



Questions and Answers: The Kansas City Earnings Tax

What is the earnings tax?

The earnings tax (“e-tax”) is a 1% tax on income earned by residents of Kansas City and nonresidents who work within the city limits. That revenue is used to fund city services enjoyed by every resident of Kansas City, including first responders (firefighters, paramedics/EMTs, and police officers), trash pickup, road maintenance and pothole repair, and snow removal. Historically, about half the revenue generated by the e-tax is paid by people who live OUTSIDE Kansas City.

Because it is a tax on income, **retired residents or those who are not working do not pay the e-tax. Social Security, disability, and unemployment income are not subject to the e-tax.**

Will voting “yes” raise my taxes?

No. The earnings tax has been in place in Kansas City since 1963. A “yes” vote will renew the tax at its current rate, without raising taxes for anyone.

What benefits does the e-tax have for me?

The e-tax funds critical city services, including first responders (firefighters, paramedics/EMTs, and police officers), trash pickup, anti-illegal dumping efforts, road maintenance and pothole repair, snow removal, and more, without higher sales or property taxes. Kansas City has made significant investments in improving city services, especially in public safety and road repair, that have been made possible because of the earnings tax. Every resident of Kansas City benefits from these services, and from the lower property and sales tax rates that the e-tax makes possible.

Can we fund these services with other funding sources?

No. Failed renewal of the e-tax would result in cuts to city services, including first responder layoffs, increased emergency response times, and cuts to trash pickup, road maintenance, and snow removal.

Replacing the revenue generated by the e-tax would require significant increases in sales and/or property taxes, affecting every person in Kansas City, and even those increases would not replace the funding we would lose without the e-tax.

Who supports the renewal of the e-tax?

E-tax renewal is supported by a coalition of community support, business leaders, labor organizations, and elected officials, including the Greater Kansas City Chamber of Commerce, the Heavy Constructors Association, Fire Fighters Local 42, Mayor Quinton Lucas, and more. Our list of endorsements is constantly growing; for an up-to-date list, visit together-kc.com/endorsements.

Why is the e-tax being put up for a vote?

Missouri law requires that the e-tax be put up for a renewal vote every five years. This year, the economic uncertainty of COVID-19 makes it especially important that the e-tax be protected. The e-tax has been in place since it was first approved by Kansas City voters in 1963.

Is the e-tax legal?

Yes. The city attorney’s office has determined that the e-tax is legal, and it has been in place since 1963.

How can I help?

Community support across Kansas City is vitally important in this local election, where every vote counts. You can become an endorser at together-kc.com, and volunteer to take many actions to support the renewal of the earnings tax, including writing or signing letters to the editor, contacting your friends, and amplifying our message on social media by contacting action@together-kc.com.

When is the election?

The e-tax renewal will appear on the ballot in the April 6, 2021, election. Qualified voters may vote absentee in person’ beginning on February 23.