

HCS HB 2030 -- STOCK OWNERSHIP TAX DEDUCTION

SPONSOR: Hoskins

COMMITTEE ACTION: Voted "Do Pass with Amendments" by the Standing Committee on Economic Development and Business Attraction and Retention by a vote of 10 to 0. Voted "Do Pass with HCS" by the Select Committee on Commerce by a vote of 9 to 0.

Beginning January 1, 2017, this bill authorizes an income tax deduction for 50% of the net capital gain from the sale or exchange of employer securities of a Missouri corporation to a qualified Missouri employee stock ownership plan if, upon completion of the transaction, the qualified Missouri employee stock ownership plan owns at least 30% of all outstanding employer securities issued by the Missouri corporation.

For individuals, a deduction is an amount subtracted from the taxpayer's Missouri adjusted gross income to determine Missouri taxable income, and for corporations a deduction is a subtraction from the taxpayer's federal taxable income to determine Missouri taxable income.

The provisions of the bill will expire on December 31, six years after the effective date.

PROPONENTS: Supporters say that the bill will incentivize employee stock ownership plans, and is a great bipartisan effort to retain businesses in Missouri that would otherwise be sold to outside companies or individuals when the owners of Missouri businesses sought retirement.

Testifying for the bill were Representative Hoskins; Missouri Chamber of Commerce and Industry; and Burns and McDonnell Engineering.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say that it will have a negative impact on revenue.

Testifying on the bill was Missouri Department of Revenue.