



Shaping Policy...
Creating Opportunities

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FEDERAL, STATE TAX COLLECTIONS BENEFIT ALL MISSOURIANS

St. Louis, MO – Each year, April 15th marks the deadline for filing federal and state income tax returns. While this can be an exercise many people dread, it is important to note taxes provide for the common good and support government programs and activities that Missourians rely on.

During these difficult economic times, it is vital that our state government have the resources needed to provide its citizens with education, health care, public safety and a social safety net for those less fortunate.

Missouri state government tax rates are among the lowest in the nation, and due to the current economic recession the amount of funds our state is collecting in taxes has been decreasing. As of March 31st, net General Revenue collections for Fiscal Year 2009 to date had fallen by 0.6 percent. However, the funds our state collects must continue to support services including health care, transportation and education.

In addition to using funds collected through state taxes, the State of Missouri also receives significant federal funding for programs such as Medicaid, children's health insurance, education and road construction. In January, Governor Nixon proposed a Fiscal Year 2010 GR budget that would utilize \$809.2 million in new federal funds. This support is more important than ever during the current economic recession.

On February 17th, President Obama signed the *American Recovery and Reinvestment Act of 2009*. Among the most important aspects of the bill are provisions that provide substantial aid to state governments and federal tax cuts for most Americans. Official estimates put Missouri's share of this aid package at \$4.3 billion over a 2 year period. Without this funding, Missouri would be making significant cuts to services that enhance our quality of life and economic opportunity.

"During this economic recession, when the amount of funds our state is collecting in revenue has decreased, it is critical that we utilize the full amount of federal funds available to ensure services for Missourians are not cut," said Amy Blouin, Executive Director of the Missouri Budget Project. "With many families facing job loss and declining access to health insurance, Missourians realize that the federal and state funds that support these programs are more important than ever. We should fully utilize all

available funds to move our state toward healthier economic times and minimize the difficulty for Missouri families.”

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The Mission of the Missouri Budget Project is: To advance public policies that improve economic opportunities for all Missourians – particularly low and middle-income families – by providing reliable and objective research, public education and advocacy. More information is available at www.mobudget.org.