

March 14, 2012

Distinguished Members of the House Committee on Taxation;

I encourage and implore you to allow HB2763 to pass through your committee for a vote on the House floor.

As a resident of Kansas for all but four of my forty-three years, I watched my parents struggle as jobs moved out of state, and in my mother's case, out of the country. I've raised four children here, all life-long Kansas residents, and I would love for them to want to stay here.

But in order to do that, Kansas must become an economically prosperous state; a state growing its GDP and population. The answer in the past seems to have been seducing companies to come here with this sweetheart deal, that tax abatement.

Ladies and Gentlemen, it's time to stop playing games with our next generation's future. This bill affords Kansas the opportunity to LEAD the region in GDP growth, allows us to offer business, ALL business (not just the winners chosen by our current tax system), the chance to compete on a level playing field without the burden of cost-increasing corporate taxation.

The basic premise of taxing income is counter intuitive to productivity. What is the motivation for entrepreneurs to invest their time, energy, and talents in a state environment that taxes them for doing more? Creating more? Earning more?

Look around during our hearing. See the faces of the people who are proponents of this bill. They're citizens.

People who see the unjust and unfair way our taxes are collected now. We're willing to pay taxes. We understand the importance. We just want the system to be fair.

Contrast that to lobbyists and special interest groups who often have an unfair advantage over their competitors because of the special favors that are written into our current income tax system. They are very motivated to keep the status quo.

You must decide who YOU represent.

Now, let me address a few issues that may be of concern to you or our opponents, because when I was first introduced in 2008 to the concept of a consumption tax to replace income tax, they were my primary concerns. I am a conservative voter, but I'm also one of the most compassionate people you'll ever meet.

The first thing most people say about a consumption tax is that it's regressive because poor people must pay a disproportionately larger percentage of their income "pie" in taxes.

How does this bill address this? By providing, to all legal citizens of the state, a prebate for the amount of the tax that they would pay up to the poverty level. Simply put, if a household is at or below the poverty level, they will be COMPLETELY untaxed under this plan. That's just about as progressive as you can get.

The second concern people bring up is the loss of the charitable contribution deduction.

I would respond with two points. One – it is statistically proven that charitable contributions depend on one factor more than any other: the health of the economy. When the economy is growing, people give more, regardless of the tax benefits. And two – only 30% of the US tax filers itemize their expenses. The other 70% have given, and keep giving, with no tax benefit whatsoever. In addition, this bill allows all of us to give charitable donations from pre-tax dollars, so we have more dollars from which to give.

In closing, I would encourage you to open your minds and looks for the reasons that this bill makes great economic sense for Kansas. They're there. After studying and reviewing our State's current tax structure, I've come to the following conclusion.

If a legislator would vote against this bill, it can only be for one of two reasons. Either they don't understand the economic impact of zero percent corporate and personal income taxes on a state, and the boost in jobs and prosperity it would bring, or their conscience and decisions are determined and influenced more by special interests and lobbyists, than by what is most beneficial for the State and their constituents.

Please, do the research necessary to put to rest any concerns you have, and then do what's right. Vote this bill out of committee to the house floor. I, your constituent, your co-worker, your fellow Kansan, am counting on you.

Sincerely,

Michele Grabber