

HCS SS SB 67 -- INCOME TAX

SPONSOR: Henderson

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Special Committee on Tax Reform by a vote of 9 to 0. Voted "Do Pass" by the Standing Committee on Rules-Legislative by a vote of 7 to 1.

The following is a summary of the House Committee Substitute for SB 67.

AFFORDABLE HOUSING ASSISTANCE TAX CREDITS (Section 32.115)

Currently, any business which provides affordable housing assistance to distressed communities can receive a tax credit, with no more than \$10 million in such tax credits being awarded in any fiscal year. Furthermore, any business which makes a contribution to a neighborhood organization, a significant part of whose activities consist of affordable housing assistance, can receive a tax credit, with no more than \$1 million in such tax credits being awarded in any fiscal year. This bill provides that, in the event the total amount of tax credits granted under Section 32.111 for the fiscal year is less than \$10 million, the unused amount can be granted to qualifying programs under Section 32.112, such that the combined amount awarded under the two sections does not exceed \$11 million annually.

BEGINNING FARMER INCOME TAX DEDUCTION (Section 143.121)

Current law authorizes an income tax deduction for certain income received for the sale or lease of farmland to beginning farmers. This bill adds a definition of "taxpayer" to such deduction.

TIME FOR FILING RETURNS (Section 143.511)

Current law provides that the date for filing income tax returns shall be the fifteenth day of the fourth month following the close of the taxpayer's taxable year. This bill provides that such date shall be the date prescribed for the filing of federal tax returns. The bill provides that if such date is changed for any reason, the date for filing state income tax returns shall also be changed to such date.

DEFICIENCIES DUE TO DENIED TAX CREDITS (Section 143.512)

This bill provides that a taxpayer is not liable for penalties or interest on an income tax balance due if the taxpayer is denied part or all of a tax credit to which the taxpayer has qualified pursuant to any provision of law due to lack of available funds,

and the denial causes a balance-due notice to be generated by the Department of Revenue or any other redeeming agency. The taxpayer must pay the balance due within 60 days or be subject to penalties and interest pursuant to current law.

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 simplifies language, protects farmers, and ensures people are not getting wrongly penalized on their taxes. Proponents state the bill benefits beginning farmers and clarifies language that kept farmers from utilizing the tax credit.

Testifying in person for the bill were Senator Henderson; Missouri Soybean Association; and Missouri Corn Growers Association.

OPPONENTS: No opposition was voiced in person 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.