

Missourians for Tax Justice
2006 State Legislative Candidate Questionnaire

I. Missouri's state tax system does not produce sufficient revenue to meet citizens' needs. Inadequate state revenues from 2001 to 2006 resulted in \$1.8 billion in cuts to vital state services. These include Medicaid, disease prevention, mental health, higher education and other important programs. Our K-12 public schools are underfunded by \$900 million. Many school districts have had to ask for regressive property tax increases as a result.

Our state tax system is also inequitable and unfair. Taxpayers with the lowest income have a tax burden that is almost double that of the wealthiest taxpayers.

Missouri's individual income tax structure is extremely outdated. The brackets are graduated only up to \$9,000. Above that amount, all taxable income is taxed at the same 6 percent rate. The \$9,000 figure was set in 1931. Brackets and rates were set in 1972. An income of \$9,000 in 1931 is equivalent to an income of nearly **\$1.4 million in 2004**.

A bill to revise our state individual income tax structure (HB 1960) was introduced in the 2006 legislative session. This bill is a way to make our tax system more equitable, adequate and sustainable. The bill would have reduced the tax burden for 60% of Missourians and produced one billion dollars in new revenue for essential state services.

Will you support a revision of our Individual Income Tax to make it more equitable and more productive?

YES _____ NO _____

Comments: I support eliminating the income tax and replacing it with the FAIR TAX.

II. Whether our state corporate taxes are fair is a controversial question. Do corporations pay their "fair share" of the revenue the state must have to provide needed public services? How can we know?

The federal Securities & Exchange Commission (SEC) requires corporations to disclose their federal income tax liabilities and other financial information. A bill was introduced in the 2006 Missouri legislative session (HB 1727) to require corporations to file an annual **state** tax disclosure statement. The disclosure statement is required if the corporation is publicly traded, is a financial corporation, employs 50 or more full-time employees, or has sales in excess of \$10 million annually.

The legislation's purpose: to provide information that allows citizens, lawmakers, and the news media to assess whether corporate tax rates are too high or too low, whether the tax burden is distributed equitably among corporations in the same industry, among different industries, and between small and large corporations.

Will you support legislation to require an annual state tax disclosure statement by corporations?

YES _____ No X

Comments: Taxes on corporations stifle economic activity and are passed on to consumers anyway.

III. During the 2006 legislative session, a bill to eliminate the corporate franchise tax (HB 1619) was passed by the House and received approval from the Senate Ways & Means committee. The state Department of Revenue collected \$120 million from the franchise tax last year.

Missouri's corporate taxes are already the lowest of the 46 states that have corporate taxes.

Do you support the elimination of the state corporate franchise tax?

YES X No _____

Comments: This tax harasses business - should be replaced by user fees to ^{offset} regulatory support (over, please)

IV. **Tax expenditures** include **corporate and individual income tax credits, income tax exemptions, sales tax exemptions** and other devices that reduce the state's revenue. They have been defined as "revenue not collected." It has been estimated that the cost to the state of tax expenditures is equal to the state's General Revenue budget.

There is no statutory provision or regulation that requires a cost/benefit analysis or a review and oversight of the vast numbers of tax expenditures which have been enacted.

Tax credits that promise social service benefits are enacted instead of raising additional revenue for Missourians' needs — with no assurance that there is enough discretionary wealth in Missouri to actually produce sufficient support for beneficial programs through tax credits.

Do you support legislation to require review, oversight and analysis of state tax expenditures?

YES X NO

Comments: I oppose tax credits.

V. A state constitutional amendment for an **appropriations spending limit** was proposed in the 2004, 2005, and 2006 legislative sessions (HJR 48 in 2006), but has not passed. The appropriations (or *spending*) growth limit is the greater of zero or the sum of the annual rate of inflation and the annual Missouri population growth. An initiative petition proposed a similar constitutional amendment for a state spending limit, but the Secretary of State has ruled that the petition does not meet statutory requirements so it is not expected to appear on the November 2006 ballot.

Our state constitution has safeguards for spending state tax dollars. It requires that *any* money spent by the state must be *appropriated* by the General Assembly. These elected officials are accountable to the people for the way the state's dollars are spent. Our constitution also presently requires that the state's budget must be balanced. (Only the money that the state has can be appropriated. *No "deficit spending" is allowed*). In addition, a state revenue limit was established in 1980 by the controversial "Hancock Amendment." That amendment has resulted in many court cases and caused many problems for state lawmakers.

This proposed **state spending limit** would reduce the General Assembly's power over state budget decisions.

Do you support a constitutional amendment for a state spending limit?

YES X NO

Comments: There needs to be a limit on spending growth. Hancock has not worked

Please add additional comments on any question on a separate sheet.

Candidate's Name William Truman (Bill) WAYNE
Office Sought State Representative District # 121
Party Libertarian Candidate's Signature [Signature]

Please Mark Your Answers NOW and Return Questionnaire Immediately
Your reply must be received no later than June 30
Mail to: Missourians for Tax Justice - PO Box 31781 - St. Louis, MO 63131