

**FOR IMMEDIATE RELEASE**  
**THE LEAGUE OF WOMEN VOTERS OF MISSOURI**  
**August 5, 2010**

The League of Women Voters of Missouri strongly opposes the November 2nd, 2010 ballot issue which would mandate an eventual elimination of the earnings tax in St. Louis and Kansas City unless those cities vote to retain the tax. In addition, it would prohibit any other city from adopting an earnings tax.

The present earnings tax provides one third or more of the general revenue for St. Louis and Kansas City. It pays for essential services such as fire and police protection. Were the tax to be eliminated, the cities would have to find another source of income. The only two that would provide sufficient revenue would be either a large increase in the sales tax or the property tax or a combination of the two.

These taxes would be prohibitively higher for residents and businesses alike. Local sales taxes would rise to over 5% in each city. The great disparity between the present sales tax rate and a likely new one would result in fewer purchases being made by those living both within and outside of the city, hurting retail business drastically and in no way making up for the lost revenue.

If the city chose to increase property taxes instead, the sale of homes would decrease, many residents would move to a more competitive location, construction industries would suffer.

In both cases, the tax burden for residents and business alike would increase because the burden would be spread among fewer people. The resulting negative impact to the communities would have a domino effect.

In the present economic climate, especially one in which cities struggle to survive, eliminating a dependable source of revenue, for no predictable gain, is not logical.

The League of Women Voters of Missouri supports an adequate and balanced tax system to finance necessary governmental services which emphasizes equity and the fair sharing of the tax burden. The tax base should be broad. Communities should continue to rely on the three major tax sources, income, sales and property. Financial stability is an important goal of fiscal policy. The earnings tax meets these criteria. To sustain a representative government, elected officials must be responsible for making fiscal decisions. They are then accountable to the voters for their actions. Therefore, the League of Women Voters of Missouri urges a No Vote on the November 2010 earnings tax ballot issue.

**For more information contact:**

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