



**TO:** House Commerce Committee

**FROM:** Community Health Commission of Missouri (CHCM)

**DATE:** January 28, 2026

**RE:** Concerns Regarding HJR 173 & HJR 174 – State Health & Economic Implications

**Honorable Chair and Members of the Committee:**

On behalf of the Community Health Commission of Missouri (CHCM), thank you for the opportunity to share our analysis of House Joint Resolutions 173 and 174.

At CHCM, we approach legislation through a practical lens: how policy choices affect the health, economic stability, and long-term resilience of Missouri's families, communities, and businesses—across geography and across party lines. While we recognize the intent of these resolutions to promote economic growth, our review indicates that the likely outcome would be increased financial strain on working households, reduced consumer spending, and significant risk to the revenue base Missouri relies on to function effectively.

Under HJR 173 and 174, the elimination of the income tax would be replaced by a substantially expanded sales tax. In practice, this structure shifts the tax burden onto those who spend the highest share of their income on necessities—working families and retirees—while providing the largest benefit to the highest earners. A stable economy depends on a consumer base with sufficient disposable income to support local businesses. Policies that reduce that capacity tend to contract, rather than grow, Main Street activity.

State data show the median income for a Missouri worker is approximately \$65,400 per year, and 83% of Missouri's 115 counties fall below that threshold. Estimates suggest that, for most households in those counties, these proposals would result in a net annual tax increase of roughly \$535. When families pay more at the register for groceries, household supplies, and basic services, that money is no longer circulating through local economies.

Missouri's current tax structure already places a disproportionate burden on lower-income residents. A Missourian earning \$20,000 annually pays close to 10% of their income in state and local taxes, while someone earning \$1.7 million pays under 6%. The proposed shift would widen this gap—delivering substantial tax reductions to top earners while increasing costs for the workforce that keeps our communities running.

Timing also matters. Missouri households and employers are still stabilizing after years of elevated inflation. Housing costs have increased nearly 7% in the past year alone, following significant gains over the previous three years. Rents in workforce hubs have followed similar patterns. While wages have risen in some sectors, they have not consistently kept pace with these costs. A broad sales tax increase on essential goods and



services at this moment effectively functions as a pay cut—eroding recent wage gains and dampening consumer demand.

Finally, there are significant fiscal considerations. The income tax currently accounts for nearly two-thirds of Missouri's General Revenue. Eliminating it without a fully reliable replacement creates an estimated \$5 billion structural deficit. These dollars support core functions Missourians rely on—public safety, transportation, education, child welfare, and workforce infrastructure. This is not an abstract budget concern; it is a kitchen-table issue for families and employers alike.

For these reasons, and with respect for the complexity of the issues before you, CHCM urges the Committee to vote **NO** on HJR 173 and HJR 174.

We remain committed to constructive dialogue and to working with policymakers from all perspectives to advance solutions that strengthen Missouri's economy while protecting the health and stability of its people.

Respectfully,

A handwritten signature in black ink, appearing to read "R. Rawlins".

**Riisa Rawlins**

Chief Executive Officer

Community Health Commission of Missouri