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How Much Do You Work Just to Pay Your Taxes?

Have you ever wondered how long you work during the year to pay your taxes? Recently, the Washington, D.C. based Tax Foundation provided the answer for that very question. According to the Tax Foundation's new study, America's Tax Freedom Day fell on April 23 this year. Tax Freedom Day represents the day that Americans have finally earned enough to pay Uncle Sam for the year.

This means the average American worked almost four entire months in 2008 to pay their tax bill. To put this figure in proper comparison, Americans work longer to pay their taxes than they work to pay for food, clothing and shelter combined.

In 2008, Americans worked an average of 74 days to pay federal taxes and an additional 39 days to pay state and local taxes. If converted into an eight-hour workday, we spend roughly 2 hours and 30 minutes to pay tax obligations -- before even starting to earn wages for ourselves.

This year's Tax Freedom Day is short of the record high of May 3 in 2000. The 2001 and 2003 Bush tax cuts have played a major role in keeping federal tax burdens in check. However, the tax relief is scheduled to expire and to keep this tax relief that has benefited millions of taxpayers, Congress must take action.

If no Congressional action is taken, taxpayers will witness the revival of the notorious federal death tax and marriage penalty, lose essential capital gains and dividend tax relief, see a massive reduction of child care tax credits, and experience increases in personal income tax rates.

All said, more than 115 million families would see an average tax increase of \$1,800 if the federal tax relief is not made permanent. Allowing the tax cuts to expire will result in the largest tax increase in our nation's history, which will undoubtedly slow the growth of our economy, hurting millions of Americans and putting our nation's economic growth at serious risk. It would be a mistake of historic proportions if Congress fails to permanently extend the pro-growth tax relief that has played such an important role in the post 9-11 economic recovery.

The Tax Foundation's study goes beyond federal statistics and also calculated effective tax burdens on a state-specific basis. This gives us a great opportunity to see how Kansas compares to the rest of the nation.

In 2008, Kansas' state and local tax burden is estimated to equal 9.6 percent of income. This means the taxpayers of Kansas pay the 21st highest state and local tax burden in America. In per capita terms, residents of Kansas pay an average of \$3,911 in state and local taxes every year.

Historically speaking, Kansas' tax burden was quite modest since the late 1970s and was below the national average in all but a few years until the late 1990s. However, Kansas' record of being a moderately taxed state is certainly in question. In five of the past six years, Kansas' state and local tax burden has equaled or

exceeded the national average. With Nebraska and Oklahoma phasing-in significant tax relief in recent years, Kansas faces the threat of becoming the highest tax state in the region.

Our neighbors in Colorado were able to restrain government spending and tax burdens through the Taxpayers' Bill of Rights, creating one of the strongest economies in the nation during the 1990s. Not to mention that Colorado's tax burden ranking plummeted, from 23rd highest to 34th during that period of budget restraint.

If we are to keep taxes low in Kansas, our elected officials should follow the Colorado model and take deliberate steps to ensure fiscal responsibility. Lawmakers need to put a tight lid on spending growth, or the trend of escalating tax burdens will inevitably continue in Kansas.

Of course, the recent actions to phase out the estate tax and corporate franchise tax are terrific steps in the right direction. And the reduction in the corporate income tax that the legislature approved this year was a great pro-growth measure. However, more action must be taken to ensure Kansas remains competitive for years to come.

Kansas is certainly not the highest taxed state in the nation, but in today's competitive marketplace, it's not good enough to be mediocre.

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