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**Capitol Report
July 12, 2018**

Electric Rates to Drop for Many Missourians (SB 564)

The state's largest electric service provider recently announced it would make significant rate cuts for its more than 1 million customers in Missouri. The announcement means customers of Ameren Missouri will see their rates cut by 6.1 percent, which will translate to approximately \$166 million in savings. The savings are a result of the federal tax cut that reduced the corporate tax rate from 35 percent to 21 percent.

The timing of the rate cut was expedited by the passage of legislation during the regular session that will also provide for a \$1 billion investment to modernize the state's utility grid. A provision in the bill mandated that electric utilities in Missouri pass along benefits of the federal tax cuts to customers within 90 days of the legislation being signed into law. Without the legislation, the rate reduction would have waited on the normal review process of the Public Service Commission, which is much longer.

Starting in August, customers of Ameren Missouri will benefit from the lowered rates. Ameren Missouri provides electric service to approximately 1.2 million customers across central and eastern Missouri, including the greater St. Louis area. Ameren Missouri provides electric service to 63 counties and more than 500 towns in the Show-Me State.

The legislation approved by the General Assembly will also implement customer-friendly rate caps to create stability for the future costs of electricity.

Missouri Ends Fiscal Year 2018 with Strong Revenue Growth

Unlike some of our neighboring states, here in Missouri we have been very strategic with our tax

reductions. While the personal rates were reduced slightly last year, enabling you to keep more of your money, collections have grown at a rate faster than inflation.

As Fiscal Year 2018 ended at the close of June, the state received good news regarding the healthier-than-expected growth of state revenues. While state budget leaders had predicted growth of 1.9 percent, the state saw the fiscal year end with growth of 5 percent.

The growth means the state collected \$9.47 billion in general revenue from July 2017 through June 2018. In comparison, general revenue collections for Fiscal Year 2017 were only \$9.02 billion.

The additional dollars in the state's coffers are a result of 5.6 percent increase in individual income tax collections (which comprises the majority of our revenue) and we experienced a 2.3 percent increase in sales tax collections. The state also saw corporate income tax collections grow by more than 6 percent. While this doesn't sound like much, when you are working with billions of dollars even these small percentages have a positive impact come budget and appropriation time.

The math is pretty simple...more dollars in the hands of the people who earn them is far more beneficial to the economy than passing it through the state and federal government's hands.

I appreciate the opportunity to serve as your voice in Jefferson City.



Dan Houx

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