

HCS HB 1408 -- FINANCIAL TRANSACTIONS

SPONSOR: Plocher

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Special Committee on Small Business by a vote of 17 to 0.

The following is a summary of the House Committee Substitute for HB 1408.

The bill makes provisions relating to financial transactions.

FEES FOR BUSINESS LICENSES (Section 1.600,RSMo)

If a business is closed for at least 60 days solely due to a shutdown order, any fee for a business license will be waived for the business during the period of the shutdown order or six months, whichever is more. Fees for a business license may be prorated.

As used in this bill, "shutdown order" means any order by the state, or an agency or political subdivision, that closes a business during a state of emergency declared by the Governor that is caused by any reason outside the business's control.

This bill will not apply to a license or certification of an individual to practice a profession.

The state will reimburse political subdivisions for revenues lost due to this section.

TAX CREDITS FOR BUSINESS SHUTDOWNS (Section 135.1400)

This bill provides that for tax years beginning on or after January 1, 2021, a qualified taxpayer, as defined in the bill, will be allowed to claim a tax credit against the taxpayer's state income tax liability in an amount equal to the taxpayer's qualified amount, as defined in the bill.

A qualified amount for a given tax year is the percentage of the taxpayer's real property tax liability as determined by the table set out in the bill, based upon how many days the taxpayer was shutdown for more than 14 days during an official state of emergency declared by the Governor for reasons not relating to any fault of the taxpayer.

The tax credit is limited at \$50,000 per year and any excess can be carried forward. The tax credit is refundable, but cannot be assigned, transferred, sold, or otherwise conveyed.

If the qualified taxpayer is not the real property owner, the qualified taxpayer must request a document showing the real property tax liability from either the county collector, or any other local government official responsible for maintaining real property tax records.

If more than one qualified taxpayer uses the real property, the qualified amount of the tax credit must be divided between them.

TAX CREDITS FOR BUSINESS SHUTDOWNS (Section 135.1402)

This bill provides that for tax years beginning on or after January 1, 2021, a qualified taxpayer, as defined in the bill, will be allowed to claim a tax credit against the taxpayer's state income tax liability in an amount equal to the taxpayer's qualified amount, as defined in the bill.

A qualified amount for a given tax year is the percentage of the taxpayer's personal property tax liability as determined by the table set out in the bill, based upon how many days the taxpayer was shutdown for more than 14 days during an official state of emergency declared by the Governor for reasons not relating to any fault of the taxpayer.

The tax credit is limited at \$50,000 per year and any excess can be carried forward. The tax credit is refundable, but cannot be assigned, transferred, sold, or otherwise conveyed.

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 the bill will help businesses during a state of emergency. Government should not be able to tax businesses that they shut down. In this bill the longer a business is shut down the more money they can get back from the state.

Testifying for the bill were Representative Plocher; Missouri Chamber of Commerce; Arnie C. Dienoff; National Federation of Independent Business (NFIB).

OPPONENTS: There was no opposition voiced to the committee.

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.