



MISSOURI SENATE

JEFFERSON CITY

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50% Reduction in Tax on Workers' Compensation Premiums to Benefit Southeast Missouri Businesses

JEFFERSON CITY – Sen. Jason Crowell (R-Cape Girardeau) today applauded the Missouri Department of Labor and Industrial Relations' Division of Workers' Compensation for reducing taxes on workers' compensation premiums by 50 percent in 2009. The reduction will lower the tax burden on businesses throughout the state and directly benefit employers in Southeast Missouri.

“This reduction cuts these taxes and surcharges on workers' compensation premiums in half, and will reinforce our efforts to keep Missouri an employer-friendly state,” said Sen. Crowell. “Encouraging businesses to move to or expand within Missouri creates more family-supporting jobs for workers and betters the economic outlook in our communities.”

The state is required by law to assess a workers' compensation tax and surcharge, which is then paid by deductible plan policyholders. Revenue collected from the tax and surcharge is used to fund Missouri's workers' compensation program. The tax rate and surcharge on workers' compensation for Missouri employers will be reduced from 1 percent to 0.5 percent. The rate is decided each year by October 31 for the following calendar year.

Sen. Crowell has worked hard to reform workers' compensation in Missouri, including legislation passed this year in response to a Missouri Supreme Court ruling in 2007 that put Missouri's workers' compensation in danger by allowing family members to receive unaccrued compensation after the recipient's death. In 2005, Sen. Crowell joined his colleagues in the Senate in passing legislation that helped to decrease workers' compensation rates in the state.

“Workers' compensation is an important program that protects hard-working Missourians,” said Sen. Crowell. “This reduction makes it easier for business owners in our state to afford this important coverage for their employees. Reducing the tax burden for businesses as well as individuals makes our local economy stronger, and I will continue to work to lower taxes for those in our area.”

Sen. Crowell has supported legislation during his career in the Senate that provides tax relief to Missouri businesses and individuals. This includes legislation he handled in the Senate that phases out state income taxes on Social Security benefits, non-private retirement benefits, and Social Security disability. He has also worked on the passage of legislation that cuts taxes for manufacturers, without placing strain on local entities, and supported legislation giving Missouri families a break in the taxes paid for their health care coverage.

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