Why the State Budget Matters

K-12: 848,000 children

Higher Education: 172,000 students

Child Care: 36,498 kids each month

Foster Care: more than 20,000 children

Health Care: 80,188 seniors

Adoption: 20,901 children

154,080 Missourians living with disabilities

Mental Health: 170,000 adults & kids who struggle with developmental disabilities, serious mental illness, or substance abuse

623,724 kids & pregnant women
Why the State Budget Matters

Home & Community-Based Services: 60,251 clients

Alzheimer’s Grants: 21,643 patients, caregivers & professionals

Adult Protective Services 26,605 investigations

Missouri RX 180,875 participants

Area Agencies on Aging:
- 132,077 seniors
- 7.8 million meals
- 961,000 rides

CILS: 18,000 clients
Missouri's FY 2019 Budget - All Funds
$28.3 billion

State Dedicated Revenue 33%
State General Revenue 33%
Federal Revenue 34%
**FY 2019 State Budget Sources of GR**

- Income Tax: 70%
- Sales Tax: 23%
- Corporate Tax: 4%
- Other: 3%
Decades of Bad Tax Policy Have Created an Imbalance and are Impeding Economic Growth
Missouri’s Tax System is Unfair

Family Earning $10,500 /year
9.9%

Family Earning $72,800 /year
9.2%

Family Earning $1,222,900 /year
6.2%
Big Drop in State Revenue

Missouri General Revenue Declining Relative to Economy
State GR Billions Short of Hancock Limits
The Number of Missouri Seniors Is Increasing...

...While the Programs to Help Them Are Decreasing

In FY 2018, MO Rx eligibility was cut substantially, causing nearly 58,000 Missouri seniors to lose prescription drug coverage.

Despite rapidly increasing need, state funding for Missouri’s Area Agencies on Aging has declined over the past decade.

In today’s dollars, the amount of state funding for AAAs per MO senior has decreased by more than 1/3 since 2008.

Inflation Adjusted GR Appropriations to Missouri AAAs per Missouri Resident Over Age 65

- 2008: $18
- 2017: $11 (in 2017 dollars)
Public Health Investments
Lowest in Nation

MO’s General Revenue for Local Public Health Services Has Declined By Nearly 2/3 Since 2002
By Almost Every Measure MO is Trailing the Nation

• Missouri ranks 45th in the nation in per capita state fiscal support for higher education.

• Missouri ranks 46th in the nation in state revenue dedicated per K-12 student.

• Medicaid eligibility for parents in Missouri is the third lowest in the nation.

• Reimbursement rates for child care, foster care among lowest in the nation.
Missouri has a long-simmering budget crisis that is caused by an unfair & unbalanced tax system.
Wayfair Fix

**Missouri Mom & Pop Shop:**
- Collect Sales Taxes Owed at Point of Sale
- Sales Taxes Support Our Classrooms, Parks, Neighborhoods, & Other Vital Services

**Out-of-State Retailer:**
- Consumer Responsible for Tracking & Remitting Sales Taxes Owed
- Profits Leave MO

$180 - $275 million state & local sales tax loss
$67-$103 million general revenue
LLC Loophole

- Home Health Aide: $22,420/year
- Construction Worker: $49,840/year
- Nurse (RN): $60,750/year
- CEO of an LLC: $1 Million+/year

Pay Tax on Nearly All of Their Income

- Exempts 20% of Their Income From Tax
Create a Missouri EITC

A STATE EITC WOULD:
Benefit Hundreds of Thousands of Missourians

1.3 MILLION
Missourians
would benefit
including:

- 40,000 veterans and military families
- 337,000 working moms
- 180,000 working dads
- 155,000 families in rural areas

Boost local economies
Increase work and earnings when kids reach adulthood
Better educational outcomes
Improve infant and maternal health
Reward work and help families strive for the middle class

*The numbers are based on the number of Missourians who claim the Federal EITC
www.mobudget.org
Revise Timely Filing Discount

Missouri’s Timely Filing Discount Far Exceeds Neighboring States

* Kentucky’s larger discounts apply to the first $1,000

Source: Federation of State Tax Administrators
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