



For more information:
Amy Blouin,
314-518-8867

Norma Collins,
816-214-0874

Sarah Durbin,
708-732-2424

Elimination of Circuit Breaker Tax Credit Will Harm Nearly 105,000 Vulnerable Missourians
Groups Urge Governor to Veto Proposal

The Missouri House's vote tonight to raise taxes on nearly 105,000 vulnerable Missouri seniors and people with disabilities by eliminating a modest tax credit that is critical to keeping them in their homes is not only unnecessary, but cruel. Not only is the cut harmful to low income seniors and people with disabilities, but the money diverted away from this critical tax credit program would not even be used to support services that benefit this population. Moreover, the state recently announced that state revenues are exceeding projections this year.

"It really adds insult to injury when there is money available to fund both the budget and the circuit breaker," said Amy Blouin, Executive Director of the Missouri Budget Project. "Making changes to the circuit breaker seems not only unnecessary, but cruel."

SB 350 would eliminate the circuit breaker property tax credit for low income seniors and people with disabilities who rent their homes. Missouri seniors and people living with disabilities can qualify for the credit if their annual incomes are below \$27,500 if single, and \$29,500 if married.

"The circuit breaker is often the only thing that enables seniors and people with disabilities to weather a financial crisis and maintain their independence," said Sarah Durbin, Director of Policy and Advocacy for Paraquad, Inc. "Whether it's a van repair, the cost of outstanding utility bills or needed home modifications, we have seen over and over again that funds from the circuit breaker tax credit have allowed individuals to remain employed and to live independently in the community. People rely on circuit breaker money to help meet basic needs and, if cut, could find themselves struggling to choose between food, heat, or medicine."

Although renters don't pay property taxes directly, they do pay in the form of higher rents. Recognizing that landlords pass on their property taxes to tenants, 16 of the 18 states with a similar tax credit include renters in their eligibility structure. Low-income Missourians already pay nearly twice as much in property taxes as a share of their income than the wealthiest one percent of Missourians, and the elimination of the circuit breaker would further this imbalance.

"Seniors and people with disabilities often struggle to pay high heating costs in the winter and cooling costs in the summer," said Norma Collins, Advocacy Director for AARP Missouri. "While community programs can be of some help, these are limited, and the circuit breaker helps pay these utility bills that keep vulnerable populations alive."

The legislation will now be sent to the Governor, who should veto the bill.

"This action is a shameful reflection of lawmakers' priorities," added Blouin. "The elimination of the circuit breaker credit for renters, as well as other proposed tax legislation, would continue the devastating trend of tax cuts for big corporations and the very wealthiest at the expense of low-income and working Missourians."