



## Letters to the editor, May 4

### **Ensure a robust corporate income tax**

Gov. Jay Nixon recently signed legislation repealing the corporate franchise tax. The tax, which brought in about \$80 million a year, applied only to companies with assets of more than \$10 million. Obviously, this means that the main beneficiaries of this change will be big, multi-state corporations.

The elimination of the franchise tax puts pressure on the state's only other major tax on corporations — the corporate income tax. But Missouri's corporate income tax is riddled with loopholes. Measured as a share of the state's economy, it's the lowest of any state with a corporate income tax.

Because there is no public disclosure of Missouri corporate income tax payments, it's impossible to know whether specific profitable companies are avoiding the Missouri tax. But when companies like Missouri-based Monsanto are paying less than zero in state corporate income taxes nationwide (as was the case in 2010, when Monsanto reported \$1.2 billion in pretax U.S. profits and a nationwide state income tax rebate of \$1 million), it's important to ask questions about the effectiveness of the tax. With the demise of the franchise tax, now is the time to ensure that the corporate income tax is as robust as possible.

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