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November 24, 2009

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The Stouffer Report: To Cut or Not to Cut, Part 2 – Tax Credits


Part of why Missouri is in better shape than most states right now is our tax policy. We have managed to hold the line on keeping Missouri a low-tax state.

Missourians are historically unwilling to pay more for what we already have, including sustaining current programs.

Raising taxes just to maintain what we already have is almost too easy to do. Look at California. They are looking at taxing just about everything and making marijuana legal JUST so they can tax it. To me, this goes beyond ridiculous. With the economy the way it is, there are more governors who are examining the option of raising taxes in order to get revenue flowing into their states. This is something we in the Missouri General Assembly want no part of.

Also, have you ever noticed tax *increases* are permanent, while tax *cuts* have an expiration date? Take, for instance, the federal tax cuts that were made nearly 10 years ago. These cuts will disappear next year, which means our federal tax rates will return to the levels set in 1993, the largest tax increase in U.S. history.

During debate on this year's economic development bill ([House Bill 191](#)), a lot of time

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was spent debating the merits of tax credits. The [Joint Committee on Tax Policy](#) has been examining every tax credit in Missouri for over a year. This is a long process. It is not as simple as “all tax credits must go” or “all must stay.”

There are dozens of individual tax credits that account for millions of dollars each year. Our job in the Legislature is to see to it that the best uses of your hard-earned tax dollars are in the best interest of all Missourians.

The possibility that tax credits could become a part of the regular appropriations procedure looks more likely every day. Many are promoting this plan because they feel these programs represent millions of dollars that go relatively unchecked, when compared to how much we spend on all of the items in the state’s general operating budget. Combine the current economic climate with tax credits and a need for closer scrutiny, and I think you will see more of an emphasis on reforming tax credits next year than you have ever seen.

I have said it before and I will repeat it here: The budget will be the most important item we tackle in 2010. But, I have every confidence we will look at all of the spending and evaluate each point closely. Low taxes have kept Missouri in better shape than other states. I pray we continue to keep the taxpayers in mind as we start to work on the next state budget.

Senator Stouffer serves the counties of Carroll, Chariton, Cooper, Howard, Lafayette, Macon, Ray, Saline, and a part of Clay.

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.

bstouffer@senate.mo.gov | www.senate.mo.gov/stouffer
State Capitol, Room 332, Jefferson City, MO 65101 | (866) 768-3987

