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News Release

FOR IMMEDIATE RELEASE

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Lt. Governor Kinder Signs Gov. Blunt's Fair and Equitable Tax Plan

KANSAS CITY – Lt. Governor Peter Kinder, serving as acting governor, signed legislation today to establish a fair and equitable tax structure for Missouri and all of our neighboring states.

“There are numerous citizens from surrounding states who work in Missouri. We appreciate their hard work and want to encourage them to continue working here in Missouri,” Lt. Gov. Kinder said. “This legislation improves our tax structure and continues our good relationship and work with Kansas toward the mutual goal of development and growth in our Kansas City metro area.”

Senate Bill 748, sponsored by Sen. Luann Ridgeway, would exempt property taxes paid by citizens of other states who work in Missouri from being taxed, as long as the neighboring, home state allows Missourians who work and earn income in that state to take the same exemption.

“This law protects Missourians from a tax increase.” Senator Ridgeway said. “The bill creates tax fairness by correcting last year's law, which was too broad. If Kansas is willing to provide tax breaks for Missouri citizens, Missouri should do the same. But if Illinois or any other state isn't willing to allow Missouri workers the same breaks then Missouri should take away those breaks for their citizens. In effect, we are implementing the Golden Rule of fairness by signing this bill into law.”

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Kinder said an amendment, sponsored by Sen. Joan Bray, was attached to one of Gov. Blunt's priorities: the Senior Tax Justice Act. Gov. Blunt signed the tax relief bill to cut taxes for Missouri seniors by ending the cut on their Social Security benefits, however this legislation also included Bray's amendment. The amendment which was not part of the governor's budget or tax cut proposal, eliminated the Missouri tax deduction on property taxes for non-Missouri residents who pay income tax in Missouri.

The amendment was a response to an unfair taxing practice on Missouri residents by Illinois.

The legislation signed today remedies the shift of revenue from Kansas to Missouri that occurred as a result of the original amendment, though most taxpayers were still able to claim that exemption on their home state tax form when they filed their taxes this year.

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