

- 1. They would undermine our state's economy and quality of life and make Missouri less attractive for business investment.** The Legislature recently passed SB 509, a tax scheme that when fully implemented would cost nearly \$800 million per year. In context, the amount would be the equivalent of one-fourth of state funding for local K-12 schools, or more than what Missouri spent this year on public colleges and universities. It is also more than Missouri spends on mental health each year. The spending cuts required by the tax cuts would result in more crowded classrooms, higher college tuition, eroding health and mental health for children and seniors, and diminished public safety.
- 2. No sector would be spared.** While supporters of the tax cuts claim that they have protected education and other services with a so-called "trigger" that would require growth in state revenue prior to tax cuts taking effect, the reality is that these triggers are just a smokescreen. Not only would the triggers fail to even keep up with inflation, but even a slight bump in state revenue would translate to a devastating cut in revenue, keeping the state from ever getting ahead. Any business with that kind of accounting would quickly go under.
- 3. They would hurt K-12 and higher education, making our workforce less competitive.** State funding for local school districts is already more than \$600 million below the legally required amount. Tax cuts would likely result in further spending cuts, ensuring that Missouri could never fully fund its schools. Likewise, a severe decline in state investment in higher education has nearly doubled tuition for Missouri university students in the past decade. The tax cut would require further steep tuition increases, making a college education less affordable when employers are looking for a highly educated workforce.
- 4. They would create costly loopholes.** A new business income deduction would encourage gaming of the system and fail to create new jobs.
- 5. Missouri's economy is already outpacing its tax-cutting neighbors.** Missouri is adding jobs at a much faster rate than its neighboring states. Although both Kansas and Oklahoma have cut taxes recently, their economies aren't thriving as promised.
- 6. If this risky experiment fails, it can't easily be fixed, doing lasting damage to our state.** Because the state Constitution restricts the Missouri Legislature's ability to raise taxes, the cuts can't be overturned once implemented. Even if lawmakers realize they made a mistake during the phase in of the cuts, they won't be able to stop them or restore Missouri's revenue. Once made law, there will be no turning back.
- 7. They could make it more expensive for Missouri to fund road building and other projects.** Credit rating agencies are likely to frown on the tax cuts, which could hurt Missouri's credit rating and boost the interest it must pay to borrow money to fund major projects.
- 8. They would pressure localities to raise property taxes.** Cuts in state funding for services would increase pressure on localities to make up the difference through higher property taxes.
- 9. Missouri already has low taxes and further cuts are unnecessary to make it economically competitive.** University of Missouri research ranks Missouri's taxes at or among the lowest compared to its eight neighboring states. Even the Tax Foundation, an anti-tax group, ranks Missouri as the 16<sup>th</sup> best for business tax climate, easily surpassing its neighbors.

