



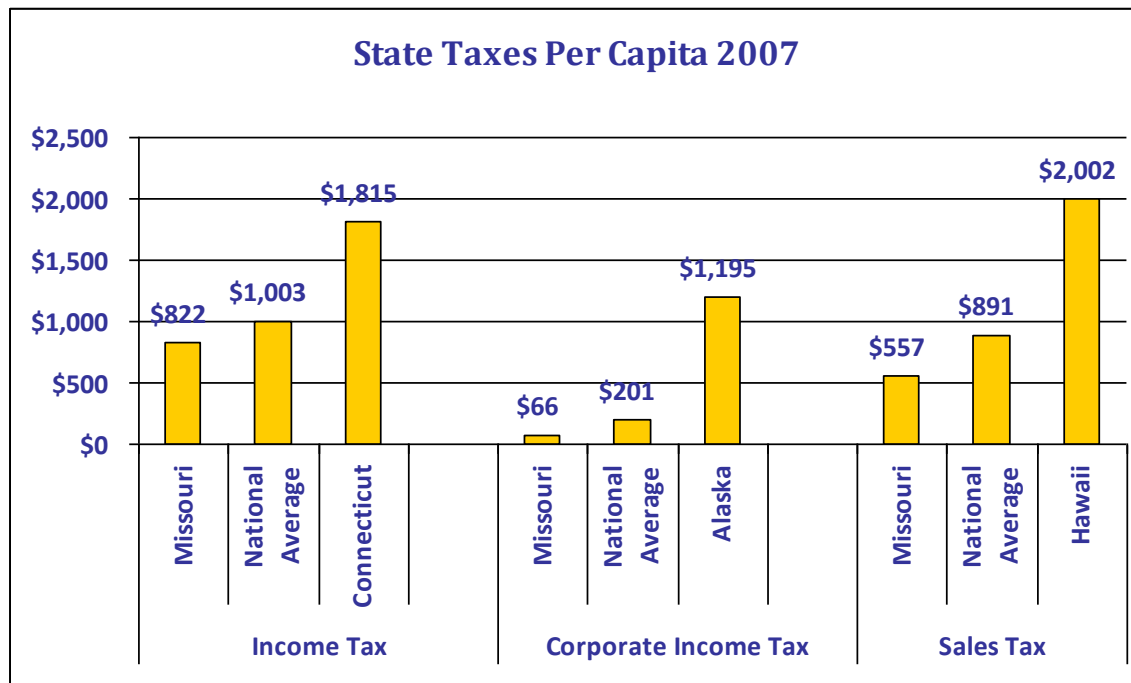
## Comparing Missouri's Tax and Spending with the Nation: Where Missouri Ranks in 2009

*Amy Blouin, Executive Director and Tom Kruckemeyer, Chief Economist*

Missouri generally ranks very low both in comparison to what other states invest in services and in comparison to the national average in nearly all state tax and expenditure measures. The following provides a snapshot of where Missouri ranks based on the most currently available data on the most significant state tax indicators and on state and local tax expenditures. The state and local data generally provide a more accurate picture of Missouri's standing in the nation because the fifty states vary considerably in how responsibility for services and taxes is divided between state and local governments.<sup>1</sup>

### State Tax Rankings

In 2006 Missouri ranked **47<sup>th</sup> lowest in the nation on per capita State Government Revenue**. Missouri collected \$2,475 per person, while Alaska, the highest state, collected \$10,002. The national average was \$3,245. The table below compares Missouri's per capita collected state taxes with the national average and the highest tax states. The data is from 2007.



<sup>1</sup> The data in this document is summarized from the Morgan Quitno "State Ranking 2009", published by CQ Press.

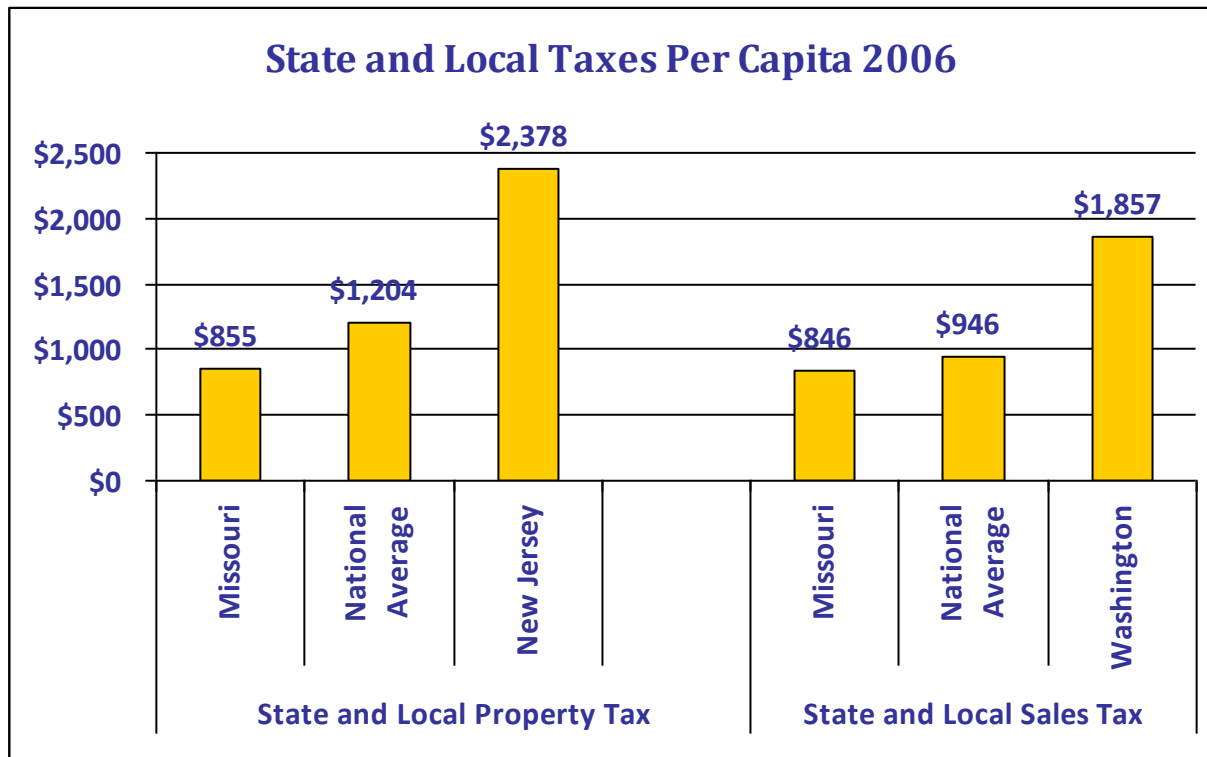
As indicated in Table 1, above, in 2007 Missouri ranked:

- 27<sup>th</sup> lowest in the nation for the amount of per capita Individual Income Tax,
- 46<sup>th</sup> lowest in the nation on per capita corporate income tax (there are four states that do not assess corporate income tax), and
- 40<sup>th</sup> lowest for the general revenue sales tax.

### State and Local Tax Rankings

When local taxes are included, Missouri's rank among the states improved only slightly to **45<sup>th</sup> lowest in the nation for per capita state and local government revenue**. In 2006, Missouri received \$4,610 in state and local revenue per capita, compared with the national average of \$5,811. The highest state was Alaska at \$12,741 in state and local revenue per capita. As Table 2, below, indicates, Missouri ranks:

- 36<sup>th</sup> lowest in the nation for state and local property tax per capita, and
- 25<sup>th</sup> for state and local sales tax revenue per capita.



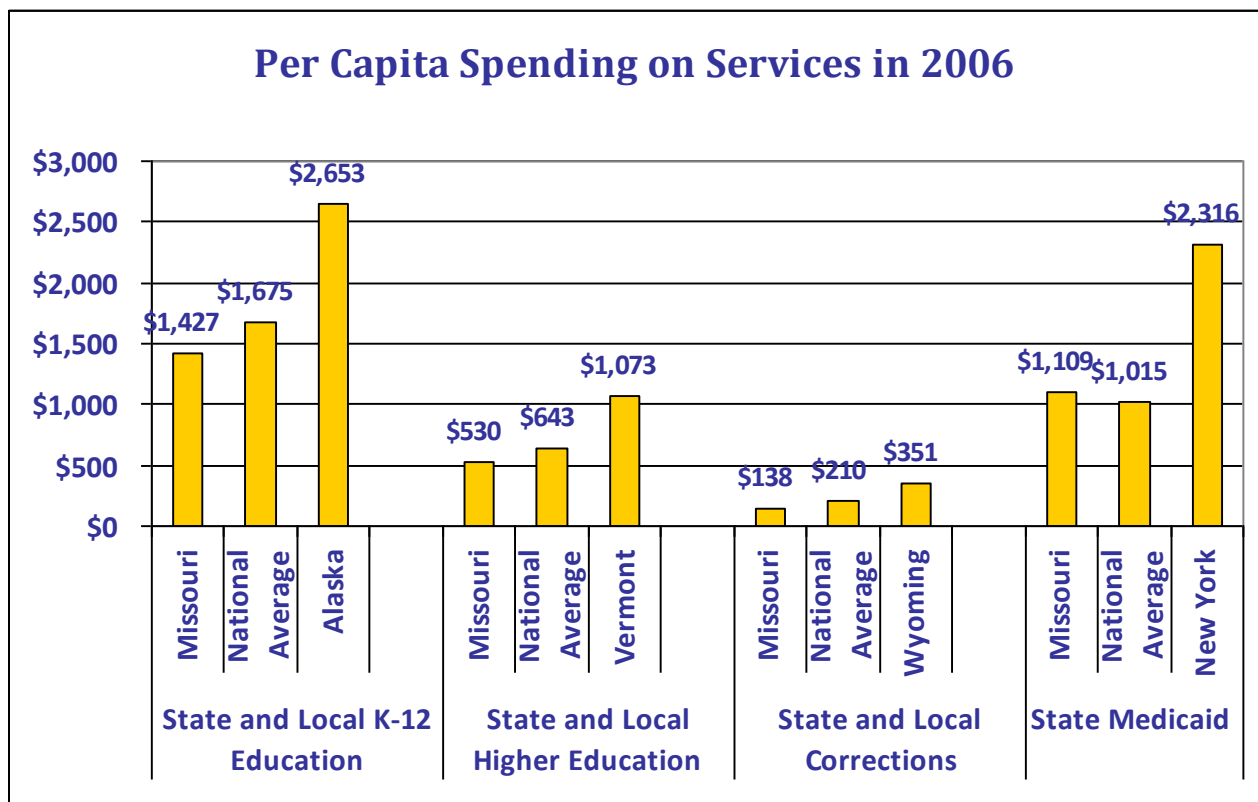
### State and Local Expenditures

Not surprisingly, Missouri's rank for investing in services corresponds to what it collects in revenue. **In 2006, Missouri ranked 45<sup>th</sup> lowest for state and local government spending per capita at \$6,781**. The national average that year was \$8,403. Alaska ranked highest at \$15,942 in expenditures per person.

As Table 3, below, demonstrates, in 2006 Missouri ranked:

- 37<sup>th</sup> lowest in the nation for per capita state and local investment in Elementary & Secondary Education,
- 45<sup>th</sup> lowest nationally for state and local expenditures in Higher Education per person,
- 44<sup>th</sup> lowest for state and local spending per person for Corrections, and
- Was very close to the national average spending for state Medicaid expenditures per person in 2006, prior to eligibility restrictions enacted in the 2005 Medicaid cuts.

In addition, Missouri ranked 43<sup>rd</sup> in the nation in the percent change in Medicaid expenditures between 2007 and 2008. Missouri spending on Medicaid grew by just 2.2 percent during this time. The national average was 5.5 percent, more than twice that of Missouri. The national “high” in growth was in Louisiana, which had a 15.9 percent increase.



*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, analysis and advocacy. Contact the MBP through our website at [www.mobudget.org](http://www.mobudget.org)*