



LEAGUE OF WOMEN VOTERS OF MISSOURI
Legislative Update
March 4, 2018

Information Provided by Missouri Budget Project:

Tax Update

On Monday, March 5, the House Ways & Means Committee will hear the tax reform bill sponsored by Representative Elijah Haahr.

As drafted, **House Bill 2540** contains some concerning provisions including:

- Reduction of the top rate of income tax for individuals and corporations; and
- Elimination of the circuit breaker tax credit for seniors & people with disabilities who rent their homes.

However, the bill also contains some provisions that the Missouri Budget Project has long supported and that would create a fairer tax structure, including implementation of the streamlined sales tax collections mechanism, elimination of the timely filing discounts for retailers & for withholding tax, changes to corporate apportionment, and phase out of the state deduction for federal taxes.

MBP's initial estimates project that the **bill as currently written would reduce state revenue for services by an estimated \$144 million.**

This would be in addition to already pending cuts from the 2014 tax cut (SB 509) and federal changes. This bill combined with the pending cuts would reduce state revenue by \$669 million per year.

The House Ways and Means Committee will hear the bill on Monday, 3/5/18 at 1:00 p.m. in House Hearing Room 1.

MO HealthNet Work requirements:

The House Children & Families Committee heard testimony regarding a bill that would require work activities for recipients of MO Healthnet, potentially eliminating coverage for between 17,000 and 52,000 participants.

HB 1856, sponsored by Rep. Trent, appears to focus its new requirements on custodial parents, and would require participants to be involved in work activities (defined as working, looking for work or going to school) for 80 hours a month. Ironically, if a custodial parent does fulfill the requirement by working hourly for minimum wage, that parent would lose coverage because their earnings would exceed current income limits – but likely not be high enough to afford other coverage.

The fiscal impact is unclear and not fully complete. The fiscal note estimates the bill will cost the state \$20 million or save the state \$45 million. The costs are associated with the new burden on the department to provide oversight, and the savings would come from participants losing eligibility and losing health care coverage. The fiscal note does not include the cost of federal requirements to provide transportation and child care supports for participants that are required to work as a basis of eligibility.

This bill is similar to Senator Sater's SB 948.

To find details and to follow current legislation, click on links below

[House Bills](#)

[Senate Bills](#)