

# ‘ THE PECK PERSPECTIVE ‘

(From the Capitol)

April 9, 2022

Kansas' Tax collections continue to come in above projections. The numbers for March reveal an exceedance of \$80.2 million – with total tax collections of \$679.6 million. Leading the way toward the \$80 million surplus was individual income tax at \$38.1 million more than projected, followed by sales tax (\$17.5 million), insurance premium tax (\$12.7 million) and corporate income tax (\$9.6 million).

The revenue estimates are produced by a body known as the Consensus Revenue Estimating Group (CREG). The CREG consists of three consulting economists from Kansas universities – KU, KSU and WSU – and one member from each of the following – The Division of the Budget, the Department of Revenue and The Legislative Research Department. The CREG meets each November and April to reevaluate past projections and issue future projections. The CREG next meets April 20<sup>th</sup>.

**Proving Opportunity (HB 2448):** Most Kansans believe that a hand up is much more valuable for a person than a hand out. To that end, the Legislature passed – in the Senate 28–11 and the House 70–46 – a bill, HB 2448, to ensure that able-bodied adults age 18–49, without dependents, must either work 30 hours a week or enter an employment and training program in order to receive welfare benefits. Kansas currently has a voluntary program, but HB 2448 will make it mandatory for persons in the aforementioned category.

Some may think HB 2448 is punitive. But we can't continue to do the same things and expect different results. Instead of just offering welfare – a hand out – HB 2448 is designed to provide Kansans with job training that will help them obtain new skills and a way out of the poverty cycle – a hand up. When a person obtains career training it increases their chances of finding a different result in life.

Since every senate democrat opposed HB 2448, some say we can expect Governor Kelly to veto HB 2448. If that happens, it is truly sad that her political party prefers continuing the practice of giving a hand out (at taxpayer expense) rather than helping with a hand up.

**Tax Relief for Kansas Taxpayers (HB 2239):** As vice chair of the Senate Tax Committee, I was honored to spend many hours, along with Tax Committee Chair, Caryn Tyson, working with our House counterparts, in a

Conference Committee, to craft legislation, HB 2239, that provides Kansans with long-term tax savings.

Although the House Tax Committee sent several tax bills to the House floor for debate and a vote, none actually made it to the floor; the Senate didn't do much better, but we did run a few tax bills across the floor. That fact created some challenges for the Conference Committee.

Be that as it may, I was pleased with the results of HB 2239 – a bill with several tax-saving provisions – as it passed the Senate unanimously and the House 103–10.

Space does not allow the mention of every provision in HB 2239, but those I believe to be of most interest to a majority of taxpayers include: a property tax freeze, via an income tax rebate, for low-income senior citizens and military veterans with a 50% or more disability; a tax credit, of up to \$250, for teachers who purchase classroom supplies with personal funds; removing the sunset of the sales tax exemption for vehicle manufacturer rebates; doubling the income tax exemption (from the current \$2,250 to \$4,500) for 100% disabled military veterans; allowing county commissioners to abate property taxes on building, such as barns and other outbuildings (homes can already be abated), destroyed by a natural disaster; enact tax credits for building or improving short-line railroad infrastructure; extend the Rural Opportunity Zone program for three more years; create a tax credit program (capped at \$5 million per year) for donors to technical and community colleges; and two provisions I took the lead on. One provides ag producers with a sales tax exemption when purchasing fencing materials used to enclose agriculture land. The final one provides real property tax relief starting in 2022. This is done by doubling the amount of the residential exemption from the 20 mill uniform statewide school finance property tax levy from \$20,000 of valuation to \$40,000 of valuation. Additionally, there is a built-in formula to increase future valuation exemptions based on the 10-year average of the percentage change in statewide residential real property. The \$20,000 exemption has not been increased since it was first implemented in 1997.

Until next time, may the blessings of God be yours.

Virgil Peck  
State Senator