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The Stouffer Report: Ending Double Taxation in Missouri

In November, you will see [ballot questions](#) related to taxes. Among those will be one that could end double taxation for thousands of Missourians.

[Proposition A](#) would end earnings taxes used for funding certain cities' budgets. This mainly affects Kansas City and St. Louis. Folks in these two cities who live in Missouri but work in either Kansas or Illinois have to pay an extra tax on the money they make. I think this is simply a punishment for living here but not working in our state and is very unfair.

Here is what you will see on your ballot:

Official Ballot Title:

Shall Missouri law be amended to:

- *repeal the authority of certain cities to use earnings taxes to fund their budgets;*
- *require voters in cities that currently have an earnings tax to approve continuation of such tax at the next general municipal election and at an election held every five years thereafter;*
- *require any current earnings tax that is not approved by the voters to be phased out over a period of 10 years; and*
- *prohibit any city from adding a new earnings tax to fund their budget?*



The proposal could eliminate certain city earnings taxes. For 2010, Kansas City and the City of St. Louis budgeted earnings tax revenue of \$199.2 million and \$141.2 million, respectively. Reduced earnings tax deductions could increase state revenues by \$4.8 million. The total cost or savings to state and local governmental entities is unknown.

Fair Ballot Language:

A “yes” vote will amend Missouri law to repeal the authority of certain cities to use earnings taxes to fund their budgets. The amendment further requires voters in cities that currently have an earnings tax, St. Louis and Kansas City, to approve continuation of such tax at the next general municipal election and at an election held every five years or to phase out the tax over a period of 10 years.

A “no” vote will not change the current Missouri law regarding earnings taxes.

If passed, this measure will impact taxes by removing the ability of cities to fund their budgets through earnings taxes. The only exception is that voters in cities that currently have an earnings tax may vote to continue such taxes.

Even though Proposition A is meant for St. Louis and Kansas City, I believe it sends another clear message that taxes are too high and burdensome for everybody in Missouri.

Next week, we will take a look at [Proposition B](#).

Senator Stouffer serves the counties of Carroll, Chariton, Cooper, Howard, Lafayette, Macon, Ray, Saline, and a part of Clay.

If you have questions or comments about this or any other issue, please call toll free (866) 768-3987 or by e-mail at bstouffer@senate.mo.gov.

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