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MU economist: Federal tax plan to cause \$58 million loss to Missouri revenue

By: Rudi Keller

The federal tax cut will reduce Missouri revenue by a modest amount because the two biggest changes almost cancel each other, according to Joseph Haslag, a University of Missouri economist who helps state government project tax receipts.

In an interview Tuesday, Haslag said the Economic and Policy Analysis Research Center would issue a report later this week explaining the estimate that the tax cut will reduce state revenue by about \$58 million. Haslag, who holds the Kenneth Lay Chair in Economics, is the executive director of the research center.

The [increased standard deduction](#), which by state law is also applied to Missouri income tax returns, if it was the only change would cut state revenue by \$565 million, Haslag said. But the provision eliminating the personal exemption, allowed in Missouri law only if a personal exemption is allowed on the federal return, adds back about \$440 million, he said.

The estimate is based on the data from tax returns filed in 2016 and only looks at the impact of the individual income tax changes on that information, he said.

“This is just a simulation model that computes the immediate impact,” Haslag said. “Basically it is a tax calculator.”

The findings will be part of the estimate for overall changes in Missouri revenue that will guide Gov. Eric Greitens and lawmakers as they prepare a budget for the year beginning July 1. Along with the federal tax changes, a state tax cut will take effect Jan. 1, dropping the top rate to 5.9 percent and exempting 5 percent of “pass-through” business income from taxation.

This year’s budget was based on estimates made in December 2016 of general revenue collections of \$9.4 billion, a growth rate of 3.8 percent. That estimate will be adjusted at the same time the estimate for the coming year is announced.

“We’re doing the best we can,” Haslag said. “This is a complicated bill on the individual income tax. That is part of why this has taken so long.”

The projected loss of revenue is about 0.6 percent of the general revenue fund, a modest amount compared to recent year-to-year changes in revenue that have ranged from a high of 10.1 percent growth in fiscal 2013 to a low of a 1 percent decline in fiscal 2014.

It is not an insignificant amount of money, Haslag said.

“I know \$58 million is important for people relying on roads to be built and some of the other services,” he said.

The loss of about \$60 million is a manageable figure, said House Budget Committee Chairman Scott Fitzpatrick, R-Shell Knob.

“We will be planning on a \$60 million reduction from the tax bill and that is what we will budget for, but hopefully we will not see that reduction,” Fitzpatrick said.

The revenue loss could be made up by increased economic activity but that possibility can’t be used to determine the budget, he said.

The consensus revenue estimate, which will form the basis of decisions by Greitens and lawmakers, will be ready later this week after Haslag publishes his report and a few other minor points are determined, Fitzpatrick said.

The modest impact means there is no pressure on lawmakers to change state tax law to make up the loss, he said.

“I don’t think we necessarily need to do something to react to what (Congress) did,” he said. “But I think there are some positive things we could do.”

Senate Appropriations Committee Chairman Dan Brown, R-Rolla, did not return a call seeking comment. State budget director Dan Haug was not available.

The report didn’t attempt to estimate the impact of the tax cut on corporate tax collections in Missouri, Haslag said. The research center has a model for the interplay between federal and state taxes on corporations, but Haslag said he lacks confidence in the result because there were so many changes in the corporate tax rules.

Individual income taxes are estimated to bring \$7.8 billion to the state treasury in the current fiscal year. Corporate income taxes account for \$377.5 million in general revenue.

Missouri ties its individual income tax to the federal system in several ways. A taxpayer’s adjusted gross income on the federal form is used on the state form. If a taxpayer itemizes deductions at the federal level, they may use most of the same deductions on their state return. The most significant exception is that the federal deduction for state and local taxes is not allowed on the Missouri return. Instead, Missouri allows a deduction for federal taxes paid.

The new federal tax law caps the deduction for state and local taxes at \$10,000. Missouri limits the deduction for federal taxes to \$5,000 on a single return and \$10,000 on a combined return for married couples.

Most of the other changes in state revenue will affect taxpayers below or near the cap for deducting federal taxes, he said. If there were no cap on the state deduction for federal taxes, the impacts would be far larger, Haslag said.

Lower federal tax rates mean a smaller tax liability and a smaller deduction. That will increase state revenue by about \$140 million, he said. A larger child credit also reduces federal liability, adding perhaps \$17 million to state coffers.

The larger deduction allowed for medical expenses will reduce state revenues by about \$36 million, Haslag estimated.

When the report is issued, it will include a cautionary note that it does not attempt to estimate economic changes that the bill could produce, Haslag said.

“This is not going to take into account any growth impacts or changes in people’s behavior,” Haslag said.

MISSOURIAN

[Marching Mizzou Director Amy Knopps finds a fit at MU](#)

By: Marshall Reid

Amy Knopps was immediately under pressure when she set foot on the MU campus in August.

As the new director of Marching Mizzou, she had to quickly organize a band with more than 300 members and prepare them for their first home game on Sept. 2.

To complicate things further, for every home game, the marching band performs a new halftime show — and this year, four home games were scheduled back-to-back.

“Nobody has ever had to do that,” said Julia Gaines, head of the MU School of Music. “She hit the ground running and really has not stopped sprinting.”

Knopps, 38, is the third director of Marching Mizzou within as many years. Erin Cooper served just one year, and Brad Snow left the position in 2015 after serving six years.

After just four months on the job, Knopps is corralling her band for a trip to Houston to perform Wednesday during halftime at the Texas Bowl. The band flew out of Columbia Tuesday morning, then will take buses back to Columbia on Friday.

This job as associate director of bands and director of athletic bands at MU had been an aspiration of hers for some time. She spent her undergraduate time at MU and came back to join instructors-turned-colleagues — one of them Julia Gaines.

“She was a great student here,” Gaines said, “so we’ve been watching her success as she moved on.”

Despite the challenges, Knopps manages to thrive, pouring all her years of experience into her new position. She was a member of Marching Mizzou herself, beginning in 1997. She served as leader of the piccolo section during her sophomore year, drum major her junior year and head drum major her senior year.

After she graduated, she spent seven years at Eastern Michigan University before returning to MU, working under the same job title at each.

“This is a dream job,” she said about the position at MU. “Something I do not take lightly at all.”

Early mornings, long nights

This is Knopps’ eighth year professionally leading collegiate marching bands. Before the stint at Eastern Michigan, she helped to teach the marching bands at Kansas and Georgia as a graduate student.

An afternoon in fifth grade marked her entry into the world of music. Students at Prairie View Elementary School in Lee’s Summit were called to an assembly and shown the different instruments available to them if they were to choose band as a subject.

Knopps was enchanted when the flute player played “Bibbidi-Bobbidi-Boo” from the Disney film, “Cinderella”.

“I was a huge Cinderella fan when I was younger, and I still am,” Knopps said. “But I was like ‘Oh that’s so cool!’ “

Thirty years later, she still considers the flute — as well as its cousin the piccolo — to be her primary instrument.

In Columbia, Knopps’ day begins early, heading first to Columbia Health Care Center to visit her mother, who was partially immobilized after a stroke in 2008.

Then it is off to a busy schedule of leading rehearsals, teaching classes and preparing for upcoming performances. In addition to Marching Mizzou, Knopps leads Mini Mizzou, a subset of bigger marching band, and the university’s wind ensemble.

After a full day, she returns to see her mother before heading home to spend time with her cats, Rocky and Buddy, and continuing to work into the wee hours. She said she averages just three hours of sleep a night.

Knopps is a lean woman with eyes that are often wide and attentive. When not atop a low wall, ladder, podium or tower, she stands several inches shorter than the typical Marching Mizzou band member, a fact often missed considering her imposing nature.

When she speaks, people listen and respond. She controls her environment with a whistle, a stare and a lift of her hands with equal effectiveness — if her environment is not in her control, it is because she allows it to be. She compels stadiums to dance, clap and sing with the flick of a wrist or a glance at a drum major.

“I have a very systematic approach to rehearsal and to,” she pause, “...everything that I do.”

A day on the field

At 7:30 a.m. on Oct. 21, the day of the MU Homecoming game against the Idaho Vandals, the band is at the height of preparations for the annual parade. The students had dragged themselves half asleep to practice before dawn, but Knopps is alert and cheerful.

She stands over the band from her position atop a low stone wall outside Delta Tau Delta fraternity house at the corner of Tiger Avenue and Rollins Street. The rows of woodwinds, percussion and brass stretch for blocks on two sides in front of her.

After leading the band in a series of halftime songs and warmup routines, Knopps steps down from the wall and takes her place alongside the drum majors while band members takes their place in the parade.

Just before 10 a.m. — an hour before kickoff — Knopps once again stands on a low stone wall, this time outside Hearnes Arena. Sunglasses shield her eyes, and a pair of tiger ears are keeping her straight black hair in place despite the breeze rustling plumes and hair all around her. Another brief warm-up, and the band is off to the stadium.

Twenty minutes before kickoff, the announcer reads MU's starting lineup. The band is already in position along both sidelines, prepared for the traditional pre-game performance.

Then with 15:20 left on the countdown clock, Marching Mizzou lets out a yell on queue from the drum line. Knopps steps up to the center podium, after trading her tiger ears and sunglasses for a pair of white gloves. The band performs to the growing audience in the stands, then exits the field and shuffles into the stands.

As halftime approaches, Knopps ushers band members back into position. Just three minutes are left on the clock in the second quarter. It's almost showtime for Marching Mizzou.

The day's performance is themed "Rhythm of the Roar" and marks MU's 106th Homecoming. As the band winds up its routine with a big blocky "MU," it begins to dissolve forward toward the home sideline and migrates back to the stands.

After the game, Knopps leads the band through the alma mater, a tradition she does not intend to abandon. It's two weeks until the next home game, two weeks to learn a new show, two weeks until the next chance.

The Tigers will go on to win their next five games, salvaging the hopes of football fans across the state and country.

For Knopps, the end of each home game signals the beginning of more work. She spends many Sundays writing marching drill for practice the following week, but the dream hasn't lost its luster.

“If [the year] continues to go well, I would love to spend the rest of my career here at Mizzou.”

Message in a penny

When Knopps was a senior at MU, her older brother, Jim, had a fatal heart attack. He was only 33, and his death was devastating for her. He was epileptic and unable to drive, but he had always accompanied their parents to games to see her perform with Marching Mizzou.

While cleaning out his apartment, the family discovered jars of pennies he had collected over the years. Knopps speculates that he picked up the hobby from their father, a coin collector himself.

She began to collect pennies and put them in jars. “They’re kind of like my ‘Jim’s pennies’,” she says.

During the Tigers’ opening game Sept. 2 against Missouri State, the memory of her brother was rekindled. As she climbed the podium, she saw a penny on the white strip marking the sideline.

“That made me just so excited,” she said.

“To have that moment and also for it to be compounded by the fact that I knew my brother was there witnessing it.”



Earlier access to education could help lower sexual assault numbers

Watch the story: <http://www.komu.com/news/earlier-access-to-education-could-help-lower-sexual-assault-numbers>

COLUMBIA - Sexual assault is an issue on college campuses around the country. Some sexual violence advocates are trying to change that raising awareness in high schools.

"I was sexually assaulted as a high school student, when that happened to me I didn't really identify that I was raped or sexually assaulted," Tori Schafer said.

She is the director of the University of Missouri's branch of the national campaign It's On Us. Its mission is to end sexual assault.

Schafer said the conversation about sexual assault needs to start earlier.

"When you're that young and you don't have experience in that area, or sex at all for that matter, you don't really know how to explain or put into words what has happened to you," she said.

According to a 2012 [CDC report](#), 37.4 percent of female rape victims were first raped between the ages of 18 and 24. Of those women, 19 percent of them experienced attempted or completed sexual assault since entering college.

It's On Us, as well as other programs, help to educate and inform college students about sexual assault. Schafer said, if programs like these existed for younger students, it would be even better.

"At the high school level we don't see advocacy, you know there's not Title IX at the high school level," Schafer said. "There's also not programs like Green Dot or It's On Us to give you the avenue to express your feelings and reach out and ask for help."

The Missouri Coalition Against Domestic and Sexual Violence program provides the opportunity for people throughout the community to learn more about sexual violence.

Prevention Director Matthew Huffman said teaching people about sexual violence and healthy sexual behavior early can help prevent sexual assaults in college.

"By the college age, people have already started to develop their own attitudes and opinions and beliefs around sexuality, so starting these conversations much earlier helps build a resilience as well as the skills that young people need to navigate relationships and sexual identities," Huffman said.

The program host seminars and counseling sessions and works with other sexual violence awareness groups like Green Dot to spread the message.

"Promoting healthy sexuality is, in and of itself, violence prevention because you're working to reduce the likelihood that harmful, coercive sexual behaviors will really start to take shape and root," Huffman said.



[Bar owner, Mizzou alum hosts welcome party in Houston ahead of Texas Bowl](#)

HOUSTON — Mizzou graduate and business owner, Steve Labac, hosted a welcome party for Mizzou fans Tuesday night in Houston ahead of the Texas Bowl.

Labac, a Texas native and Mizzou graduate, is the owner of Craft Beer Cellar in Columbia and in Houston.

The self-described "Beervangelist" said he wanted to bring Mizzou fans together ahead of the game.

"It's pretty obvious, we're huge Mizzou fans," said Labac. "We wanted to make sure we could give them a welcome party."

"I think everybody's a little salty when UT broke up the Big 12 and now Mizzou's in the SEC," said Labac of the Tiger's upcoming opponent and Big 12 Conference foe. "I think everyone wants to get revenge on UT."