



MISSOURI SENATE

JEFFERSON CITY

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Careful Consideration

Taking a Close Look at House Bill 444

Every time my colleagues and I work on the potential laws of this state, I can assure you that we carefully consider the legislation. We meticulously examine the pros and cons of each bill and vote according to what we believe is best for Missouri.

House Bill 444 provides an income tax exemption for social security benefits. The most current version phases in the tax exemption over a six year period. This means those filing their 2007 taxes would be able to deduct 20 percent of their social security benefits from their total income. In 2008 that would increase to 35 percent, in 2009 that would increase to 50 percent, and the percentage would continue to increase until 2012, when social security would no longer be taxed. The bill would not apply to individuals whose income is less than \$25,000 and couples whose income is less than \$32,000, minus half of their total social security, since they are already exempt from paying income taxes.

House Bill 444 is being championed as a bill that employs common sense. This argument comes from the thinking that Missouri's seniors have already paid for social security, and that we are currently taxing these people twice. This is an especially compelling argument when considering that many seniors are living on fixed incomes and need the money that they are getting through their social security. There are also other states that do not tax social security, and supporters of the legislation say that the bill will keep Missouri's seniors from leaving the state.

However, there are some arguments against this legislation. Opponents of the bill point out that Missouri needs to stop creating tax cuts. Instead, the legislature should save state funds in the event of a decline in the economy. The plan to eliminate the social security benefits could cost Missouri \$106 million. The House's plan originally included cuts for more retirement benefits than social security and

would have cost the state at least \$285 million. These funds, argue the detractors, could go towards state programs that will help seniors and further stimulate the economy.

Making the decisions that shape the laws of this state is not an easy task, but it is a task to which I am dedicated. House Bill 444 is just one of many bills that will require a lot of deliberation over the remaining three weeks of session. I want you to know that I will continue to consider each bill through the eyes of my constituents and am dedicated to doing good things for the 16th District.