POLITICAL FIX


Tax refunds in Missouri lower this year after tax changes, mistakes

By Kurt Erickson St. Louis Post-Dispatch  Feb 13, 2019

FILE - This July 24, 2018, file photo shows a portion of the 1040 U.S. Individual Income Tax Return form for 2018 in New York. It's the first year that taxpayers will be filing under the massive tax law overhaul pushed through by the Trump administration. (AP Photo/Mark Lennihan, File)
JEFFERSON CITY • Although the sample size is small, Missouri residents are seeing tax refunds averaging $80 less than last year.

In testimony to angry members of a government oversight committee Wednesday, Missouri Department of Revenue Director Joel Walters offered the first concrete number surrounding what officials have been warning about since September.

“People expecting bigger refunds might get smaller refunds,” Walters said.

The $80 decrease was the lone new figure offered by Walters since the dust-up over taxes began last year, but he acknowledged to lawmakers that the department failed to adequately prepare taxpayers for what could amount to sticker shock when do their 2018 taxes.

“It seems pretty clear we could have done more,” Walters said. “That’s on me.”

Members of the panel agreed, saying their constituents are going to be upset when they learn of the effects of the implementation of the 2017 federal tax cut championed by President Donald Trump.

“They are going to be furious,” said Rep. Robert Ross, R-Yukon, who is chairman of the Special Committee on Government Oversight. “We’re all going to be getting phone calls on this. The taxpayers don’t know what’s coming. We’re going to have constituents losing their mind on this.”

The changes doubled federal-level deductions. That, in turn, amplified the effects of a 15-year-old miscalculation in the state tax tables, resulting in a scenario where most Missourians will either see a lower refund or have a higher income tax bill because of changes in withholding rules.

While the miscalculation won’t affect the overall amount of taxes Missourians ultimately owe, lawmakers said people often count on getting a refund during the tax season.
“People’s lives are going to be seriously affected by this,” said House Minority Leader Crystal Quade, D-Springfield.

Walters said the department has opened a hotline to help taxpayers and already offers taxpayers a payment program if they cannot pay their taxes in one large chunk. Last year, 27,000 people took advantage of payment plans.

Quade asked Walters if he could boost outreach efforts to make sure people know they have options.

“I’m happy to do more,” Walters said.

Kurt Erickson
Kurt Erickson is a reporter for the St. Louis Post-Dispatch