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It's difficult not to be cynical

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— Thanksgiving and Christmas are right around the corner. But if your job is to listen to and report on Frankfort political leaders it's hard to get into the spirit.

Oh, some in Frankfort are in a giving spirit. Gov. Steve Beshear and Democrats seem to really enjoy giving jobs to Republican senators and most of them would love to give gambling to the horse industry. They're perfectly willing to give tax dollars to a motorcycle company. But for nearly every one else, it's going to be coal nuggets in the state government stocking.

There's something they could give everyone – reform of the tax code. Rep. Jim Wayne, D-Louisville, and Rep. Bill Farmer, R-Lexington, are trying. Each has proposed major reform. Wayne wants to make the code more progressive and fairer by shifting some of the burden to the wealthiest Kentuckians. According to the Institute on Taxation and Economic Policy in Washington, D.C. poorer Kentuckians pay a higher percentage of their income than the most affluent in Kentucky.

Farmer wants to do away with the income tax and extend the sales tax to services, taxing consumption rather than income. He says it's a simpler, fairer way to collect taxes and will spur job development. Critics say the sales tax falls disproportionately on lower income groups but his proposal would lower the sales tax rate from 6 to 5.5 percent.

It's easy to find lawmakers who say privately the sensible thing to do is take the best of each plan and pass a compromise version which would be fairer while providing "sustainable" revenue for state government. But no one really wants to do it. Not in an election year.

Only last spring, Beshear wanted to increase alcohol, tobacco and gas taxes to plug an earlier \$456 million budget hole. He and House Speaker Greg Stumbo needed Wayne's and five other reluctant lawmakers' votes. To get them, they promised to give comprehensive tax reform serious consideration before the next session of the General Assembly. Now they say, "This is no time to raise taxes." But Wayne's idea is to lower taxes on some who are paying too much and offset that with increases for those who aren't paying enough. Farmer's would eliminate some taxes while increasing them on frequently voluntary purchases. Both would produce more revenue for the state.

With the state facing a \$1.3 billion hole in the next two-year budget, and with some faint signs of an improving economy, it would seem a good time to put in place a more reliable tax code in anticipation of economic growth. Instead, lawmakers are talking about layoffs and more service cuts, more "belt tightening." There's been talk of a one-year budget with hope the economy will improve enough that lawmakers can come back a year later and pass a better plan for the second year. Some have floated the idea of a temporary one-cent increase in the sales tax with a sunset provision.

It's a safe bet (gambling is all the rage these days in Frankfort) that lawmakers will choose whichever option requires the least political courage and the least vision. If that sounds too cynical consider this: last week I heard a legislative leader say in a speech that as bad as things are in Kentucky, he awakes every morning thankful that Kentucky is in better shape than "third world countries."

If that is our measurement for progress in Kentucky, there won't be any. Bah! Humbug!

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