

March 26, 2018

## Open Letter to the Missouri General Assembly: Enact Pro-Growth Tax Reform

Dear members of the General Assembly

On behalf of the undersigned organizations and our thousands of members across Missouri, we urge the passage of comprehensive tax reform. We strongly support the proposals offered by Senator Eigel and Speaker Pro Tempore Haahr (SB 617 and HB 2540, respectively) and believe they will provide a much needed boost to the state economy and increase take-home pay for taxpayers.

Enactment of federal tax reform has provided the Missouri General Assembly an excellent opportunity to reform the state's tax code. Lawmakers should follow the model of federal tax reform to ensure that any final tax reform package makes Missouri's tax code simple, competitive, and fair.

Job growth continues to be below the national average and Missouri has an economic ranking of [47th](#) in the nation, according to the Show-Me Institute. To reverse this trend, lawmakers should adopt a low corporate tax rate that will fuel business growth in all areas of the state. Missouri should maximize their potential for growth by enacting a competitive rate that is far below its neighboring states'. Such an action will make Missouri a more attractive option to start or expand a business, increase investment, grow jobs, and hike wages for workers.

Working families would benefit greatly from a simpler tax code, enhanced credits and exemptions, and lower rates. Nearly all families are in the highest income tax bracket -- including many who have an income that is below the federal poverty line. To address this problem, we recommend cutting rates across the board, consolidating tax brackets and enacting other pro-family tax changes - such as increasing the standard deduction. Adopting these changes will encourage growth and give taxpayers more flexibility with their income.

While SB 617 and HB 2540 have their differences, we believe that these proposals are closer to a final compromise package than they appear. Importantly, each body should pass their respective legislation to get to conference committee where differences can be hashed out and lawmakers can craft a final package that benefits all taxpayers.

To be clear: if Jefferson City continues to delay tax reform, Missouri will fall further behind neighboring states. Iowa, as you may know, is actively working to reduce its corporate and individual rates. These developments should make the prospects of tax reform in this state that much more urgent and should spur Missouri to stay competitive.



We hope to be a helpful resource as you advance a tax reform package that delivers pro-growth tax relief to individuals, families, and businesses. Please do not hesitate to reach out to our organizations during this process.

Sincerely,

Pete Sepp, President  
National Taxpayers Union

David Williams, President  
Taxpayers Protection Alliance

Grover Norquist, President  
Americans for Tax Reform

Tom Schatz, President  
Council for Citizens against Government Waste (CCAGW)