

It's Not Always Sunnier in Florida

Proponents of eliminating Kansas' income tax say that without it Kansas can be more like Texas and Florida economically. But they should be careful what they wish for: Texas and Florida both rank worse than Kansas on a number of key gauges of prosperity and well-being. Another inconvenient truth: Texans and Floridians pay higher sales and property taxes than Kansans, a predictable result of having no income tax.

Kansas has more broadly shared prosperity and higher quality of life.

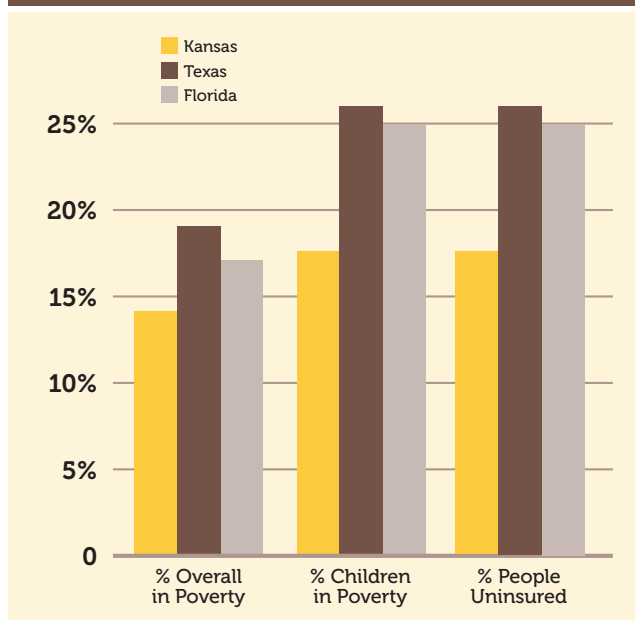
KANSAS ACHIEVES BETTER EDUCATION OUTCOMES THAN OTHER STATES

Benchmarks	Kansas	Texas	Florida
Student-to-Teacher Ratios	17th	21st	36th
High School Graduation Rates	19th	35th	44th
K-12 Spending Per Pupil	24th	41st	38th

Source: U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD)

■ **Education.** Given that Kansans want good schools that produce top-notch students, Texas and Florida are poor choices for role models. Kansas outperforms both states on crucial measures of K-12 education.

MORE PEOPLE LIVING IN POVERTY AND UNINSURED IN TEXAS AND FLORIDA



Source: U.S. Census, 2011 American Communities Survey and 2010-2011 Current Population Survey

■ Poverty, Health Coverage and Jobs.

Compared to Florida and Texas, Kansas has a smaller share of its population living in poverty and a lower percentage of people without health insurance, though we continue to need to improve in those areas.

And on the jobs front, unemployment is far higher in Florida (8 percent) and slightly higher in Texas (6.1 percent) than it is in Kansas (5.4 percent).¹

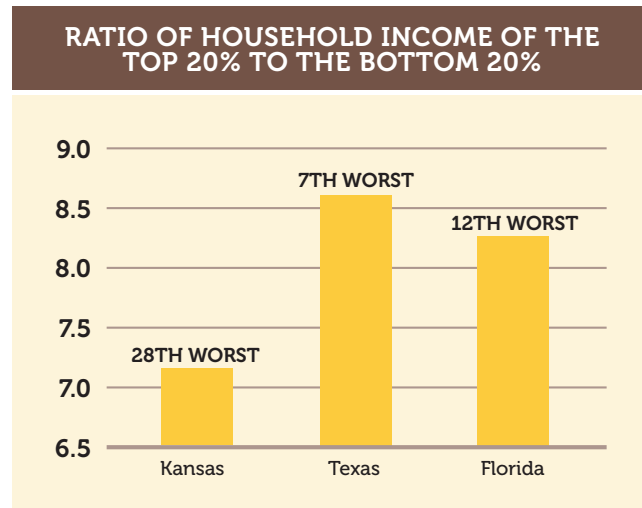
■ **Income Inequality.** We need to ensure that all people benefit from our economy, not just the top-earning Kansans. Following in the footsteps of Texas and Florida would take us in the wrong direction. They rank among the worst states for income inequality.

Floridians and Texans pay more sales and property taxes.

Beyond their poor showing on the above indicators, and despite the tourism and oil revenues that help make up for their lack of an income tax, Florida and Texas have higher property and sales taxes per person and as a share of their economies than Kansas.²

If Kansas eliminates the income tax, it would likely see these other taxes go up. Without critical revenue from the income tax to pay for education and other needs, Kansas is likely to increase other state taxes. Kansas will pass the responsibility of funding services on to local communities, leaving them with a choice between cuts or increasing local taxes and fees as state funding decreases and costs rise.³

Raising other taxes would disproportionately harm low- and middle-income people that see a bigger share of their income go to sales and property taxes than more affluent Kansans.⁴



Source: Elizabeth McNichol, Douglas Hall, David Cooper and Vincent Palacios, 2012, "Pulling Apart: A state-by-state analysis of income trends," Center on Budget and Policy Priorities.

Kansas should set its sights higher.

Kansas doesn't have Florida's beaches or tourism, nor does our state benefit from oil, like Texas. But on a whole range of indicators, Kansans are better off. In addition, claims that the income tax holds back state economies or that states without an income tax outperform those that do have been thoroughly debunked. In truth, taxes matter little for job creation. But they matter a great deal to our ability to support the services that are critical to a thriving Kansas economy, like strong schools and colleges, a well-trained workforce, good roads and reliable fire and police protection. All of these services would be harmed by eliminating our income tax. Kansas can do better than Texas and Florida. It already does.

¹ Bureau of Labor Statistics, "Local Area Unemployment Statistics," available at <http://bls.gov/lau/>

² For a more detailed account of why the Texas model is unachievable for Kansas, see Elizabeth McNichol and Nicholas Johnson, 2012, "The Texas Economic Model: Hard for other states to follow and not all it seems," Center on Budget and Policy Priorities, available at <http://www.cbpp.org/cms/index.cfm?fa=view&id=3739>

³ Nicholas Johnson and Erica Williams, 2012, "Without a State Income Tax, Other Taxes Are Higher," Center on Budget and Policy Priorities, available at <http://www.cbpp.org/cms/index.cfm?fa=view&id=3718>

⁴ See Rachel Gray, "Local school officials: Current aid not enough," January 17, 2013, available at <http://www.gctelegram.com/news/school-finance-1-17-13>