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Senate Vote to Eliminate Critical Tax Credit Will Harm Nearly 105,000 Vulnerable Missourians
House of Representatives Should Reject Unnecessary Change

Despite rejecting a similar proposal two years ago, the Missouri Senate tonight voted 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. As the legislation moves forward, the House should protect these vulnerable populations and reject any legislation that eliminates renters from eligibility for this credit.

“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,” said Amy Blouin, Executive Director of the Missouri Budget Project. “This action is a shameful reflection of lawmakers’ priorities. We should be protecting our senior citizens who have given so much to this state over the years, and the House should reject any Senate action to increase the burden on those who can least afford it.”

Budgets proposed both by the Governor and in the House rely on the elimination of 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 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 budget can be balanced in ways other than on the backs of the most vulnerable Missourians.”

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