

# State Senator Robert Mayer The Mayer Memo

Senator Robert Mayer - Serving Butler, Dunklin, New Madrid, Pemiscot, Ripley, Stoddard & Wayne Counties



Column For March 29, 2010

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## Tax Breaks Needed to Alleviate Economic Downturn

Let's imagine a hypothetical situation in which you were shopping for a new home – still within God's Country, the 25th district, of course. Now, let's say if you buy in an underdeveloped neighborhood in County A, there is a significant tax break. Your other choice, County B, is just as nice but has all the same taxes you'd find throughout the entire state.

Which one would you be more likely to choose?

This hypothetical situation is actually happening around the country, as the states fiercely compete for the few businesses and industries that are showing growth or expansion in this difficult economic climate. Minnesota has targeted a tax-free development around the Twin Cities of Minneapolis and St. Paul. Michigan also has a tax-free zone, in which their former Governor John Engler has touted as, "Zero taxes, no paperwork, no huge bureaucracies. Just zero taxes if you invest in our communities."

The competition for available revenue and assets is only going to get more heated as the country begins to recover, and I want Missouri to get a leg up on the competition. That's why I have sponsored Senate Joint Resolution 24, which is a proposed constitutional amendment that, if approved by voters, would allow for the creation of tax-free or reduced tax geographic zones for the purpose of promoting economic development.

The proposed legislation meets the Missouri constitutional requirements by limiting the tax-free zones to a maximum of 23 years. The Poplar Bluff Chamber of Commerce has attempted a tax-free zone on the local level, and it has had great results.

Meanwhile, states like California have proven that if you don't compete, businesses will leave. The movie industry may have been born in California, but it is leaving home and heading to places like New York, where they aren't saddled with an overbearing tax burden.

We can never forget that industry brings jobs. If we don't preserve the existing business and attract those looking to relocate, it will be harder to find the real and tangible employment that would get Missourians back to work.

Targeted tax-free zones are the kind of ideas we need to be competitive in this new economic reality.

If you have any questions or concerns about your state government, you may always contact my office at 1-877-291-5584.

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