

HCS HB 1725 -- RETAIL SALES LICENSEES

SPONSOR: Frederick

COMMITTEE ACTION: Voted "Do Pass" by the Special Standing Committee on Small Business by a vote of 21 to 0.

Beginning January 1, 2015, this bill specifies that any new business applying for a retail sales license cannot be required to file any bond with the Department of Revenue.

PROPOSERS: Supporters say that the bill would no longer require a new business to purchase a sales tax bond. This is a large cost for a new business. There are a number of states that don't require this. If Missouri can offer incentives to large corporations, it can do this for small businesses. This will remove one obstacle for a new business to open shop.

Testifying for the bill was Representative Frederick.

OPPOSERS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say \$3.1 million was collected from bonds in the last fiscal year. Under current statute, any new business must provide a bond. After two years with no delinquencies, the bond is released and the money is returned. If the business has a delinquency, the bond can be used to pay the amount due and the two-year time period is extended. The \$3.1 million represents potential revenue that may not be collected next year if the business goes out-of-business.

Testifying on the bill was Department of Revenue.