Public investment needed now for Kansas families

Why a fourth tax bracket makes sense

Recent events have made clear economic security is lacking for many across our state. Kansans have faced uncertainty and instability around their housing, nutrition, and employment. Wealth and income inequity have exacerbated the ability for many Kansans to feel economically secure during these challenging times.

Kansas lawmakers have a choice. They can put the state on the road to an economic recovery broadly shared by all Kansans. Or they can repeat past mistakes of state disinvestment, implementing tax policy that benefits the wealthiest in our state at the expense of working, low- and middle-income Kansans.

How do we pay for that investment? By raising revenue through an additional income tax bracket for the wealthiest.

The economic, health, and social disasters of COVID-19 have highlighted the painful inequities in our state. Low-income families, particularly Black and brown families, have been hit hardest by the pandemic. These families are much more likely to be struggling to make ends meet or have members who’ve lost jobs, been exposed to the virus, or had trouble finding child care.

Kansas legislators don’t just need to balance a budget. They need to make sure vital programs and services are adequately funded to help Kansans who are struggling. Our policymakers should create policies with long-term vision to ensure our state can recover from the crisis and is set up to thrive when the threat is gone.

Policymakers must consider adapting tax policy to raise additional revenue and to make our tax code more equitable. Evidence from the Great Recession makes clear that budget cuts, as a response to economic downturns, hurt states and slows economic recovery.

The creation of an additional tax bracket would modestly increase the tax rate for Kansas’ highest-income earners who have suffered the least economic harm from the current crisis. Depending on how the tax bracket and tax rate is determined, the state could raise hundreds of millions of dollars, which could help protect essential state programs and accelerate economic recovery.

Currently, there are three individual income tax brackets in Kansas. The top bracket applies to income of $30,000 (single filers) or $60,000 (married filers) or more. This means a single filer preschool teacher, who makes an average annual salary of $31,650, is taxed at the same rate (5.7 percent) as someone making a million dollars a year. Creating a new tax bracket for the highest-income Kansans and slightly increasing their tax rate would ensure that everyone pays their fair share.

In the last decade, Kansas learned the hard way that our state can’t cut its way to prosperity. Our state must create a new path forward, boosting our current recovery and ensuring future success.