

HCS HB 1000 -- CORPORATE INCOME TAX FOR NEW MANUFACTURERS

SPONSOR: Sutherland (Storch)

COMMITTEE ACTION: Voted "do pass" by the Committee on Ways and Means by a vote of 8 to 0.

Beginning January 1, 2008, this substitute eliminates the corporate income tax for the first five taxable years of a new manufacturer's existence in Missouri as certified by the Department of Economic Development.

FISCAL NOTE: Estimated Cost on General Revenue Fund of \$0 in FY 2008, Unknown in FY 2009, and Unknown in FY 2010. Unknown expected to exceed \$100,000. No impact on Other State Funds in FY 2008, FY 2009, and FY 2010.

PROPOSERS: Supporters say that the bill provides a business/family friendly environment to encourage growth in Missouri. It exempts new manufacturing companies from the corporate income tax for the first five years to help with start-up costs, buying new equipment, and hiring new employees as well as to stimulate the economy and help the state remain competitive. The bill is an economic tool that will help Missouri from losing more manufacturing jobs. Between 2000 and 2006, Missouri lost 65,000 manufacturing jobs. These are good stable jobs when the company is strongly interested in this state. The bill will help with job creation and make Missouri competitive when a new manufacturer considers starting a business in this state.

Testifying for the bill were Representative Storch; Missouri Chamber of Commerce and Industry; Associated Industries of Missouri; Taxpayers Research Institute of Missouri; and Jim Farrell, City of St. Louis.

OPPOSERS: There was no opposition voiced to the committee.