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*****PRESS RELEASE*****

Governor's State of State Address Calls for More Tax Credits

Sen. Crowell Points to the Budget Cuts in Education

JEFFERSON CITY — On Wednesday, January 20, Governor Nixon presented the State of the State to Missouri's General Assembly. Much of the speech focused on the Governor's job programs, a plan that calls for new tax diversions in the form of tax credits for Missouri businesses.

Senator Jason Crowell, R – Cape Girardeau, questioned the Governor's call for more tax credits and tax diversions when Missouri's unemployment continues to rise and essential programs, such as \$50 million in higher education funding, are being cut.

"We have heard the same speech with the same proposals before. More bailouts for big businesses who have contributed to politicians' campaigns," said Sen. Crowell. "The Governor's budget does not fully fund Missouri's K – 12 foundation formula, leaving it \$87 million short at the same time that the budget provides new tax credits. He has basically chosen tax credits over education, reopening the state to potential lawsuits from Missouri's schools because of not fully funding the foundation formula."

Last year, the General Assembly passed HB 191 which included many of the same increased tax credits the Governor called for tonight in his job package. Since the passage of the bill, Missouri's unemployment has risen from 8.7% to 9.6% and St. Louis has reported the largest single quarter number of small business bankruptcies in 3 years. While the Governor tonight reported the creation of new virtual jobs, his Department of Economical Development cannot point to one actual job created because of passage of HB 191 last year.

"It is astounding to me that the Governor can ask for more AIG type bailouts for big businesses without any evidence that they are creating actual jobs," Sen. Crowell continued. "Within his tax credits, there was not one plan on how to grow small businesses, which make up 70 percent of Missouri's employers."

Senator Crowell has called for greater oversight to Missouri's tax credit process by proposing that the \$584.7 million in tax credits redeemed in 2009 be subject to the appropriations process. The appropriation process would allow the General Assembly set its priorities by weighing a dollar spent on tax credits verses a dollar spent on education.

Sen. Crowell added, "No one wants to point to the new burden these tax credits will place on our current taxpayers. By adding new people to the system, but diverting those tax dollars away, we are subsequently increasing the demand for services without the revenue to pay for them. The result of these new tax credits will be an increase of taxes on Missourians to pay for services such as education."

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