

NEWS RELEASE

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Study Links Kansas' High Taxes and Ballooning Budget to Economic Slowdown

Spending increases cost each Kansan \$2,500

(WICHITA) – Kansas' economic future is threatened by relatively high tax rate and budget-straining spending growth, according to a new study published by the Flint Hills Center for Public Policy.

In "[Fostering Climate Change In Kansas: Steps Toward A Competitive Market-Based Economy](#)", author Jonathan Williams finds Kansas' high taxes and growing budget are linked to the state's anemic economy and stunted population growth rate.

Williams offers a number of recommendations to policymakers, including the need for a Taxpayers Bill of Rights, as routes to breathe new life into Kansas' economy.

The study indicates Kansas' population and economic growth rates are among the lowest in the nation; in 2003, the state's population only increased by .43%, and Kansas' Gross Domestic Product growth rate ranked 42nd lowest in the nation.

Kansas also ranks low on a number of indexes measuring business and corporate tax climate, ranking 32nd on the Business Tax Climate Index and 46th on the Corporate Tax Climate Index. Overall, Kansas has the 15th highest state and local tax burden in the nation.

Compounding the negative impact of the high tax rates is Kansas' growing budget, which is now weighed down by a significant increase in education spending and threatened by the mounting expense of its Medicaid program. Williams reports that the "State General Fund budget has ballooned to \$5.150 billion," and that "Total state spending has increased by \$6.8782 billion, or 146 percent since 1990."

Such spending increases between 1993 and 2003 on average cost each Kansan \$2,469.93, according to Williams.

Study author Jonathan Williams is a staff economist for the Tax Foundation, based in Washington, D.C.

This policy paper as well as all other Flint Hills materials are available at www.flinthills.org.

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