



# THE STOUFFER REPORT

**Senator Bill Stouffer**  
Senate District 21

**For the Week of:**  
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**Capitol Building, Room 332**  
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## Caring for Missouri's Seniors

### *Eliminating the State Tax on Social Security Benefits for the Disabled and those 62 and Older*

After months of work on a bill set out to benefit Missouri seniors, the Senate this week passed a measure exempting from state income taxation Social Security benefits and several other pensions including those for firefighters, police, teachers, veterans, railroad, and federal employees in civil service security.

Social Security benefits were not originally taxed. The taxation of Social Security benefits started in 1984, 8 percent of Social Security beneficiaries paid taxes on their benefits. By 2000, 32 percent or an estimated 14.5 million of Social Security beneficiaries paid taxes on their benefits.

The federal tax structure should not be imposed on Missouri seniors. The state is treating the money collected from these taxes as income. We're taxing money that the government is giving our seniors (who paid into the program all of their working lives) and there is something wrong about that.

Due to a thriving economy and continued growth in new jobs, Missouri has a projected budget surplus of \$500 million. This budget surplus is not the government's money - it belongs to the people. House Bill 444 puts more money back into the wallets of Missourians, especially our older family members and friends.

This measure phases in over the next six years, with a 20 percent exemption applicable to the 2007 tax year. The percentage would continue to increase until 2012, when Social Security and the non-private pensions would no longer be taxed at all.

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The phase in allows the state budget to grow and accept the deductions without putting Missouri in a financial bind - greatly increasing the number of people eligible while having a minimal impact on revenue.

Missouri is one of 15 states that still taxes Social Security. By eliminating Missouri's tax on Social Security benefits, we are helping seniors. We should go out of our way to help those who have given so much to us. By taxing Social Security benefits, the government is breaking its promise to seniors and that does not make sense.

Missouri's senior citizens should have the same benefits as those in a majority of other states, and those senior citizens need every cent to pay for medication, food and other necessities. HB 444 also works as an economic catalyst, attracting retirees to the state. The economic benefit of this measure includes more retirees moving into Missouri, buying homes and spending money.

The measure received backing from the Association of Retired Missouri State Employees, the Missouri Retired Teachers Association, and the Advisory Council of the Missouri Kidney Program. Lawmakers are confident that some type of income tax cut will pass for our citizens. This bill has a broad base that will be acceptable to all Missourians.

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](mailto:bstouffer@senate.mo.gov).

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