



THE CIVIC COUNCIL OF GREATER KANSAS CITY

One Kansas City Place, 1200 Main Street, Suite 230

Kansas City, Missouri 64105

Telephone: 816-221-2263 FAX: 816-221-2209

May 21, 2013

VIA HAND DELIVERY

The Honorable Jay Nixon
State Capitol
Office of the Governor, Room 216
Jefferson City, Missouri 65102

Dear Governor Nixon:

On behalf of the board of The Civic Council of Greater Kansas City, I am writing to encourage you to veto SS SCS HCS HB 253 (HB 253), which was passed by the Missouri General Assembly in the just-completed 2013 legislative session. We encourage you to veto HB 253 for the following reasons:

- The fiscal note is grossly inadequate and therefore does not reflect the true extent of lost revenues to the State of Missouri:
 - “Business Income” is inadequately defined and, therefore, not properly accounted for in the fiscal note.
 - The fiscal note does not take into account certain income that is not reported as self-employment income on Line 12 of Form 1040.
 - The loss of “business income” will be greater than the 50% exemption, which is not reflected in the fiscal note.
 - The estimates of how much new state revenue will be generated by passage of the Marketplace Fairness legislation being considered by the current Congress are dramatically overstated and inconsistent with estimates from published studies.
- The plan disproportionately benefits higher income citizens and adversely impacts middle income citizens by creating a “tax cliff” due to the failure to phase out the increase in the personal exemption.

We believe that HB 253 will result in a significant loss of state general fund revenues and necessitate drastic cuts to funding for education (pre-k, k-12 and higher), social services and infrastructure. Missouri already has a very competitive tax and regulatory environment. Further tax cuts are not advisable, particularly in light of the state’s inability to adequately fund basic operating needs and services. Missouri must maintain quality public services to remain

The Honorable Jay Nixon

Page 2 of 2

May 21, 2013

competitive. Excellent schools, first-rate, affordable colleges and universities that produce a skilled workforce, an efficient transportation infrastructure and reliable public safety are essential to our state's success.

Unfortunately, Missouri has already drastically cut state services, increasing class sizes, raising college tuitions, and deferring maintenance on Missouri's roads and bridges. Further tax cuts will only make matters worse, and do nothing to create jobs or make businesses more competitive.

For all of these reasons, we encourage you to veto this legislation. We would be happy to meet with you or your staff to discuss each of these points in further detail should you deem that helpful. Please do not hesitate to contact Jason Dalen, Civic Council Associate Director, with further questions.

Sincerely,

A handwritten signature in black ink that reads "Don Hall, Jr." in a cursive style.

Donald J. Hall, Jr.

Chair