Kansas House, Governor Brownback “Nuke” the Budget with Tax Cuts

The Legislature entered what was to be its last week pretty quietly but things soon went awry.

On Wednesday, May 9, the House came back from a lunch break and there was a motion to concur in Senate Substitute for HB 2117 – the tax bill with a mammoth price tag that had been killed in the Senate and then reconsidered at the urging of Governor Brownback and passed to the House.

Back on March 21, the Senate voted 20 to 20 to kill the bill but then Governor Brownback intervened, urging Senators to reconsider. It has been reported that the Governor did not indicate support for the bill but wanted the Senate to put something in conference so a compromise could be negotiated. Senate leadership acquiesced to the Governor’s request; they reconsidered the bill and passed it out of the Senate.

This set up the potential for a “nuclear option” in the House. The House, controlled by an anti-government majority, would hold the option of concurring in the Senate’s bill (it was in a House bill) and sending the state budget into a dramatic downward spiral.

In the meantime, the tax conference committee met and cobbled together a bill that was less disastrous than either the House or Senate bills. The Senate on May 9 had also taken a lunch break and they were scheduled to take up the conference committee report upon reconvening at 2:30.

The House came back from lunch at 2:00 and immediately took up debate on a motion to concur in HB 2117. Observers say that the Governor again intervened, asking the House to take up the bill because there was concern that the Senate would not pass the conference committee report.

This action set up an epic race. If the House could concur in 2117, the conference committee report over in the Senate would be moot. House members opposed to the bill would have to mount a filibuster until the Senate got back in and acted on the conference committee report. Things were moving until the Senate hit the floor and began their debate. At that point it was who could stall the longest – the moderate and Democratic House members or the Conservative Senators.

It was at this point that conservative Representative Lance Kinzer (R-Olathe) took advantage of a rarely used motion to close debate. The Speaker acted quickly in shutting down the debate and pressing the vote. The House voted 64 to 59 to concur in HB 2117 thus sending the worst possible tax bill to the Governor’s desk.

HB 2117 will cut taxes for corporations and wealthy Kansans so deeply that by 2018 the state will have a deficit of $2.5 billion – nearly half of the state budget. The only possible outcome will be massive cuts in funding for education, roads and highways, public safety and the social service safety net.
Here’s what was said in the press about this unusual move:

- Brownback made personal appeal to House Republicans to approve mammoth tax cut
  (http://www2.ljworld.com/news/2012/may/10/statehouse-live-brownback-made-personal-appeal-hou/)

- House delivers mammoth tax cut bill to Brownback, who says he is prepared to sign it

- Kansas House pushes through tax-cut plan, sidelines compromise bill
  (http://www.kansas.com/2012/05/09/2329369/kansas-house-pushes-through-tax.html)

- Legislative leaders to Brownback: Veto the tax cut
  (http://www2.ljworld.com/news/2012/may/11/legislative-leaders-brownback-veto-tax-cut/)

- The Star’s editorial | Brownback and allies bulldoze their way to a Kansas tax cut
  (http://www.kansascity.com/2012/05/10/3605318/the-stars-editorial-radical-tactics.html)

- KNEA Press Release: Playing Russian Roulette with the lives of Kansas communities, families, children
  (http://www.knea.org/home/1580.htm)

The last tax fight of the session was on a second conference committee report. Since the second conference committee report was not signed by the Democrats on the committee, there needed to be a vote to agree to disagree. If that motion passed, the report could be considered without all six signatures. The House passed the motion but the Senate did not. That act sent the whole deal back to conference to be renegotiated - something that never happened.

The Governor meanwhile kept threatening to sign HB 2117 unless the Senate would agree to reduce the income tax. The Governor needed to be helped out of his dilemma - he demanded that both chambers pass a bill he knew is not workable in his attempt to bully the Senate into bowing to his will on the income tax reductions for corporations and the wealthy.

The Senate did not blink. Now the Governor was faced with a difficult choice. He could follow through on his threat and sign a tax bill that will devastate the state budget or he could veto the bill and turn his attention to next year.

Here’s what the press had to say:

- The Kansas City Star; Kansas tax cut plan is an exercise in hubris
  (http://www.kansascity.com/2012/05/21/3621228/the-stars-editorial-kansas-tax.html)

- The Wichita Eagle; Tax cut is a huge gamble
  (http://www.kansas.com/2012/05/22/2343398/tax-cut-is-huge-gamble.html)

- The Salina Journal: We hope we’re wrong

- The Wichita Eagle; Must veto tax bill
  (http://www.kansas.com/2012/05/20/2341374/must-veto-tax-bill.html)

At noon on May 22 and with little notice Governor Brownback held a quiet “signing ceremony” in his office.