

"Fair Tax" ISN'T FAIR for Missouri Families



*Can YOUR Family Afford
Hundreds More in Taxes?*

partnership for
CHILDREN
Focusing Greater Kansas City's Energy on Children & Youth

THE FAIR TAX WILL COST MISSOURI FAMILIES WITHOUT GENERATING ANY NEW REVENUE

Overview

The Fair Tax Proposal would raise taxes on 95% of Missouri Families without generating any new revenue. In order to replace the revenue lost as a result of eliminating corporate and individual income tax, the increased tax rate would have to be at least 11% of nearly ALL goods and services—many of which are not currently taxed.

Here's a look at how the Fair Tax would impact one average Missouri family of four — the Jones — by increasing taxes on child care, health care, education, and many other basic needs.



EDUCATION

The new tax would be expanded to cover private school tuition, where the Jones send their oldest son.

K-12 Tuition: \$12,000/year

Total New Tax: \$1,320

Health Care

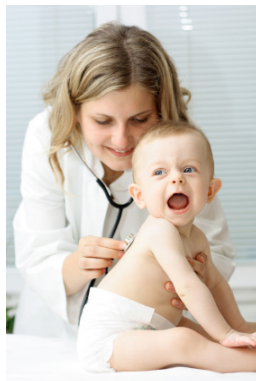
All health care services would begin to be taxed, including check-ups and emergency services.

Cost of Emergency Visit when one son falls while climbing a tree: \$3,000

Cost of Orthodontics: \$7,000

Cost of Annual Visits for entire family: \$1,000

Total New Tax on ONLY these services: \$1,210



CHILD CARE

To pay for infant care for their youngest son while both parents go to work, the Jones will have to pay new sales taxes.

Child Care Cost: \$8,000/year

Total New Tax: \$880



BASIC NEEDS

Other items that will begin to be taxed are basic essentials like clothing, food, and utilities.

Clothing Costs Per Year: \$1,500

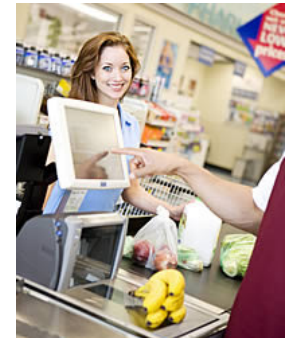
Food Costs Per Year: \$7,200 (\$150/week for a family of 4)

Utility Costs Per Year: \$1,800 (\$150/month)

Total New Tax: \$1,155

TOTAL IMPACT

Using the MO tax calculator developed by the Institute for Taxation and Economic Policy, a Missouri family making \$60,000/year filing jointly with two children would pay an additional \$712 per year in taxes if a broad sales tax replaced their state income tax liability. This tax increase also accounts for the “prebate” the family would receive under the current Fair Tax proposal.



The Fair Tax would raise taxes on 95% of Missouri families, expand taxes on goods and services not currently taxed, and still generate no new general revenue.

Higher Taxes
+
Taxes on *More* Products and Services

= *NO* NEW GENERAL REVENUE?!

1 + 1 = 0 ?



The “Fair Tax” Just Doesn’t Add
Up For Missouri’s Families