

MASW Lawsuit Challenges Transportation Tax Ballot Language

(JEFFERSON CITY, MO) The Missouri Association for Social Welfare (MASW) today filed an action in the Circuit Court of Cole County challenging the Secretary of State's summary statement for a statewide ballot measure that could create an additional 1-cent state sales and additional 1-cent state use tax to fund transportation projects. The MASW petition maintains that the "certified summary statement is insufficient and unfair because it inadequately, unfairly, and prejudicially describes the purposes and legal impact of the ballot measure."

Jeanette Mott Oxford, executive director of MASW, named as a plaintiff with MASW in the suit, said, "MASW fights for basic human needs and basic fairness for all Missourians, and this ballot measure fails in regard to both. Our lawsuit attempts to shine a light on inadequacies of the ballot language that could mislead the public."

Among problems with the ballot language cited in MASW's petition to the court:

- The summary blurs the distinction between two separate types of taxes, the sales tax and the use tax.
- The summary statement states that the proposed constitutional amendment prohibits toll roads and bridges. Yet the actual language of the proposed amendment states that "the state highways and transportation commission shall not authorize, own or operate a toll highway or toll bridge on a state highway or bridge *that is in existence on January 1, 2014*, while the sales and use tax authorized by this section is in effect..." Section 30(e).4(2). Thus, the proposed amendment actually may authorize toll roads and bridges so long as they are constructed *after* January 1, 2014.
- The summary statement states that the sales/use tax would be increased by 1 percent. In fact, the amendment would increase both the sales tax and the use tax by 1 percentage point. Currently the state sales tax rate is 4.225. Thus, the amendment would increase the sales tax rate to 5.225 which is actually a 23.67 percent increase, not a 1 percent increase as stated in the summary statement.

MASW's leaders are concerned that the proposed \$7 billion dollar tax increase – the largest in Missouri history – would fall disproportionately on Missourians who are least able to pay for it. Oxford said, "Two out of five Missouri households have less than \$31,000 in annual income. These families often have to choose between paying rent or paying utilities, purchasing food or medicine. A large increase in the sales tax would add a new challenge to daily stability."

"Our state has many needs and essential programs that are gravely underfunded, including transportation. A sales tax is among the worst ways to fund these measures, however," stated Oxford.

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