

HCS HB 190 & 214 -- INCOME TAX: ATHLETES AND ENTERTAINERS

SPONSOR: Cooper, 120 (Fares)

COMMITTEE ACTION: Voted "do pass" by the Committee on Tax Policy by a vote of 16 to 0.

This substitute requires any venue which pays compensation to a nonresident entertainer or athlete who performs in Missouri to collect withholding taxes from them. The substitute also authorizes penalties, interest, and additions to tax for failure to collect the withholding tax.

In addition, the substitute extends the sunset dates by seven years for earmarking of the proceeds of the withholding tax on out-of-state athletes and entertainers.

The substitute also removes the requirement that transfers to the various funds are subject to appropriations.

FISCAL NOTE: Total Estimated Net Income to General Revenue Fund of Unknown in FY 2004, FY 2005, and FY 2006.

PROPONENTS: Supporters say that extending the sunset dates on the transfers to the various funds from the proceeds of the athletes and entertainers withholding taxes will provide needed funds in the future. Strengthening the requirement for venues to collect and remit the withholding taxes will increase transfers into the various funds.

Testifying for the bill were Representatives Fares and Myers; Missouri Arts Council Cultural Trust; Office of the Secretary of State; Missouri Citizens for the Arts; and Liz Cashell, Henry County Librarian.

OPPONENTS: There was no opposition voiced to the committee.

Others testifying on the bill was the Department of Revenue.

Bill Tucker, Deputy Director of Research