



2024 MISSOURI TAX LANDSCAPE



2024
MISSOURI
TAX LANDSCAPE

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Introduction

This booklet was produced by the Show-Me Institute to provide an overview of the tax landscape in Missouri. Missouri has numerous state and local taxes used by governments to fund a variety of operations. All taxes play a part in shaping the economy, so a clear understanding of Missouri's taxes can provide some insights into the state of Missouri's economy. All tables and figures contain the latest data as of July 2024.

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Section One

**Missouri Economic
Overview**



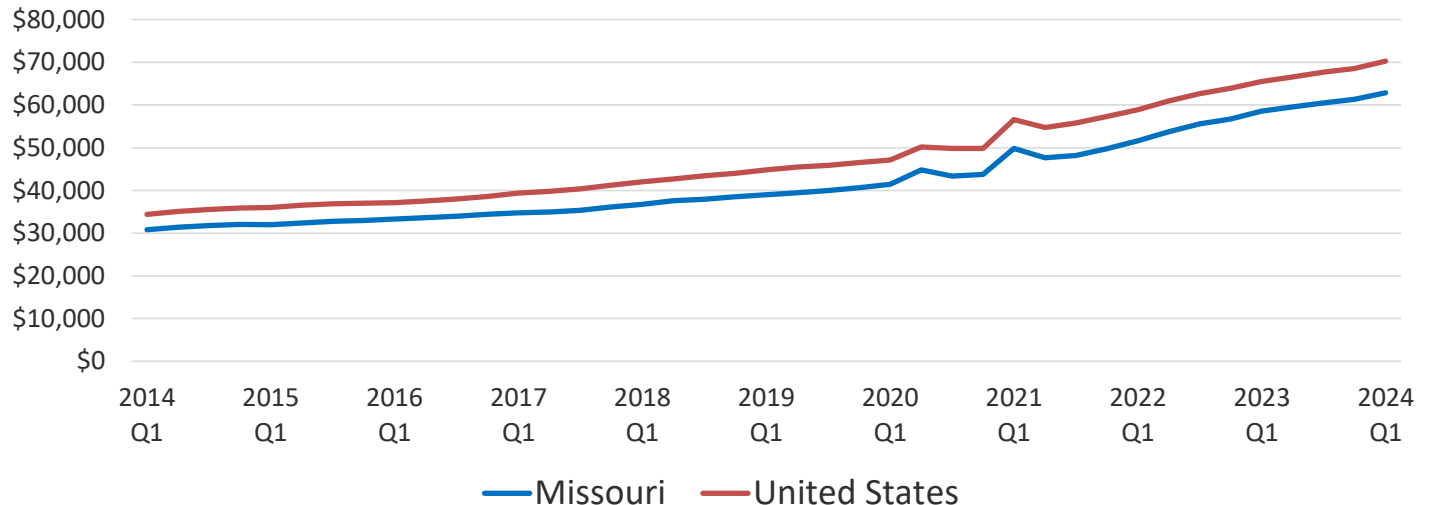


In recent years, Missouri's economy has grown more slowly than those of the surrounding states and that of the nation as a whole. This section presents a broad picture of Missouri's economy, including common economic indicators and details about Missouri's workforce.

Per-Capita Income

Per-capita personal income is the total personal income earned in a region divided by the total population of that region, resulting in the amount of personal income per individual. Although Missouri's per-capita personal income has increased steadily over the last 10 years, it remains below the national level, and the gap between Missouri and the nation as a whole has increased. In the first quarter of 2024, Missouri's per-capita income was \$62,857 while the national per-capita income was \$70,275.

Missouri and U.S. Per-Capita Personal Income



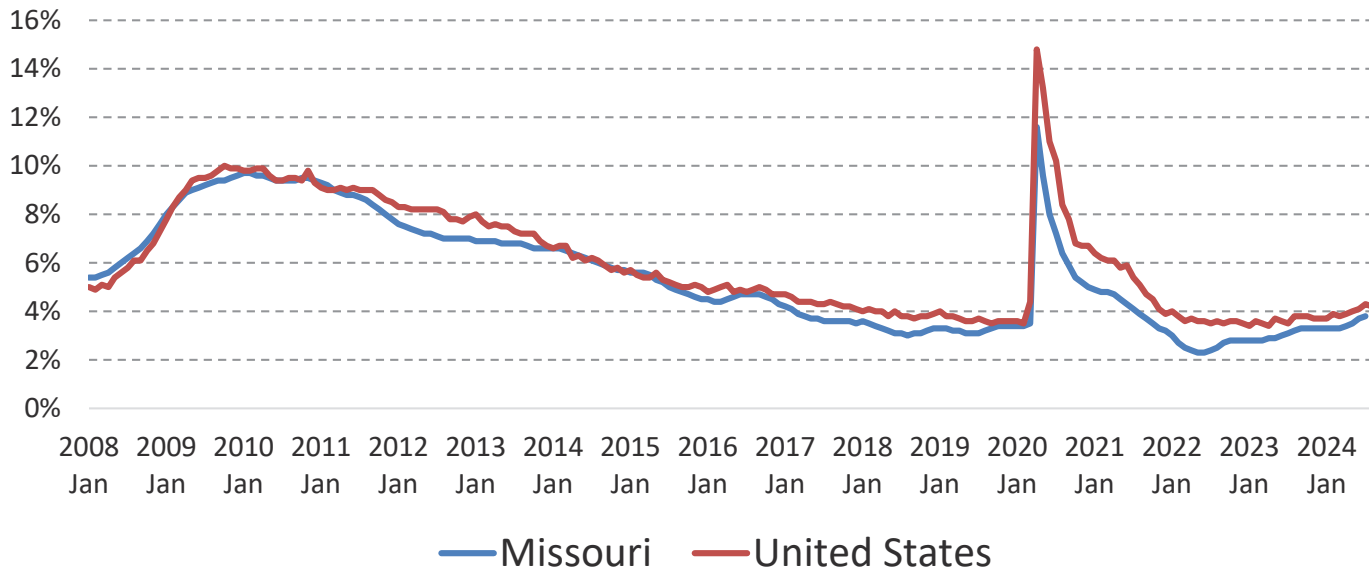
Note: Per-capita personal income is total personal income earned in the region divided by total quarterly population estimates. These numbers are adjusted for inflation to January 2024.

Sources: U.S. Bureau of Economic Analysis, "SQINC1 State quarterly personal income summary: personal income, population, per capita personal income." <https://tinyurl.com/5c469k5v>.

Unemployment Rate

Missouri's unemployment rate is the percentage of the Missouri labor force that is jobless. The labor force includes all those that are willing and able to work, so it does not include retired individuals, students, or others who are neither working nor seeking work. During the COVID-19 pandemic, Missouri's unemployment rate spiked to 11.6%

Missouri and National Unemployment Rate, January 2008 to July 2024

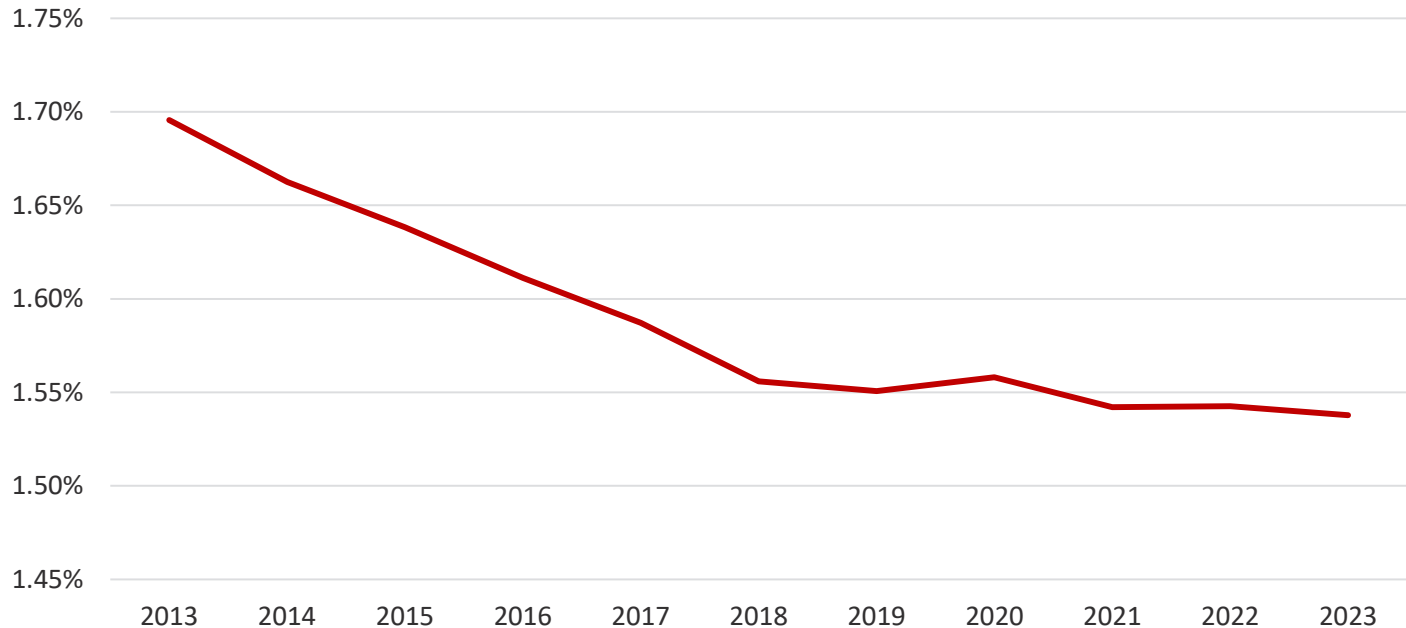


Sources: U.S. Bureau of Labor Statistics. Labor Force Statistics from the Current Population Survey. <http://data.bls.gov/dataViewer/view/timeseries/LNS14000000>. U.S. Bureau of Labor Statistics. Local Area Unemployment Statistics. <http://data.bls.gov/dataViewer/view/timeseries/LASST2900000000000003>.

Growth Rate

Missouri's share of the national GDP has been decreasing over the last decade, indicating that other states are outpacing our contributions to the national GDP. Missouri's Real GDP Compound Annual Growth Rate has been much lower than those of surrounding states in the last decade.

Missouri's Share of the National GDP



Note: This value is calculated by dividing Missouri's real GDP by the national real GDP. Real GDP values are in millions of chained 2017 dollars, meaning they are adjusted for inflation over time with 2017 as the base year.

Source: U.S. Bureau of Economic Analysis. Real GDP by State: All industry total (Millions of chained 2017 dollars). <https://tinyurl.com/yptv77ph>.

Real GDP Compound Annual Growth Rate of Missouri and Surrounding States

Region	Real GDP 2023 (in millions)	Real GDP Compound Annual Growth Rate, 2013 to 2023
United States	\$22,376,906.00	2.3
Illinois	\$140,784.70	1.6
Tennessee	\$875,568.80	1
Missouri	\$200,442.30	1.6
Oklahoma	\$182,349.60	1.9
Kentucky	\$225,234.60	1.4
Iowa	\$344,115.40	1.3
Kansas	\$144,182.90	2.6
Nebraska	\$201,658.80	1.4
Arkansas	\$425,409.70	2.9

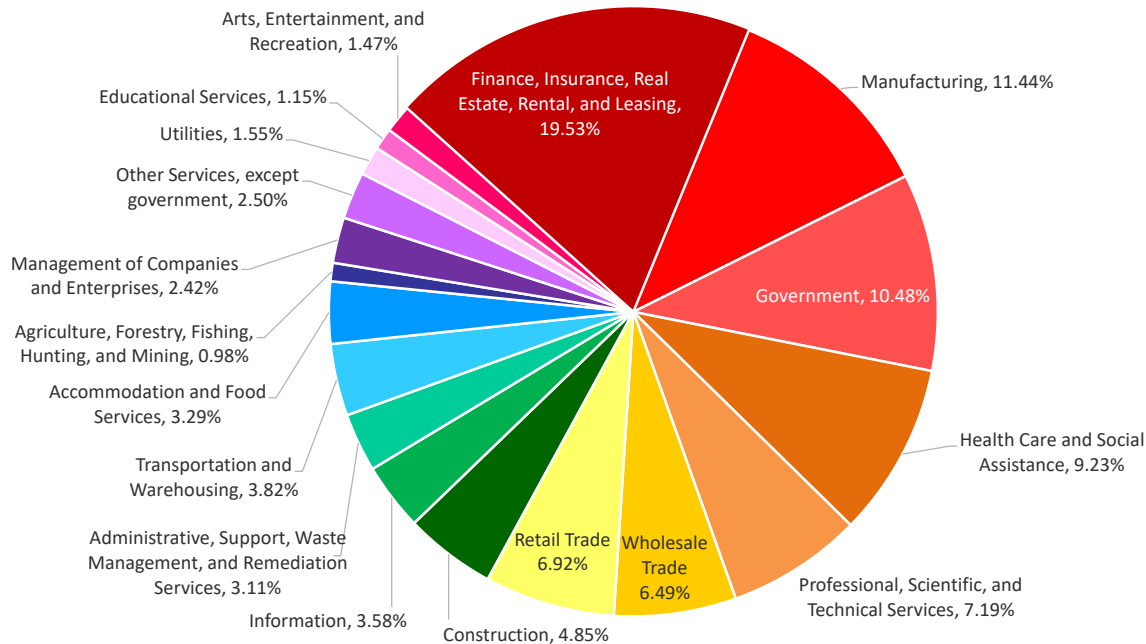
Note: Real GDP values are in millions of chained 2017 dollars, meaning they are adjusted for inflation over time with 2017 as the base year. Compound annual growth rate (CAGR) is a calculated rate helpful when looking at growth over time. Though GDP growth varies, the CAGR provides a calculated rate as if the growth had occurred at a steady rate during the period.

Sources: U.S. Bureau of Economic Analysis. *Real GDP by State: All industry total (Millions of chained 2017 dollars)*. <https://tinyurl.com/26rvbru4>. U.S. Bureau of Economic Analysis. *Real GDP by State: All industry total (Compound annual growth rate between any two periods)*. <https://tinyurl.com/66fryazj>.

Gross Domestic Product Composition

Missouri's total gross domestic product (GDP) is the combined value of the final goods and services from all the sectors of the economy. Finance, insurance, real estate, rental, and leasing was the sector that made up the largest portion—19.5% of Missouri's economy in Quarter 1 of 2024.

Percentage of Missouri Gross Domestic Product by Sector: 2024 Quarter 1



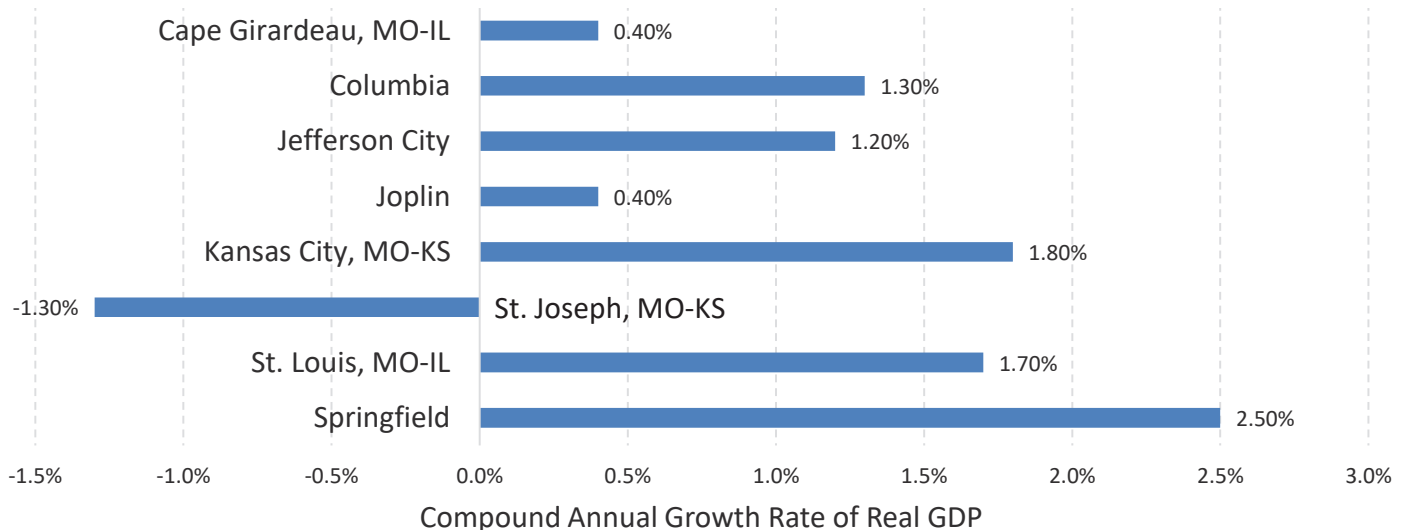
Note: Percentages calculated by author using data from the Bureau of Economic Analysis. GDP numbers used are in current dollars. Industry detail is based on the 2017 North American Industry Classification System (NAICS).

Source: Bureau of Economic Analysis. "Gross Domestic Product (GDP) by State." <https://tinyurl.com/32mupnbe>.

Metropolitan Statistical Area Growth

Metropolitan statistical area (MSA) is a term used by the U.S. government to describe a city and surrounding areas, with the urbanized area having a population of 50,000 or more. Missouri has eight MSAs throughout the state, and their real GDP growth provides insight into economic conditions across the state.

Compound Annual Growth Rate of Real GDP, Missouri Metropolitan Statistical Areas: 2017 to 2022



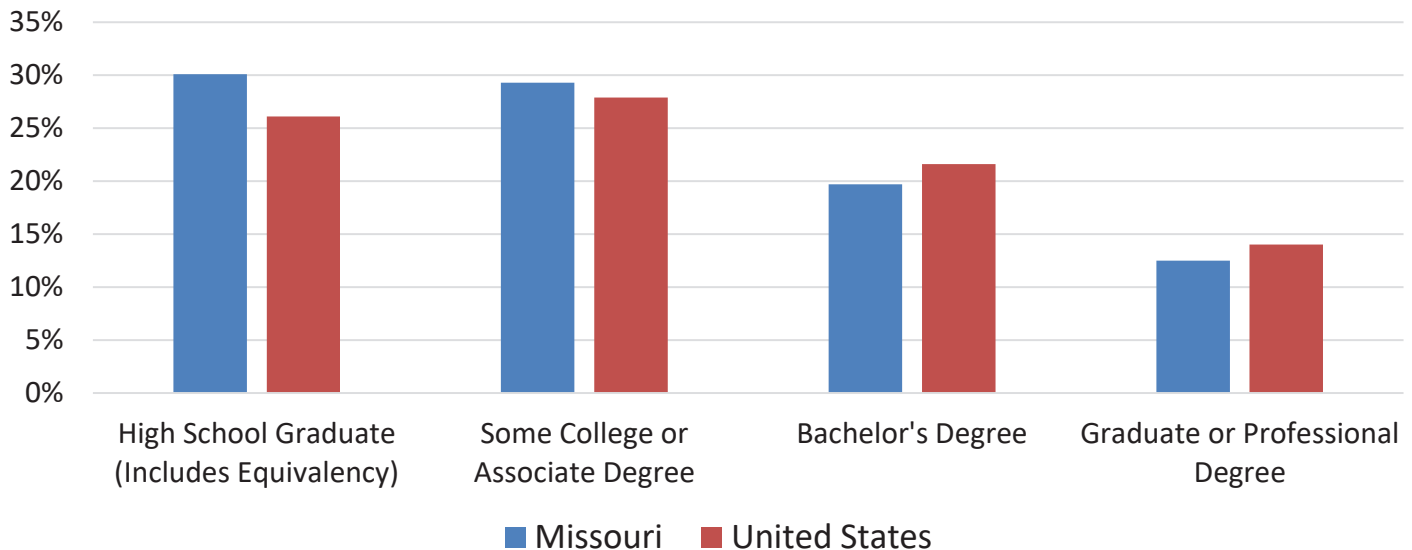
Notes: Some MSAs cross state lines, indicated by the inclusion of the states in the label. Real GDP numbers include areas in the whole MSA. Real GDP numbers are in chained 2017 dollars, meaning they are adjusted for inflation over time with 2017 as the base year. Compound annual growth rate (CAGR) is a calculated rate helpful in looking at growth over time. Though GDP growth varies, the CAGR provides a calculated rate as if the growth had occurred at a steady rate during the period.

Source: Bureau of Economic Analysis "Real GDP by County and Metropolitan Area." <https://tinyurl.com/yc7neyum>.

Age and Education of Workforce

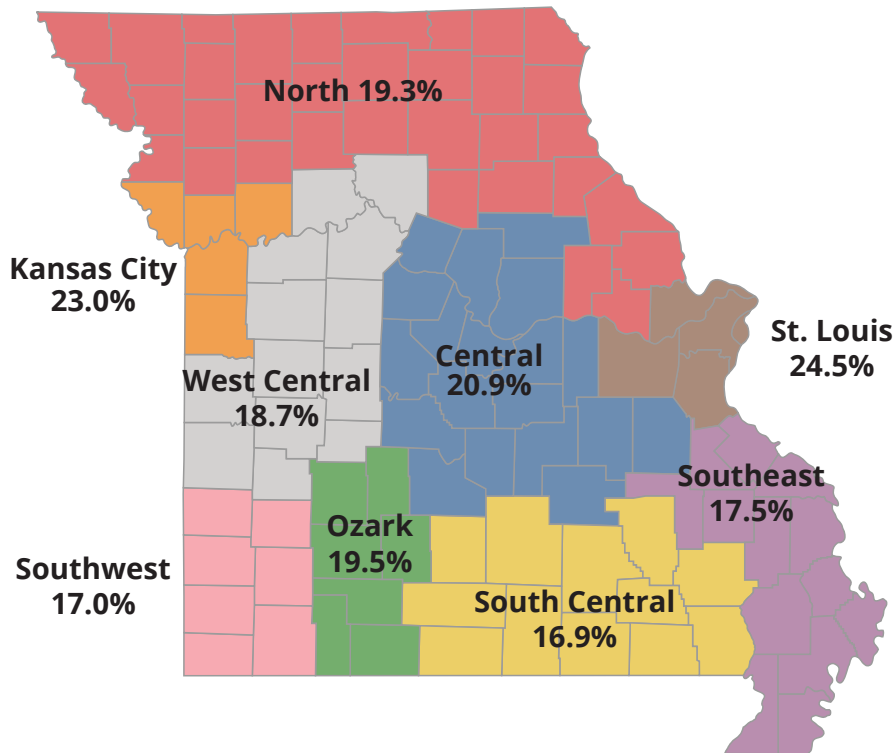
A little over 90% of Missouri adults 25 years and older have a high school diploma or higher degree. However, Missouri falls below the national average for the percentage of this population with bachelor's degrees and graduate or professional degrees. Just over 30% of Missourians have a bachelor's degree or higher.

Educational Attainment of Missouri's Population 25 and Older, 2022



Source: United States Census Bureau. 2022 American Community Survey 1-year estimates. <https://data.census.gov/table?q=DP02&g=010XX00US>.

Percentage of the Population 25 and Older with Bachelor's Degrees or Higher by Region: 2023



Note: The regional divisions of Missouri follow the divisions used by the Missouri Economic Research and Information Center.

Source: Missouri Economic Research and Information Center. "Regional Profiles." See right box under WIOA County Demographics and select Excel County Demographics Source: <https://meric.mo.gov/regional-profiles>.

Section Two

State Taxes



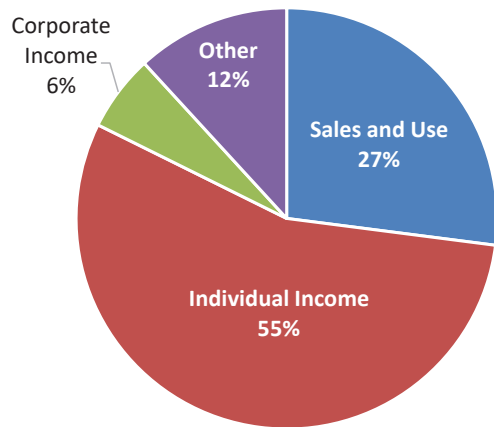


Several taxes are implemented at the state level in Missouri. This section looks at the three types of taxes that bring in the most revenue for the state.

State Tax Revenue Composition

Missouri collects a number of state taxes, including individual income, sales and use, and corporate income taxes.

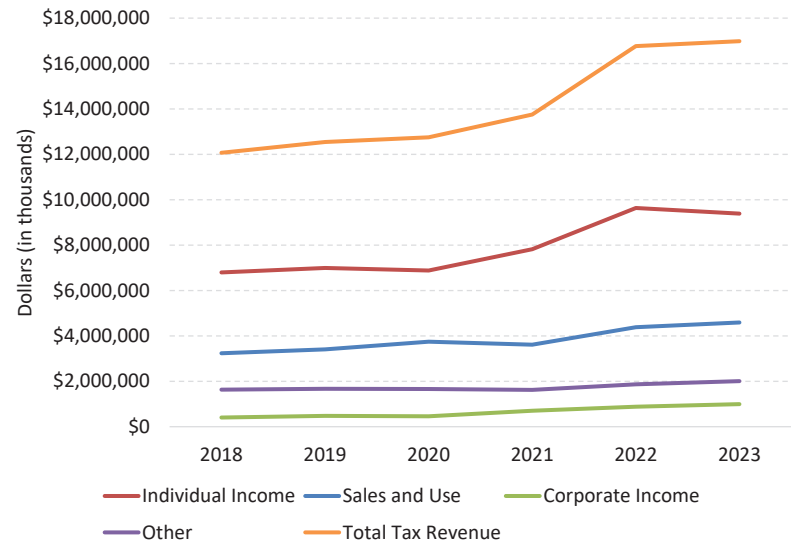
Missouri Tax Revenue by Source: 2023



Note: Percentages are the percentage of total tax revenue for fiscal year 2023.

Source: Missouri Comprehensive Annual Financial Report 2023. Missouri Office of Administration, Division of Accounting. <https://acct.oa.mo.gov/media/report/annual-comprehensive-financial-report-fiscal-year-ended-june-30-2023>.

Missouri Tax Revenues: 2018 to 2023

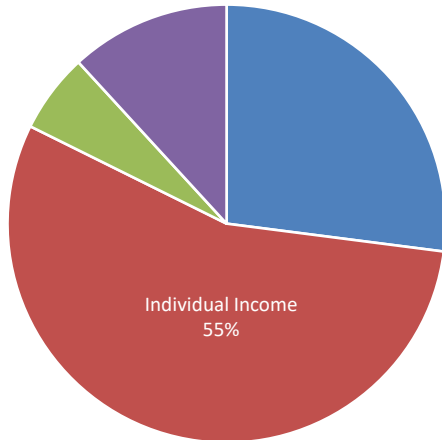


Source: Missouri Comprehensive Annual Financial Report 2018–2023. Missouri Office of Administration, Division of Accounting. <https://oa.mo.gov/accounting/reports/annual-reports/annual-comprehensive-financial-reports>.

Individual Income Tax

Missouri taxes income earned by individuals in the state. Missouri's individual income tax is a progressive tax, meaning that the tax increases as the amount of taxable income increases, but the highest tax bracket begins at a very low income level. In 2023, Missouri collected over \$9.3 billion from individual income taxes. The Missouri individual income tax is being reduced from 4.8% to 4.7% on January 1, 2025.

Missouri Tax Revenue by Source: 2023



Source: Missouri Comprehensive Annual Financial Report 2023. Missouri Office of Administration, Division of Accounting. <https://acct.oa.mo.gov/medial/report/annual-comprehensive-financial-report-fiscal-year-ended-june-30-2023>.

Missouri Individual Income Tax Rates: 2024

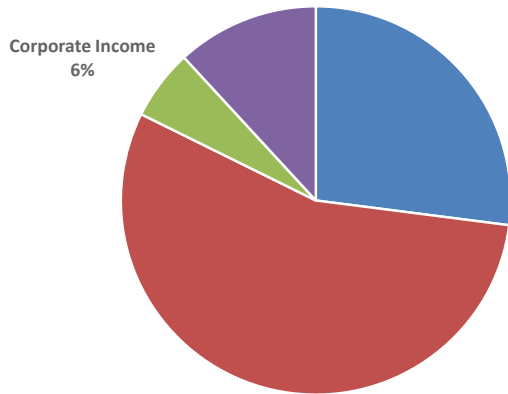
If the Missouri taxable income is...	the tax is...
\$0 to \$1,207	\$0
Over \$1,207 but not over \$2,414	2.00% of excess over \$1,207
Over \$2,414 but not over \$3,621	\$24 plus 2.50% of excess over \$2,414
Over \$3,621 but not over \$4,828	\$54 plus 3.00% of excess over \$3,621
Over \$4,828 but not over \$6,035	\$90 plus 3.50% of excess over \$4,828
Over \$6,035 but not over \$7,242	\$132 plus 4.00% of excess over \$6,035
Over \$7,242 but not over \$8,449	\$180 plus 4.50% of excess over \$7,242
Over \$8,449	\$234 plus 4.8% of excess over \$8,449

Source: Missouri Department of Revenue. <https://dor.mo.gov/taxation/individual/tax-types/incomelyear-changes/>.

Corporate Income Tax

A tax levied on a corporation's taxable income is a corporate income tax. Missouri's corporate income tax rate was 6.25% from 1993 to 2019. In 2020, Missouri's corporate income tax rate was lowered to 4% of taxable income.

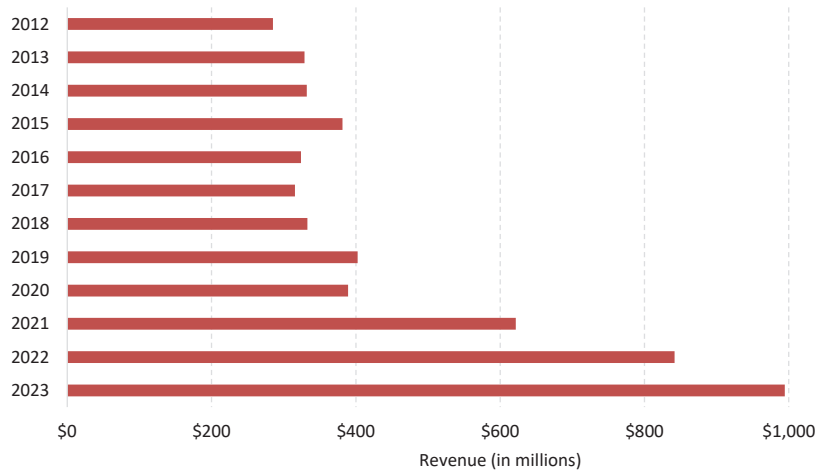
Missouri Tax Revenue by Source: 2021



Note: Percentage is the percentage of total tax revenue for fiscal year 2023.

Source: *Missouri Comprehensive Annual Financial Report 2023*. Missouri Office of Administration, Division of Accounting. <https://acct.oa.mo.gov/medialreport/annual-comprehensive-financial-report-fiscal-year-ended-june-30-2023>.

Missouri Corporate Income Tax Revenues: 2012 to 2023



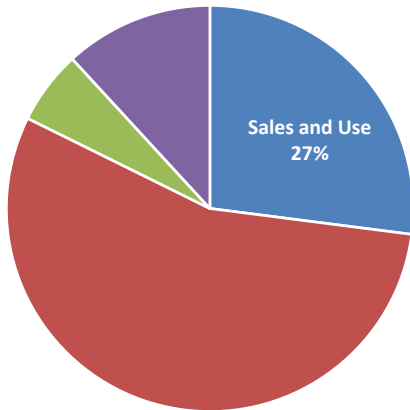
Note: These numbers are adjusted for inflation to 2023 dollars.

Source: *Missouri Comprehensive Annual Financial Reports, 2012–2023*. Missouri Office of Administration, Division of Accounting. <https://oa.mo.gov/accounting/reports/annual-reports/comprehensive-annual-financial-reports>.

Sales Tax

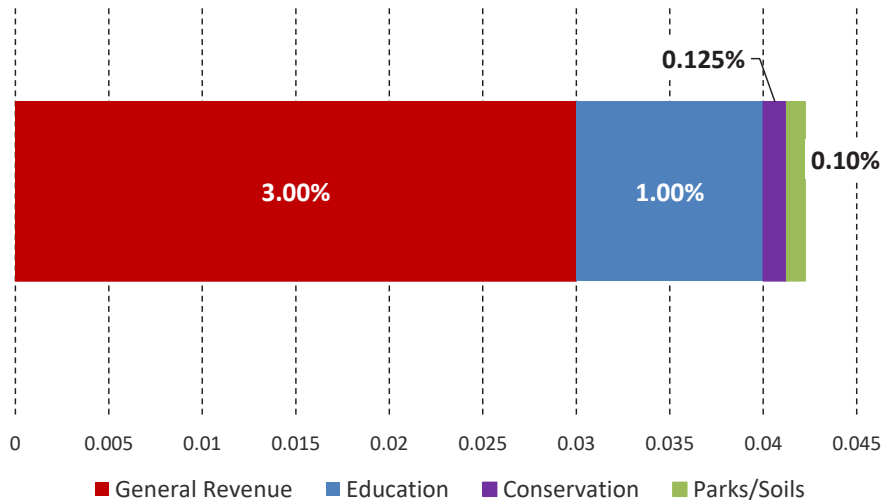
Sales and use taxes are often grouped together as they are in Missouri's financial documents. In 2021, Missouri was the last state to establish an online use tax (known as the Wayfair tax). The state and local jurisdictions can now collect this tax from remote sellers. The state's sales and use tax rate is 4.225%, which is distributed into four different funds.

Missouri Tax Revenue by Source: 2023



Note: Percentage is the percentage of total tax revenue for fiscal year 2023.

Missouri Sales and Use Tax Revenue Distribution



Note: These categories indicate separate funds to which the tax revenue is distributed. These revenue distribution percentages are statutory provisions, found within Chapter 144 of the Revised Statutes of Missouri, and do not change from year to year. However, since the provisions stipulate percentages, the actual dollar amount distributed to the different funds will vary as tax collection varies.

Sources: Missouri Department of Revenue. "Sales/Use Tax." <https://dor.mo.gov/business/sales/> ; Office of the Missouri Governor. "Governor Parson Signs Wayfair Legislation into Law." <https://governor.mo.gov/press-releases/archive/governor-parson-signs-wayfair-legislation-law/>; Missouri Comprehensive Annual Financial Report 2023. Missouri Office of Administration, Division of Accounting. <https://tinyurl.com/bdhnmr7h2>.

Section Three

Local Taxes



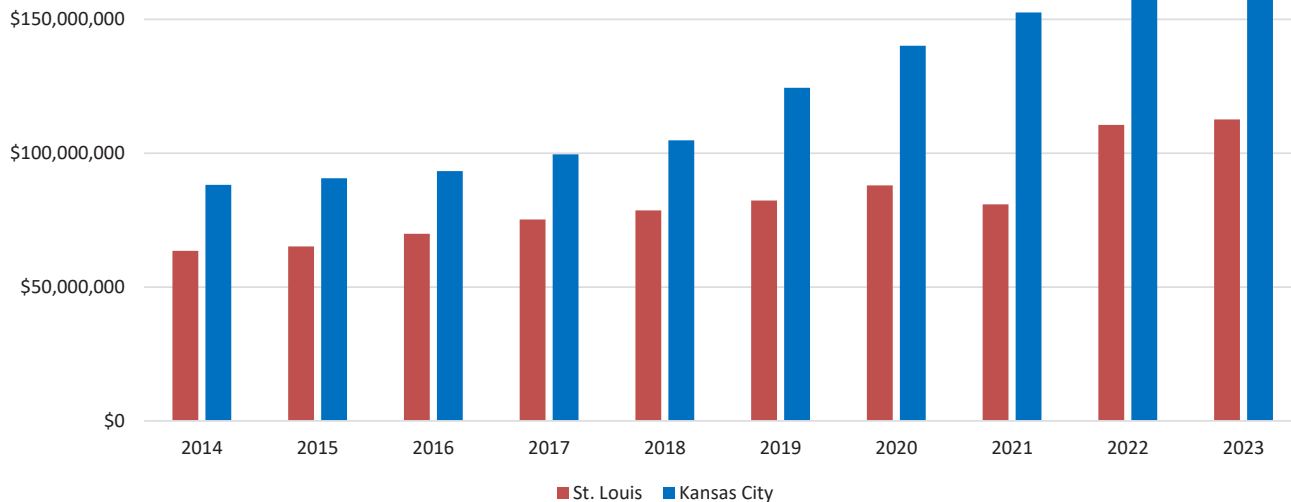


Taxes can be imposed at the local level by counties, cities, and other political subdivisions. In particular, property and sales taxes are imposed at the local level in Missouri. This section covers a variety of local taxing jurisdictions.

Property Taxes

Property taxes are imposed on the assessed value of property and can be imposed by counties, cities, and other political subdivisions. Political subdivisions include school districts, library districts, community improvement districts, and many others. The property tax rate paid by Missouri citizens is often a combination of multiple rates from various taxing jurisdictions, and rates can vary greatly across the state. There are taxes on both real and personal property. Real property taxes are imposed on land and buildings, and personal property taxes are imposed on things like cars and boats.

Property Tax Revenues, City of St. Louis and Kansas City: 2014 to 2023



Note: These numbers are adjusted for inflation to 2023 dollars.

Sources: *Comprehensive Annual Financial Reports 2012–2021. City of St. Louis, Missouri.* <https://www.stlouis-mo.gov/government/departments/comptroller/documents/Historical-CAFR-Archive.cfm>; *Comprehensive Annual Financial Reports 2012–2021. City of Kansas City, Missouri.* <https://www.kcmo.gov/city-hall/departments/finance/financial-information-reports-and-policies>.

Kansas City, MO Property Tax Rates

Description	Tax Year 2022 Levy (per \$100 of assessed value)
General Purpose	\$0.6074
Health	\$0.4220
Health Temporary	\$0.1856
Museum	\$0.0168
Debt Service	\$0.4600
Total	\$1.6918

Note: This list only includes property taxes levied by the city. Political subdivisions are not included, so this is not representative of the tax rate for all Kansas City residents.

Source: *City of Kansas City, Missouri. "Property Taxes and Property Tax Rates."* <https://www.kcmo.gov/city-hall/departments/finance/tax-home/property-taxes-and-property-tax-rates>.

Sales Taxes

Localities can impose sales taxes on top of the state sales tax. This can be done through the locality or by creating a special taxing district, discussed on page 22. The Missouri Department of Revenue has published an interactive map that displays the numerous sales tax jurisdictions throughout the state. According to these data, all 114 counties in Missouri impose at least one county sales tax and hundreds of municipalities impose sales taxes. Hundreds of local jurisdictions also have use taxes, and this number has increased since the implementation of the state's online use tax.

Examples of County Sales Taxes

County	Tax Rate
Boone County	1.750%
Callaway County	2.000%
Clay County	1.125%
Greene County	1.750%
Jackson County	1.375%
Jasper County	1.375%
Lafayette County	1.625%
Newton County	1.625%
Ray County	2.500%
St. Charles County	1.725%
St. Louis County	3.513%

Note: Rates are current as of July 2024.

*Missouri Department of Revenue. Sales and Use Tax Lookup.
<https://missouri.ttr.services/#>.*

Examples of Municipality Sales Taxes

Municipality	Tax Rate
Ashland	3.500%
Cape Girardeau	2.750%
Chesterfield	1.000%
Clayton	1.500%
Columbia	2.000%
Independence	2.625%
Jefferson City	2.250%
Joplin	3.125%
Kansas City	3.250%
Kirkville	2.75%
Lee's Summit	2.75%
Springfield	2.125%
St. Charles	2.000%
St. Joseph	3.875%
St. Louis City	5.454%

Note: Rates are current as of July 2024.

Source: Missouri Department of Revenue. Sales Tax Jurisdiction Maps. <https://mogov.maps.arcgis.com/apps/MapSeries/index.html?appid=22cc45ec926e4f94a1f41027b1bedb0e>.

Special Taxing Districts

Generally, a special taxing district is a political subdivision of the state that funds specific improvements or services by imposing additional taxes on top of state, county, and city taxes. Since the start of 2022, over 100 new community improvement districts (CIDs) and transportation development districts (TDDs) have been created.

Note: These numbers only include taxing authorities (including special taxing districts) that levy property taxes. There are many special taxing districts that exclusively levy sales taxes, and those are not included in these numbers.

Source: *The Office of Missouri State Auditor. "2021 Property Tax Report."* <https://auditor.mo.gov/AuditReport/CitzSummary?id=906>.

Selected Taxing Districts that Levy a Property Tax

Type of District	Number of Taxing Authorities
Ambulance Districts	106
Hospitals	11
Nursing Home Districts	30
Public Water Supply District	1
Soil and Water Conservation Subdistricts	27
Drainage and Levee Districts	2
Special Road Districts	206
Municipalities	836
Tax-Supported Public Libraries	84
Townships	283
Fire Protection Districts	413
Sewer Districts	22
Street Light Maintenance Districts	6
Special Business Districts	26
Regional Recreation District	1
Health Centers	90
Special Road District Subdistrict	1
Extension Districts	2
Junior Colleges	12
Museum District	1
School Districts	516
Special School Districts	2
Counties	115
Total	2,793

Selected Examples of New Special Taxing Districts

Type of District	Name	Location	Rate
<i>Community Improvement District</i>			
	City Foundry CID	St. Louis	1.00%
	1st Capitol Drive CID	St. Charles	1.00%
	SGF Sports CID	Springfield	1.00%
	NW 112th Street CID	Kansas City	1.00%
	Bloomfield Crossing CID	Cape Girardeau	1.00%
<i>Transportation Development District</i>			
	Old Town Square TDD	Dardenne Prarie	1.00%
	Southern Hills Shopping Center TDD	Springfield	1.00%
	Lighthouse St. Louis TDD	St. Louis	1.00%
	Big Cedar TDD	Taney County	1.00%

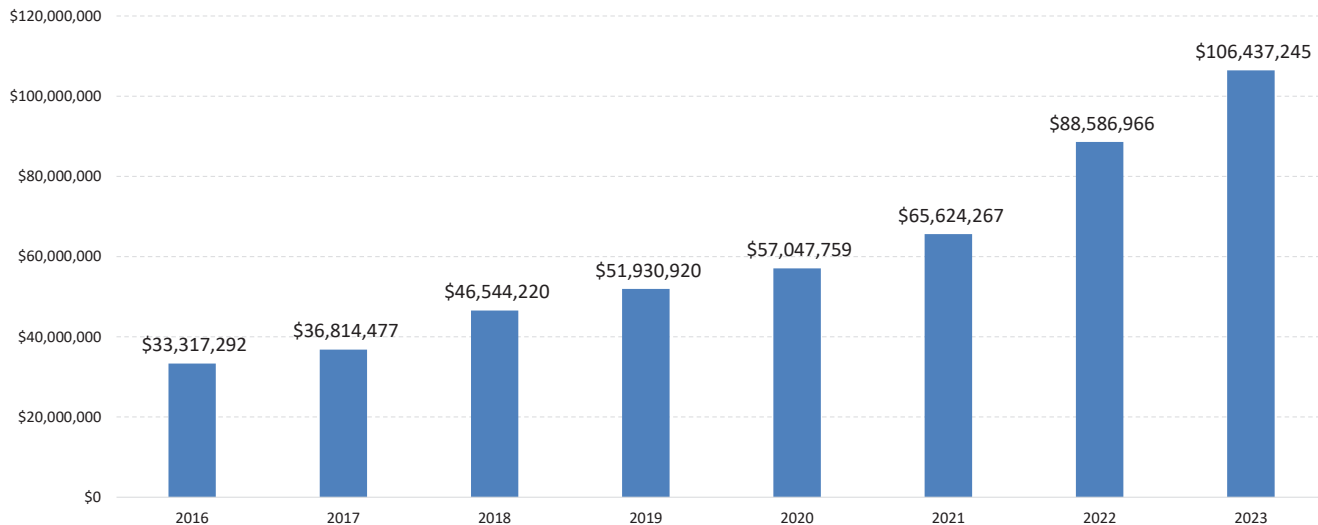
Note: These are examples of special taxing districts that began submitting financial reports to the state Auditor in 2022, 2023, or 2024.

Source: The Office of Missouri State Auditor. "Financial Reports." <https://auditor.mo.gov/LocalGov/SearchPolysubFinancialReports>; Missouri Department of Revenue. Sales and Use Tax Lookup. <https://missouri.ttr.services/#>.

Community Improvement Districts

A community improvement district (CID) is a type of special taxing district that collects revenue within designated boundaries to pay for specific public facilities, improvements, or services. A CID is created by a petition of the property owners within the district's boundaries and must be approved by local municipalities. A CID can be a separate political subdivision that can impose and collect sales taxes up to 1% and/or property taxes up to an amount specified upon the creation of the district. Alternatively, a CID can be created as a nonprofit organization that can collect various fees and rents.

Missouri Community Improvement District Revenues: 2016 to 2023



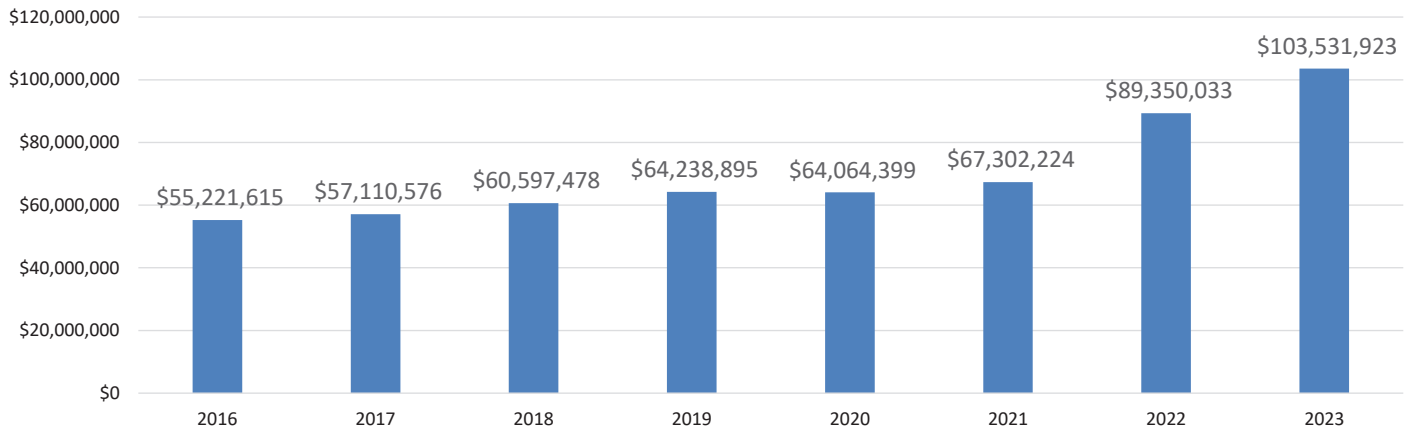
Note: These numbers should be considered estimates, because the source consulted provides an incomplete dataset. These numbers are adjusted for inflation to 2023 dollars. More information on CIDs can be found at <https://showmeinstitute.org/publication/special-taxing-districts/taxes-and-taxing-districts-on-the-rise-in-missouri>.

Source: Missouri Department of Revenue. *Financial and Statistical Reports 2016–2023*. <https://dor.mo.gov/revenue-annual-financial-report/>; RSMo §67.1531-1545; “Local Incentive Programs.” Missouri Department of Economic Development. <https://ded.mo.gov/community/local-programs>.

Transportation Development Districts

A transportation development district (TDD) is a type of special taxing district created to fund one of a wide variety of transportation-related infrastructure projects. The project may "assist the promotion, design, construction, improvement, or operation" of infrastructure such as bridges, streets, parking lots, rest areas, or other amenities. TDDs are separate political subdivisions funded by the imposition of an additional sales tax not to exceed 1% or property tax not to exceed \$0.10 per \$100 of assessed value.

Missouri Community Improvement District Revenues: 2016 to 2023



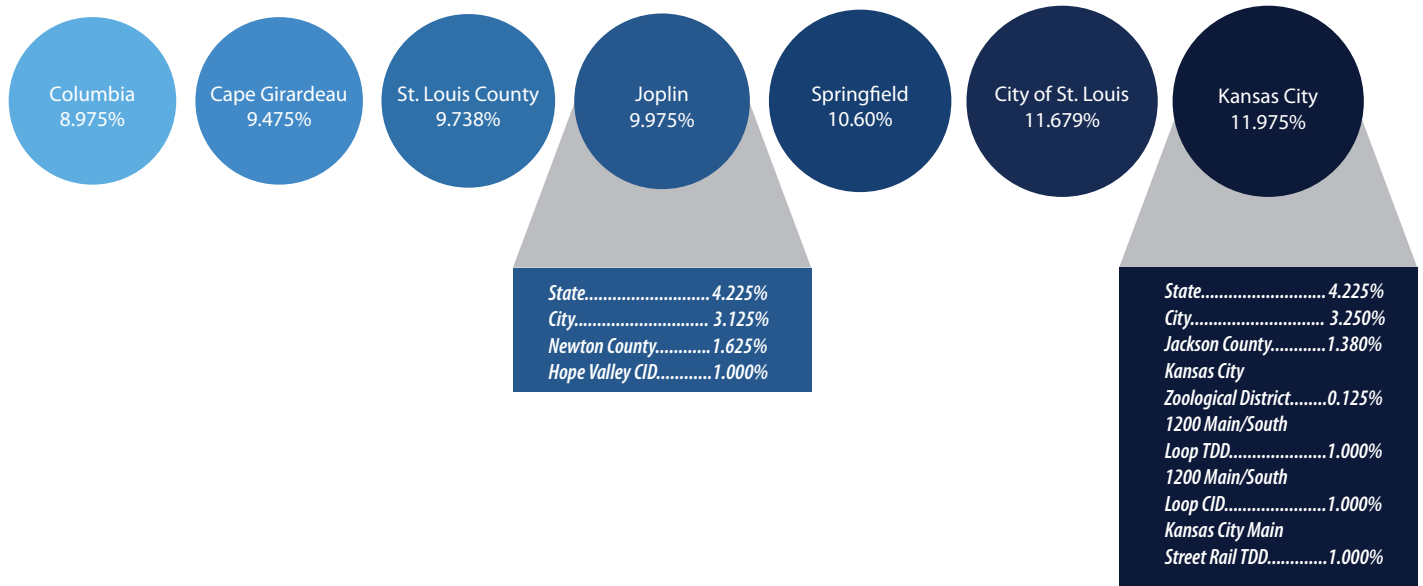
Note: These numbers should be considered estimates as the Missouri Department of Revenue supplies an incomplete dataset. These numbers are adjusted for inflation to 2023 dollars. More information on TDDs can be found at <https://showmeinstitute.org/publication/special-taxing-districts/taxes-and-taxing-districts-on-the-rise-in-missouri/>.

Source: Missouri Department of Revenue. *Financial and Statistical Reports 2016–2023*. <https://dor.mo.gov/revenue-annual-financial-report/>; RSMo §238.232-235; “Local Incentive Programs.” Missouri Department of Economic Development. <https://ded.mo.gov/community/local-programs>.

Combined State and Local Sales Taxes

Consumers ultimately end up paying the combined total of state and local sales taxes. With a state sales tax, local sales taxes, and special taxing districts, consumers can pay a very high combined sales tax in Missouri. The highest combined sales tax rates in Cape Girardeau, Joplin, and Kansas City have increased since September 2020.

Highest Combined Sales Tax Rates in Selected Missouri Locations



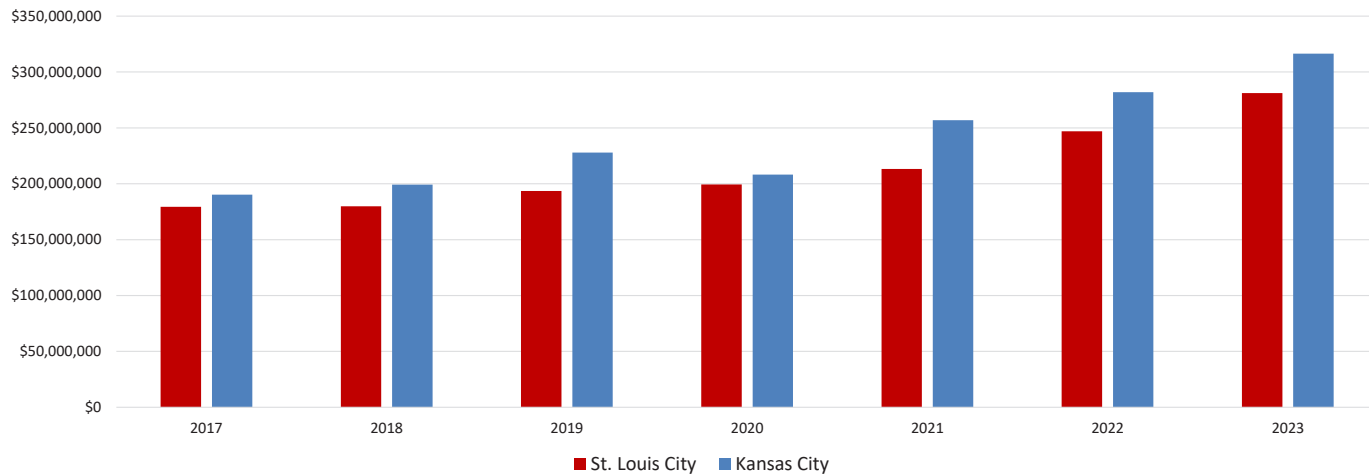
Note: These percentages give the highest possible tax rate within that area. This does not mean that the entire city or county has this tax rate, but that there is at least one area where the combination of taxing jurisdictions produces this sales tax rate.

Source: Missouri Department of Revenue. "July, August, September 2024." <https://dor.mo.gov/pdf/rates/2024/july2024.pdf>.

Earnings Tax

St. Louis City and Kansas City are the only localities in Missouri with an earnings tax. This tax is a 1% tax on the income of those who live or work in these cities. St. Louis also has a 0.5% payroll expense tax, which means that businesses pay a 0.5% tax on wages paid. These taxes provide a substantial portion of the cities' general revenues.

Earnings Tax Revenue Collections, City of St. Louis and Kansas City: 2017 to 2023



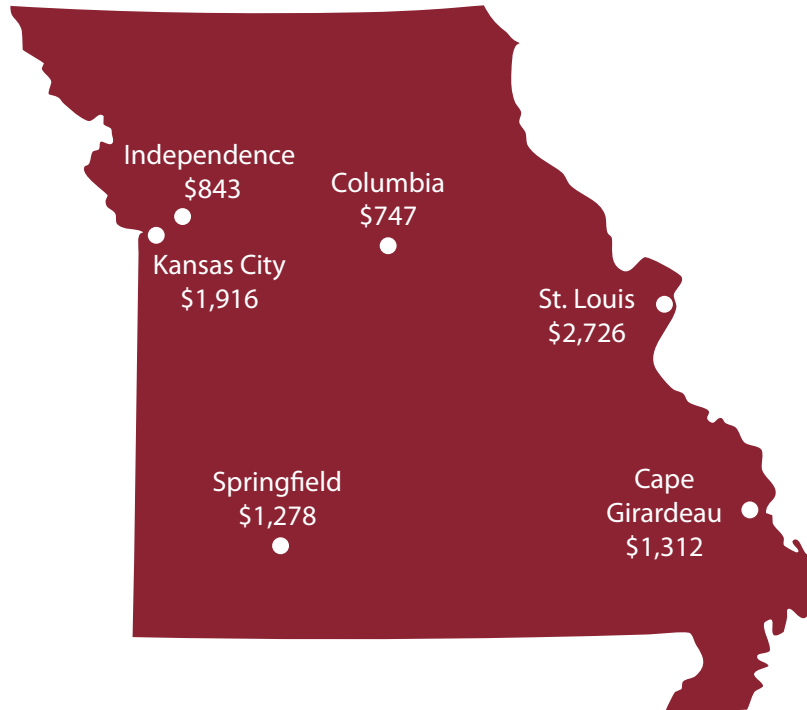
Note: The filing deadline for the earnings tax was delayed by three months in 2020, which may explain much of the decrease in revenue collections in 2020 and the increase in 2021 seen in Kansas City. These numbers are adjusted for inflation to 2023 dollars. More information on local income taxes can be found at <https://showmeinstitute.org/publication/taxes-income-earnings/report-local-income-taxes>.

Sources: *Comprehensive Annual Financial Reports 2017–2023. City of St. Louis, Missouri.* <https://www.stlouis-mo.gov/government/departments/comptroller/documents/Historical-CAFR-Archive.cfm>; *Comprehensive Annual Financial Reports 2017–2023. City of Kansas City, Missouri.* <https://www.kcmo.gov/city-hall/departments/finance/financial-information-reports-and-policies>.

Local Tax Revenues

Tax revenues make up a large portion of total local revenues. Missouri's largest cities collect hundreds of millions from taxpayers each year.

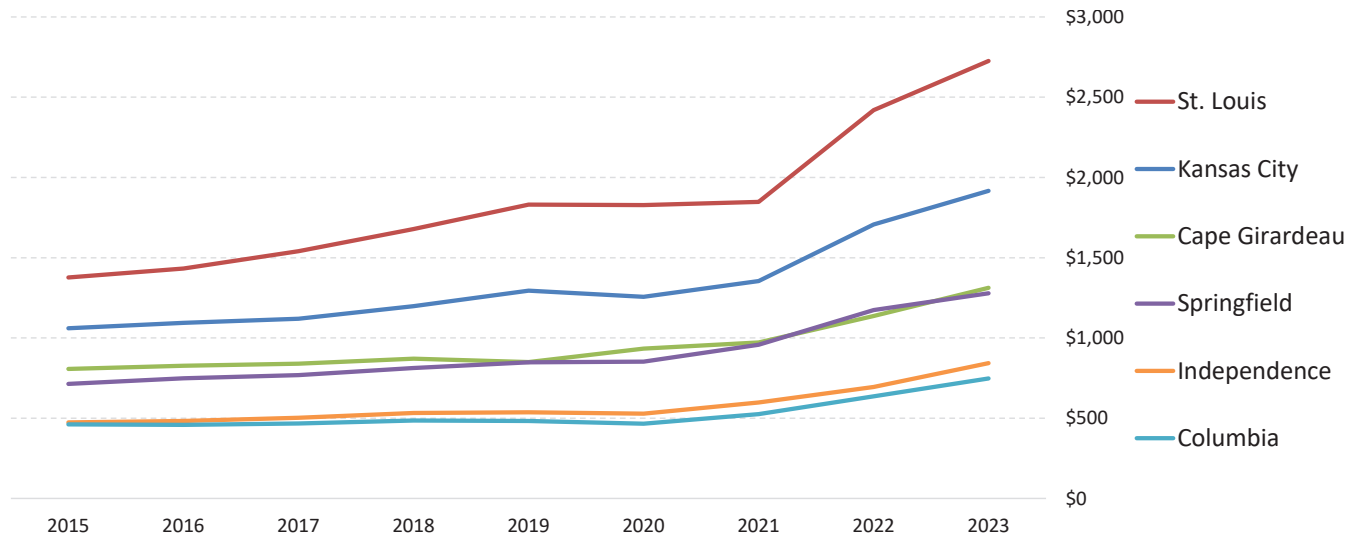
Per-Capita Tax Revenue, Selected Missouri Cities: 2023



Note: Tax revenue per capita was calculated by dividing total tax revenue of each city by population estimates for that city. This is a representation of how much each city would collect per person if it were to collect the same amount from each individual. Tax revenue numbers were adjusted for inflation to 2021 dollars.

Source: 2023 Comprehensive Annual Financial Reports from multiple cities; United States Census Bureau Quick Facts for multiple cities. <https://www.census.gov/quickfacts/fact/table/US/PST045219>.

Per-Capita Tax Revenues, Selected Missouri Cities: 2015 to 2023



Note: Tax revenue per capita was calculated by dividing total tax revenue of each city by population estimates for that city. This is a representation of how much each city would collect per person if it were to collect the same amount from each individual. Tax revenue numbers are adjusted for inflation to 2023 dollars.

Source: *Comprehensive Annual Financial Reports 2015–2020 for multiple cities*; United States Census Bureau. “City and Town Population Totals: 2010–2019.” <https://www.census.gov/data/tables/time-series/demol/popest/2010s-total-cities-and-towns.html>. “City and Town Population Totals: 2020–2023.” <https://www.census.gov/data/tables/time-series/demol/popest/2020s-total-cities-and-towns.html>.

Section Four

Other Taxes



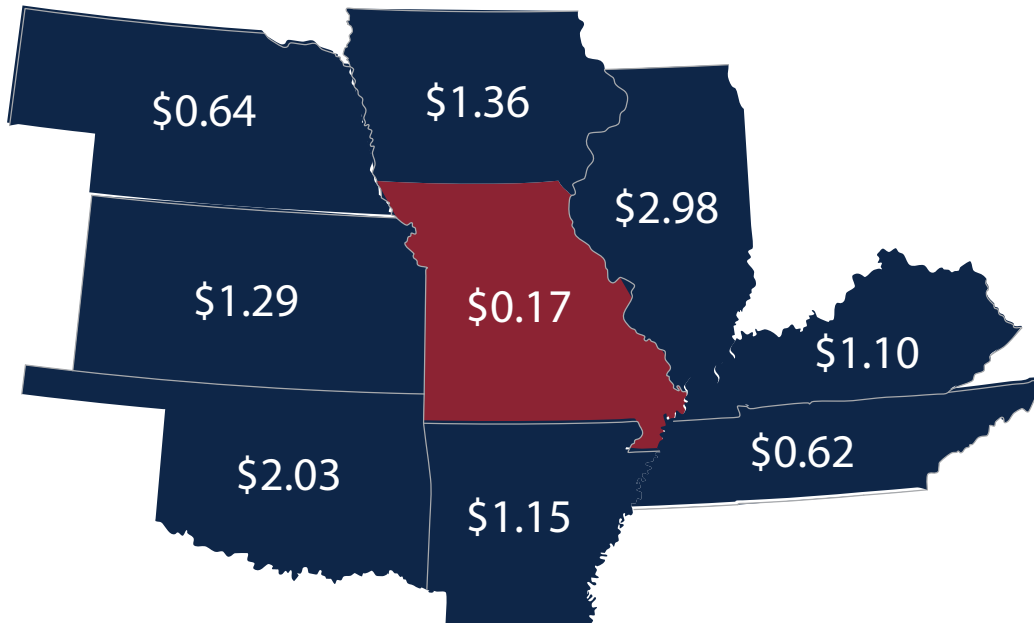


The previous sections of this booklet have overviewed the main types of state and local taxes, but there are many others. This section provides details on a few additional taxes imposed on Missourians.

Cigarette Taxes

Missouri imposes a state tax on cigarettes at 8.5 mills per cigarette, which equals 17 cents per pack of 20 cigarettes, the lowest rate in the nation in 2023. There is also a state tax on other tobacco products of 10% of the manufacturer's invoice price. St. Louis County and Jackson County impose local cigarette taxes of 2.5 mills per cigarette.

Cigarette Taxes for Missouri and Neighboring States: 2023



Source: Federation of Tax Administrators. "State Excise Tax Rates on Cigarettes." <https://taxadmin.org/state-cigarette-excise-tax-rates/>; Missouri Department of Revenue. "Financial and Statistical Report 22." <https://dor.mo.gov/revenue-annual-financial-report/documents/financialstatreport22.pdf>; Missouri Office of Administration, Division of Accounting.

Alcohol Taxes

Missouri imposes state taxes on alcoholic beverages. There are three different tax rates for the three categories of alcoholic beverages. In 2023, Missouri collected over \$42.7 million from this type of tax, up from \$38.9 million in 2021.

Alcohol Taxes, Missouri and Surrounding States: 2023

State	Liquor Tax	Beer Tax	Wine Tax
Arkansas	\$2.50	\$0.23	\$0.75
Illinois	\$8.55	\$0.23	\$1.39
Iowa	n.a.	\$0.19	\$1.75
Kansas	\$2.50	\$0.18	\$0.30
Kentucky	\$1.92	\$0.08	\$0.50
Missouri	\$2.00	\$0.06	\$0.42
Nebraska	\$3.75	\$0.31	\$0.95
Oklahoma	\$5.56	\$0.40	\$0.72
Tennessee	\$4.40	\$1.29	\$1.21

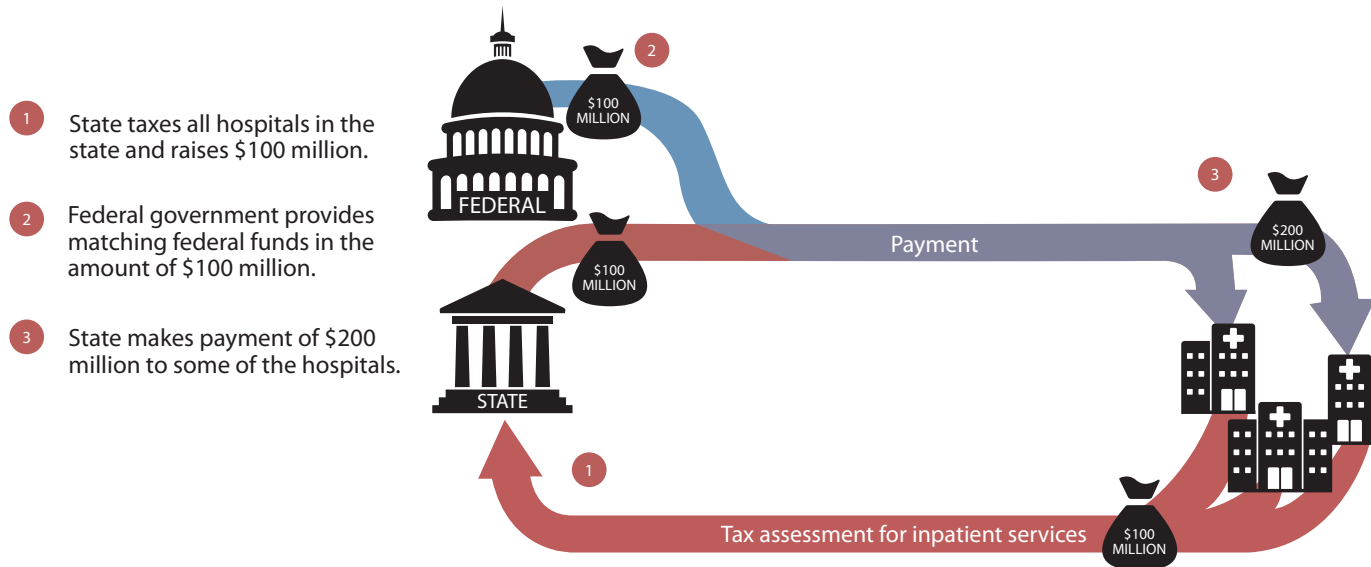
Note: Taxes are per gallon of alcoholic beverage and are as of January 1, 2023. In Iowa, liquor sales are controlled directly by the state government. When there are multiple tax rates per type of alcohol, the source reported rates as follows: *Liquor*: Rate shown is that charged for liquor that is 50% alcohol by volume (ABV) or less. *Wine*: Rate shown is the lowest rate charged for still (as opposed to sparkling) wine. *Beer*: Rate shown is that charged for beer over 3.2% ABV sold as bottles or cans (as opposed to barrels or kegs).

Source: "State Alcohol Excise Taxes." Tax Policy Center. <https://www.taxpolicycenter.org/statistics/state-alcohol-excise-taxes>.

Medicaid Provider Taxes

As government health care programs grow larger as a result of the COVID-19 pandemic and Medicaid expansion, states like Missouri have become increasingly reliant on extra taxes and financing gimmicks to support their programs.

How Missouri Uses Financing Gimmicks to Fund its Medicaid Program

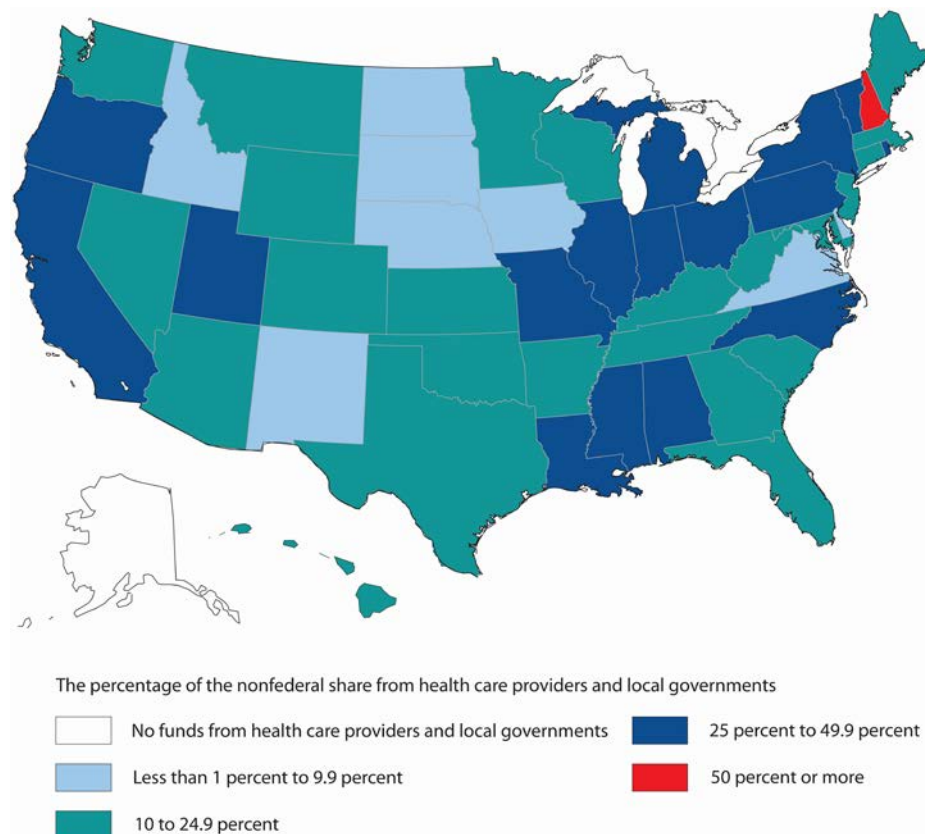


Note: Both federal and state governments are responsible for funding the Medicaid program. As the cost of providing health coverage has increased, it has become more difficult for state to cover its share of Medicaid expenses through sales and income taxes. This pressure has led states and localities to levy additional taxes on providers and residents, respectively. States then use these tax revenues to pay providers, allowing them to receive a larger federal share. This financing gimmick allows states to pay more for Medicaid services than they could otherwise afford by exploiting the federal reimbursement structure.

Source: US Government Accountability Office. <https://www.gao.gov/assets/710/708060.pdf>.

Though Medicaid has consumed more than 40% of Missouri's sales and income tax revenue growth over the past decade, the state is also one of the most reliant in the country on local and provider taxes to cover the program's remaining expenses.

Percentage of the Nonfederal Share of Medicaid Payments from Health Care Providers and Local Governments in Fiscal Year 2018



Note: To support the growing cost of Medicaid, the state of Missouri levies five separate taxes on health care providers and may soon add a sixth. The state currently taxes hospitals, nursing homes, pharmacies, ambulances, and intermediate care facilities for individuals with disabilities. Missouri relies on these extra taxes for approximately one third of the state's portion of Medicaid services, which ranks among the top 10 in the country. As recently as 2012, Missouri lead the nation in Medicaid provider tax reliance, but in the years since Missouri's reliance has fallen while other states have drastically increased their use of these taxes.

Source: U.S. Government Accountability Office. <https://www.gao.gov/assets/gao-21-98.pdf>.

Gas Tax

Missouri previously had the second-lowest gas tax in the country. In 2021, Missouri lawmakers passed a gas tax increase that will increase the tax from 17.42 cents per gallon to 29.5 cents per gallon over five years. The gas tax will increase by two and one-half cents every year.

Missouri Gas Tax Increases 2021 to 2025

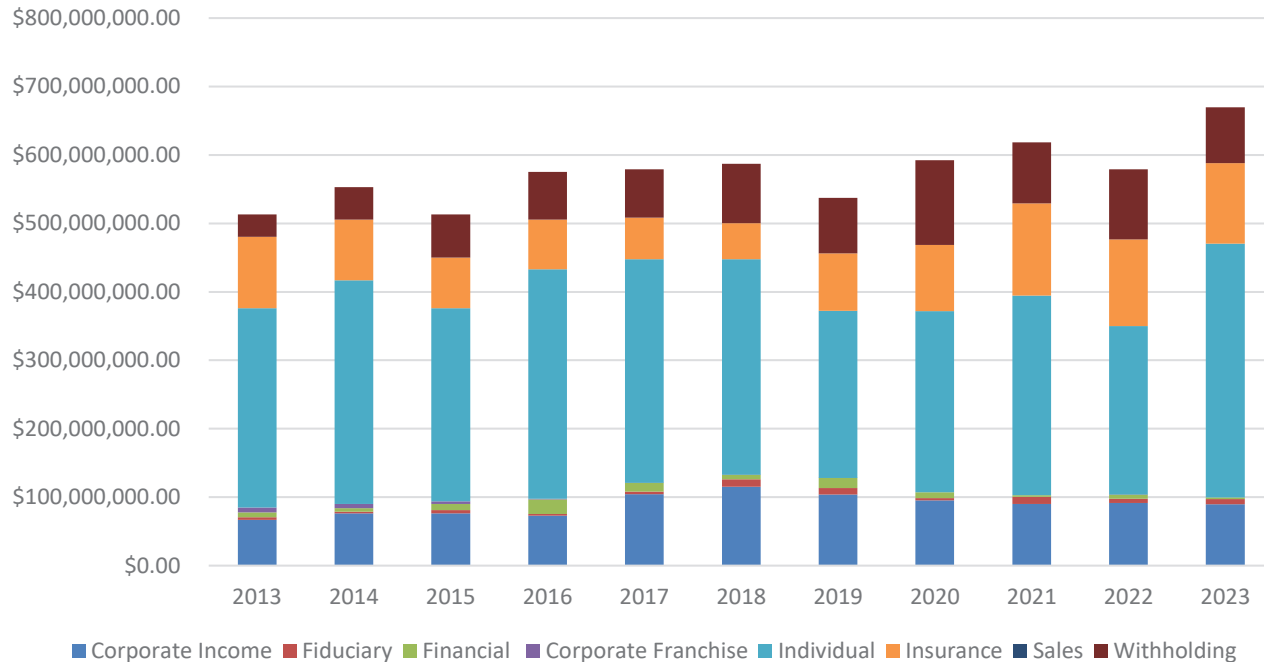
Date	Gas Tax Increases to . . .
10/1/2021	19.5 cents per gallon
7/1/2022	22 cents per gallon
7/1/2023	24.5 cents per gallon
7/1/2024	27 cents per gallon
7/1/2025	29.5 cents per gallon

Source: Missouri Department of Revenue. <https://dor.mo.gov/faq/taxation/business/motor-fuel.html>.

Tax Credit Programs

A tax credit is an amount that taxpayers can subtract from their tax liability. It works as an incentive by offering taxpayers a credit when they meet certain conditions. Missouri offers a variety of tax credits, with 59 different credits listed on the Department of Revenue's website.

Tax Credits Redeemed: 2013 to 2023

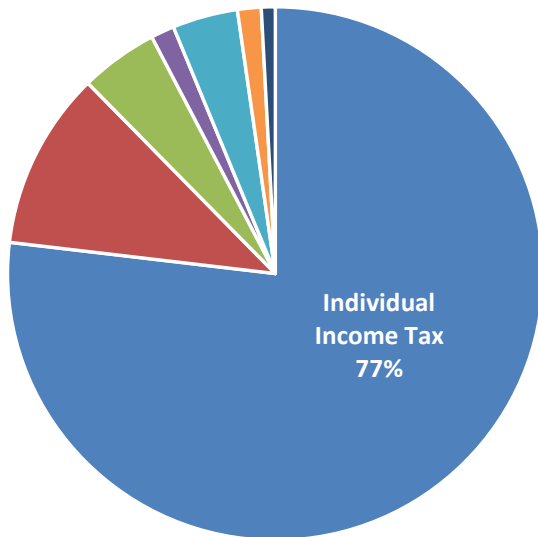


Source: Missouri Tax Credit Reports, 2013–2023. Missouri Department of Revenue. <https://dor.mo.gov/public-reports/>.

Tax Refunds

Tax refunds are taxpayer reimbursements for excess taxes paid. Each year, more than \$1 billion in state tax revenues are refunded to taxpayers. While the vast majority of these refunds are the result of individual income tax overpayments, some of these refunds are tax incentives such as the Senior Citizen Property Tax Credit (or circuit breaker), which do not correspond to state tax payments.

Tax Refunds by Tax Type Fiscal Year : 2023



General Refunds	Millions of Dollars
Individual Income Tax	\$1,243.00
Corporate Inc. & Franchise	\$174.40
Senior Citizen Property Tax	\$76.20
County Foreign Insurance Tax	\$22.90
Sales & Use Tax	\$63.80
Debt Offset Escrow	\$23.10
All Other Sources	\$13.60
Total General Revenue Refunds	\$1,616.90

Source: Missouri House of Representatives. Budget Fast Facts FY 2024.

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