

Kansas Tax Policy: Unprecedented Changes & Impacts



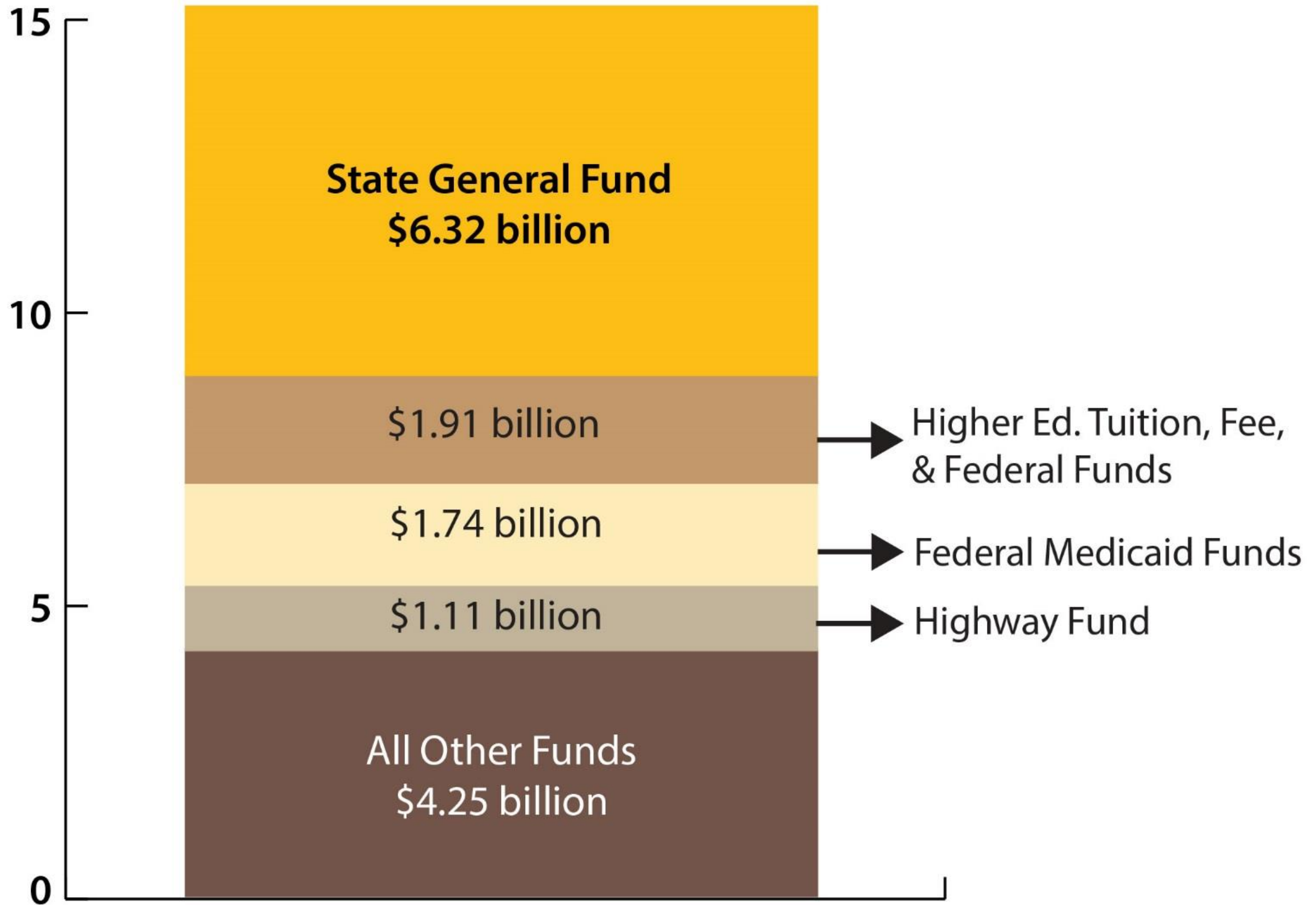
Responsible Policy. Real Prosperity.

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KANSAS BUDGET BACKGROUND

Total Kansas Budget - FY 2016

\$15.33 billion

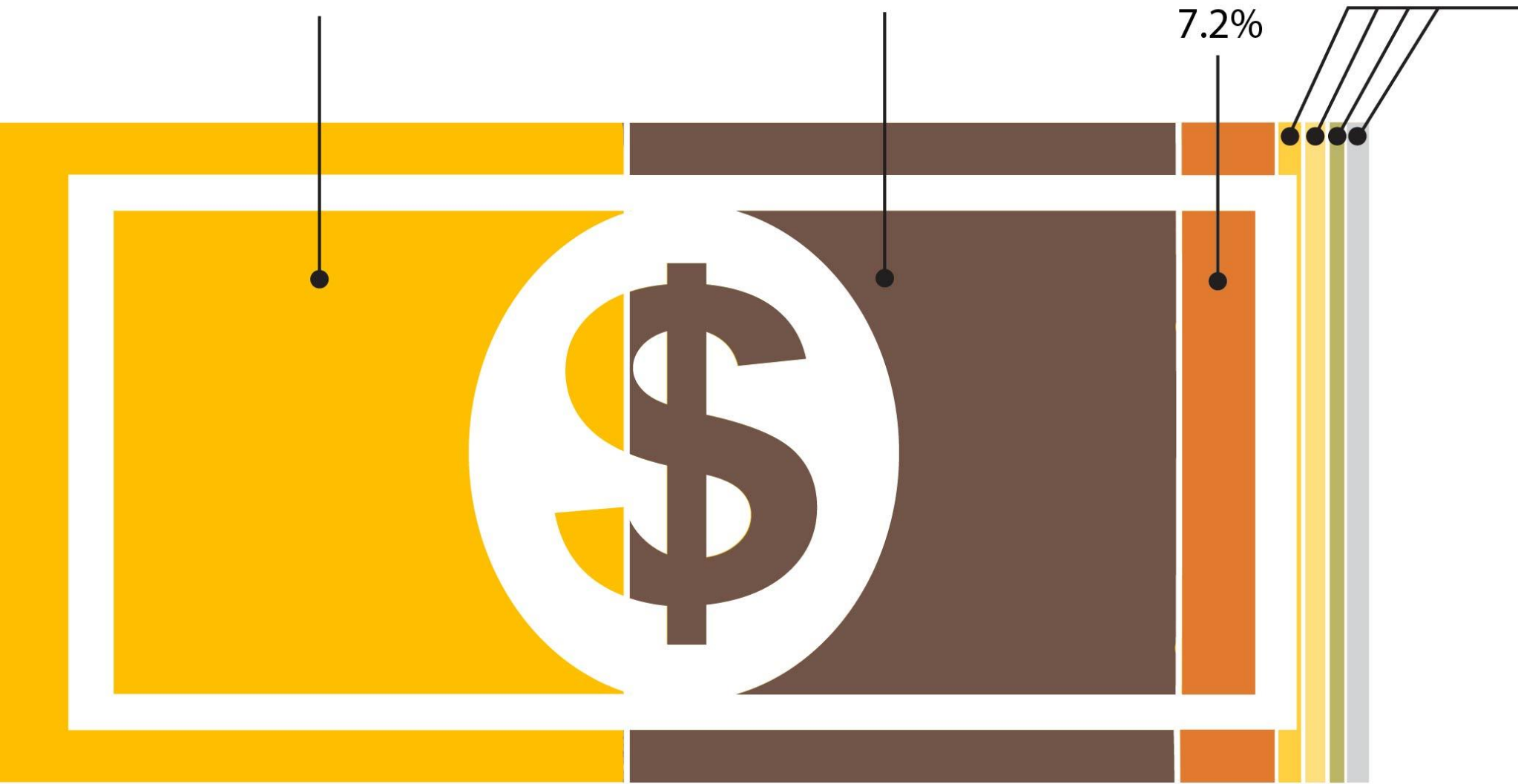


Sales and Use Tax
45.7%

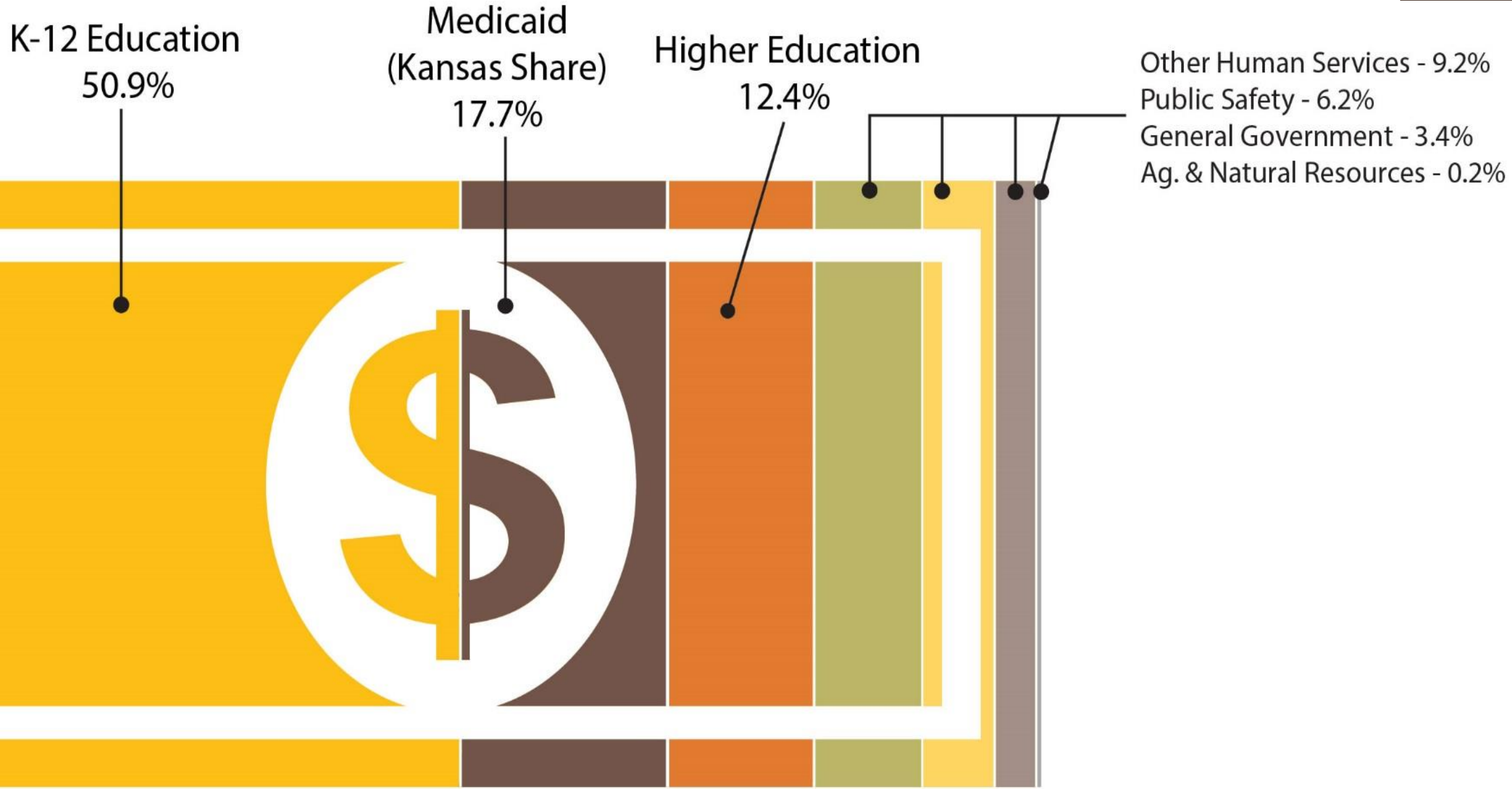
Individual Income Tax
40.3%

Corporate
Income Tax
7.2%

Tobacco Taxes - 2.2%
Liquor Taxes - 1.6%
Severance Taxes - 1.2%
All Other Revenue - 1.8%



**FY 2016 State General Fund
Revenue by Source**



FY 2016 State General Fund Expenditures

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THREE KEY TAKEAWAYS

1. We're Broke

State General Fund FY 2016

(July 1, 2015 to June 30, 2016)
(Dollars in Millions)

| | |
|-------------------|----------|
| Beginning Balance | \$ 71 |
| Revenue | \$ 6,166 |
| | <hr/> |
| Total Available | \$ 6,237 |
| | <hr/> |
| Expenditures | \$ 6,327 |
| | <hr/> |
| Ending Balance | \$ 0 |

Expenditures includes \$135 million in one-time budget adjustments and sweeps.

The general fund should have an ending balance of at least 7.5% of expenditures, or \$468 million.

2. Largest Tax Hike in History Didn't Fix It

Kansas is still living paycheck to paycheck.

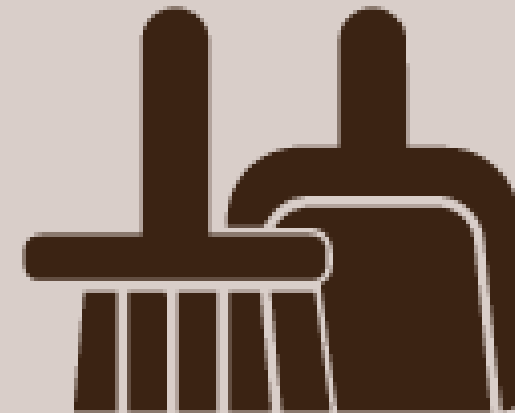
\$63 million in extra budget cuts and transfers



\$430 million tax increase - the largest in Kansas history



Approximately \$300 million in sweeps from Kansas programs



Even after all of this.

Source: Kansas Legislative Research Department budget documents

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3. State Garage Sale Not the Solution

State General Fund FY 2017

(July 1, 2016 to June 30, 2017)

(Dollars in Millions)

| | |
|-------------------|----------|
| Beginning Balance | \$ 0 |
| Revenue | \$ 6,286 |
| | <hr/> |
| Total Available | \$ 6,286 |
| | <hr/> |
| Expenditures | \$ 6,286 |
| | <hr/> |
| Ending Balance | \$ 0 |

Expenditures includes \$176 million in unidentified budget cuts or sweeps.

The general fund should have an ending balance of at least 7.5% of expenditures, or \$471 million.

For More Information

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