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## **MISSOURI BUDGET PROJECT STATEMENT ON SUBSTITUTE FOR SENATE JOINT RESOLUTION 29**

*Below is a statement regarding the Senate Substitute for Senate Committee Substitute for SJR 29, which was filed today, from Missouri Budget Project Executive Director Amy Blouin:*

“The substitute bill for Senate Joint Resolution 29, filed today in the Missouri State Senate by Senator Purgason, increases the ramifications of this flawed proposal on Missouri families and our state’s economy. The changes made in this substitute legislation would increase the financial burden on the majority of Missourians and permanently lock in our state’s current financial crisis.

“The tax exemptions put in place under this substitute proposal, including purchases on fuel and private k-12 tuition, serves only to increase the sales tax rate Missouri families will pay for the many goods and services still taxed under the plan. Services and needs that continue to be taxed in the revised proposal include nursing and in home care, child care, food, prescription drugs, and nearly all other goods and services – including many of those not currently taxed.

“A recent independent analysis conducted by Brain Schmitt, the staff person for the Missouri Legislature’s Joint Tax Policy Committee, found that for this legislation to be revenue neutral, as intended, the sales tax rate would need to be approximately 10 percent. That analysis was conducted prior to this substitute, which exempts several goods and services from taxation, thereby raising the rate that will need to be collected on other sales to make up the difference.

“Additionally, by setting a fixed cap of 7 percent on the sales tax rate this legislation will not only prevent Missouri from collecting enough revenue to fund programs at their current decreased levels, but will likely result in dire budget cuts to services, infrastructure and education in Missouri. Further, it would constitutionally lock in the current budget shortfall for future generations.

“During these difficult economic times, when Missouri is facing significant budget shortfalls and major cuts to critical programs such as education, transportation and health services, we need to find solutions that increase our ability to invest in the services and infrastructure that help our families thrive and our economy recover. This proposal would jeopardize our ability to manage the changing needs of Missouri families and businesses.”

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*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. More information is available at [www.mobudget.org](http://www.mobudget.org).*