



Kansas City Among The Nation's Worst For Tourism Taxes

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Long-time Show-Me Daily readers know that Kansas City is not exactly a tax haven. As the *Kansas City Star's* Yael Abouhalkah has noted, the City of Fountains already has [one of the highest tax burdens in the Midwest](#) . But according to a report published this week in the *Wall Street Journal*, it appears K.C. also has the unfortunate distinction of having [one of the highest tax burdens on tourists in the nation](#) .

Car-rental companies and airlines say heavy taxes on their services damp demand. With rental cars, some consumers, particularly leisure travelers, are discouraged from travel or opt for smaller cars to hold down the price of a rental, where taxes can sometimes exceed the car cost.

"Taxes clearly have an impact on consumer behavior," said Richard Broome, spokesman for Hertz Corp.

A survey last year by the U.S. Travel Association, a nonprofit industry group, found 49% of respondents had altered plans because of high travel taxes, such as by staying in less-expensive hotels and spending less on shopping and entertainment. Ten percent of people surveyed said they had changed city choices for trips because of taxes.

Kansas City's tax levels rank just behind mega-cities such as **Chicago, New York City, and Boston**, and in a competitive travel market where fuel is expensive and money is tight, every increment of tax can have consequences. I love my hometown, but does Kansas City have the amenities of Manhattan that would allow it to get away with charging a little more for a hotel? Of course not. As Policy Analyst David Stokes [noted last year](#) in a commentary about hotel taxes in Jefferson City, "hotel tax votes are often an easy choice for voters, because it can seem like an attractive idea to tax somebody else to fund your own public service or community asset." But [as we have noted before on this blog](#) and [in print](#), hotel taxes are not just a tax on tourists. They also are a tax on the city's competitiveness, as the *Wall Street Journal* also notes.

Unfortunately, Kansas City's abysmal tax ranking(s) probably will not change anytime soon. Not only have the city's leaders spent citizens into a hole over the years — raising the city's debt levels to [among the worst in the region](#) — but they seem intent on larding up the city's budget with taxpayer-funded developments, from [streetcars](#) to [convention hotels](#) to [entertainment zones](#). This is not a sustainable path. The city must change course.

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