



Senator Rupp Pleaded Senate Exempts Pensions' Benefits

JEFFERSON CITY — More than 70 years ago this country started a system designed to take care of our elderly and those who cannot take care of themselves when the Social Security system was born. For too long, Missouri has reached into the pocketbooks of those trying to squeeze every penny they could out of their money as this state is just one of 15 that still taxes that benefit. We in the State Senate have moved to change that, finally exempting Social Security from state taxation.

There was a lot of debate over this measure, but I'm glad that in the end, we were able to come up with a bill that had wide bi-partisan support. Under [House Bill 444](#), the state will begin phasing out the taxing of Social Security benefit income paid to the disabled and those 62 or older. Also included in the exemption are retirement benefits from certain non-private pension plans such as those for firefighters, policemen, teachers, veterans, railroad workers, and certain federal civil service employees. Public employees who don't participate in Social Security could exempt from state taxes up to \$32,500 of their pensions. An income limit would apply to individuals making more than \$85,000 and couples together making more than \$100,000, meaning taxes would continue to be paid on income over these thresholds.

We've made sure we don't break the bank with this proposal as well. It would be phased in over a six-year period, starting with a 20 percent exemption this year with the full exemption taking effect in 2012.

About 250,000 senior citizens in Missouri would benefit directly from the exemption, but I believe there are even more people who will see an indirect benefit. [HB 444](#) will serve as an economic development tool, prompting more retirees to relocate to our state – buying homes and goods that help our economy to grow.

Even without the economic benefit, ending the state taxation on Social Security was the right thing to do. Many of the people receiving these benefits were part of the Greatest Generation that survived the Great Depression when the benefits were originally born. They won our country's wars and were made a promise that this nation would take care of them in their old age. This legislation helps keep that promise.

If you have comments or questions about this week's column or any other matter involving state government, please do not hesitate to contact me. You can reach my office by phone at (866) 271-2844.

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