



# Lawmakers Give Missourians a Tax Break

Published on *Show-Me Institute* (<https://showmeinstitute.org>)



*By: Patrick Ishmael*

State Lawmakers have cut income taxes for Missourians with a bill that now heads to the desk of Governor Eric Greitens. The House and Senate have passed a compromise version of HB2540, which formerly dealt with a whole host of important tax issues but in the end grappled primarily with individual income tax rate reductions. Formerly over 400 pages, the new version of HB2540 is now fewer than ten pages—and it's a powerful handful of paper.

Specifically, the bill reduces the individual income tax rate by four-tenths of a percent (from 5.9% to 5.5%), paying for that reduction by removing some of the federal tax deductibility that Missouri currently permits. That's progress, but the bill would have been even stronger if language that created a non-refundable earned income tax credit could have been retained. Unfortunately that provision was stripped out late in the Senate debate of the bill after a trigger provision that would have paid for it (pending a Supreme Court case) was put on the chopping block.

Still, the bill as passed is an important one that continues the downward trajectory of the state's individual income tax rate. In truth, it is but another step toward eliminating growth-destroying income taxes in this state, with many steps to go. But that long-term trend doesn't detract from the importance of HB2540's enactment, now and in the future. Congratulations to all the legislative leaders involved in this effort.

## About the Author



*Patrick Ishmael  
Director of Government Accountability*

*Patrick Ishmael is the director of government accountability at the Show-Me Institute.*

## Read Online

<https://showmeinstitute.org/blog/taxes-income-earnings/individual-income-tax-cut-passes-legislature>

## Links

[1] <https://showmeinstitute.org/blog/taxes-income-earnings/individual-income-tax-cut-passes-legislature>

## Mission Statement

Advancing liberty with responsibility by promoting market solutions for Missouri public policy.

## Show-Me Institute

5297 Washington Place      3645 Troost Avenue  
Saint Louis, MO 63108      Kansas City, MO 64109  
Phone: (314) 454-0647      Phone: (816) 287-0370  
Fax: (314) 454-0667

Email: [info@showmeinstitute.org](mailto:info@showmeinstitute.org)

## Support Our Work

The Show-Me Institute is a tax-exempt 501(c)(3) nonprofit organization. Make your tax deductible contribution today: <http://ShowMeInstitute.org/donate>