

# Missouri Amendment 5: What It Does — and Why We're Voting No

*An Act for Missouri voter guide. We lay out the facts about Amendment 5, address the misunderstandings that are circulating, present the case for and against fairly, and explain where we come down and why. For our full analysis — including our response to the most credible pro-Amendment 5 case made by Carl Bearden, an interactive household impact calculator, and detailed coverage of the legislative history — see our long-form work at [act4mo.org](http://act4mo.org). This guide is the short version designed to be printed and shared.*

## The short version

Amendment 5 is on your **August 4, 2026** primary ballot. It would rewrite the Missouri Constitution to phase out the state individual income tax and authorize the legislature to expand the sales and use tax to goods and services not currently taxed — while suspending key voter-approval protections during a five-year window when those new taxes get written.

Up front:

- The legislature already cuts the income tax through ordinary law. Missouri's top rate has dropped from 6.0% to 4.7% since 2014, all through statute. **Amendment 5 is not necessary to continue that work.**
- It does **not** specify what gets taxed. The actual list of newly taxed services, the rates, the exemptions, the offsets — none of that is in the amendment. Voters are approving a framework and trusting the legislature to fill in the details.
- It **suspends** the voter-approval requirement in Section 18(e) of the Missouri Constitution — commonly referred to as the "Hancock Amendment" voter-approval protection — for five years, during the exact window when the legislature would be rewriting the tax code.
- Its ballot language was so misleading that the **Missouri Western District Court of Appeals rewrote it** on June 5, 2026, finding the legislature's version unfair and insufficient.

A "yes" enacts the framework and the five-year voter-approval suspension. A "no" leaves the current constitutional structure in place and tells the legislature to continue cutting the income tax the way they have been — through ordinary law that voters can hold them accountable for.

## What Amendment 5 actually does

The amendment makes several major changes to the Missouri Constitution:

1. **Directs the legislature to phase out the individual income tax.** The constitutional text says only that "the general assembly shall enact legislation to reduce and eliminate the state individual income tax by requiring reductions to the top rate of the individual income tax based on revenue growth until such tax is eliminated." The actual mechanism — what counts as revenue growth, the size of each rate cut, what triggers the next one, when the rate hits zero — is **not in the amendment**. Those details are

delegated to future legislation. Once the income tax is eliminated, the constitution permanently bars the legislature from re-imposing it.

2. **Authorizes the legislature to expand the sales and use tax** to goods and services not taxed as of January 1, 2015 — a category currently prohibited by the Missouri Constitution. The amendment does not say which services. That decision is left to the legislature.
3. **Suspends voter approval under Section 18(e) for five years.** Section 18(e) of the Missouri Constitution — commonly known as the "Hancock Amendment" voter-approval protection — requires statewide voter approval for any tax-raising legislation that would generate more than approximately \$100 million annually. Amendment 5 suspends this requirement for the tax-expansion legislation for five years after the amendment takes effect.
4. **Allows the state auditor to adjust certain constitutionally mandated sales-tax rates** to keep the system in balance during the transition.
5. **Requires local subdivisions to offset sales tax increases** by reducing other local taxes, without cutting school funding.

## The provision that matters most

Of those five changes, **number three is the heart of the constitutional question.** Everything else is policy. Number three is procedural — and what it does is strip Missourians of their right to approve their own taxes during the most consequential rewrite of Missouri's tax code in a generation.

A brief explanation of what Section 18(e) is and why it exists.

In 1980, Missouri voters passed a constitutional amendment (commonly known as the "Hancock Amendment" after its sponsor, taxpayer activist Mel Hancock) that limited how much state government could grow taxes without voter approval. In 1996, voters added Section 18(e) to strengthen that protection further. Section 18(e) requires statewide voter approval for any single piece of legislation that would raise state taxes by more than approximately \$100 million annually.

Section 18(e) is the specific clause that gives Missourians a direct vote whenever the legislature wants to make a large tax change. It is one of the strongest taxpayer protections in any state constitution in the country. **And it is the single clause of the Hancock Amendment they choose to suspend.**

Here is the structure to understand:

- **Today**, if the legislature wanted to expand the sales tax to dozens of services — generating billions in new revenue — Section 18(e) would require them to put it to a statewide vote. Voters would see the specific list, the specific rates, and would decide directly.
- **Under Amendment 5**, for five years after the amendment takes effect, that exact same tax expansion can be enacted by the legislature alone, with no statewide vote on the specific changes.

Voters approve the framework once, in August 2026. The legislature then writes the actual taxes — which services, at what rates, with what exemptions — over the following five years. Voters do not get a separate say on any of those specific decisions. That is what the five-year suspension does.

This is not a small technicality. This is the citizen-protection clause Missourians wrote into their constitution in 1996 specifically to keep the legislature from rewriting the tax code without coming back to the people. Amendment 5 turns that protection off for five years — and the five years cover exactly the window when the most consequential rewrites would happen.

## Why was this one provision the one they chose to suspend?

That question deserves a direct answer, because Amendment 5's sponsors have taken serious political fire for the Section 18(e) suspension and have continued to defend it. When a provision is that politically costly to keep, you can be confident it is doing real work for the people writing the bill. The question is: what work?

We believe the answer is in the structure of the offset language itself. The amendment text requires that any sales tax expansion be "offset in the same legislation by a reduction in the top rate of individual income tax that reduces such tax revenues... by an amount that is at least substantially equal to revenues generated by such expansion."

Read that carefully. The offset has to be in **the same legislation** — but the text does not say it has to take effect at the same time.

That distinction matters enormously. A single bill could expand the sales tax to dozens of services beginning January 1, 2027, while the offsetting income tax reduction doesn't take effect until January 1, 2029. Or 2030. Or 2031. Both provisions are in the same legislation, satisfying the literal requirement. But the state would collect two, three, or four years of new sales tax revenue before the offsetting income tax cut begins.

If Section 18(e) was in effect, then this would trigger it and voters would have to approve that specific package under Section 18(e). We believe that they would see the timing gap immediately and reject it. By suspending Section 18(e), the legislature gives itself the ability to write that timing gap into law without ever having to put it before voters. The legislation could be structured so that the sales tax expansion takes effect quickly while the income tax reduction is back-loaded — and voters would have no procedural recourse during the five-year window.

This is our best read of the structure. We cannot read the legislature's mind. But when a provision is politically costly, technically central to the bill, and structurally aligned with a specific kind of delayed reduction, the inference is straightforward: the suspension exists because the people writing the bill want flexibility to time the swap in a way that voters would not approve if asked.

This is exactly the kind of decision Section 18(e) was created to protect against.

## A confusion worth clearing up

You may hear Amendment 5 described as "eliminating the income tax." That framing is incomplete in a way that matters.

The income tax is *already* being phased out. Missouri's legislature has been cutting the top rate through ordinary statute for over a decade — from 6.0% in 2014 to 4.7% today, with further cuts triggered by revenue growth under existing law. Continuing those cuts requires no constitutional amendment. The legislature has the authority to keep going right now.

What Amendment 5 actually adds is two things ordinary tax cuts don't: a constitutional prohibition on ever reinstating an individual income tax once eliminated, and authorization to expand the sales tax to services that are constitutionally protected from taxation today. The first is the carrot. The second — combined with the five-year voter-approval suspension — is the part voters should look at hardest.

Supporters frame this as "eliminating the income tax." A more accurate framing is "swapping the income tax for an expanded sales tax, with the swap details written by the legislature without voter approval." Reasonable Missourians can support that — but they should know that is what they are voting on.

## A second framing worth clearing up: "revenue neutral"

Amendment 5's supporters describe the swap as "revenue neutral." That phrase needs translation, because it does not mean what most voters will assume it means.

"Revenue neutral" is government-speak. It means the **total amount of tax revenue collected by the state** stays roughly the same after the swap. The state collects no more, and no less, in total dollars.

What "revenue neutral" does **not** mean is that every Missourian's tax bill stays the same. The whole point of a tax swap is that *who pays the taxes shifts*. When you eliminate one tax (income) and expand another (sales), the people who were paying a lot of the first tax will pay less overall, and the people who were paying less of the first tax will pay more overall.

Specifically:

- **Retirees on fixed incomes** generally pay little or no state income tax already, but they still consume goods and services. Under Amendment 5, they would pay expanded sales tax on services with no offsetting income tax cut to benefit from.
- **Working families and low-to-middle income households** pay some income tax, but spend a larger share of their income on consumption. Their sales tax bill will go up, and the income tax savings may not fully offset the increase.
- **Upper-income households** pay significant income tax and spend a smaller share of their income on consumption. They are the most likely to see net savings from the swap.

"Revenue neutral" is a description of what happens to the state's bank account. It is **not** a description of what happens to individual citizens' bank accounts. Under any revenue-neutral tax swap, some Missourians pay more and some pay less. The phrase is technically accurate from the state's perspective, but it can be deeply misleading if a voter assumes it means their personal tax bill won't change.

Supporters of Amendment 5 are not required to disclose this when they use the phrase. But voters should know what is actually being described — and what is not.

## What a YES vote does

A yes does all of the following at once:

- Constitutionalizes a **directive** that the legislature phase out the individual income tax based on revenue growth, with the actual mechanism — triggers, rate cuts, schedule — left to future legislation.
- Permanently bars the legislature from re-imposing an individual income tax once it reaches zero.
- Authorizes the legislature to expand the sales and use tax to goods and services not currently taxable under the Missouri Constitution.
- **Suspends Section 18(e) voter approval** — the Hancock Amendment's tax-approval protection — for tax-expansion legislation enacted within five years of the amendment's effective date.

- Requires local subdivisions to offset sales tax increases by reducing other local taxes (without cutting school funding).

## What a NO vote does

A no:

- Leaves the **current Missouri Constitution in place** — including the Section 18(e) voter-approval protections in full effect.
- Does **not** stop the legislature from continuing to cut the income tax through ordinary statute. Existing law already does this, and would continue to do so.
- Tells the legislature that if they want to eliminate personal income tax faster, they have the authority to do so already — by cutting spending!

## What the courts said about how Amendment 5 was sold

On **June 5, 2026**, the Missouri Western District Court of Appeals issued a unanimous opinion — written by Judge Thomas Chapman — finding that the legislature's official ballot summary for Amendment 5 was unfair and insufficient.

The court rewrote the ballot language itself. Here is the comparison.

**The legislature's original ballot title** (now superseded):

*"Shall the Missouri Constitution be amended to: Phase-out the individual income tax based on revenue growth; Reduce personal property and other local taxes when local revenues increase; Modify the sales and use tax to eliminate income tax and reduce local taxes; and Protect local funding for public schools and other purposes?"*

**The court-rewritten ballot title** (operative as of June 2026):

*"Shall the Missouri Constitution be amended to: Require legislative phase-out of the individual state income tax based on revenue growth, and authorize the expansion of sales and use taxes; Curtail constitutional limits on taxing goods and services; and Require local tax rate cuts without reducing school funding if local sales tax revenue increases?"*

Look at what the court added: *"authorize the expansion of sales and use taxes"* and *"curtail constitutional limits on taxing goods and services."* Those phrases were not in the legislature's original. The court added them because, in its judgment, voters could not understand what they were voting on without them.

When the court has to rewrite the ballot language of a constitutional amendment to tell voters what it actually does — that is a signal worth heeding. The legislature wrote a ballot title that obscured the sales tax expansion and the curtailment of constitutional limits. Missourians had to be told by a court of appeals what the legislature was asking them to ratify.

## The case for voting yes

There is a serious case for Amendment 5, and it deserves a fair hearing. Supporters argue:

- **The shift to consumption taxation is broadly conservative.** Taxing what people spend rather than what they earn aligns with longstanding conservative economic principles.
- **Revenue-neutral design is possible.** A carefully designed expansion of the sales tax base — combined with rate adjustments — could replace income tax revenue without significantly increasing the total tax burden the state collects (though as noted earlier, who pays which share would change).
- **Permanent constitutional protection is valuable.** Once the income tax is gone, the constitution prevents future legislatures from re-imposing it. That is a real and durable benefit for taxpayers.
- **The revenue-growth trigger is fiscally responsible.** Income tax rate cuts only happen when revenue actually grows, which is intended to prevent budget shortfalls.

Act for Missouri takes these arguments seriously. We agree with the underlying goal — eliminating Missouri's individual income tax — and our disagreement is with the path Amendment 5 takes, not the destination.

## The honest case for voting no

There is a principled case against, and we think it is much the stronger one:

- **The constitution is the wrong place for tax-code design.** A constitution should set the framework of government, not contain detailed tax structures that the legislature could write into ordinary statute. The income tax cuts are already happening through statute. There is no need to constitutionalize the rest.
- **Voters are being asked to approve a framework, not a plan — on both sides of the swap.** The income tax phase-out mechanism — what triggers each cut, how big each cut is, when the rate reaches zero — is not in the amendment. The sales tax expansion — which services, at what rates, with what exemptions, with what offsets — is not in the amendment either. The constitution would carry a directive ("the legislature shall enact legislation to...") and an authorization ("sales and use taxes may be expanded by legislation to..."), with every actual decision delegated to future legislatures. This is the architecture of a blank check.
- **The five-year voter-approval suspension is the critical defect.** Missourians wrote Section 18(e) into the constitution in 1996 specifically to keep the legislature from rewriting the tax code without voter approval. Amendment 5 turns that protection off precisely when the most consequential rewrites would happen.
- **The risk is asymmetric.** Voters bear the downside automatically — the sales tax expansion happens by legislative action, with no statewide vote. Voters get the upside (income tax elimination) only if the legislature follows through, only if revenue grows enough to trigger the cuts, and only if the offsets work as projected. The downside is locked in. The upside is conditional.
- **The math is contested and the legislature hasn't shown its work.** Independent analyses, have produced revenue shortfalls of more than a billion dollars against the targets even Amendment 5's defenders use. The legislature has not put a specific, scoreable plan in front of voters showing how the offset actually works in practice.

- **The court had to rewrite the ballot language to make it honest.** When the legislature writes a ballot title misleading enough that the Court of Appeals has to fix it, voters have evidence that the people writing this measure were not being straight about what it does.

## Where Act for Missouri stands

**We're voting no — and we want to be precise about what that means.**

Act for Missouri supports eliminating Missouri's individual income tax. We have said so consistently. We believe the right path is responsible spending discipline, a top-to-bottom review of Missouri's tax credits and exemptions, and real economic growth — which can deliver income tax elimination without a tax swap, without expanding the sales tax to services, and without suspending Missourians' voter-approval rights.

We oppose Amendment 5 because the path it takes is wrong, not because the destination is.

The single most important reason for our no vote is procedural: **Missourians' constitutional right to approve their own taxes should not be suspended.** Section 18(e) of the Missouri Constitution — the citizen-protection clause added in 1996 to strengthen the voter-approval protections Missourians have come to know as the Hancock Amendment — exists for a reason. It is one of the strongest constitutional protections taxpayers have in any state. Amendment 5 turns it off for five years, during the exact window when the legislature would be rewriting the tax code at unprecedented scale. That is not a small thing. It is the largest single suspension of voter tax-approval rights Missouri has been asked to ratify in our lifetime.

We also believe Amendment 5 fails the basic test of what constitutions are for. The framework belongs in statute. The legislature already has the authority to cut the income tax — and has been doing so. If they want to expand the sales tax to services to fund further cuts, the right way is to write a specific proposal, put it on the ballot, and let voters approve the specific changes. Amendment 5 does the opposite: it asks voters to approve the framework once, then trusts the legislature to fill in the details outside of voter approval.

## The larger point we want Missourians thinking about

Missouri Republicans hold supermajorities in both chambers of the General Assembly and every statewide office. They have the votes, by themselves, to keep cutting the income tax through ordinary law. They have done it. They are doing it. The rate has fallen from 6.0% to 4.7% without a single constitutional amendment.

They also have the votes to put a clean, specific tax-swap proposal in front of voters — one that says exactly which services would be taxed, at exactly what rates, with exactly what exemptions, with exactly what offsets — and let Missourians decide directly. That is what Section 18(e) requires. That is what voters approved in 1996. That is the deal.

Instead, what they delivered is a framework amendment that delegates the actual decisions to the legislature, suspends voter approval for five years, and wraps it all in ballot language so misleading the Court of Appeals had to rewrite it.

This is the pattern we are asking Missourians to refuse to accept.

The conventional answer when an imperfect bill reaches your ballot is *"it's not perfect, but it's better than the alternative — vote yes."* On Amendment 5, that answer is especially weak. The alternative to voting yes is not "the income tax stays forever." The alternative is "the legislature keeps cutting it through statute, the way they have been, and if they want to do something bigger they bring a specific plan to voters." Missourians lose nothing by voting no. The income tax cuts continue. The legislature keeps its existing authority. The only thing that doesn't happen is the one thing voters shouldn't accept: a five-year suspension of their right to approve the largest tax rewrite in a generation.

We have a rare situation in Missouri: a Republican supermajority with the unchecked power to govern well. We are watching that opportunity squandered when measures like Amendment 5 are delivered with this kind of structural defect. Insisting on clean bills is the only way clean bills get written. Accepting framework amendments that suspend voter approval — even ones whose stated goals we share — is how voter approval ends up suspended.

## **The cost of our position, and why we think it's worth it**

A no vote on Amendment 5 means the constitutional path to permanent income tax elimination is not opened in this election. The legislature can keep cutting the rate through statute — and we expect they will. A future legislature could re-impose an income tax through ordinary law, where today's Amendment 5 would permanently prohibit it.

We weigh that real loss honestly. We do not think it outweighs the loss of voter-approval rights that Amendment 5 demands as the price of admission. Missourians have not been asked to surrender Section 18(e) protections at this scale before. We do not think they should start now.

## **The bottom line**

Here is the honest choice. **A yes** constitutionalizes a framework for income tax elimination, authorizes the legislature to expand the sales tax to services, and suspends voter approval of that expansion for five years. **A no** leaves the current constitution in place, lets ongoing statutory income tax cuts continue, and tells the legislature to come back with a specific plan voters can actually vote on.

Act for Missouri comes down on **no** — because the destination is right, the path is wrong, and Missourians' right to approve their own taxes is not something we should suspend for any policy goal, no matter how worthy that goal might sound.

But this is your vote, your judgment, and your constitution. If you've read this far and conclude the trade is worth it, that is a defensible call, and one we respect.

Our job is to make sure your vote rests on what Amendment 5 actually does — and to tell you honestly where we land and why. Now you know both.

*For our broader work on Missouri's tax structure and the legislative history of HJR 173, see [act4mo.org](http://act4mo.org).*