



Senator Jason Crowell – Serving Bollinger, Cape Girardeau,
Madison, Mississippi, Perry, and Scott Counties.

[Website](#) | [Contact Me](#) | [Biography](#) | [Newsroom](#)

Fiscal Accountability and Oversight

Making Fundamental Reforms to State Tax Credits

With the economy continuing to struggle, many Missourians are looking carefully at their budgets to see where their money is going and how they can get their finances balanced. The state is in a similar situation, and I have noticed a disturbing pattern of growth in state tax credits. The issuance of tax credits is out of control because of a lack of oversight and accountability; this must change!

A tax credit is a dollar-for-dollar reduction in tax liability that would otherwise be due to the state. The state offers many tax credits for a diverse list of causes, including historic preservation, low-income housing, livestock breeding, and business development. In total, Missouri tax credits have exploded in the last 10 years, increasing by approximately 107 percent. This massive amount of growth needs to be checked; we must change our policy on the issuance and authorization of tax credits to include appropriate accountability and fiscal oversight.

Many tax credit programs have expanded out of control; in December, for example, the Missouri Development Finance Board (MDFB) approved \$25 million in tax credits for the Kansas City Chiefs for parking lots at the Kansas City Chiefs' stadium and a new indoor training camp in St. Joseph. This is on top of the \$50 million in tax credits this same board gave the Chiefs and Royals in 2006, for stadium enhancements.

<i>Fiscal Year</i>	<i>Authorized</i>	<i>Issued</i>	<i>Redeemed</i>
1999	403,351,626	274,116,734	142,953,469
2000	420,652,662	290,557,580	261,922,226
2001	591,975,158	371,420,944	297,750,752
2002	523,599,311	374,577,500	287,503,418
2003	588,523,490	437,079,226	308,720,438
2004	619,084,719	451,233,045	370,071,336
2005	605,943,470	471,758,745	426,797,418
2006	800,686,794	472,817,459	430,526,401
2007	589,604,499	569,968,168	499,543,365
2008	646,282,365	567,822,104	532,760,796

The above graph shows the total dollar amounts of state tax credits authorized, issued, and redeemed over the past 10 years. Provided by the Joint Committee on Tax Policy

The popularity of tax credits can often be traced to the pockets of large corporations and special interests. These corporations and special interests are well-represented in the halls of the Capitol

by lobbyists who try to convince legislators that special interest tax credits create jobs or enhance economic development when all they really do is line the pockets of the beneficiaries.

This session, I am calling for fundamental reform to the way we approve and issue tax credits in our state. This calls for: 1) Elimination of the MDFB's ability to approve tax credits so that tax payer funding of stadiums stops, and 2) Requiring that all tax credit expenditures be approved by the General Assembly through the appropriations process like every other state expenditure.

Whether we spend a dollar on K-12 education or issue a dollar in tax

credits, it all costs hard working Missouri taxpayers the same. In tough economic times, we need to be able to weigh a dollar spent on a tax credit versus a dollar spent on a sheltered workshop or to provide access to healthcare. That is why we must require all tax credit expenditures be approved through the appropriations process.

Like Missouri families all across our state, I am looking toward the future, and I am concerned about Missouri's financial outlook. Simple tax credit reform is necessary and must be accomplished this year. If we do not change the way we award tax credits in the state of Missouri, we will create a structural imbalance in our budget that will plague our state's future indefinitely.

Contact Me

As always, I appreciate hearing your comments, opinions, and concerns. Please feel free to contact me in Jefferson City at (573) 751-2459. You may write to me at Jason Crowell; Missouri Senate; State Capitol; Jefferson City, MO 65101, or email me at: jcrowell@senate.mo.gov or visit me on the web at <http://www.senate.mo.gov/crowell>.

Contact Information

Capitol Office
State Capitol Building
Room 323
Jefferson City, MO 65101

Website:
<http://www.senate.mo.gov/crowell>

Phone Number:
573.751.2459
Fax:
573.522.9289