LWV Legislative Bulletin January 28, 2019

ACTION ALERT!

Just in from the Missouri Budget Project:

Senate Bill 46 (sponsored by Senator Koenig) and Senate Bill 50 (sponsored by Senator Eigel) will be heard in the Senate Ways and Means Committee on Tuesday, January 29th. The bills would enact mechanisms to capture sales tax that is due for online retail purchases, but use revenue gained as a trigger to implement further cuts to Missouri's top rate of income tax, resulting in cuts that far outweigh revenue gained.

Please contact:

- 1. Both your **Senate and House lawmakers**; and
- 2. Members of the Ways and Means committee (list provided by link above)

Urge them to strip the income tax cuts from these bills, and instead support clean versions of the bills that focus solely on mechanisms that would allow Missouri to capture sales tax that is already due the state for online retail purchases (This is not a tax increase, but instead a mechanism to capture a tax that is already due).

We'll have more detailed analysis in the coming days. Details on the hearing are also included below.

Hearing Details:

Date: Tuesday, January 29

Time: 8:00am

Room: Senate Lounge

TALKING POINTS

Topline:

SB 46 and SB 50 include tax giveaways at a time when **Missouri's budget is already unpredictable and volatile**. Previously enacted loopholes and tax giveaways have caused Missouri's budget to be nearly half of one billion dollars in the red this year already.

Any additional revenues collected from online sales should be used for any number of currently underfunded programs and services including school transportation funding, our crumbling transportation infrastructure, and others.

The tax giveaways should be stripped from these bills and <u>allow MO to reinvest in our communities</u>, <u>schools</u>, <u>roads and bridges</u>.

Summary of Bill Impacts:

- SB 50 will cost nearly \$200 million per year when fully implemented.
- · SB 46 will cost \$340 million per year when fully implemented.

Tax Fairness Talking Points:

Tax giveaways will largely benefit high-wealth households, leaving low-income households with very little.

In closing:

These bills unfairly benefit the wealthy few, while cutting hundreds of millions of dollars from a budget that is already extremely unpredictable. We urge our lawmakers to **remove the tax cuts from these bills**, and instead support clean versions of the bills that focus solely on mechanisms that would allow Missouri to capture sales tax that is <u>already due</u> the state for online retail purchases (This is not a tax increase, but instead a mechanism to capture a tax that is already due).