



Missouri Tax Proposal Would Increase Costs, Decrease Services for Most Older Missourians

Proposals to swap Missouri’s state income tax for a greatly expanded sales tax would shift taxes away from the very wealthy and onto Missourians struggling to make ends meet, while also putting the services Missourians need at risk of severe cuts.

- Because much retiree income is already exempt from the income tax, older Missourians would see their overall taxes increase.
- Moreover, state spending on services for older adults is already among the lowest in the nation. Further budget cuts would be devastating for Missouri seniors and their families.

Missouri policymakers are considering a proposal to swap the income tax for a greatly expanded sales tax, rigging the system for the wealthy and hurting Missourians and their communities.

Despite Changes to Income Tax, Most Missourians Would Pay More in Taxes

This tax scheme proposes a new sales tax on the basic services Missourians use every day - like haircuts, home and car maintenance. Even gas could have an additional 8.5% sales tax applied to it. This results in a net tax increase for as many as 80% of Missourians. Only the very wealthiest would get a tax cut.

In fact, an average Missourian making \$65,000 a year will face a net \$535 tax increase. Retirees living on a fixed income will face an even larger tax increase. That’s because all social security income, and public pensions up to the maximum social security benefit of \$47,633, are already exempt from the state income tax in Missouri.ⁱ

**See Appendix for Social Security, Pension Recipients by County*

Under this tax scheme these folks will not get a tax cut on this income and will only see their taxes increase due to the greatly expanded sales tax – making it much more difficult for folks with fixed incomes to afford basic expenses.

- Over 1 million older adults in Missouri rely on social security – that’s over 9 in 10 Missourians over age 65.ⁱⁱ
- Hundreds of thousands of Missourians rely on retirement income from one of Missouri’s over 130 public pension programs including retired teachers, firefighters, police officers, bus drivers and garbage collectors.ⁱⁱⁱ

Average Benefits of Missouri’s Largest Public Pensions Well Below Social Security Maximum^{iv}

Public Pension	Recipients	Average Annual Benefit
LAGERS	32,001	\$16,667
MPERS	9,938	\$31,281
MOSERS	56,494	\$15,204
PEERS/PSRS	115,000	\$31,304

Proposal Would Blow Hole in State Budget Causing Devastating Cuts to Education, Other Services for Missourians

The income tax supports nearly two-thirds of Missouri's state general revenue budget. There's simply no realistic way to make up for that lost revenue, meaning harmful cuts to services for Missourians.

Missouri's spending on services for older adults is already among the lowest in the nation, with area agencies on aging seeing flat funding, while the number of older adults is growing.^v

Moreover, those services are already facing cuts.

- A proposed 20% cut to the Senior Services Growth & Development Program (SSGDP) would devastate senior centers and their ability to deliver services.
- The SSGDP keeps centers open and operating - delivering meals, providing transportation, community hubs, caregiver support, and health screenings.

This tax scheme only places services for older adults at risk of further cuts that undermine the ability of retirees to remain in the homes and communities they have contributed to for decades.

NOTES

- i Missouri Department of Revenue Form MO-A 2025 Individual Income Tax Adjustments
- ii U.S. Social Security Administration OASDI Beneficiaries by State and County, 2024, Accessed March 11, 2026. Available https://www.ssa.gov/policy/docs/statcomps/oasdi_sc/2024/
- iii Joint Committee On Public Employee Retirement 2005 Annual Report To the Missouri General Assembly, Accessed 3/11/26. Available <https://www.jcper.org/2025AnnualReport.pdf>
- iv Missouri LAGERS 57th Annual Comprehensive Financial Report; MPERS FYI: Popular Annual Financial Report for the Fiscal Year Ended June 30, 2025; MOSERS 2025 Economic Impact Report; PSRS/PEERS Benefits by County
- v *With Repeated Tax Cuts, Missouri's Investments in Its Residents Have Eroded,* Missouri Budget Project, March 2025, available <https://mobudget.org/with-repeated-tax-cuts-missouris-investments-in-its-residents-have-eroded/>

APPENDIX: RECIPIENTS BY COUNTY

County	Social Security Recipients (65+)	MOSERS	PSRS/PEERS
Adair	3,870	521	452
Andrew	3,120	297	413
Atchison	1,185	32	159
Audrain	4,600	435	502
Barry	7,300	146	611
Barton	2,515	72	222
Bates	3,235	79	315
Benton	5,945	171	436
Bollinger	2,325	85	218
Boone	24,910	1,963	2,761
Buchanan	14,815	1,230	1,458
Butler	7,575	393	810
Caldwell	1,750	151	194
Callaway	7,905	2,353	716
Camden	11,685	366	983
Cape Girardeau	14,070	1,180	1,658
Carroll	1,890	114	271
Carter	1,335	49	164
Cass	19,245	322	1,909
Cedar	3,285	154	287
Chariton	1,635	77	240
Christian	16,170	571	1,663
Clark	1,230	19	117
Clay	37,990	832	3,784
Clinton	4,210	237	449
Cole	13,775	5,666	1,364
Cooper	3,245	332	351
Crawford	4,830	156	393
Dade	1,735	74	180
Dallas	3,555	91	333
Daviess	1,690	127	207
DeKalb	1,875	228	195
Dent	3,175	176	297
Douglas	3,030	36	128
Dunklin	4,990	153	609
Franklin	21,105	434	2,245
Gasconade	3,525	142	362

Gentry	1,305	77	189
Greene	50,260	2,350	5,300
Grundy	1,955	89	260
Harrison	1,780	72	219
Henry	5,310	154	463
Hickory	2,725	71	230
Holt	995	62	110
Howard	1,945	129	255
Howell	8,620	264	822
Iron	2,045	158	239
Jackson	105,350	2,222	8,209
Jasper	20,100	661	1,913
Jefferson	39,685	761	3,999
Johnson	7,535	847	1,006
Knox	800	32	87
Laclede	6,930	184	634
Lafayette	6,295	461	712
Lawrence	7,420	387	660
Lewis	1,935	32	156
Lincoln	9,820	167	944
Linn	2,455	126	297
Livingston	2,905	278	365
Macon	3,340	203	384
Madison	2,680	243	267
Maries	1,740	227	182
Marion	5,305	232	558
McDonald	3,340	31	272
Mercer	765	14	81
Miller	4,875	569	555
Mississippi	2,155	123	203
Moniteau	2,575	641	318
Monroe	1,990	135	197
Montgomery	2,480	136	263
Morgan	5,130	275	359
New Madrid	2,620	150	329
Newton	10,840	257	1,155
Nodaway	3,545	443	451
Oregon	2,210	41	221
Osage	2,425	748	250

Ozark	2,555	56	184
Pemiscot	2,570	90	302
Perry	3,785	94	331
Pettis	7,160	351	879
Phelps	7,480	466	813
Pike	3,310	288	368
Platte	15,950	369	1,659
Polk	5,610	146	633
Pulaski	5,420	236	656
Putnam	1,030	29	114
Ralls	2,250	135	248
Randolph	4,015	307	498
Ray	4,295	116	412
Reynolds	1,455	49	160
Ripley	2,545	94	275
Saline	3,870	665	424
Schuyler	785	37	71
Scotland	795	29	91
Scott	7,450	380	641
Shannon	1,680	60	143
Shelby	1,290	46	162
St. Charles	69,505	1,041	7,577
St. Clair	2,260	68	178
St. Francois	12,030	1,437	1,419
St. Louis City	36,300	1,416	1,081
St. Louis County	178,795	4,210	15,085
Ste. Genevieve	3,715	178	341
Stoddard	5,815	240	661
Stone	9,055	155	632
Sullivan	1,185	28	126
Taney	12,700	214	852
Texas	4,860	320	538
Vernon	3,610	404	359
Warren	6,955	119	749
Washington	4,055	284	436
Wayne	2,745	115	304
Webster	7,130	221	620
Worth	465	27	59
Wright	4,110	128	391