

HB 1857 with HCA 1 -- EARNINGS TAX

SPONSOR: Mathews

COMMITTEE ACTION: Voted "Do Pass with Amendments" by the Standing Committee on Emerging Issues by a vote of 8 to 2.

Currently, Kansas City and St. Louis impose an earnings tax and can continue the tax as long as it is reaffirmed by voters every five years. This bill eliminates the earnings tax after December 31, 2017 and removes the authority to impose the tax by submitting it to the voters of the city.

This bill is the same as HB 1809 and SB 575 (2016).

HCA #1: This amendment permits Kansas City to continue imposing an earnings tax, provided that the city submits the issue to the voters every five years.

PROPONENTS: Supporters say that an earnings tax hurts the working poor. These individuals are already paying taxes on a state and federal level. The City of St. Louis and Kansas City should instead re-evaluate TIFs and abatements they offer in order to increase city revenue.

Testifying for the bill were Representative Mathews; United For Missouri; Mandy Studer; and Stephanie Lewis.

OPPONENTS: Those who oppose the bill say that the residents of the City of St. Louis and Kansas City support the earnings tax. The citizens of both cities have voted to continue to impose an earnings tax because they understand that their cities need the revenue from the earnings tax to fund vital government services. If this bill passes these cities will be forced to lay off large portions of their fire and police departments.

Testifying against the bill were Hunt Midwest; Jackson County Legislature; Burns And McDonnell Engineering; Matt Mauer, KCFD, City Of Kansas City; Hallmark Cards; Kansas City Police Board; Je Dunn Construction; Scott Smith, Civic Council Of Greater KC; Paul W Payne, City Of St. Louis; Francis Slay, City of St. Louis; Sylvester "Sly" James, City Of Kansas City; Sherman D Smith, Missouri State Council Of Firefighters; Missouri Municipal League; and Paul Robert Orr, St. Louis Development Corp.