

HCS HBs 1339 & 1324 -- MISSOURI WORKS PROGRAM

SPONSOR: Trent

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Economic Development by a vote of 9 to 0.

The following is a summary of the House Committee Substitute for HB 1339.

Currently, the Missouri Department of Economic Development is required to recapture Missouri Works Program Benefits from a company if it fails to timely file the annual audit report.

This bill specifies that, if a qualified company fails to timely file the annual report, the Department of Economic Development will communicate with an employee, as described in the bill, to inform the qualified company of the failure to timely file the annual report. If the qualified company requests an extension in writing to the Department within 30 days following the deadline to file the annual report, the Department will grant one 30-day extension beginning on the date that the request was received by the Department to file the report without penalty. A failure to submit the report by the end of any extension granted will result in the forfeiture of tax credits and a recapture of withholding tax as provided in current law. Additionally, a qualified company that had an annual report due between January 1, 2020, and September 1, 2021, will not be subject to the forfeiture of tax credits attributable to the year for which the reporting was required or to the recapture of withholding taxes retained by the qualified company or qualified military project during such year so long as the annual report is filed with the Department by November 1, 2021.

This bill is similar to SB 227 (2021).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPONENTS: Supporters say that this bill allows the Department of Economic Development to work with qualified companies that may have missed the deadline to file annual audit reports. Currently, there are no remedies for a company that misses a deadline and they must forfeit tax credits and are subject recapture of retained withholding taxes, and this bill would provide a remedy for companies. This is important considering the COVID-19 pandemic forced many businesses to operate differently and deadlines were missed as a result of the pandemic. Additionally, one business missed a deadline because an employee embezzled money and lied to

their employer, telling the employer that they had filed the report.

Testifying for the bill were Representative Trent; and The Timken Company.

OPPONENTS: Those who oppose the bill submitted online witness statements.

Testifying against the bill was Arnie Dienoff.

Written testimony has been submitted for this bill. The full written testimony can be found under Testimony on the bill page on the House website.