

HB 136 -- RESEARCH AND EXPERIMENTATION COSTS

SPONSOR: Justus

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Ways and Means by a vote of 5 to 1. Voted "Do Pass" by the Standing Committee on Rules-Legislative by a vote of 8 to 0.

Currently, Missouri taxpayers are unable to deduct certain research and experimentation expenditures from their adjusted gross income for tax purposes. This limitation is a result of the Federal "Tax Cuts and Jobs Act" of 2017.

This bill de-couples Missouri from the provisions of the Federal law, and allows taxpayers to deduct specified research and experimental expenditures from their Federal adjusted gross income, beginning January 1, 2026.

This bill is similar to HB 2457 (2024).

PROPOSERS: Supporters say that this bill will allow for individuals who file their taxes as businesses that are involved in research and development (R&D) to receive deductions for research, experimentation, and development spending. Proponents also say this bill will benefit businesses that invest in research and are on the cutting edge of their industry. Supporters say the bill will make Missouri more attractive to businesses doing this R&D work.

Testifying in person for the bill were Representative Justus; Associated Industries of Missouri; Missouri Chamber of Commerce.

OPPOSERS: There was no opposition voiced to the committee.

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