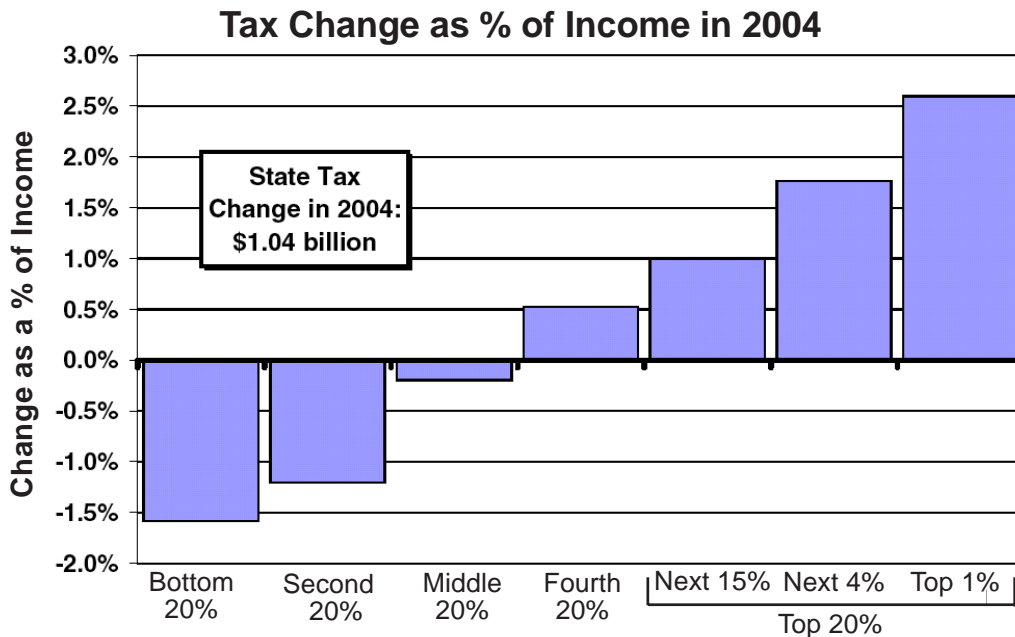


FACTS ABOUT MISSOURI'S TAX SYSTEM YOU SHOULD KNOW
#17 One Plan for An Overhaul of Missouri's Individual Income Tax

A Simple Plan for Fair & Equitable Income Tax Changes To Raise Necessary Revenue

Low-income Missourians would pay less income tax and High-income Missourians would pay more.



All Missouri Taxpayers 2004 (Income Groups)

2004 Income Group	Bottom 20%	2nd 20%	Mid 20%	4th 20%	Next 15%	Next 4%	Top 1%
Income Range	Less Than \$15,000	\$15,000 – \$26,000	\$26,000 – \$44,000	\$44,000 – \$68,000	\$68,000 – \$124,000	\$124,000 – \$283,000	\$283,000 – Or More
Average Income in Group	\$9,000	\$20,000	\$34,000	\$55,000	\$88,000	\$170,000	\$749,000

To generate \$1.04 billion in new revenue, this plan

- Establishes a new top tax bracket above \$25,000 of taxable income of 9.5%
- Expands tax base by eliminating the state deduction for federal income taxes paid.
- Establishes a \$200 refundable tax credit for \$35,000 and below (designed to offset sales tax liability.)

Source: Institute on Taxation & Economic Policy