

What Kind of State Do YOU Want Missouri to Be?



A state that puts **KIDS FIRST** or **CUTS FIRST**?

MISSOURI'S CHILDREN:

260 thousand live in poverty.
100 thousand lack health insurance.
318 thousand are alone after school.
12 thousand drop out of school.
7 thousand are abused or neglected.
302 thousand under 6 need child care.

There are *thousands* of reasons to put KIDS before CUTS

MISSOURI RANKS:

49th for child care assistance
49th for tobacco prevention funding
38th for youth smoking
37th for funding K-12 education
36th for access to pre-k
32nd for child poverty

47th for state revenue collected per capita
50th for state tobacco tax

The state budget reflects our collective goals for the future of Missouri. Lawmakers should make budget decisions today that give our state the best possible chance to thrive in the future. That means giving our kids resources and opportunities today that set them on a path to success so they can give back to society later.

Revenue collections have declined dramatically (15%) in the past two years due to the economic recession, causing unprecedented state budget shortfalls and forcing state lawmakers and Governor Nixon to cut \$1.5 billion from the budget since 2008. An additional \$600 million shortfall is projected for FY 2012.

Missouri cannot continue to cut its way out of this budget crisis without sacrificing the health, education, safety, and future potential of the state's 1.4 million children. Governor Nixon and Missouri state lawmakers should pursue a balanced approach to the state's budget problems that includes responsible revenue solutions.

Missouri's children cannot wait.

Every year that we fail to invest in our kids is a generation of lost opportunity.

Missouri Has Several Common-Sense Revenue Options:

- **Implement the Streamlined Internet Sales Tax.** Missouri should modernize the state's existing sales tax law to keep pace with a new economy by extending the sales tax to internet and catalogue purchases. Missouri will lose approximately \$160 million in revenue in 2010, and \$210 million by 2012, by failing to collect this tax that should already be paid by cyber store fronts. Taxing internet sales would also level the play field between online retailers and Missouri's main street shops that already collect the state sales tax. 23 states, including Missouri's neighbors, Kansas, Iowa, Nebraska, Oklahoma and Tennessee have already passed similar legislation.
- **Raise the Tobacco Tax.** After South Carolina raised its state tobacco tax in May 2010, Missouri now has the LOWEST tobacco tax in the country at 17 cents a pack. The national average is \$1.45. Numerous studies show a strong correlation between cigarette tax increases and tobacco cessation among both adults and youth. Missouri has the 46th highest rate (23.1%) of adult smokers and 18.9% of high school students smoke. Smoking caused government expenditures cost Missouri taxpayers an average of \$585 per household every year. Raising the tobacco tax in Missouri would provide much needed revenue to the state as well as reduce smoking related health problems and costs.