

STATE OF KANSAS
HOUSE OF REPRESENTATIVES

House Taxation

Date: _____

Attachment: _____

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RICK BILLINGER

121ST DISTRICT

GRAHAM, SHERIDAN, SHERMAN AND THOMAS COUNTIES

To: House Dept. on Taxations Committee

Date: March 6, 2012

Subject: HB 2756 Concerning unemployment

Thank you Mr. Chairman and committee members for the opportunity to appear before you and express my support for HB 2756

HB2756 addresses one of the most important issues facing The State of Kansas. Kansas unemployment rates are running high in certain counties, generally larger more urban areas. This bill will allow persons and or families, who domicile within counties with an unemployment rate above 5%, to move within the State of Kansas to a rural opportunity zone (ROZ) county for employment purpose.

When an unemployed person or family moves to the (ROZ) and accepts employment, they will receive a state tax credit equal to 3 years on their state income tax form. They must remain domiciled with the (ROZ) for 3 years to receive the total credits allowed by this bill.

Kansas has an opportunity through this bill to improve and lower the number of persons and or families on unemployment and or state assistance. This bill will also help rural opportunity counties with an influx of new persons and or families to their communities. When new people move into the rural opportunity counties they buy homes or rent, pay local and state sales taxes. They put children in schools and make our communities a better place to live. The state of Kansas also benefits by no longer paying weekly unemployment or other state assistance. We have an opportunity to move more of these people and or families from state supported systems to private employment opportunities. Currently there are many jobs available in these counties and a shortage of people to fill these available positions. One example is Sheridan County in NW Kansas; the unemployment rate is approximately 2.7 or less. One of the county commissioners told me that with this low rate everyone who wants to work is working. The county had 3 jobs available for a maintainece operator these jobs would not require experience because they would train these employees. He informed me that no one had even applied for these jobs. These employment opportunities include retirement, health insurance and a fair wage. Here we have an opportunity to match the unemployed with jobs. There are many more of these examples available.

Thank you for your time and I urge your support for HB2756. I will stand for questions now or at the appropriate time determined by the chair.

House Taxation

Date: 3/6/12

Attachment: 2

UNEMPLOYMENT INSURANCE WEEKLY REVIEW

Regular Program

Claims Filed ^{1/}

	This Week <u>02/11/2012</u>	Last Week <u>02/04/2012</u>	Year Ago <u>02/12/2011</u>	Over-the-Week Percent Change ^{4/}	Over-the-Year Percent Change ^{4/}
Initial Claims.....	3,362	3,217	3,396	4.5%	-1.0%
Call Center.....	2,141	1,884	1,917	13.6%	11.7%
Internet.....	1,221	1,333	1,479	-8.4%	-17.4%
Continued Claims.....	32,408	32,248	38,784	0.5%	-16.4%

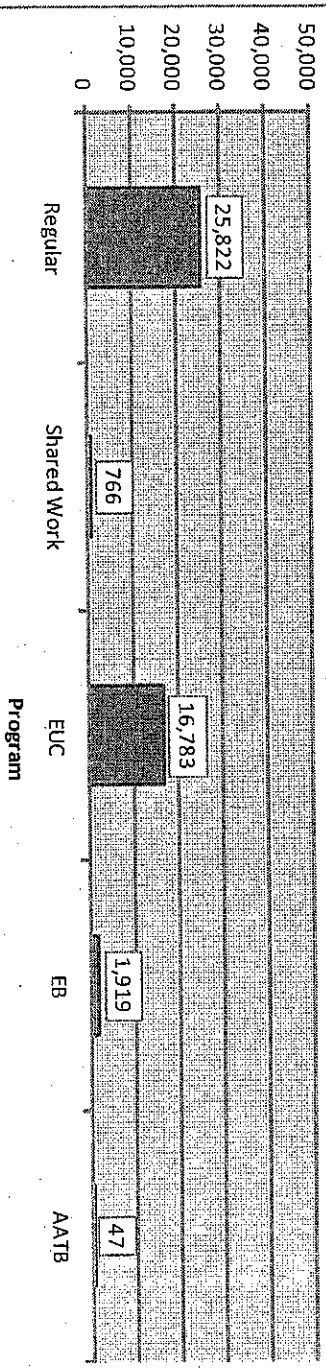
Benefit Payments ^{2/}

Amount of Payments.....	\$8,974,107	\$9,102,105	\$11,831,423	-1.4%	-24.2%
Weeks Compensated.....	27,609	27,990	36,155	-1.4%	-23.6%
Final Payments.....	858	794	847	8.1%	1.3%
Individuals Receiving Payments.....	25,822	25,936	31,680	-0.4%	-18.5%
Average Weekly Benefit Amount.....	\$325.04	\$325.19	\$327.24	0.0%	-0.7%

U.I. Trust-Fund Balance ^{3/}	\$19.9M	\$20.6M	\$8.1M		
Total Amount of Trust Fund Loans ^{5/}	\$95.0M	\$95.0M	\$100.7M		

^{1/} Claims data reflects UI, UCFE, UCX Intra-state and Interstate Lable New and Additional.
^{2/} Payment data reflects all payments including UI, UCFE, and UCX.
^{3/} Total expendable balance includes the remaining Reed Act Distribution from March 2002 and the Unemployment Compensation Modernization Incentive from June 2009.
^{4/} A negative percentage denotes a decrease, while a positive percentage denotes an increase.
^{5/} Total amount borrowed from the Federal Unemployment Account (FUA).

Individuals Receiving Unemployment Insurance Benefit Payments
 Week Ending 02/11/2012 ^{2/}



Kansas House Bill 2756

Average Benefits to Individuals

Below illustrates a typical monthly benefits package for a common TANF Household consisting of one parent and two children generally pre-school age and elementary-school age.

Average Monthly TANF Benefits:	\$ 321
Average Monthly SNAP Benefits:	\$ 468
<u>Average Monthly Employment Services Benefits</u>	<u>\$ 67</u>
Average TOTAL:	\$ 846
Average Monthly Child Care Benefits:	\$ 532
<u>Average monthly LIEAP Benefits:</u>	<u>\$ 58</u>
Potential TOTAL:	\$ 1,436

Number of Kansans Unemployed

As of December 2011: 88,039 persons (5.9%)

Rural Opportunity Zone demographics

- 190 applicants
 - 49- working in education
 - 40- in healthcare
 - 3- as engineers
 - 3- as veterinarians
- 116 families have connected to rural Kansas

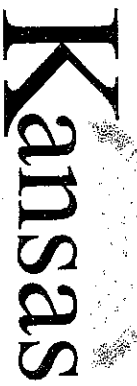
Kansas Income Tax Comparison

Breakdown of \$50,000

	<u>Married w/ NO Children</u>	<u>Married w/ 2 Children</u>
FAGI	\$ 50,582	\$ 50,000
<u>Modifications</u>		
KAGI	\$ 50,582	\$ 50,000
Std. Deductions	\$ 10,981	\$ 10,000
P/E	\$ 4,500	\$ 9,000
Taxable Income	\$ 35,101	\$ 31,000
Total Tax	\$ 1,369	\$ 1,113
Effective Rate	1.9%	2.2%

Breakdown of \$35,000

	<u>Married w/ 1 child</u>
FAGI	\$ 35,000
<u>Modifications</u>	
KAGI	\$ 35,000
Std. Deductions	\$ 4,500
P/E	\$ 6,700
Taxable Income	\$ 23,750
Total Tax	\$ 1,072
Effective Rate	3.0%



RURAL OPPORTUNITY ZONES

Cherokee	Rawlins	Decatur	Worton	Phillips	Smith	Jewell	Republic	Washington	Marshall	Nemaha	Brown	Dorphan	Wendell
3.7	3.5	4.3	3.9	4.5	4	3.8	3.3	4.0	4.3	3.3	5.3	6.2	7.5
Sherman	Thomas	Sheridan	Stearns	Roake	Osborne	Mitchell	Chester	Clay	Riley	Pottawatomie	Jackson	Alfons	Leavenworth
3.2	3.6	2.7	3.5	4.9	4.5	3.5	3.9	4.2	4.2	4.5	6.7	7.2	7.5
Wallace	Logan	Gove	Trego	Els	Russell	Lincoln	Ottawa	Dickinson	Geary	Wabaunsee	Shawnee	Jefferson	Miami
4.9	3.3	2.8	3.5	3.1	4.5	4.3	5.7	5.6	7.3	5.7	6.6	5.3	5.4
Greeley	Wichita	Scott	Lane	Rush	Barton	Ellsworth	Saline	Morrison	Morris	Lyon	Osgo	Franklin	Miami
3.2	4	3	3.4	4.3	4.5	3.8	5.7	5.6	6.8	5.7	7.3	7.1	7.2
Haskell	Keating	Finney	Ness	Edwards	Stanton	Rice	McPherson	Chase	Chase	Greenwood	Coffey	Anderson	Linn
3.7	4.2	4.3	2.9	4.0	4.1	4.6	4.3	5.1	5.1	6.1	5.8	7	9.4
Stanton	Grant	Haskell	Ford	Kowalski	Pratt	Reno	Harvey	Butler	Greenwood	Ellis	Woodson	Allen	Bourbon
3.1	3.8	3.6	3.9	3.1	4.1	5.4	6.1	7.0	6.1	6.6	7	6.6	6.5
Morton	Stevens	Seward	Meade	Goddard	Barber	Kingman	Sedgewick	Cowley	Ellis	Cherokee	Montgomery	Labette	Crawford
3.4	4.1	4.2	3.4	3.9	3.8	4.8	7.3	6.6	6.6	7.9	8.9	8.6	6.8
						Harris	Sumner						Cherokee
													7.5

9.1

Republic	11								
Rooks	44	15	12		1	1		3	
Rush	27	1	4						
Russell	24	6	5	1					3
Scott	23	9	8		1	1			
Seward	196	25	10						1
Sheridan	12	4	8		2	6			
Sherman	57	3	8		2			2	
Smith	27	4	2						
Stafford	14	4	10			3	1		
Stanton	9	4	5			1			
Stevens	20								
Thomas	83	7	31	1		6		3	1
Trego	16								
Wallace	18	2	1						
Wichita	21	6	15			15			
Total	2921	499	425	2	40	63	2	20	10