

HCS SB 773 -- TAXATION

SPONSOR: Hoskins

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on General Laws by a vote of 12 to 0. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 11 to 1.

This bill modifies several provisions relating to taxation.

AMATEUR SPORTING EVENT TAX CREDIT

This bill reauthorizes the Amateur Sporting Events Tax Credit until August 28, 2030, while making various other changes. Bid fees and financial guarantees are added to the definition of "eligible costs" used to determine the amount of a tax credit authorized, and the bill extends the deadline for a tax credit applicant to submit eligible costs and proper documentation from 30 to 90 days following the conclusion of a sporting event. The bill also adds the Amateur Athletic Union, the National Christian College Athletic Association, the National Junior College Athletic Association, the United States Sports Specialty Association, and rights holder members of the National Association of Sports Commissions to the list of "site selection organizations" that determine tax credit qualifying sporting events. The definition of "sporting events" is expanded to include collegiate competitions.

The bill provides that the tax credit authorized by the Amateur Sporting Events Tax Credit program for the hosting of a qualifying sporting event shall be the least of 100% of eligible costs, an amount equal to \$5 for every admission ticket, or an amount equal to \$10 for every paid participant registration if the sporting event did not sell admission tickets. The latter two values shall be calculated using the actual number of tickets sold or registrations paid, not estimates.

Furthermore, for purposes of having a certified support contract necessary for receiving a tax credit, site selection organizations need not use a competitive bid process when organizing any previously-awarded event that is held due to a contract extension or any collegiate football bowl games or other neutral-site games with at least one out-of-state team. However, in no event shall the amount of tax credits authorized exceed \$2.7 million in any fiscal year for sporting events located in Jackson County, St. Louis County, or St. Louis City (Sections 667.3000 and 667.3005, RSMo).

This provision shall sunset 12 years after the effective date.

This provision is the same as HCS HB 1438 (2018).

ATHLETES AND ENTERTAINERS TAX

Currently, the revenue generated from an income tax on certain nonresident athletes and entertainers is distributed among several funds and will currently end on December 31, 2020. This bill extends the distributions until December 31, 2030 (Section 143.183).

This provision is similar to a provision contained in SS#2 SCS SBs 617, 611, & 667 (2018).

CORPORATE INCOME TAX

This bill changes the calculation of taxable income of corporations by disallowing any inter-company transactions between corporations that file a consolidated income tax return in this state to be considered sales and business transactions in determining taxable income in Missouri (Section 143.451).

This provision is the same as HCS HB 2638.

PROPONENTS: Supporters say that the underlying bill extends the existing athletes and entertainers tax for another 10 years. Supporters say that the money from this tax goes all over the state to support the arts.

Testifying for the bill were Senator Hoskins; Michael Donovan, Missouri Arts Council (DED); Kansas City Public Television; and the Missouri Library Association.

OPPONENTS: There was no opposition voiced to the committee.