



Senator Luann Ridgeway – Serving Clay County

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## March 3, 2009

The big talk in Jefferson City continues to swirl around the use of any money from the so-called stimulus package – which I more accurately refer to as the federal dependency package. It appears that the vast majority of the money comes with so many strings attached to it that it is not really designed to grow the economy so much as it is designed to grow government and spending. We cannot now, nor have we ever been able to tax and spend ourselves into prosperity. True prosperity comes only through private sector jobs and tax and regulatory relief for our job producers and for our families.

The majority of the Missouri House and Senate in Jefferson City continue to stand firm that we will not be bribed by our own tax dollars that Washington, D.C. seeks to dangle in front of us as if it was monetary meth. If we accept, we would have to expand government and then in two years when the federal money evaporates, we will be stuck with enormous ongoing costs. This is the shape Washington D.C. is in and it seems they are trying to sucker us into the same mess they've gotten themselves into.

We aren't buying into it and, as long as my view remains the majority view, we never will. This money can be put to good, financially responsible uses. For example, we are working on the following ideas for any federal money we choose to take:

1. Go forward with one-time expenditures, such as road and bridge projects that we have planned, but currently have no money to fund.
2. Eliminate the tax Missouri currently imposes on unemployment benefits. There's no

sense in kicking somebody when they are down, yet Missouri taxes benefits a person receives when they are unemployed. We could repeal this tax and put more money directly in the pockets of Missourians who have lost their jobs through no fault of their own.

3. Pay off bonded debt that Missouri incurred during the Holden administration. There is a little over \$300 million in bonds that Missouri could pay off and get this debt off our books. While our state is in pretty good financial shape, this could help put us in even better shape.

4. Give Missouri taxpayers a tax holiday of some sort, perhaps in a reduction of state income tax or tax credit for residential real property. Even if the holiday only lasted while the federal money came in, it could help Missouri workers during a time when they may be experiencing job loss, pay reductions or no pay increases to keep up with cost of living increases.

These are just a few ideas for using federal money that make sense, but we are certainly open to your suggestions. If you have any, please reply to this e-mail as some of the best ideas I receive are directly from the people I serve.

The Missouri House and Senate are under majority control of Republicans (not to be confused with the U.S. House and Senate in Washington D.C. that are both under majority control of Democrats). Our Missouri Governor, Jay Nixon, is a Democrat. The good news is that we have, up to now been agreeing that any federal money should be used with caution. That's the good news.

The bad news is that Governor Nixon may be wavering on how the federal money should be used. He recently stated that the money might be used to expand the food stamp program in Missouri. Here's the problem with that: One in six Missourians are already receiving food stamps. Can you believe that! How big is the food stamp program going to get before we say: Enough! Also, if we expand the program, it will likely become a continuing obligation for future generations.

If I've learned anything in government, it's that there is rarely such a thing as temporary government programs, temporary expansion or temporary taxes. For example, in 1917, Missouri enacted a "franchise tax" on corporate assets, inventory and property. The tax was supposed to have been to help pay for Missouri's role in World War I. Guess what? The tax is still collected, but we certainly paid for World War I a long time ago. As I said, there are no temporary taxes. Missouri got hooked on the income and we are still collecting it although the purpose for the tax evaporated decades ago.

The Governor has also proposed expanding the state-sponsored children's insurance program such that a family with mom, dad and two children with nearly \$50,000 income could qualify for state-sponsored insurance. Legislators make less than \$40,000 so if we vote for this, we would be voting for people with our income level to be put on welfare. Doesn't seem like a good idea to me and it would be a continuing obligation to be born by future taxpayers.

More troublesome yet is Governor Nixon's recent comments on C-Span. You can hear them yourself by going to [www.Youtube.com](http://www.Youtube.com) and searching for "Jay Nixon on Stimulus" or click on this link: <http://www.youtube.com/watch?v=Jo9xzk7zPgg>. The news commentator said to Governor Nixon: "Many of your Republican colleagues have said they don't want to accept the [federal] money because it comes, in some cases with a lot of strings attached . . ."

Nixon replied: "Well first of all, Missourian pay the taxes and if there's debt, Missouri kids and grandkids will pay that debt off. We're going to take the money . . ."

I hope our Governor mis-spoke. But regardless, I remain steadfast in my commitment to not take any federal money that will cause us to incur on-going expenses or to expand government or welfare. As our Lieutenant Governor, Peter Kinder accurately stated about the dependency package: This is essentially a federal bribe to change state laws permanently, and the bribe lasts two years or less."

And I will add, after the bribe money ceases in two years, Missouri taxpayers get stuck with the bill.

Not on my watch.

I'd enjoy hearing your comments on this or any other topic of interest to you. I can be reached at [luann.ridgeway@senate.mo.gov](mailto:luann.ridgeway@senate.mo.gov) or toll free 866-875-8348 or by writing to Senator Luann Ridgeway, Senate Post Office, State Capitol Building, Jefferson City, MO 65101.

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