

POLITICAL FIX

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Missouri income tax repeal makes headway in Senate

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JEFFERSON CITY — A Senate committee set the stage this morning for debate on major changes in the state's tax structure.

On a party-line vote of 4-2, the Governmental Accountability and Fiscal Oversight Committee endorsed a proposed constitutional amendment (SJR29) eliminating the state individual and corporate income taxes.

The money — two-thirds of the state's general revenue — would be replaced by a higher sales tax on a vastly broadened base. Because virtually all sales tax exemptions would be eliminated, everything from K-12 private education and groceries to doctor's visits and prescription drugs would be subject to sales taxes.

How high that tax rate would go is in dispute. Proponents, led by **Rex Sinquefield's** Show-Me Institute, have pegged the rate at no more than 6 percent.

Critics, including the Washington-based Institute on Taxation and Economic Policy, say the rate could be as high as 11.2 percent.

It all depends.

"We're still calculating the rate, because every time you take something out (of the base), it goes up," said the amendment's sponsor, Sen. **Chuck Purgason**, R-Caulfield. He said if his calculations show that the rate would hit 7 percent, he would kill the plan.

"I wouldn't vote for something that's going to cost 10 or 11 percent" in sales taxes, Purgason said.

By the way, Purgason said he was asked to sponsor the amendment by constituents who belong to the national "Fair Tax" coalition.

As for Sinquefield, who has contributed millions of dollars to political candidates the last several years, Purgason said: "I've never met him. He never donated to my campaign."

Purgason is running against Rep. **Roy Blunt** for the GOP nomination to the U.S. Senate.

If the Legislature approves the constitutional amendment, it would go on the November ballot.