



Grover G. Norquist

President

March 29, 2004

Dear Kansas legislator:

**I am writing to you to urge you to vote against the tax increases that are currently being floated in Topeka, and which would have a negative effect for both Kansas' economy and its people.**

The Senate Education Committee on March 24 passed two school finance proposals, which contain significant tax increases. The amended version of HB 2004 bill seeks to generate \$65 million in new revenue by significantly increasing taxes on beer, wine and distilled spirits by rates ranging between 120% for spirits and 200% for wine, and by making changes in other state tax policy.

Even worse, the House passed a bill that would raise the state sales tax and slap a surcharge on individual income taxes.

Raising the sales tax would raise the cost of living for every Kansan, rich and poor alike. And, since most small businesses pay taxes at the personal income rate, not the corporate rate, a surtax on income hits small businesses as well as hard-working families. **Since 75 percent of all new jobs are created by small business (according to the U.S. Small Business Administration), the income tax surcharge is a tax on job creation.**

Increasing the regressive taxes on alcohol would not only hurt consumers, but small businesses and employment as well. **Studies conducted in other states predict a significant reduction in sales of alcoholic beverages, leading to job losses in the hospitality and retail sectors.**

**And voting for these new taxes will put you on the wrong side of political trends.** Every recent effort to raise taxes on the state level ended in humiliation for proponents when the people got to vote. Oregon and Virginia in the winter of 2002-03 started the trend. Then Gov. Bob Riley tried to raise taxes in Alabama, and was voted down by a 68%-32% margin. Then Gov. Gray Davis was recalled for raising the car tax and spending irresponsibly. Then Seattle voted down an espresso tax by 77% to 23%. Then Oregon's Gov. Kulongoski had his tax increase repealed by referendum by a vote of 60% to 40%.

**But many states have closed gaping budget holes without raising taxes.** Gov. Perry of Texas closed a \$10 billion gap without tax increases. Gov. Pawlenty of Minnesota, Gov. Benson of New Hampshire, Gov. Romney of Massachusetts, Gov. Owens of Colorado, and others performed similar feats. They are the ones with the bright political futures, while Gray Davis and Bob Riley face political oblivion.

For the sake of Kansas families and small businesses, I urge you to vote against any tax increase currently under consideration.

Sincerely,

Paul Proski  
State Government Affairs Manager