

HCS HBs 594 & 508 -- INCOME TAX DEDUCTION FOR CAPITAL GAINS

SPONSOR: Perkins

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Commerce by a vote of 6 to 3. Voted "Do Pass" by the Standing Committee on Rules-Administrative by a vote of 6 to 3.

The following is a summary of the House Committee Substitute for HB 594.

For all tax years beginning on or after January 1, 2025, a taxpayer may deduct 100% of all income reported as a capital gain for federal income tax purposes.

This bill is the same as SB 46 (2025).

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

PROPOSERS: Supporters say that by allowing the capital gains tax deduction, the bill improves the economic growth conditions in Missouri to attract new businesses and makes Missouri competitive with its neighboring states. The bill stimulates productivity, provides the relief to businesses and industry, and frees up the money for reinvestment opportunities. This bill helps all Missourians, including retirees.

Testifying in person for the bill were Representative Perkins; Associated Industries of Missouri; Missouri Realtors; NFIB; Missouri Soybean Association; Missouri Cattlemen's Association; Missouri Chamber of Commerce and Industry; Missouri Farm Bureau; and Missouri Corn Growers Association.

OPPOSERS: Those who oppose the bill say that there is no mechanism for replacing income that is lost through capital gains elimination. It creates a budget shortfall that adversely impacts essential services.

Testifying in person against the bill was Arnie Dienoff.

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.