

## HJR 59 -- TAX AND REVENUE DECREASES

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Upon voter approval, this proposed Constitutional amendment prohibits the state of Missouri from decreasing taxes, fees, bestowing monetary grants, or providing other special favorable financial treatment for corporations in this state without voter approval if such an action would produce a loss in annual revenue to the state of Missouri in any amount greater than either \$25 million adjusted annually by the percentage change in the personal income of Missouri for the second previous fiscal year or 1% of the total state revenues for the second fiscal year prior to such action, whichever is less. In the event that an individual or series of tax or fee decreases, monetary grant bestowals, or provisions of special favorable financial treatments for corporations exceeds the limit established in this amendment, the taxes, fees, bestowals, and provisions will be submitted by the state of Missouri to a public vote starting with the largest decrease or benefit provided in a given year, including all decreases or benefits provided in descending order, until the aggregate of the remaining decreases and increases is less than the limit provided in this amendment.

Under this Constitutional amendment, "a loss in annual revenue" means the net decrease in annual revenue produced by the total of all tax or fee decreases, monetary grant bestowals, or provisions of special favorable financial treatments for corporations enacted by the state of Missouri in a fiscal year. Each individual tax or fee decrease, monetary grant bestowal, or provision of favorable financial treatment will be measured by the estimated loss in annual revenues collected during the first fiscal year that such action is fully effective. The term "decrease taxes or fees" means any laws passed by the state of Missouri after the effective date of this amendment that decrease the rate of an existing tax or fee, repeal an existing tax or fee, or narrow the scope of a tax or fee to remove a class of property, activity, or income, but the term will not include a decision not to extend an existing tax or fee that was set to expire.

In the event of an emergency, the state of Missouri may decrease taxes or fees for one year beyond the limit described in this section if:

- (1) The Governor requests the General Assembly to declare an official emergency;
- (2) The request is specific as to the nature of the emergency and the method by which expenses related to the emergency will be

funded; and

(3) The General Assembly thereafter declares an emergency in accordance with the specifics of the Governor's request by a 2/3rds vote of the members elected to and serving in each chamber.

An emergency will be declared in accordance with this amendment prior to decreasing any tax or fee beyond the limit provided under this section as part of the emergency request. The limit described in this amendment may only be exceeded during the fiscal year for which the emergency is declared.

Compliance with the limit provided for in this amendment will be measured by calculating the aggregate actual loss in annual revenues produced in the first fiscal year that each tax or fee decrease, monetary grant bestowal, or provision of special favorable financial treatment for corporations is fully effective.

Any taxpayer or statewide elected official may bring an action under the provisions of the state's Constitution to enforce compliance with the provisions of this amendment. The Missouri Supreme Court will have original jurisdiction to hear any challenge brought by any statewide elected official to enforce this amendment. In such enforcement actions, the court will invalidate the decrease in taxes and fees that should have received a public vote as defined in this amendment. The court will also order such other remedies as it deems appropriate.