

OPINION

QUESTIONS OR COMMENTS? Contact Jason Jump at (620) 886-5654 or email ghp@gyphillpremiere.com

Replacing Property Tax With Sales Tax is Complex

Dave Trabert, *The Sentinel*

There's been a lot of buzz on social media lately about replacing the Kansas property tax with extra sales tax revenue, and while it's an idea worth exploring, it cannot be accomplished in a single legislative session for several reasons.

Senator Mike Murphy recently introduced legislation to start a conversation about replacing property taxes with a 7.6 percent sales tax on purchases under \$20 and a flat \$1.60 fee on transactions over \$20. Unfortunately, the Department of Revenue doesn't collect transaction-level data, so there is no way to determine whether that approach would generate the nearly \$7 billion needed to eliminate the property tax.

A law passed last year stopped the State from collecting property tax revenue to fund state operations, so the transactional data must at least be available at the county, city, township, school district, and community college levels, if not for each of the roughly 4,000 taxing authorities. Gathering and parsing transactional data at such a granular level is no small task.

The school funding formula would also have to be revised in multiple ways to account for the loss of property tax revenue. Schools get property tax from the mandatory 20 mills required by the state. They also collect property tax for their Local Option Budgets, debt repayment, capital outlay, and a few other purposes.

Public Input on Replacing Property Tax

While transaction-level data is being collected, legislators should seek input from taxpayers and local government officials on options for collecting new sales tax revenue and how it would be distributed.

There are at least six options to generate a new sales tax:

- Senator Murphy's combination of an add-on percentage up to a certain purchase amount and a flat fee thereafter.

- Increase the state or local sales tax on all purchases.
- Add a flat fee on each transaction regardless of the purchase amount.
- Eliminate some or all sales tax exemptions.
- Some combination of options one through four.
- Establish a separate surcharge for each county to offset the total property taxes collected in each county.
- Input from taxpayers and local governments on how to distribute the new sales tax revenue is also important.

Senator Murphy's plan calls for the state to collect and distribute the revenue on a pro rata basis, allocating 48 percent to schools, 35 percent to other local government entities, 12 percent to the state general fund, and 5 percent to a reserve fund to make up shortfalls to local governments or taxpayer rebates. This particular allocation doesn't work because the actual distribution is 45 percent going to education (school districts, community colleges, etc.) and 55 percent to other local government entities. (As mentioned earlier, state operations are no longer funded by property taxes.)

Still, some form of pro rata distribution could be used. One method is to distribute revenue on a county-wide basis, with each taxing authority's share based on its share of the county's total property tax. However, that could lead to some governments receiving too much revenue and others being shorted, depending on how revenue is generated.

Alternatively, the distribution could be based on each entity's statewide pro rata share.

Modeling to Predict Behavior Changes, Economic Impact

Legislators also need considerable economic research to inform their decisions.

A December 2023 paper co-authored by Kansas Policy Institute and the Economic Research Center at The Buckeye Institute notes that some taxes have different effects on economic activity. The property tax may be the most hated tax, but it cannot be avoided because the county knows that your property exists. However, sales tax avoidance is common.

Residents in border counties will cross state lines to avoid the additional tax on some purchases, so allowances must be made for the resulting revenue loss in each county. Allowing the surcharge to vary by county helps avoid shortfalls and excesses, but it also creates incentives for intrastate border crossings.

Economists must also consider how much a higher sales tax may curtail current purchasing decisions.

As much as some of us would love to see the property tax go away, taking the time to ensure it can be done with minimal unintended consequences is critical.

Legislators may want to consider a pilot program to eliminate one property tax type, such as motor vehicle taxes, to test how the various assumptions play out and make adjustments before eliminating the property tax entirely.

It's an absolute certainty that some assumptions will go awry, even those based on extensive research. Rushing to eliminate the property tax increases the odds that those variances would have catastrophic consequences.

Senator Murphy deserves considerable credit for starting the conversation. Now we need to take the time to get this right.

LETTER TO THE EDITOR

I am writing to urge my fellow Kansans, especially those in Reno, Kingman, Barber, and surrounding counties, to voice strong support for a three-year moratorium on new large-scale data center developments in our area.

As highlighted in Senator Michael Murphy's recent statement, these massive facilities promise economic benefits but come with serious, unresolved risks. They consume enormous amounts of water at a time when Kansas faces ongoing concerns about water scarcity, and they demand vast amounts of electricity that could strain our power grid and drive-up costs for everyday residents and businesses. Questions about long-term impacts on infrastructure, who will pay for increased demand, and the lack of transparency from out-of-state corporations remain unanswered.

Senator Murphy, representing District 34, and Senate Majority Leader Chase Blasi have taken a responsible step by jointly calling for this moratorium. This pause would give time for thorough, science-based studies and meaningful community input before any more projects move forward. It is a common-sense approach to ensure decisions prioritize the quality of life, land, and resources of Kansas families over rushed corporate interests.

Thanks to Herbie Landwehr, the public has a voice in this – now is the time to use it. I encourage everyone concerned about our water supplies, electric reliability, and community future to contact Senator Michael Murphy and Senator Chase Blasi right away to express support for their proposed moratorium.

- Senator Michael Murphy (District 34):
– Email: Michael.Murphy@senate.ks.gov
– Phone: (785) 296-6981 or District Phone: (620) 204-0416

- Senate Majority Leader Chase Blasi:
– Email: Chase.Blasi@senate.ks.gov
– Phone: (785) 296-2497

A quick call, email, or letter can have an influence. Let us show our legislators that Kansans want thoughtful, transparent planning, not unchecked development that could burden generations to come.

Thank you for publishing this important call to action.
Sincerely,
Dee Saddler
Sharon

M³ Publishing welcomes letters to the editor for all topics and from any local Barber County writer, so long as the letter does not contain libelous or slanderous material. Email your signed letter to ghp@gyphillpremiere.com

Price Controls Won't Fix RX Drug Costs

Helen Van Etten, *Long-Time Health Professional, Educator, Former Republican National Committeewoman and Retired Audiologist*

At first blush, Senate Bill 360's attempt to "fix" prescription drug pricing might sound appealing: protect pharmacies, promote transparency, and lower costs. Unfortunately, buried in this well-meaning rhetoric is a classic example of government price controls – a misguided policy that risks doing far more harm than good. Kansas legislators should reject the \$10.50 dispensing fee mandate in SB 360 (kslegislature.gov/li/b2025_26/measures/sb360/) because it amounts to a pill tax on Kansans, undermines free markets, and distorts the very competition we want to foster.

Let's be clear: SB 360 would re-

quire pharmacy benefit managers (PBMs) to reimburse pharmacies at or above a state-set reimbursement floor, pegged to a reference price like the National Average Drug Acquisition Cost (NADAC), plus a professional dispensing fee of \$10.50 per prescription. Proponents call this a "fair rate" and claim it protects local pharmacies. But mandating a fixed fee in state law is not fairness, it's price fixing.

Price controls don't reduce costs, they shift them. Economics 101 teaches that when government dictates prices or fees, those costs don't vanish; they are transferred somewhere else in the system. In this case, employers and ultimate-

ly patients will bear the burden. This \$10.50 requirement will be tacked on to the price of drugs, meaning patients and payers will pay more out of pocket or through higher premiums.

A state-mandated dispensing fee overrides the competitive negotiations that should occur between PBMs and pharmacies. In the market today, PBMs and pharmacies (often through their own hired negotiators called Pharmacy Services Administrative Organizations) haggle over rates, service levels, and value. If a pharmacy provides superior service or convenience, it can command a higher rate. If it doesn't, it must innovate

or risk losing business. That dynamic encourages efficiency and keeps costs in check. Mandating an arbitrary fee removes incentives for innovation and competitive improvement. Why strive to reduce costs if a legislated floor guarantees revenue regardless of performance?

Price controls also inflate costs where none need exist. Low-cost generic drugs, the very prescriptions that make healthcare more affordable, will be hit hardest. Adding a flat \$10.50 fee to a \$5 generic prescription doesn't just eat into savings, it effectively triples the cost. Consumers aren't just buying medicine, they're

buying a bureaucratically-mandated surcharge that has nothing to do with the actual market value of the service rendered.

This isn't hypothetical. Similar proposals in other states have drawn criticism from businesses and workers alike that such dispensing fee mandates act like a tax on every prescription, raising overall drug spending for employers and health plans. Reports from other jurisdictions show that prescription fee mandates can lead to millions in added costs annually, with those costs cascading down to patients and employers.

See **OPINION** / Page 5

TEXT SCAM ALERT

DO NOT CLICK



THE PEOPLES BANK We noticed an unusual activity on your ACCOUNT with us. A temporary hold has been placed, you are required to VISIT below to regain access now.
<http://tinyurl.com/trbmembspcc>

If it looks odd... it's probably fraud

Random / Unknown Contact

Sense of Urgency

Call to Action (Wants you to click or respond in some way)

Unknown link

WE DO NOT SEND MESSAGES LIKE THIS, OR ASK YOU TO ENTER YOUR BANKING/CARD INFO

NEVER CLICK LINKS FROM UNKNOWN SOURCES

Be Alert. Be Aware. Stay Safe.




American Legion
Lorraine
Post 98 Isabel
Annual Pancake
and sausage
supper

Saturday Feb.
28 4:00 PM to
7:00 PM.
Pancakes, eggs,
sausage, milk
and juice.
Free will
donation.
All are
welcome.

LEGAL NOTICE

(Published in The Gyp Hill Premiere on Thursday, Feb. 26, 2026) 1t

ANNUAL REPORT OF Valley Township TOWNSHIP RECEIVED

Barber COUNTY, KANSAS FEB 20 2026

The undersigned treasurer and trustee of Valley Township, submit the following report for the year ending December 31, 20 25. BARBER COUNTY CLERK

FINANCIAL REPORT

Fund*	Cash Balance Jan. 1 **	Total Receipts	Total Expenditures	Cash Balance Dec. 31	Unpaid Bills Dec. 31
General	31,087.57	1,831.38	648.38	36,772.41	84.88
Road		98,500.38	92,659.25		18,623.30
Tot +		7,727.49	9,067.00		
Machine	25,830.44	43.75	24,215.13	1,659.06	
Special acct	4,114.36			4,114.36	

CD acct expires June 11, 2026 (54,425.86)

* Detailed fund pages are available at the county clerk's office.
** Includes all money the township has including checking account savings and investments.

I certify that this financial report is a correct summary of all money received and expended as well as all unpaid bills for the township during the year ending December 31, 20 25.

Date: _____ Township Treasurer

THE GYP HILL PREMIERE (USPS 007-095) - is published weekly on Mondays by M³ Publishing, LLC - The Gyp Hill Premiere is located at 108 N. Main, Medicine Lodge, Kansas 67104-0127. Subscription rates are: \$50 for Barber County and \$55 elsewhere. Periodicals Postage Paid at Medicine Lodge, KS.

POSTMASTER - Send address changes to THE GYP HILL PREMIERE, P.O. Box 130, Medicine Lodge, KS 67104-0127
Our phone number is: (620) 886-5654


 PO Box 130
 Medicine Lodge, KS 67104
 620.886.5654
Member of the Kansas Press Association

STAFF OF THE PREMIERE
JASON JUMP - Owner, Publisher, Editor
STEPHANIE JUMP - Owner, Writer, Billing, Subscriptions, Classifieds, Society
BOB MORRIS - Managing Editor, Sports
FAITH COLTAS - Staff Writer, Advertising
CONNIE LEIS - Circulation

Interested in employment email Jason Jump at ghp@gyphillpremiere.com.

NOTICE TO THE PUBLIC Any errors reflecting upon the character, reputation or standing of any individual, firm or corporation will be gladly corrected upon being called to the attention of the publisher.

THE GYP HILL PREMIERE retains all rights to advertising, illustrations, photographs and composed materials, including all stories produced by staff members for the use of this newspaper. Reuse outside this publication is strictly prohibited. Viewpoints of readers and columnists are not the viewpoints of The Gyp Hill Premiere. Copyright of original publication July 15, 1991. © 2025