

Vote No on Amendment 7

*Paid for by Missourians for Better Transportation Solutions**

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Amendment 7 is a ¾ cent sales tax for 10 years expected to generate over 5 billion dollars within that time period. MoDOT will receive 90% of the money from the tax. The agency's major project is the rebuilding of I-70 with a cost estimate between of \$2 and \$4 billion depending on the extent of the rebuild. Cities and counties will each get 5% of the tax. The vast majority of the funds from Amendment 7 will be used for road projects.

- ***The tax is unfair.***

- **The biggest beneficiary of the tax, the trucking industry, will pay almost none of it** – despite the fact that trucks do most of the damage to our roads. Not only will the trucking industry avoid paying their fair share through a gas tax, the industry pays almost no sales tax, since the General Assembly previously exempted the purchase of many trucks, trailers and truck parts from state and local sales taxes.
- Most truck traffic does not even serve Missouri business; those trucks will be getting an entirely free ride courtesy of Missouri taxpayers. According to the Missouri Freight Study 55% of Missouri's truck traffic by tonnage has neither an origin nor destination in Missouri.
- Those who benefit the least from Amendment 7, people of modest incomes who do less driving and pay a disproportionate share of their incomes toward sales tax, will bear the greatest burden of this regressive tax.
- It has been longstanding policy of virtually every state in the nation to rely on those that benefit the most from highways, auto owners and other highway users, to pay the costs of building and maintaining highways through a gas tax.
- Worst of all, the ballot issue prohibits any increase in user fees like gas taxes or tolls during the time when the sales tax is in effect, assuring that the outrageous inequity in funding the state's highway program will effectively be permanent.

(Note: trucks do pay significant road taxes but studies have concluded over the years that the heaviest trucks do the majority of damage to the roads and only pay about half of their actual costs to the system. The sales tax will dramatically increase that inequity.)

- ***The tax is excessive.***

- **This is the largest tax increase in Missouri's history.** Missouri is struggling to pay for essential services such as public education, the social safety-net, healthcare, public safety, and criminal justice. The General Assembly has made clear its belief that lower taxes will attract economic growth and has generally acted to restrict spending and cut taxes. To enact the largest tax increase in our history at this time is hypocritical and counterproductive. Missouri's families are already hard pressed to pay their bills during this period of slow economic recovery; adding to their burden at this time is wrong.

- Because of one-time infusions of funds through some questionable borrowing, and the windfall of the federal economic stimulus program, MoDOT has enjoyed the largest construction program in its history over the last ten years. Asking Missouri's taxpayers to make this record rate of expenditure the "new normal" by continuing to spend at this extravagant pace is unrealistic, unnecessary and unfair, especially when just about every other function of state government is operating under austerity conditions.
- ***This is the wrong investment for Missouri.***
 - **Claims that this massive new spending on transportation will lead to economic growth are simply wrong.** Over the last ten years MoDOT began borrowing against future state and federal tax revenues, and in 2009 the agency began receiving federal economic stimulus monies. This created an unprecedented level of funding for the agency, leading to a binge of new highway construction. The economic impact of all that new pavement is simply imperceptible.
 - Missouri's major metropolitan areas, where much of the state's economy is located, now have some of the most dense highway networks in the nation. St. Louis and Kansas City share a distinction of having the most highway lane-miles per capita of any major American city, and according to the respected Texas Transportation Institute, the rate of highway congestion in both cities is very low by national standards, having actually fallen in recent years to levels not seen since the early 1980's. If a great highway system and low rates of congestion were the linchpins of economic growth, as tax proponents claim, our state should be exploding with economic growth. If Amendment 7 passes, the only explosive growth will be in the highway industry.
 - As our state highway system has steadily expanded, the number of registered vehicles in the state has fallen by 11 per cent over the last 25 years. That is at least partially due to an aging population that is less reliant on auto travel. Missouri is also doing a better job providing for alternative means of transportation such as public transit, walking and bicycling. In general, reducing demand for highways is far more cost-effective than expanding road capacity.
 - While safety is one of the stated objectives of Amendment 7, there is little evidence that any additional funds would reduce injuries and fatalities on our road system. Contrary to the misleading ballot language, *there is nothing in the authorizing legislation that requires MoDOT or any local government to place a higher priority on projects that improve safety.*
 - The top three causes of injuries and fatalities on the nation's highways are distracted driving, speeding and drunk driving -- not the condition or design of our bridges and highways. And Missouri can make steady progress on fixing deficient bridges by correctly prioritizing its funds toward maintenance, rather than costly and ineffective highway capacity expansion.
 - **This is the wrong investment for Missouri because this massive spending program will achieve neither of its stated objectives – improving safety or creating economic growth.** The program does nothing to address any of the major causes of injuries and fatalities on our highway system. And other than short-term

construction jobs, forecasts of job growth from this tax are pure fiction and not supported by any authoritative analysis or evidence.

- ***Amendment 7 is bad for Missouri business.***
 - **The state/local sales tax rate in Missouri is already the 14th highest in the nation.** Should Amendment 7 be approved, Missouri will have the 7th highest sales tax rate in the nation (ahead of states like New York, California, and Illinois). In many areas where special taxing districts have been created, the sales tax rate will climb above 10%. This will pose a great burden on local retailers by reducing consumers' purchasing power, and by creating a further incentive for consumers to avoid sales taxes by making purchases online.

* Missourians for Better Transportation Solutions is a group of 40 individuals and organizations from across the state who have come together to oppose Amendment 7. We are all volunteers. We have little money, but a sincere passion to defeat Amendment 7 and participate with others to come up with a better plan.