



Missouri Tax Proposal Would Increase Costs, Decrease Services for Missourians with Disabilities

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.

Not only would most Missourians with disabilities see a tax increase under this tax scheme, but state services that help them remain independent would be at risk of devastating cuts.

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 maintenance, and transportation. 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. **People living with disabilities, who are disproportionately low-income and face extra costs associated with their disability,ⁱ will be hit especially hard by this increased cost.**

In addition, both social security and supplemental security income (SSI) are already exempt from the state income tax in Missouri. 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.**

Social Security Disability Recipients in Missouri

Total	Disabled Workers	Spouses	Children
207,342	181,296	1,834	24,212

Supplemental Social Security Income Recipients in Missouri

Total	Aged	Blind	Disabled
127,180	7,146	989	119,045

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.

This places funding for critical services such as home-based care at risk and undermines the ability of people living with disabilities to remain independent.

Moreover, cuts to these services have already been discussed by policymakers due to the current budget shortfall, which is expected to be worse in upcoming years.

This tax scheme places services for Missourians with disabilities at risk of further cuts that undermine their ability to live independently in their communities.

NOTES

- i Financial Health Network. The Financial Health of People With Disabilities Key Obstacles and Opportunities.