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New Accountability for Missouri's Tax Credits

As the General Assembly begins to craft Missouri's state fiscal year 2011 budget, many questions will need to be asked on how Missouri politicians are spending your money. Missouri Legislators must treat your tax dollars as though they were spending their own money. This will be done through the appropriations process, where Missouri can set its priorities, examine each expenditure, and make sure your state government is operating effectively and efficiently. One area that does not receive the scrutiny of appropriations is in the growth of big business bailouts taking the form of tax credits and tax diversions. In FY09, \$584.7 million were redeemed in tax credits – none of which did anything to help small businesses, to change the growing unemployment in the state, or to stimulate economic growth. In fact, since the passage of new tax credits during the 2009 legislative session, instead of the creation of new jobs, unemployment in Missouri grew from 8.7 percent in March 2009 to 9.5 percent in December 2009. This, while in St. Louis alone, nearly 400 small businesses went bankrupt, with the 4th quarter seeing more companies close their doors than any quarter in the past three years.

The concern I have over the increasing number of tax credits and lack of oversight and accountability on their return on investment for you has led me to tape a video (a link is



Click above to see Sen. Crowell's video on tax credits.

provided to the left) to explain how tax credits work, their effect on the Missouri's budget, and my proposal before the General Assembly for fundamental reforms to the way we use tax credits. You can view the video by clicking on the video box in this report or you can also visit

www.senate.mo.gov/crowell and click on the tax credit information link. The Web site will also provide you with up-to-date information during the legislative session on

proposed tax credits and their financial impact on you, as well as progress on reforms.

Like Missouri families all across our state, I am looking toward the future, and I am concerned about Missouri's financial outlook. In my opinion, simple tax credit reform through accountability of each tax credit issued is necessary and must be accomplished this year. If we do not change the way we use tax credits in the state of Missouri, we will create a structural imbalance in our budget that will plague our state's future forever.

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>.

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