

HB 499 -- EARNINGS TAX OPPORTUNITY ZONES (Christ)

COMMITTEE OF ORIGIN: Special Committee on Tax Reform

This bill establishes "earnings tax opportunity zones". These opportunity zones, as described in the bill, will correspond to existing Federal census tracts described as "distressed communities".

Beginning January 1, 2026, the following types of income will be exempt from the city earnings tax:

- (1) Salaries, wages, commissions, and other compensation earned by any resident of an earnings tax opportunity zone;
- (2) Salaries, wages, commissions, and other compensation earned by any person who earns salaries, wages, commissions, and other compensation for work done or services performed or rendered in an earnings tax opportunity zone;
- (3) Net profits of associations, businesses, or other activities conducted by any person in an earnings tax opportunity zone; and
- (4) Net profits earned by all corporations as the result of work done or services performed or rendered and business or other activities in an earnings tax opportunity zone.

If a distressed community that is found within an opportunity zone imposes a city earnings tax, that distressed community must publish and maintain an updated map of earnings tax opportunity zones on its website and provide a copy of the map upon request.

The bill provides that certain provisions related to charter amendments must not apply to any earnings tax opportunity zone that includes or overlaps with the National Geospatial-Intelligence Agency West campus in the City of St. Louis.