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Credit Agency Downgrades Ratings on Ks Bonds

TOPEKA, Kan. (AP) - A second leading bond-rating agency has downgraded its credit rating for Kansas and cited what it calls the state's "structurally unbalanced budget" following massive personal income tax cuts.

Standard and Poor's said Wednesday that it is dropping its rating for Kansas to Double A from Double A plus. The agency also dropped its rating for bonds backed by state tax dollars.

Moody's Investor Services downgraded its credit rating for Kansas in May.

S and P said in its report that Kansas will probably need to cut spending in the future to offset the income tax cuts. The reductions were enacted at the urging of Republican Governor Sam Brownback to stimulate the economy.

Brownback noted that the state's rating remains high and said rating agencies don't like tax cuts.

Associated Press