



## Senate Bill 26 Harm Access to Health and Mental Health – Impacting Missouri Seniors & Missourians with Disabilities Most

**1. The extreme tax cut will require dramatic cuts to state services, beginning with the fiscal year 2014 budget**, currently being debated in the Missouri legislature. The proposed tax cut will severely undermine Missouri's ability to invest in core public services like education, health, public safety and infrastructure that promote our quality of life and make the state attractive for business investment.

**2. When fully implemented, the tax cut will require Missouri to cut \$960 million from the state's general revenue budget** – nearly the equivalent of state general revenue spending on Medicaid in fiscal year 2011.

3. Missouri still hasn't recovered from the recent economic recession. After multiple years of budget reductions, state funding of health and mental health services has been dramatically cut. Missouri already limits Medicaid eligibility for parents to an income of just \$292 per month, and since 2007 mental health services have been cut by one-third – among the largest cuts in the nation. **The additional budget cuts required as a result of the tax cut proposal would ensure that Missouri could never restore critical health and mental health services.**

4. About 29 percent of Missouri's general revenue funding is used to support services through the departments of health, mental health, and social services, making them particularly vulnerable to budget cuts resulting from a tax cut of this magnitude. The services range from primary medical and mental health treatment to prevention of infectious disease, child welfare and protection from abuse, programs for seniors through Area Agencies on Aging and funding for Alzheimer's grants. **Cuts to these services will diminish Missouri's ability to invest in the safety of our children and care for our grandparents as they age.**



**5. SB 26 will harm seniors and people with a disability the most.** About two-thirds of Missouri's Medicaid dollars go to services for seniors and people with a disability. Cuts to Medicaid resulting from the tax cut proposal will place these populations at greatest risk.

6. To partially offset the revenue lost due to a cut in individual and corporate income tax, Missouri's sales tax will be increased from 4.25 percent to 4.75 percent (including designated sales taxes). **By reducing the income tax and increasing the sales tax, the proposal will increase taxes for Missourians who can least afford it, particularly seniors and others with fixed incomes.** Seniors and others who rely entirely on social security benefits for their income, which is currently exempt from income tax, will receive no benefit from an income tax cut yet they will still have to pay an increased sales tax. Overall, Missourians with incomes of \$33,000 and less can expect to pay more in tax than they currently do, while those whose average income is more than \$1 million will receive an \$8,253 tax cut.

**7. The damage could last for generations.** Because the Missouri Legislature is largely restricted from increasing taxes under the Hancock Amendment in the State Constitution, **the tax changes can't be overturned by lawmakers once implemented. In other words, even if lawmakers realize they made a mistake, they will not be able to fix it.**

For more information, contact the Missouri Budget Project [www.mobudget.org](http://www.mobudget.org) or 314-652-1400