

SB 768 -- TELEPHONE COMPANY PERSONAL PROPERTY DEPRECIATION

SPONSOR: Hoskins

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Ways and Means by a vote of 8 to 0. Voted "Do Pass" by the Standing Committee on Rules- Administrative Oversight Committee by a vote of 11 to 0.

Currently, a telephone company has its tangible personal property assessed in the same manner as a railroad. Beginning January 1, 2019, this bill allows a telephone company to elect to have its tangible personal property assessed in accordance with depreciation schedules.

The bill contains a fee in lieu of tax requirement that applies to telephone companies in school districts that receive less tax revenue as a result of the tax modifications. Companies in these districts will remit a fee as specified in the bill to such school districts unless an increase in tax levy by the district occurs making the outcome revenue neutral for the school district.

This bill is similar to HB 142 (2017).

PROPONENTS: Supporters say that the bill will create a level playing field for the tax treatment of telecommunications companies some of which were regulated under older, utility-based standards that should not apply to deregulated markets. There is a provision in the bill to make sure schools are not harmed from this.

Testifying for the bill were Senator Hoskins; At&T; Centurylink; and the Missouri Telecommunications Industry Association.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say they expect a small loss from this bill.

Testifying on the bill was Boone County, Missouri.