

Missouri Budget Project E-News October 28, 2011

State Update

1. **Special Session Adjourned**
2. **As Ballot Measure Begins Circulating – WE NEED YOU to Join the Coalition to Oppose the “Mega Tax” AKA the “Almost” Everything Tax**
3. **Quarterly General Revenue Update**
4. **Missouri “Health Homes” Program Approved**
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Federal Update

1. **Democrats Offer Deficit Reduction Plan**

State Update

1. Special Session Adjourned

It's official – the special session adjourned this week after House and Senate leaders were unable to come to agreement on the content of the tax credit proposal under consideration.

Missouri Budget Project would like to thank you for your actions to help protect the Circuit Breaker property tax credit for seniors and people with disabilities who rent their housing.

2. As Ballot Measure Begins Circulating – WE NEED YOU to Join the Coalition to Oppose the “Mega Tax” AKA the “Almost” Everything Tax

Proponents of the “Mega Tax” (Now being renamed for clarity to the “Almost Everything Tax”) have started circulating the 13th draft of their initiative petition in Southwest Missouri. Although proponents filed 13 different versions of the initiative within the last year, they withdrew the first nine. The four remaining petitions are currently embroiled in a legal challenge. However, disregarding the implications that the legal challenge could have, proponents have begun collecting signatures on the 13th version of the initiative.

MBP's summary of the most recent petitions is available [here](#).

http://www.mobudget.org/files/Mega_Tax-Quick_Facts_on_New_Initiative_Petitions-9-12-2011.pdf

Like its predecessors, the initiative would create a constitutional amendment that is packed with uncertainty. What is certain is that the constitutional amendment would subject significantly more basic family purchases to tax including groceries and nearly one-third of health care

services purchased for Missourians. In addition, the MBP estimated that the initiative would cut state general revenue by one-third in the first full year of implementation. Other independent estimates indicate a potentially even greater budget hole. **Under either estimate, the vast majority of Missourians would pay more tax but receive less state services.**

We need your help to prevent this measure. Please consider signing on to protect Missouri by joining us in a newly formed, diverse, statewide coalition effort, “[Coalition for Missouri’s Future.](http://www.missourifuture.org)” www.missourifuture.org

3. September General Revenue Update

For the quarter ending September 30th, net General Revenue (GR) collections rose 1.9 percent, marking six consecutive quarters of revenue growth. As was the case late in FY 2011, the growth seen in the just completed quarter was due primarily to the fact that GR tax refunds for the three month period fell by 22 percent relative to this quarter one year ago. Gross individual income tax rose only 2.5 percent for the quarter, while gross sales and use tax grew at a modest 3.1 percent.

While revenue growth for the quarter is positive, the net GR total of \$1.784 billion is still well below the amount collected (\$1.844 billion) during these same three months five years ago in FY 2007. In addition, it remains important to note that the revenue decline of FYs 2009 and 2010 is the **largest sustained decline since the Great Depression of the 1930s**. As context, even with 5.9 percent growth, the FY 2011 net GR total of \$7.18 billion was \$827.7 million less than the \$8.003 billion the state collected in FY 2008, and was even below the \$7.3 billion collected in FY 2006.

The full quarterly GR report can be accessed [here](http://www.mobudget.org/articles/show/232-MO%20General%20Revenue%20Report%20First%20Quarter%20FY%202012).
[http://www.mobudget.org/articles/show/232-MO General Revenue Report First Quarter FY 2012](http://www.mobudget.org/articles/show/232-MO%20General%20Revenue%20Report%20First%20Quarter%20FY%202012)

4. Missouri “Health Homes” Program Approved

As reported in a recent article in [The Kansas City Star](http://www.kansascity.com), a program authorized by the Affordable Care Act to create “health homes” to coordinate medical care and other services will begin in Missouri in January. Missouri is the first state in the nation to participate in the program, which will serve approximately 15,000 patients with severe mental health or substance abuse needs and/or other chronic conditions.

<http://www.kansascity.com/2011/10/21/3221914/missouri-getting-expanded-mental.html#storylink=misearch>

5. Upcoming Hearings

The Senate Interim Committee on Health Insurance Exchanges will meet at 11 a.m. on Thursday, November 10 at Lindenwood University, Dunseth Auditorium - Harmon Hall, School of Business and Entrepreneurship, 209 South Kingshighway, St. Charles.

6. Join Us in Kansas City!

Norma Collins, Amy Heithoff-Dominguez, Scott Lakin and Max Skidmore

Cordially invite you to join us at an event in support of the Missouri Budget Project

Wednesday, November 9, 2011

5:00 p.m. - 7:30 p.m.

at

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2501 Holmes Street

Kansas City, Missouri 64108

Please RSVP by Friday, November 4th to: tgleason@mobudget.org

We hope you will join us for an intimate evening to learn more about our work with the **Missouri Budget Project and its Kansas City office**, the critical policy issues facing Missouri, and what you can do to help.

If you are not able to join us for the event, but are still able to contribute, [please visit our secure site to make a contribution online](#)

http://www.mobudget.org/support_mbp.html

Or mail your donation to our main office: MBP 3534 Washington Ave., St. Louis, MO 63103

The Mission of the Missouri Budget Project is to advance public policies that improve economic opportunities for all Missourians - particularly low and middle-income families - by providing reliable and objective research, public education and advocacy.

The Missouri Budget Project:

Because facts should matter in creating public policy, the Missouri Budget Project provides timely and credible information about critical issues for Missouri's policy makers, advocates, civic and business leaders and the media.

Because every Missourian should have the ability to make their voice heard on the legislative decisions that impact their daily lives, the Missouri Budget Project provides accessible, timely information, outreach & public forums, and an email alert network.

Because Missouri's state budget decisions impact the quality of life of all Missouri families as well as Missouri's economic opportunity, the Missouri

Budget Project pursues fiscally sound investments that strengthen state services and enhance access to health care, child welfare, education, transportation and infrastructure needs

Federal Update

1. Democrats Offer Deficit Reduction Plan

This week, several democratic members of the Congressional Joint Select Committee on Deficit Reduction offered a \$3 to \$4 trillion proposal to address deficit reduction that would make severe cuts in Medicare and Medicaid. The proposal has a much higher ratio of spending cuts compared to revenue increases compared to any of the bipartisan proposals so far. Republican congressional leaders have quickly rejected the proposal, making it less likely that Congress will be able to agree on a bipartisan deficit reduction plan in the near future.

To read a full report on the issue from the CBPP, click [here](http://www.cbpp.org/cms/index.cfm?fa=view&id=3605&emailView=1).
<http://www.cbpp.org/cms/index.cfm?fa=view&id=3605&emailView=1>