

Missouri Budget Project E-News

January 11, 2013

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1. [2013 Missouri Legislative Session Convenes](#)

On Wednesday, the Missouri General Assembly convened the 2013 Legislative Session. Through the swearing in ceremonies, speeches and press conferences, the general direction of the House and Senate began to take shape.

Newly elected [Senate President Tom Dempsey](#) spoke about the need to build infrastructure, invest in education, and grow the state's economy. [In his remarks](#), Senator Dempsey discussed reforming tax credit programs, and he endorsed the Marketplace Fairness Act at the federal level. However, to be effective, Missouri legislators must still act on state-level legislation.

The Marketplace Fairness Act would allow Missouri to capture sales taxes due for online retail purchases, leveling the playing field between Missouri's bricks and mortar retailers and their online competitors. It would also capture much needed sales tax revenue that is currently due to the state of Missouri but going uncollected. [A recent estimate indicates that Missouri loses nearly \\$470 million annually in state and local sales tax revenue](#) due to loopholes in the existing sales tax structure. The Missouri General Assembly must approve state legislation on the Marketplace Fairness Act in order to be compliant with the federal Marketplace Fairness Act that is also moving towards approval. **Without the state legislation, federal legislation co-sponsored by Senator Blunt will not be effective in Missouri.**

In the House, [Speaker Tim Jones](#) also [spoke of](#) the need to reform the state's tax credits, and stated that "benevolent tax credits" that assist low-income families and help with fundraising for non-profits that serve the poor need to be protected and those that have expired should be reinstated.

Each of the new leaders cited the need for new funds to maintain and improve transportation infrastructure and invest in education. However, few specifics were given regarding the source of those funds. Simultaneously, they also hinted at reductions to corporate and/or individual income taxes, which would compromise Missouri's ability to provide services, including transportation and education.

Neither leader raised the issue of Medicaid in their remarks. However, it is clear that the issue of expanding Medicaid eligibility, as required by federal health reform, will be a central topic in the new legislative session.

2. Medicaid Expansion Benefits Entire State; Critical to Rural Areas

[New analysis](#) indicates that a Missouri Medicaid expansion would reduce the state's uninsured population by more than one-fourth, bringing an estimated \$1.56 billion in new health care funding and providing coverage for roughly 267,000 previously uninsured Missourians. The expansion would have the most dramatic impact in rural areas, reducing the uninsured by up to 31 percent.

[The Missouri Medicaid Expansion: Good for All Missourians](#) explains that while the Medicaid expansion would cover more people and attract more health care dollars in urban areas, due to several factors, rural areas would experience a greater reduction in the rate of the uninsured, and health care spending would have a larger impact on rural economies.

3. Committee Releases Transportation Report

The [Blue Ribbon Citizens Committee](#), formed by the Missouri House to study the state's transportation needs and potential solutions, released its [final report](#) recently. While it made no specific recommendations, the report indicated that the state should invest an additional \$600 million to \$1 billion annually to address Missouri's critical transportation needs. It also outlined ways to raise this revenue, including through general funds, bonding, tolling or other private partnerships, and other taxes or fees.

In August, the [Missouri Budget Project recommended](#) increasing the state's motor vehicle registration and driver's license fees and instituting a toll road for Interstate-70. More information can be found in the full report, [Stabilizing Missouri's Highway Funding](#).

4. Please Update Your Contact Information

Thank you to those who have updated your contact information. If you have not done so, please take a moment to review your contact information below and respond to this e-mail should any information be missing or incorrect. We ask that you [please use your home address](#) so that we may accurately match you with your elected officials when sending out action alerts or updates.

First name:

Last name:

Address:

City:

State:

ZIP:

Phone:

5. Committees and Upcoming Hearings

[House committees](#) and [Senate committees](#) have been appointed. Details of committees and their members can be found through the links provided.

The [Senate Appropriations Committee](#) will meet on **Tuesday, 1/22, at 12:30 p.m.** in Senate Committee Room 2 to hear public testimony related to the Departments of Elementary & Secondary Education, Higher Education, Mental Health, Health & Senior Services, and Social Services.

Those interested in testifying should [contact committee staff](#) by **January 17** at 866-475-6083 or public.testimony@senate.mo.gov. Please provide your name, organization (if any), and the subject matter. Testimony will be limited to three minutes per organization, and a written copy of testimony is recommended. Additional details are outlined on the [hearings web site](#).

The [Senate Appropriations Committee](#) will meet on **Wednesday, 1/23, at 8:30 a.m.** in Senate Committee Room 2 to hear public testimony related to the Departments of Transportation; Revenue; Agriculture; Natural Resources; Conservation; Economic Development; Insurance, Financial Institutions and Professional Registration; Labor & Industrial Relations; Public Safety; Corrections; and the Office of Administration. Those interested in testifying should follow the instructions listed above.