



LEGISLATIVE BULLETIN

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LEAGUE OF WOMEN VOTERS OF MISSOURI

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Governor Jay Nixon delivered the State of the State Address to a joint session of the House and Senate in the House Chamber on January 21. The State of the State address gives the Governor a chance to present his vision for the state and his budget priorities.

Nixon emphasized the importance of investing in education, including increased funding for K-12, higher education, early childhood education and the expansion of Medicaid.

The Governor is requesting an increase of about \$278 million for K-12 education. He wants a total of \$493 for education including K-12, higher education, and early childhood education.

The League has positions for adequate funding for K-12, support for early childhood education, and Medicaid expansion.

Electoral Process – submitted by Nancy Copenhaver and Marty Ott

The Senate Financial and Governmental Organizations and Elections Committee met on January 27 to hear SJR 31 (Will Kraus) and SB 511 (Will Kraus). SJR 31 would authorize the legislature to enact voter photo ID requirements. SB 511 is implementing legislation for the SJR. League believes voting is a constitutional right that should not be restricted by unnecessary voter photo identification requirements or other additional barriers to the voting franchise, and opposes both the bill and the joint resolution.

Denise Lieberman, representing the Missouri Voter Protection Coalition, of which the League is a member, testified in opposition. Last year, similar legislation passed the House, but was not taken up in the Senate. This year the bill is advancing in the Senate. Stay tuned!

Health Care – Barbara Davis, Director and Health Care Chair

Senate Bill 739 (Sen. Romine) appears to be the “Medicaid reform” (not Medicaid Expansion) bill that will be on the legislative move, though as of today (January 31) it has only been “first read” in the Senate. This bill expands Medicaid managed care and changes eligibility, among several other things, but does not expand coverage to Missourians with incomes up to 138% of the federal poverty level.

There are at least two good “analysis papers” available of which I am aware to assist us in understanding SB739. One is a two-page summary prepared by Dr. Sydney Watson and Lisa D’Souza of the St. Louis University Center for Health Law Studies titled “First Look at SB739—Medicaid Transformation Without Expansion.” The other is “Preliminary Observations about SB739 and Description of Key Provisions” by Joel Ferber and Amanda Schneider of Legal Services of Eastern Missouri. This is a twelve-page document with two additional pages of endnotes. If you would like a copy of either (or both!), I will be glad to send them to you if you will email me at bdavis@socket.net (you have to type in the address). I have studied information on bills from both of these sources before this year, and these people really do make the legal “bill language” much easier to understand.

Last Friday afternoon was the first of the statewide one-hour weekly health advocates conference calls which keep us up to date on what is happening in the legislature with bills related to finances/taxes which will affect health care and any other bills pertinent to health care in Missouri. These calls will continue throughout this session.

If you are interested in attending any hearings at which LWVMO members will be testifying about health care (or any of our other legislative priorities), please contact me.

Tax Policy – Nancy Copenhaver, Director and Tax Chair

Tax cut proposals to replace the failed HB 253 from last session are moving fast. HB 1253 (note similar number) has already passed the House Ways and Means Committee. It is being called the “Broad-Based Tax Relief Act of 2014” and would tie the state’s income tax rate for business owners to economic growth, dropping the tax rate by 10 percent each year if certain conditions are met, with the ultimate goal of cutting taxes by 50%. The bill now goes to the House rules Committee where it is also expected to pass and

then before the full House for its first round of debates. Opponents of this bill (one being the League) have indicated it could cut hundreds of millions of dollars from state revenue when fully implemented.

Here's what the Missouri Budget Project had to say on January 24, with some updates by League (they are coalition partner on many issues):

On January 23, the Senate Ways & Means Committee passed SB 509 (Kraus), which would reduce revenue for services like education and infrastructure by \$1.8 billion annually when fully phased in. Moreover, it would disproportionately benefit Missourians with the highest incomes without creating jobs. SB 509 and 496 (Kraus) are second on the calendar for debate on the Senate floor for the week of February 3.

The House Ways & Means Committee heard three additional tax bills last week, and could pass them out of committee at its meeting next week (they did, see above). The bills are HB 1253 (Berry), HB 1295 (Koenig), and HB 1297 (Koenig).

Please take action now and let your elected officials know that if we really want to build Missouri's economy for the 21st century and beyond, we need to invest in quality education from preschool through college, an efficient infrastructure, and safe, stable communities. Our state cannot afford tax cuts that will undermine these investments.

More tax cut bills are expected to be debated throughout the legislative session. It will be important for lawmakers to consistently hear from constituents that they oppose these measures and their impact on critical services. Please start the conversation now.

Missouri NEA's description of the tax issues (they are, of course, concerned that any tax cut will adversely affect funding for education, a position we share).

The SCS for SB 509 and 496 (Kraus) phases in a 50% income tax deduction for business income over five years and reduces the top rate of personal income tax from 6 percent to 5 percent over a period of years determined by future state revenue changes. The bill also exempts the first \$25,000 of corporate income from taxation and increases the personal exemption for taxpayers with taxable income under \$20,000. The SCS would seriously undermine Missouri's ability to invest in public education and infrastructure by drastically reducing state general revenue.

1) HB 1253 (T.J Berry) eliminates the tax on corporate business income and phases in a 50% income tax deduction for business income over five years.

2) HB 1295 (Andrew Koenig) phases in a 50% income tax deduction for business income and reduces the top rate of personal income tax from 6 percent to 5 percent over a period of years determined by future state revenue changes. The bill also exempts the first \$25,000 of corporate income from taxation and increases the personal exemption for taxpayers with taxable income under \$20,000.

3) HB 1297 (Andrew Koenig) eliminates the tax on corporate business income over a five year period.

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