targeted tax credits including the Food Sales Tax Rebate, Child and Dependent Care Credit, Adoption Credit and the Homestead Property Tax refund for renters.
- Increasing the standard deduction for head of household filers and married couples.

Analysis by the Institute on Taxation and Economic Policy (ITEP)

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With the repeal of the Food Sales Tax Rebate (FSTR) the state now joins only Mississippi and Alabama in applying the sales tax to food and not offering any type of targeted low income relief. The FSTR offered targeted tax relief to Kansans over 55 and those with children who have less than \$35,000 of income. Families with income of less than \$17,700 could claim \$91 per family member to offset the sales tax they paid on food. Even after the income tax rate cut and the increase in the standard deduction for heads of household and married couples, a family of four with \$17,000 income will lose \$246 as a result of the newly signed law. This \$246 amounts to just over 2% of their income.

Taken as a whole, the only income groups that will see their taxes increase under the bill recently signed are the poorest 20% of Kansans, those with an average income of just \$11,000.

- In fact, the poorest 20 percent of Kansas taxpayers will pay 1.3 percent more of their income in taxes each year, or an average increase of \$148.
- The middle 20 percent of Kansas taxpayers will pay 0.5 percent less of their income in taxes, or an average tax cut of \$212.
- The wealthiest one percent of Kansans would see the biggest benefit from this new law. Their state income taxes will drop by about \$21,087, or 2 percent of their income.
- ITEP estimates that had this law been in effect in 2011 the cost would have been \$764 million in less revenue for the state.

This analysis does not include the continuation of the Earned Income Tax Credit (EITC), a program that lifts more children out of poverty than any other single program. Elimination or reduction of the EITC was included in several tax reform proposals considered by lawmakers. Kansas Action for Children and the Partnership to Preserve the EITC lobbied legislators to continue the program.

### Expanding Access to Dental Care

Analysis by Kansas Action for Children

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The Legislature had the idea of expanding access to dental care when it passed House Bill 2631, allowing hygienists to perform temporary fillings, denture adjustments and extraction of loose baby teeth. However, this is just a small step in the right direction. The Registered Dental Practitioner model would go even further in mitigating the dental crisis in Kansas. In Kansas, RDPs would work in rural areas, safety-net clinics, schools and nursing homes, providing services that help Kansans avoid costly emergency care. Although the bill remained in committee in the 2012 session, this is a multi-year effort, and KAC and the Kansas Dental Project are prepared to move the RDP proposal forward in 2013.

## PROBLEM as defined by Kansas Dental Project

### Lack of Access

Right now, there are 93 counties in Kansas that don't have enough dentists to serve their residents. Thirteen counties don't have any dentists at all. And the problem gets worse as we look ahead -- the average dentist is approaching retirement age and there are few dentists in sight to replace her/him.

### A High Price to Pay

Kansans living in rural areas and those who cannot afford private insurance have the most difficulty finding a dentist to treat them. Part of the reason is that only 25 percent of Kansas dentists accept patients on Medicaid. Comparatively, 90 percent of physicians see Medicaid patients. In a recent survey, four in 10 Americans said they put off dental care because of cost.

### Living in Pain

People who routinely skip dental care are left with painful conditions that can last years. Poor dental health leads to poor health in other parts of the body, including heart disease, diabetes and stroke. For pregnant women, untreated dental problems can result in low-birth weight babies, which put children at risk of illness and even death. Right now, Kansas has one of the worst infant mortality rates in the country. No one should lose their life because they couldn't afford to see a dentist.

## Congress

### Paycheck Fairness Act Fails in the Senate

Democratic legislation meant to fight gender discrimination in the workplace failed in the Democrat-controlled Senate on June 5 on a procedural vote.

In a 52 to 47 tally the Senate defeated the Paycheck Fairness Act. The legislation aimed to increase protections for women filing gender-discrimination lawsuits as well as create a federal grant program to improve women's salary negotiating skills.

The vote came down strictly along party lines, with the two independent senators voting with Democrats and Sen. Mark Kirk (R-Ill.) not voting. Senate Majority Leader Harry Reid (D-Nev.) changed his vote so that he could bring the bill up again.

Senate Republicans argued that the measure does not strengthen laws fighting gender discrimination in the workplace and instead just creates more bureaucracy.

## News from The Hill

**New numbers:** Hey, did you hear that the healthcare law lets young people stay on their parents' health insurance plans until age 26? Well, the Health and Human Services Department trumpeted that policy once again Tuesday with a report that says 3.1 million young people are insured because of the provision. Republicans say the under-26 policy wouldn't be necessary if more young people could find jobs.

**Prescription drug agreement:** A bipartisan group of House and Senate lawmakers reached an agreement on a final version of the must-pass Food and Drug Administration bill, setting up a vote on the House floor Wednesday. The bill would reauthorize the FDA's user fee programs and make several changes in agency policy, mostly designed to get innovative products to market more quickly while promoting patient safety. The bill would save \$311 billion over 10 years, according to the Congressional Budget Office.

Controversy over the Obama administration's birth-control coverage mandate could see renewed attention in the coming weeks, as Catholic bishops prepare to launch a two-week campaign to motivate and unite those who oppose the policy. The so-called "Fortnight for Freedom" will begin Thursday, heralded by a [nationwide ad](#) against the mandate to air on Fox News. The Catholic Association, the lay group behind

the ad, will also continue its campaign online. As of Tuesday afternoon, its Facebook page had more than 70,000 "likes," reflecting a recent spike in interest, according to the group.

As those efforts continue, advocates with Catholics for Choice noted that thousands have submitted comments to the Health and Human Services (HHS) Department in support of the mandate. The group filed its own 12-page statement on Tuesday, which cited a poll showing that a strong majority of Catholics believe private insurance plans should cover birth control. The comments also touched on an issue central to the debate — the difference in how supporters and objectors view moral choices.

"Religious freedom protections extend to one's personal religious beliefs and practices, but they do not give individuals or entire institutions license to obstruct or coerce the exercise of another's conscience," Catholics for Choice wrote to HHS. "Rather than prioritizing ... what institutions are granted exemptions, we ask that you prioritize the human impact of these exemptions and respect the consciences and religious freedom of all individual employees."

Catholics for Choice recently criticized the "Fortnight for Freedom" effort as frivolous and unpopular after an assembly of U.S. bishops championed the effort during an assembly in Atlanta. The group also co-signed a letter with several other progressive Catholic groups that chided the bishops for their dogged focus on the birth-control mandate.

"Our views on many important issues often diverge with the views of the Catholic hierarchy in the United States," the letter read. "Unfortunately, the bishops attempt to portray their views as representative of ours in public discourse. ... They do not speak for us each and every time they lobby elected officials or attempt to influence public policy."

Polls find that a vast majority of Catholic women use and support birth control, putting the church in an awkward position.

From Senator Jerry Moran's Common Sense Newsletter

### **Continued Work on Farm Bill in Senate**

This week marked the first full week of debate on the Farm Bill in the Senate, which typically occurs every 4-5 years. Farmers and ranchers deserve to have a farm policy that encourages growth, a free market and supports their efforts to feed the world.

A portion of the funding in each farm bill is allocated to help combat world hunger and malnutrition through development projects and emergency food aid. There is an old saying that goes like this: "give a man a fish, he eats for a day; teach a man to fish and he'll eat for the rest of his life." By teaching someone how to grow crops or better irrigate their fields, we will help them provide food for themselves and their families on a long-term basis, rather than just when a crisis hits. So this week, I introduced an amendment to allocate additional support from funds set aside for the farm bill for development aid programs that reduce hunger in poor, crisis-prone communities. Through economic empowerment, improved infrastructure, watershed innovations, these programs in development aid help protect and safeguard against the need for emergency aid. Emergencies will occur and we need to be able to respond quickly. But we also know we need to be able to reduce the incidence of hunger occurring time and time again in certain areas of the world.

As we continue to consider the bill this week, I will work to make sure our country has a sound farm safety net and remains a leader in agriculture.

### **Urging Progress on National Bio and Agro-Defense Facility**

On Friday, I joined Senators Pat Roberts, Claire McCaskill and Roy Blunt of Missouri in urging Secretary Janet Napolitano of the Department of Homeland Security to move forward with the construction of the National Bio and Agro-Defense Facility (NBAF) in Manhattan. This week, the National Research Council of the National Academy of Sciences (NAS) issued a report on a risk assessment of NBAF completed by DHS, entitled, *Evaluation of the Updated Site-Specific Risk Assessment for the National Bio- and Agro-defense Facility (NBAF) in Manhattan, Kansas*. The completion of this evaluation is the final legislative requirement prior to signing the land transfer and releasing previously appropriated funds for the construction of the Central Utilities Plant.

While I did not agree with some aspects of the evaluation, the National Academy of Sciences fittingly recognizes that NBAF would be a critical asset in securing the future health, wealth and security of the nation. So I have urged the Secretary to release funding and begin construction. The risk of not moving forward with NBAF is a risk the American people should not have to accept and I will continue my efforts to ensure NBAF becomes a reality.

## Offering Amendment to Support Life-Saving Medical Research

On Thursday, I joined my colleagues on the Senate Appropriations Committee to consider amendments to the 2013 Labor-Health and Human Services-Education appropriations bill. During the markup, I offered an amendment that would have increased the budget of the National Institutes of Health (NIH), to keep up with the rate of biomedical inflation by making small reductions to other programs in the bill.

This amendment would have prioritized medical research without adding a penny to the nation's annual deficit.

Medical research supported by NIH has changed the lives of millions of Americans and has the potential to impact millions more – offering them hope for the future. Now is not the time to waiver on America's commitment to advancing disease cures and treatments. Without consistent, strong support of NIH, our nation is at risk of jeopardizing patient treatment advancements, losing our position as a global medical research leader, and squandering the opportunity to drive economic growth.