



MISSOURI HOUSE OF REPRESENTATIVES
WITNESS APPEARANCE FORM

BILL NUMBER: HB 1516		DATE: 1/31/2024
COMMITTEE: Economic Development		
TESTIFYING: <input checked="" type="checkbox"/> IN SUPPORT OF <input type="checkbox"/> IN OPPOSITION TO <input type="checkbox"/> FOR INFORMATIONAL PURPOSES		
WITNESS NAME		
INDIVIDUAL:		
WITNESS NAME: ARNIE C. "HONEST-ABE" DIENOFF-STATE PUBLIC ADVOCATE		PHONE NUMBER:
BUSINESS/ORGANIZATION NAME:		TITLE:
ADDRESS:		
CITY:		STATE: ZIP:
EMAIL: arniedienoff@yahoo.com	ATTENDANCE: Written	SUBMIT DATE: 1/31/2024 11:39 PM
THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.		

I am in Full-Support of this Bill. Cut the City Earning-Tax!



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WITNESS NAME			
BUSINESS/ORGANIZATION:			
WITNESS NAME: BYRON KEELIN		PHONE NUMBER: 314-402-0655	
BUSINESS/ORGANIZATION NAME: FREEDOM PRINCIPLE MO		TITLE: PRESIDENT	
ADDRESS: PO BOX 15095			
CITY: ST. LOUIS		STATE: MO	ZIP: 63110
EMAIL: freedomprinciplestl@protonmail.com	ATTENDANCE: Written	SUBMIT DATE: 1/31/2024 6:53 AM	

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

My name is Byron Keelin, and I am the President of the Freedom Principle MO. On behalf of our members, we are supporting HB 1516. We believe the best thing the legislature can do is to permanently eliminate the one percent earned income tax for every St. Louis City and Kansas City resident and/or employer. The primary focus of my comments is focused on the economic impact on St. Louis City, but the sentiments also apply to Kansas City. St. Louis City is dying. It is dying from a multitude of failed progressive policies. One of these progressive policies is the one percent earnings tax. The earnings tax is a detriment to economic growth in St. Louis City and Kansas City. I am living proof of how harmful this tax is. We recently moved out of the city not only because of the crime but because of the earnings tax. When we moved to St. Louis County it was like getting a hundred of dollars per year raise. No one should be forced to pay for the "privilege" of living or working in a city where the city can't or refuses to provide basic public safety services. St. Louis City and Kansas City are the economic engines of Missouri and when they stagnate our state stagnates. The Freedom Principle MO believes the saying about taxes: if you tax something, you get less of it. The earnings tax was implemented in 1954 and since then the population, labor, and capital have moved away from the city. In 1950 the population of St. Louis City was more than 850,000 and ranked as the 8th largest city in the United States. In 2021, the population of St. Louis City is now under 300,000 and it now ranks as the 70th largest city behind cities like Omaha, NE, and Wichita, KS. Recently St. Louis City learned it is losing an established business. The Crane Agency, which has been located downtown for 138 years, is relocating to Chesterfield because of high taxes and crime. A 2023 study by Lindenwood University Professor Howard Wall, on behalf of the Show-Me Institute stated, "St. Louis added jobs between 2010 and 2019, but the earnings tax reduced the city's employment growth by 29 percent in that timeframe. Additionally, because businesses are relocating or closing, St. Louis City is resorting to what I call "bribing" businesses to stay in the city by offering generous tax incentives. According to a 2021 Show-Me Institute Report, "To attract new businesses and convince current ones to stay, the city selectively gives out generous tax incentives." The report stated because of the generous tax incentives, in 2020 alone, "there were \$70 million in uncollected tax dollars because of various subsidies." It is estimated St. Louis City generates \$215 million annually from the earnings tax. This \$70 million equals 28 percent of the annual taxes collected. For example: In November 2023, St. Louis City allocated a 10-year tax abatement worth \$7.3 million to a developer to build a hotel. And earlier in January 2024 they approved another 10-year abatement to another developer worth \$2.7 million. In a previous 2020 study by Mr. Wall, Mr. Wall "estimates that over the decade from 2000 to 2010, the earnings tax in Kansas City and St. Louis reduced household employment in the taxing cities by 14,500, and by about 34,700 in the Missouri portions of their surrounding metro areas." Furthermore, according to the Wall study, "Adding up across the entire state, the estimated total effect of the city of

St. Louis and Kansas City earnings taxes over the period 2000 – 2010 was 65,500 (or 2.1 percent) reduction in employment. Actual Missouri employment fell by about 90,000 (3.2 percent) over the period.” City officials advocate for the earnings tax to provide public safety, police, fire, and other services, but they continually appropriate these funds to other areas of the city budget. The police force is at an all-time low. Their equipment is literally held together with duct tape and chewing gum. The 9-1-1 call center is a joke. People are put on hold or must wait 30 minutes to an hour before the police or fire is dispatched. The trash in the alleys is not being picked up regularly because of broken-down trucks. The fact is, if St. Louis City was a business, they would be getting a negative Yelp ranking. Even though these city officials know the earnings tax is harming their cities, St. Louis City and Kansas City refuse to investigate other alternatives on how to phase out the earnings tax to create a better environment for economic growth. With the potential loss of revenue due to the pandemic allowing people who do not live in the city to work from home and therefore be exempt from the earnings tax, the Freedom Principle MO believes the time is now to eliminate the earnings tax once and for all. We believe the only way to make these cities act and innovate is by the state legislature acting and eliminating this tax. And when we say eliminate this tax, we mean by eliminating the tax without requiring the city residents to vote on it. By giving these cities an opportunity to vote to repeal the tax, the cities will resort to using fear tactics to scare residents into voting against the repeal. Alternatives to replacing the earnings tax:• Substantially reduced granting of various tax subsidies• Increase other, less economically harmful taxes• Sharing services where possible with other governments • Privatizing certain services and assets, such as their water and trash departments• Budget cuts – Permanently eliminating positions for any vacant job openings for more than one year. Additionally, ending the \$500 guaranteed income program, dropping the incessant need to provide financial relief for residents (Such as paying rent, or paying for medical expenses.)• Pension reforms



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WITNESS NAME		
INDIVIDUAL:		
WITNESS NAME: MICHAEL		PHONE NUMBER:
BUSINESS/ORGANIZATION NAME:		TITLE:
ADDRESS:		
CITY:		STATE: ZIP:
EMAIL: MichaelWesten.3up@protonmail.com	ATTENDANCE: Written	SUBMIT DATE: 1/31/2024 9:46 AM
THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.		
I SUPPORT HB 1516 as originally written.		



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WITNESS NAME			
BUSINESS/ORGANIZATION:			
WITNESS NAME: RAY MCCARTY		PHONE NUMBER: 573-634-2246	
BUSINESS/ORGANIZATION NAME: ASSOCIATED INDUSTRIES OF MISSOURI		TITLE: PRESIDENT/CEO	
ADDRESS: 3234 W TRUMAN BLVD			
CITY: JEFFERSON CITY		STATE: MO	ZIP: 65109
EMAIL: rmccarty@aimo.com	ATTENDANCE: Written	SUBMIT DATE: 1/31/2024 10:02 AM	

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Associated Industries of Missouri supports the bill, particularly the provision in section 92.114.4 that clarifies cities may not impose their earnings taxes on income earned outside their borders. Cities attempting to levy a tax on income earned outside their borders are exceeding their constitutional authority and this law codifies the protection of taxpayers from such taxing schemes.



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WITNESS NAME			
BUSINESS/ORGANIZATION:			
WITNESS NAME: DEMETRIS ALFRED		PHONE NUMBER: 314-574-5393	
BUSINESS/ORGANIZATION NAME: MISSOURI STATE COUNCIL OF FIREFIGHTERS		TITLE: PRESIDENT	
ADDRESS: 4971 DELOR			
CITY: ST. LOUIS		STATE: MO	ZIP: 63116
EMAIL:	ATTENDANCE:	SUBMIT DATE: 1/31/2024 12:00 AM	
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WITNESS NAME			
REGISTERED LOBBYIST:			
WITNESS NAME: JACQUE BARDGETT		PHONE NUMBER: 573-634-8760	
REPRESENTING: CITY OF ST LOUIS		TITLE: LOBBYIST	
ADDRESS: 205 EAST CAPITOL AVENUE			
CITY: JEFFERSON CITY		STATE: MO	ZIP: 65101
EMAIL:	ATTENDANCE:	SUBMIT DATE: 1/31/2024 12:00 AM	
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WITNESS NAME		
INDIVIDUAL:		
WITNESS NAME: KORTNIE HUDDLESTON		PHONE NUMBER:
BUSINESS/ORGANIZATION NAME:		TITLE:
ADDRESS:		
CITY:		STATE: ZIP:
EMAIL: kortniehuddleston@gmail.com	ATTENDANCE: Written	SUBMIT DATE: 1/31/2024 12:58 PM
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This proposed bill is nothing short of an egregious attack on the autonomy and economic well-being of the City of St. Louis. By mandating the submission of quarterly reports detailing earnings tax receipts and creating burdensome requirements for remote work taxation, legislators outside our city are blatantly attempting to undermine our local governance. This invasive interference not only disregards the unique needs and circumstances of St. Louis but also seeks to curtail our ability to generate revenue and sustain essential services. It is a thinly veiled attempt to impose an agenda that does not align with the best interests of our community. Legislators should focus on addressing statewide issues rather than micromanaging the affairs of individual cities. We must vehemently oppose this bill, which amounts to nothing more than an unwarranted assault on our city's fiscal independence and a betrayal of the principles of local governance.



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WITNESS NAME		
INDIVIDUAL:		
WITNESS NAME: MICHAEL DREYER		PHONE NUMBER:
BUSINESS/ORGANIZATION NAME:		TITLE:
ADDRESS:		
CITY:		STATE: ZIP:
EMAIL: mdreyer93@gmail.com	ATTENDANCE: Written	SUBMIT DATE: 1/31/2024 12:58 PM
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This proposed bill is nothing short of an egregious attack on the autonomy and economic well-being of the City of St. Louis. By mandating the submission of quarterly reports detailing earnings tax receipts and creating burdensome requirements for remote work taxation, legislators outside our city are blatantly attempting to undermine our local governance. This invasive interference not only disregards the unique needs and circumstances of St. Louis but also seeks to curtail our ability to generate revenue and sustain essential services. It is a thinly veiled attempt to impose an agenda that does not align with the best interests of our community. Legislators should focus on addressing statewide issues rather than micromanaging the affairs of individual cities. We must vehemently oppose this bill, which amounts to nothing more than an unwarranted assault on our city's fiscal independence and a betrayal of the principles of local governance.