

Economic Development in Other States (Particularly Kansas)

1. **Claim:** Kansas is growing and leading the way on economic development compared to Missouri.

Truth:

1. Kansas did have nearly 18,000 new business filings last year. However, in an average year there are somewhere between 12,000 and 13,000 new filings. The other new filings were simply businesses that were reorganized as LLC's and sole proprietorships in order to take advantage of the new tax cuts.
2. Kansas had their bond rating slashed last year by all three credit rating agencies because of concerns about the state's ability to pay its bills and now must pay higher interest rates.
3. Kansas was forced to raise taxes this year by nearly \$700 million in order to help make up for revenue shortfalls. This still did not prevent them from underfunding their education system by over \$600 million and allowing tuition rates to skyrocket at higher education facilities.
4. Missouri saw nearly 10% growth in state revenues in FY 2013 meaning people are working, making money and paying taxes at a phenomenal clip, while Kansas' budget remained stagnant at just under 3% growth.
5. Income tax collections in Kansas were down more than 20% in July 2013 and their revenues are down 7.1% on the year.
6. Missouri already has the 5th lowest per capita tax rates in the country, has an unemployment rate nearly 1% below the national average, and recently was ranked as a top ten pro-business state for the fourth straight year.
7. In order to make up for the revenue losses of HB 253, Missouri would have to create 500,000 new jobs in order to avoid cuts to state services.

2. **Claim:** I believe lower taxes create jobs and grow the state's economy and budget.

Truth:

1. This has not proven true in Kansas, income tax collections in Kansas were down more than 20% in July 2013 and revenues are down 7.1% on the year.
2. If only lower taxes create jobs, then jobs would be flooding into Missouri because Missouri has the 5th lowest per capita tax rates in the country.
3. Businesses want an educated and highly trained workforce as well as a state-of-the-art infrastructure. However, Missouri ranks 46th in the percentage of state aid going to schools and Missouri has more roads than many states in the country yet spends some of the lowest amounts on transportation funding.
4. States are responsible for providing for public safety, transportation, and education. Missouri schools are quickly becoming dependent on local taxpayers because the General Assembly cannot keep their fiscal house in order. This passes the burden to local taxpayers to make up for the failures of our leaders in Jefferson City.