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Keeping More Money in Our Senior Citizens' Pockets

This week the Missouri Senate took a landmark step to ease the tax burden on our senior citizens. Missouri is just one of 15 states that still tax senior's federal Social Security benefits but the State Senate has acted to change that. In addition, we have protected several other non-private pensions from the taxman.

Our senior citizens are many times scraping by to make every cent last them through their golden years. It is important to grant them tax relief and let them keep more of the money they need to provide for the essentials of life.

House Bill 444 phases out state income tax on Social Security benefits and pensions for firefighters, police, teachers, veterans, railroad, and federal employees in civil service over the next six years beginning in 2007 with a 20 percent exemption. The percentage would continue to increase until 2012, when the benefits would no longer be taxed at all. Single filers would have a limit on their exemption of \$85,000 a year while the exemption limit would be \$100,000 for married folks.

Allowing seniors to keep more of their own money not only relieves the tax burden on one very important segment of our population (many of whom are on fixed incomes) but it also has an added benefit of providing a shot in the arm to Missouri's economy. The dollars that will no longer be coming to Jefferson City in the form of tax payments can be spent in local businesses and restaurants, ultimately helping the local economy.

It is important that the Greatest Generation who lived through the Great Depression and made the world safe for democracy in one of our nation's most difficult wars receive this significant tax relief. This legislation is a step in the right direction. We are in the closing days of the legislative session and the bill must receive final approval by the legislature and be signed by the governor. Time is running short but passage looks likely.

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 e-mail at matt_bartle@senate.mo.gov or by phone at (888) 711-9278. My web address is

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