



MASW
Since 1901

Missouri Association for Social Welfare

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Missouri Association for Social Welfare on the Veto of HB 253 being sustained:

The Missouri Association for Social Welfare (MASW) thanks all House members who voted today to sustain Gov. Nixon's very wise veto of HB 253. HB 253 was poorly structured and would have worsened Missouri's perpetual budget crisis.

Missouri does need reform of its tax system, but we advocate for improved tax policy, not tax cuts structured to deepen our state's already startling income inequality. Fully one out of five Missouri households live on less than \$17,000 annually while paying 9.6% of their incomes as state and local taxes. The wealthiest one percent of Missourians have an average income of \$941,100 annually, but pay only 5.4% of their incomes as state and local taxes.

The current state tax system is outdated, unfair, and inadequate. When legislators begin the 2014 debate about tax reform, we urge them to utilize the principles in the "Tax Justice for a Healthy Missouri Plan," sponsored by Rep. Jeanne Kirkton as HB 843 in 2013. This bill would:

- Modernize Missouri's tax table which has not been changed since 1931! – the top tax bracket in Missouri starts at \$9,000 of taxable income (\$9,000 from 1931 equals over \$128,000 today)
- Reduce taxes on average for the bottom 60% of Missourians through the updated brackets and a refundable tax credit of \$150 per person per household (phasing out at \$50,000 per year for singles and \$80,000 per year for married filing jointly)
- Create a more fair tax system by requiring the wealthiest 20% of Missourians to pay an amount as a percentage of their incomes similar to the amount paid NOW by the bottom 80%
- **Raise \$1.3 billion in revenue – upon voter approval – these funds could help better fund social services, mental health, health, and public education, stop job-killing budget cuts, and prevent irresponsible privatization of state jobs**
- Raise almost a fifth of that \$1.3 billion by keeping Missouri dollars at home that would have gone to the federal government (that is, when Missouri's wealthiest taxpayers pay more to MO, they pay less to the feds due to the various "offsets" offered through itemizing federal taxes)