

INCREASING ACCOUNTABILITY to KANSAS TAXPAYERS



What is KanView

KanView is an online resource that provides better access for Kansas taxpayers to information about the state's financial activity. The site was developed as part of the Kansas Taxpayer Transparency Program, which was passed by the Kansas Legislature in 2007. KanView, at www.KanView.gov, includes information about state revenues and expenditures, including capital outlay, contractual services, debt service, grants and aid to local units of government. The Web site is developed and maintained by the Department of Administration.

What is a TER?

A Tax Expenditure Report (TER) is an annual report produced by the Kansas Department of Revenue that provides an accounting of the state's indirect expenditures, including revenues lost through tax exemptions and credits. The most recent TER shows more than \$6 billion in indirect spending, the majority of which comes from the more than 400 tax loopholes currently granted by the Kansas Legislature.

Recent events at the national level, including the collapse of the mortgage bond market and large-scale corporate bailouts, have emphasized the need for accountability in both public and private financial dealings. Kansas lawmakers have responded to the need for increased accountability by creating the KanView transparency Web site. This Web site contains a wealth of information on direct expenditures made by the state of Kansas. However, the information contained on the Web site is incomplete, omitting all information about indirect state spending in the form of tax credits and exemptions.

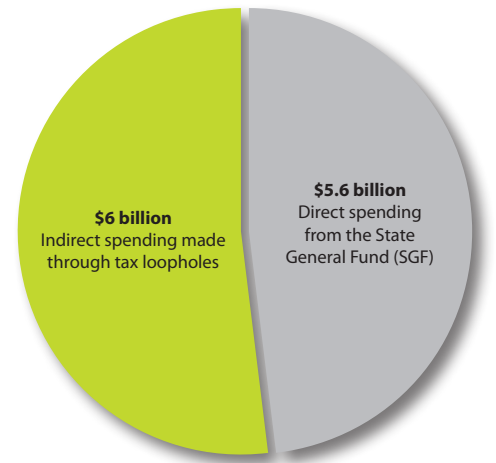
Tax expenditures are "off-budget" spending with little oversight

Tax expenditures are revenues that the state agrees not to collect because of tax exemptions and credits. Unlike direct state spending, which is subject to scrutiny each year through the appropriations process, tax expenditures typically are passed and then never re-evaluated to determine whether the investment is still warranted. In some cases, it is not clear how much the state loses due to tax expenditures. A tax expenditure report is similar to an itemized bill detailing the annual cost of tax credits and exemptions to the state. In Kansas, such a report has been produced by the Kansas Department of Revenue since 2006.

The KanView Web site shows only half of the state spending picture

The KanView Web site, which was designed to provide transparency in state spending, only shows half of the state spending picture. Though KanView provides detailed information about agency budgets, state contracts and salaries of state employees, information about the state's indirect

TOTAL STATE EXPENDITURES
Indirect and direct spending in 2007



spending through tax credit and exemptions is not included on the site. However, this indirect spending is a critical part of the picture. In 2007, the state spent about \$5.6 billion from the state general fund, but the state also made about \$6 billion in indirect spending through tax credits and exemptions. Without a public reporting of these indirect expenditures, more than half of the state's spending is not transparent to taxpayers through the KanView site.

Making tax expenditures accessible will increase accountability

The democratic process works better when citizens have access to information about how their tax dollars are spent. Transparency in our state spending is a key component of the process. Right now, the Web site that was created to provide that transparency to Kansas taxpayers only shows half of the spending picture. Making the state's Tax Expenditure Report available through the KanView Web site will increase transparency to Kansas taxpayers and ultimately enhance accountability in our state spending.



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