MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: **HB 2243**	DATE: **5/5/2026**
COMMITTEE: **Rules - Legislative**	

TESTIFYING: ☑ IN SUPPORT OF ☐ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

BUSINESS/ORGANIZATION:

WITNESS NAME: **ARNIE C. AC "HONEST-ABE" DIENOFF**	PHONE NUMBER: **314-440-9000**	
BUSINESS/ORGANIZATION NAME: **STATE PUBLIC ADVOCACY**	TITLE: **STATE PUBLIC ADVOCATE**	
ADDRESS: **POST OFFICE BOX #1535**		
CITY: **O'FALLON**	STATE: **MO**	ZIP: **63366**
EMAIL:	ATTENDANCE:	SUBMIT DATE: **5/7/2026 12:00 AM**

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

MISSOURI HOUSE OF REPRESENTATIVES
WITNESS APPEARANCE FORM

BILL NUMBER: **HB 2243**	DATE: **5/5/2026**
COMMITTEE: **Rules - Legislative**	

TESTIFYING: ☑ IN SUPPORT OF ☐ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

INDIVIDUAL:

WITNESS NAME: **CORY FORD**	PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME:	TITLE:	
ADDRESS:		
CITY:	STATE:	ZIP:
EMAIL:	ATTENDANCE:	SUBMIT DATE: **5/7/2026 12:00 AM**

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: HB 2243	DATE: 5/5/2026

COMMITTEE: **Rules - Legislative**

TESTIFYING: ☑ IN SUPPORT OF ☐ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

BUSINESS/ORGANIZATION:

WITNESS NAME:	PHONE NUMBER:
GARY STOLZER	**573-880-8031**
BUSINESS/ORGANIZATION NAME: **SHERIFFS OFFICE**	TITLE: **SHERIFF**

ADDRESS: **#5 BASLER DR**

CITY:	STATE:	ZIP:
STE. GENEVIEVE	**MO**	**63670**

EMAIL:	ATTENDANCE:	SUBMIT DATE:
		5/7/2026 12:00 AM

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: HB 2243	DATE: 5/5/2026
COMMITTEE: Rules - Legislative	

TESTIFYING: ☑ IN SUPPORT OF ☐ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

INDIVIDUAL:

WITNESS NAME: JASON SCHOTT		PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME:		TITLE:	
ADDRESS:			
CITY:		STATE:	ZIP:
EMAIL:	ATTENDANCE: Written	SUBMIT DATE: 5/5/2026 9:51 AM	

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

Chairman, members of the committee:
My name is Jason Schott. I serve as Chief Deputy for the Ste. Genevieve County Sheriff's Office and as Chairman of the Ste. Genevieve County 911 Services Tax Board. Thank you for the opportunity to testify today.
I am here to speak in strong support of House Bill 2243. This legislation is critical to correcting a serious consequence of prior state action—one that has significantly harmed not only Ste. Genevieve County, but local governments across Missouri.
In early 2024, Ste. Genevieve County experienced a sharp and unexpected decline in sales tax revenue. By May, our County Treasurer identified the cause: changes resulting from Senate Bill 153 and Missouri Revised Statute 144.054. These provisions exempt certain industries—such as mining, energy, telecommunications, nuclear, gas, railroad and others—from paying local sales and use taxes. Ste. Genevieve County is home to several major mining operations, including one of the largest cement plants in North America. For a rural county like ours, this has had a profound impact. As a result of this exemption, our county is now facing a $1.4 million annual shortfall across five local sales taxes. Two of those taxes directly fund the Sheriff's Office. An additional two support essential services such as our ambulance district and 911 operations.
The impact on 911 services is especially concerning. In 2023, our voters approved a sales tax dedicated to funding 911. At that time, the county had already begun a $3.2 million infrastructure upgrade to modernize our emergency communications system—transitioning from outdated analog equipment to a digital platform. When the 911 Board was established, we assumed responsibility for that project, including the associated debt. All done without knowing about the sales tax exemption. Today, we are repaying that loan while also funding ongoing dispatch services through a regional communications center. The loss of sales tax revenue tied to these exemptions is estimated at approximately $300,000 (roughly 40%) annually for 911 alone. For a newly established board that began with no reserves and took on significant financial obligations, this creates a serious and immediate challenge.
Despite this loss in revenue, the demand for services has not changed. Law enforcement, EMS, and 911 services are still expected to respond at the same level—serving all residents and businesses, including those now exempt from contributing to the local tax base. These companies continue to benefit from public safety services but are no longer contributing to their funding at the local level.
I would ask you to consider whether that is equitable. I would also ask you to think about this. Soon the citizens of this State will be voting to potentially eliminate the income tax. A tax that makes up close to 65% of the State's revenue. In turn, the State will start placing sales taxes on things that have never had a sales tax associated with them. Items such as doctor and dentist visits, legal services and car repairs. So the working people of this state will pay more in taxes than they are now all the while, the

exempt companies that fall under 144.054 will still not pay any taxes.

It is also important to note that these local sales taxes were approved by the voters of Ste. Genevieve County. They were not imposed by the state—they were enacted through local ballot measures, reflecting the will of our citizens. While the state has the authority to adjust its own tax policy, removing locally approved taxes raises serious concerns about local control.

In speaking with legislators who were in office at the time Senate Bill 153 and Mo RSMo 144.054 were passed, many have indicated they were unaware that this provision was included in the omnibus legislation. There is broad recognition that the outcome has been harmful to local governments.

Representative Wolfin has been the only State elected member who has taken an important step in addressing this issue. He is again addressing it through House Bill 2243.

Members of the committee, regardless of whether you were in office at the time this policy was enacted or not, you now have the opportunity to correct it.

On behalf of Ste. Genevieve County Sheriff's Office and the Ste. Genevieve County 911 Services Tax Board, I respectfully urge you to pass House Bill 2243 out of committee and support its passage through the General Assembly. Doing so will restore critical local funding and ensure that we can continue to provide essential services—law enforcement, EMS, and 911—to the communities we serve.

Thank you for your time and consideration. I am happy to answer any questions.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: **HB 2243**	DATE: **5/5/2026**
COMMITTEE: **Rules - Legislative**	

TESTIFYING: ☑ IN SUPPORT OF ☐ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

BUSINESS/ORGANIZATION:

WITNESS NAME: **JASON SCHOTT**	PHONE NUMBER: **573-880-8029**	
BUSINESS/ORGANIZATION NAME: **STE. GENEVIEVE CO. 911 EMERGENCY SERVICE TAX BOARD**	TITLE: **CHAIRMAN**	
ADDRESS: **295 BROOKS DR**		
CITY: **STE. GENEVIEVE**	STATE: **MO**	ZIP: **63670**
EMAIL:	ATTENDANCE:	SUBMIT DATE: **5/7/2026 12:00 AM**

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: **HB 2243**	DATE: **5/5/2026**
COMMITTEE: **Rules - Legislative**	

TESTIFYING: ☑ IN SUPPORT OF ☐ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

BUSINESS/ORGANIZATION:

WITNESS NAME: **JIM SCAGGS**	PHONE NUMBER: **573-270-2450**	
BUSINESS/ORGANIZATION NAME: **IRON COUNTY COMMISSION**	TITLE: **PRESIDING COMMISSIONER**	
ADDRESS: **250 SOUTH MAIN STREET**		
CITY: **IRONTON**	STATE: **MO**	ZIP: **63650**
EMAIL: **jscaggs@ironcountymo.gov**	ATTENDANCE: **Written**	SUBMIT DATE: **5/4/2026 8:20 PM**

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: **HB 2243**	DATE: **5/5/2026**
COMMITTEE: **Rules - Legislative**	

TESTIFYING: ☑ IN SUPPORT OF ☐ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

INDIVIDUAL:

WITNESS NAME: **MARK SHAHAN**	PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME:	TITLE:	
ADDRESS:		
CITY:	STATE:	ZIP:
EMAIL:	ATTENDANCE:	SUBMIT DATE: **5/7/2026 12:00 AM**

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: **HB 2243**	DATE: **5/5/2026**
COMMITTEE: **Rules - Legislative**	

TESTIFYING: ☑ IN SUPPORT OF ☐ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

INDIVIDUAL:

WITNESS NAME: **RANDY RUZICKA**	PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME:	TITLE:	
ADDRESS:		
CITY:	STATE:	ZIP:
EMAIL:	ATTENDANCE:	SUBMIT DATE: **5/7/2026 12:00 AM**

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: **HB 2243**	DATE: **5/5/2026**
COMMITTEE: **Rules - Legislative**	

TESTIFYING: ☑ IN SUPPORT OF ☐ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

INDIVIDUAL:

WITNESS NAME: **SHERRY L BUCHANAN**		PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME:		TITLE:	
ADDRESS:			
CITY:		STATE:	ZIP:
EMAIL:	ATTENDANCE: **Written**	SUBMIT DATE: **4/29/2026 3:05 PM**	

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

Regardless of the cause, Missouri has been far too generous about tax exemptions which impact general revenue. An additional issue is the lack of oversight to determine if these exemptions actually improve our state's or a local economic picture.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: **HB 2243**	DATE: **5/5/2026**
COMMITTEE: **Rules - Legislative**	

TESTIFYING: ☑ IN SUPPORT OF ☐ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

BUSINESS/ORGANIZATION:

WITNESS NAME: **STEVE HOBBS**	PHONE NUMBER: **573-473-4601**	
BUSINESS/ORGANIZATION NAME: **MISSOURI ASSOCIATION OF COUNTIES**	TITLE: **EXECUTIVE DIRECTOR**	
ADDRESS: **1648 EAST ELM ST.**		
CITY: **JEFFERSON CITY**	STATE: **MO**	ZIP: **65101**
EMAIL: **shobbs@mocounties.com**	ATTENDANCE: **Written**	SUBMIT DATE: **5/4/2026 3:34 PM**

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: **HB 2243**	DATE: **5/5/2026**
COMMITTEE: **Rules - Legislative**	

TESTIFYING: ☐ IN SUPPORT OF ☑ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

INDIVIDUAL:

WITNESS NAME: **ABBY HERNDON**	PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME:	TITLE:	
ADDRESS:		
CITY:	STATE:	ZIP:
EMAIL:	ATTENDANCE: **Written**	SUBMIT DATE: **5/5/2026 5:51 PM**

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

Big business and corporations need to be paying sales tax. They receive enough tax breaks and abatement as is. Unless the public can have sales tax exemptions, this is unfair. The state can't afford to put in place this sales tax exemption bill.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: **HB 2243**	DATE: **5/5/2026**
COMMITTEE: **Rules - Legislative**	

TESTIFYING: ☐ IN SUPPORT OF ☑ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

BUSINESS/ORGANIZATION:

WITNESS NAME: **ALLAN ATKINS**		PHONE NUMBER: **573-231-7176**
BUSINESS/ORGANIZATION NAME: **INDEPENDENT's SERVICE**		TITLE: **PRESIDENT + CEO**
ADDRESS: **2710 MARKET STREET**		
CITY: **HANNIBAL**	STATE: **MO**	ZIP: **63401**
EMAIL: **aatkins@isco.net**	ATTENDANCE: **Written**	SUBMIT DATE: **5/5/2026 2:45 PM**

We are losing customers now to 2 competitors in North Carolina and Georgia, after MO minimum wages have gone to $15/hour. This will not help either.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: HB 2243	DATE: 5/5/2026

COMMITTEE: **Rules - Legislative**

TESTIFYING: ☐ IN SUPPORT OF ☑ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

BUSINESS/ORGANIZATION:

WITNESS NAME:	PHONE NUMBER:
AMY JACKSON	404-879-3267
BUSINESS/ORGANIZATION NAME: SYNEXUS TAX SOLUTIONS LLC	TITLE: DIRECTOR OF TAX POLICY

ADDRESS: 271 17TH ST. NW, STE 2100

CITY:	STATE:	ZIP:
ATLANTA	GA	30363

EMAIL:	ATTENDANCE:	SUBMIT DATE:
amy.jackson@synexustax.com	Written	5/5/2026 4:23 PM

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

I have been a sales tax consultant for 20 years. I started my career at the Missouri Department of Revenue and worked for the General Counsel's Office when the original exemption was passed (SB 30, 2007). I spend a significant amount of time training the Department's auditors on the nuances Section 144.054 created for us. I left the Department in 2012 and have been consulting on multistate sales tax issues ever since. Repealing the local sales tax exemption will cause confusion for taxpayers. While this would create job security for me, it also creates headaches (e.g., audit defense cases). Taxpayers struggled to administer the exemption when it was first passed because POS systems did NOT allow for the administration of the local exemption. Plus, this created an opportunity for the state to "catch" manufacturers claiming a full exemption when the local sales tax applied. The lines that were drawn in the sand to determine what qualified under Section 144.030 versus Section 114.054 were arbitrary - and I don't make that statement lightly since I was working at the Department at the time (and helped write the regulations and many letter rulings). Finally, repealing the local exemption could impact our economic nexus provision. The ruling in the Wayfair case relied on South Dakota having a sales tax that wasn't burdensome for the seller to collect. Repealing the local sales tax would create a nuance that would make it burdensome for taxpayers to administer - determine which tax type applies to the transaction (sales vs. use tax) and determine if the item sold would qualify under Section 144.030 versus Section 144.054.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: **HB 2243**	DATE: **5/5/2026**
COMMITTEE: **Rules - Legislative**	

TESTIFYING: ☐ IN SUPPORT OF ☑ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

BUSINESS/ORGANIZATION:

WITNESS NAME: **BRANDON TUCKER**	PHONE NUMBER: **636-208-0204**	
BUSINESS/ORGANIZATION NAME: **MILLER’S PROFESSIONAL IMAGING/MPIX**	TITLE: **COO**	
ADDRESS: **1712 E POINTE DR**		
CITY: **COLUMBIA**	STATE: **MO**	ZIP: **65201**
EMAIL: **brandont@millerslab.com**	ATTENDANCE: **Written**	SUBMIT DATE: **5/5/2026 2:47 PM**

The proposal to eliminate or reduce the manufacturing and production tax exemption may be framed as a way to increase revenue, but it fundamentally misunderstands how manufacturing businesses operate—and the competitive environment we face.

Missouri has long recognized that taxing inputs used in manufacturing, processing, mining, and production creates a form of “tax pyramiding,” where taxes compound at multiple stages before a product ever reaches the customer. That’s why current law exempts many of these inputs—because they are not final consumption, they are part of the production process itself.

Removing or weakening that exemption would effectively raise the cost of producing goods in Missouri overnight.

From our perspective as owners of a manufacturing company with operations in both Missouri and Kansas, the impact is straightforward: this would make Missouri a more expensive place to do business. Unlike purely local businesses, manufacturers compete nationally—and often globally. We price our products against competitors across the country, many of whom operate in states that continue to protect manufacturing inputs from taxation.

If our input costs rise in Missouri, we don’t have the ability to simply pass those costs on. In most cases, we either absorb the margin hit or shift investment and production to lower-cost environments. That’s not a theoretical concern—it’s a real, day-to-day decision framework for companies like ours.

At a time when other states are aggressively using tax policy to attract manufacturing investment, Missouri should be moving in the opposite direction. In fact, recent legislative efforts have focused on expanding incentives and reducing costs specifically to encourage in-state production and strengthen supply chains.

This proposal cuts directly against that strategy.

The likely outcomes are predictable:

* **Reduced investment in Missouri facilities**
* **Increased incentive to shift production to neighboring states (including Kansas)**
* **Lower long-term job growth in manufacturing sectors**

*** Reduced competitiveness for Missouri-based companies selling nationwide**

Manufacturing is one of the most capital-intensive and margin-sensitive industries. Small changes in input costs can drive large changes in location decisions over time. Policies like this don't just generate revenue—they reshape where businesses choose to grow.

If the goal is to strengthen Missouri's economy, the focus should be on maintaining—and ideally enhancing—its competitiveness as a place to manufacture and produce goods. Increasing the tax burden on production does the opposite.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: HB 2243	DATE: 5/5/2026
COMMITTEE: Rules - Legislative	

TESTIFYING: ☐ IN SUPPORT OF ☑ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

INDIVIDUAL:

WITNESS NAME: BRANKO J. MARUSIC, JR.	PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME:	TITLE:	
ADDRESS:		
CITY:	STATE:	ZIP:
EMAIL:	ATTENDANCE: Written	SUBMIT DATE: 5/5/2026 2:47 PM

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

The bill would repeal sales tax exemptions that are essential to Missouri's economic development, by providing businesses to locate in or expand in Missouri. The loss of these exemptions would result in Missouri becoming less attractive to new and expanding businesses as many states, including those contiguous to Missouri, provide similar sales tax exemptions.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: HB 2243			DATE: 5/5/2026
COMMITTEE: Rules - Legislative			
TESTIFYING:	☐ IN SUPPORT OF	☑ IN OPPOSITION TO	☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

REGISTERED LOBBYIST:

WITNESS NAME: **DANIEL KLEINSORGE**		PHONE NUMBER: **573-821-2040**	
REPRESENTING: **INFRA**		TITLE: **EXECUTIVE DIRECTOR**	
ADDRESS: **11863 COUNTY ROAD 393**			
CITY: **HOLTS SUMMIT**		STATE: **MO**	ZIP: **65043**
EMAIL: **dan@inframissouri.org**	ATTENDANCE: **Written**	SUBMIT DATE: **4/30/2026 8:26 AM**	

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

The manufacturing sales tax exemption is a vital part of our state's economic development engine. Repealing this longstanding exemption makes no sense and Infra opposes HB 2243 as we have opposed earlier efforts to complicate the state sales tax code.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: **HB 2243**	DATE: **5/5/2026**
COMMITTEE: **Rules - Legislative**	

TESTIFYING: ☐ IN SUPPORT OF ☑ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

BUSINESS/ORGANIZATION:

WITNESS NAME: **GARY L BROWN**	PHONE NUMBER: **417-540-0847**	
BUSINESS/ORGANIZATION NAME: **H E WILLIAMS INC.; FOVIS MAZARS CPAS**	TITLE: **CPA**	
ADDRESS: **2794 DEER DRIVE, JOPLIN, MO, 64804, UNITED STATES**		
CITY: **JOPLIN**	STATE: **MO**	ZIP: **64804**
EMAIL: **loupug78@gmail.com**	ATTENDANCE: **Written**	SUBMIT DATE: **5/5/2026 2:23 PM**

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

I have been a MO resident of MO for 74 years, and a MO CPA for 50. I am totally against HB 2243 knowing it increases costs to all businesses with the ultimate cost born by MO residents. My family and I do not support this bill.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: HB 2243	DATE: 5/5/2026
COMMITTEE: Rules - Legislative	

TESTIFYING: ☐ IN SUPPORT OF ☑ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

BUSINESS/ORGANIZATION:

WITNESS NAME: **JOHN ALONSO**	PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME: **STATE TAX ADVISORS**	TITLE:	
ADDRESS:		
CITY: **BALLWIN**	STATE: **MO**	ZIP: **63011**
EMAIL: **john@state-tax-advice.com**	ATTENDANCE: **Written**	SUBMIT DATE: **5/5/2026 9:10 PM**

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

HB 2243 would increase operating costs for thousands of Missouri businesses and result in higher prices for consumers.

Eliminating this local sales tax exemption would make it almost impossible for many companies to charge the correct tax rate. Most accounting and billing software programs currently in use cannot apply partial or "split" tax rates to invoices, without costly customization or manual workarounds. In many cases, Missouri businesses may be forced to purchase new expensive software to comply with the law.

This legislation would introduce major confusion at every level. Sellers and buyers alike would struggle to understand the tax application, leading to unintentional errors and noncompliance. In turn, sales/use tax audits of impacted businesses may increase along with audit assessments due to confusing tax exemption rules. Ultimately, legal disputes will create animosity between Missouri businesses and the Missouri Department of Revenue.

This, seemingly, simple elimination of a sales tax exemption would have far reaching consequences, all of which are harmful to Missouri businesses and consumers.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: **HB 2243**	DATE: **5/5/2026**
COMMITTEE: **Rules - Legislative**	

TESTIFYING: ☐ IN SUPPORT OF ☑ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

BUSINESS/ORGANIZATION:

WITNESS NAME: **LORI PILKINTON**	PHONE NUMBER: **314-966-2800**	
BUSINESS/ORGANIZATION NAME: **THE BRENNAN GROUP**	TITLE: **DIRECTOR, STATE AND LOCAL TAX SERVICES**	
ADDRESS: **12221 BIG BEND RD**		
CITY: **KIRKWOOD**	STATE: **MO**	ZIP: **63122**
EMAIL: **lpilkinton@thebrennangroup.com**	ATTENDANCE: **Written**	SUBMIT DATE: **5/5/2026 5:18 PM**

This bill will harm Missouri manufacturing by taking away exemptions that are currently in place.

This will also create tax compliance issues for Sellers and Purchasers.

It will also prevent new businesses from coming into Missouri and expansion of current manufacturing operations.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: HB 2243	DATE: 5/5/2026
COMMITTEE: Rules - Legislative	

TESTIFYING: ☐ IN SUPPORT OF ☑ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

BUSINESS/ORGANIZATION:

WITNESS NAME: MARK HOLMES		PHONE NUMBER: 202-484-5228	
BUSINESS/ORGANIZATION NAME: COUNCIL ON STATE TAXATION		TITLE: SENIOR TAX COUNSEL	
ADDRESS: 122 C STREET, N.W., SUITE 330			
CITY: WASHINGTON		STATE: DC	ZIP: 20001
EMAIL: mholmes@cost.org	ATTENDANCE: Written	SUBMIT DATE: 5/4/2026 5:45 PM	

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

The Honorable Scott Cupps, Chair
The Honorable Don Mayhew, Vice Chair
The Honorable LaKeySha Bosley, Ranking Minority Member
and Members of the Missouri House Rules – Legislative Committee
Missouri House of Representatives

Re: COST Opposes H.B. 2243 – Local Sales/Use Taxation of Business Inputs

Dear Chair Cupps, Vice Chair Mayhew, Ranking Member Bosley, and Members of the Committee:

The Council On State Taxation (COST) respectfully opposes H.B. 2243 because it represents a significant departure from long-standing principles of sound sales tax policy. The bill would amend Missouri law to provide that key exemptions for machinery, equipment, utilities, and other inputs used in manufacturing and processing no longer apply to local sales taxes, while remaining in place at the state level. As a result, a broad range of essential business inputs, including energy, production equipment, raw materials, and research and development expenses, would become subject to local sales tax. This change would materially expand the local sales tax base to include intermediate business purchases that have historically been excluded in recognition of their role in the production process and are a direct tax on business inputs.

About COST

COST is a nonprofit trade association based in Washington, DC. COST was formed in 1969 as an advisory committee to the Council of State Chambers of Commerce and today has an independent membership of nearly 500 major corporations engaged in interstate and international business. COST's objective is to preserve and promote the equitable and nondiscriminatory state and local taxation of multijurisdictional business entities, of which many do business in Missouri.

Sales Taxes on Business Inputs

The COST Board of Directors has adopted a formal policy statement regarding the imposition of sales taxes on business inputs. COST's policy position is:

Imposing sales taxes on business inputs violates several tax policy principles and causes significant

economic distortions. Taxing business inputs raises production costs and places businesses within a State at a competitive disadvantage to businesses not burdened by such taxes. Taxes on business inputs, including taxes on services purchased by businesses, must be avoided.

A fundamental principle of sales taxation is that the tax should apply only once, at the point of final consumption (end-user consumption). By imposing local sales tax on business inputs, H.B. 2243 would expand already existing tax pyramiding, whereby taxes are embedded at multiple stages of production and distribution. These embedded taxes are not transparent to consumers but will ultimately increase the cost of goods and services to end-user purchasers. The burden of this pyramiding of the tax is particularly acute for capital-intensive and energy-intensive industries, many of which are represented by COST's membership, and it can distort economic decision-making by penalizing investment in equipment and production infrastructure in the State.

H.B. 2243 would also exacerbate the non-uniform sales/use tax base between the state and local levels. Under the proposal, the same transaction could be exempt from state sales tax while remaining subject to local tax, requiring taxpayers to apply different tax treatments depending on the level of government imposing the tax. This divergence introduces unnecessary complexity into tax compliance, increasing administrative burdens for both taxpayers and tax administrators. Multistate businesses rely on consistent and uniform tax bases to efficiently administer their sales and use tax obligations. The lack of conformity contemplated by this bill would complicate their compliance systems, increasing the likelihood of audit disputes and reducing overall compliance.

From an economic perspective, the bill risks undermining Missouri's competitiveness. Most sales/use tax states maintain broad exemptions for manufacturing and production inputs precisely to avoid discouraging capital investment and economic development. By subjecting such inputs to local sales/use taxation, Missouri would increase the cost of doing business within the State, which would influence decisions about where companies choose to locate, expand, or maintain operations. These effects may be especially pronounced in jurisdictions with higher local sales tax rates, creating uneven impacts across the State.

Finally, H.B. 2243 raises concerns about tax neutrality. While the bill broadly removes local sales tax exemptions for certain manufacturing inputs, it retains full state and local exemptions for targeted industries and activities, such as defense contracting, broadcasting, and specific development projects. This selective approach results in differing tax treatment among similarly situated taxpayers and undermines the principle that tax policy should apply evenly and without distortion across industries.

Conclusion

H.B. 2243 represents a fundamental shift in Missouri's sales tax structure by extending local sales taxes to business inputs while maintaining state-level exemptions. This approach is problematic because it would negatively enhance tax pyramiding, create non-uniform tax bases, increase compliance burdens, and risk diminishing the State's economic competitiveness. For these reasons, COST respectfully urges the Committee to reject this bill.

Respectfully submitted,

Mark B. Holmes
Senior Tax Counsel

cc: COST Board of Directors
Patrick J. Reynolds, COST President & Executive Director

*** See https://www.cost.org/globalassets/cost/state-tax-resources-pdf-pages/cost-policy-positions/sales-taxation-of-business-inputs.pdf**

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: **HB 2243**	DATE: **5/5/2026**
COMMITTEE: **Rules - Legislative**	

TESTIFYING: ☐ IN SUPPORT OF ☑ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

INDIVIDUAL:

WITNESS NAME: **MICHAEL DURKIN**	PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME:	TITLE:	
ADDRESS:		
CITY:	STATE:	ZIP:
EMAIL:	ATTENDANCE: **Written**	SUBMIT DATE: **5/5/2026 2:24 PM**

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

The bill would increase taxes on manufacturing, mining, processing, and producing activities by narrowing or eliminating existing exemptions on inputs. This would raise costs for in-state manufacturers, reduce competitiveness with neighboring states, and discourage capital investment.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: **HB 2243**	DATE: **5/5/2026**
COMMITTEE: **Rules - Legislative**	

TESTIFYING: ☐ IN SUPPORT OF ☑ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

BUSINESS/ORGANIZATION:

WITNESS NAME: **PHILLIP SLINKARD**		PHONE NUMBER: **417-358-4065**	
BUSINESS/ORGANIZATION NAME: **H. E. WILLIAMS, INC.**		TITLE: **CFO**	
ADDRESS: **831 W. FAIRVIEW AVE.**			
CITY: **CARTHAGE**		STATE: **MO**	ZIP: **64836**
EMAIL: **phil@hew.com**	ATTENDANCE: **Written**	SUBMIT DATE: **5/1/2026 10:39 AM**	

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

I strongly oppose HB 2243. Eliminating any of Missouri's manufacturing sales-tax exemptions is effectively a tax hike on every product made in this state. It raises costs, weakens our competitiveness, and pushes investment and jobs toward neighboring states that continue to protect their manufacturing sectors. This bill punishes Missouri employers for producing here and creates uncertainty for companies planning long-term capital projects. HB 2243 harms Missouri's economy, its workforce, and its future. I urge the committee to reject it.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: **HB 2243**	DATE: **5/5/2026**
COMMITTEE: **Rules - Legislative**	

TESTIFYING: ☐ IN SUPPORT OF ☑ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

BUSINESS/ORGANIZATION:

WITNESS NAME: **RAY MCCARTY**	PHONE NUMBER: **573-634-2246**	
BUSINESS/ORGANIZATION NAME: **ASSOCIATED INDUSTRIES OF MISSOURI**	TITLE: **PRESIDENT/CEO**	
ADDRESS: **3234 W TRUMAN BLVD**		
CITY: **JEFFERSON CITY**	STATE: **MO**	ZIP: **65109**
EMAIL: **rmccarty@aimo.com**	ATTENDANCE: **In-Person**	SUBMIT DATE: **5/4/2026 5:35 PM**

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

Associated Industries of Missouri opposes this $35 million tax increase on manufacturers, mining operations, and all companies producing or processing products in Missouri. The bill could also endanger the state and local governments' ability to collect use taxes from companies located outside Missouri, costing local governments $540 million.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: **HB 2243**	DATE: **5/5/2026**
COMMITTEE: **Rules - Legislative**	

TESTIFYING: ☐ IN SUPPORT OF ☑ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

INDIVIDUAL:

WITNESS NAME: **RICK OTTO**	PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME:	TITLE:	
ADDRESS:		
CITY:	STATE:	ZIP:
EMAIL:	ATTENDANCE: **Written**	SUBMIT DATE: **5/5/2026 3:20 PM**

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: HB 2243			DATE: 5/5/2026
COMMITTEE: Rules - Legislative			
TESTIFYING: ☐ IN SUPPORT OF ☑ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES			
WITNESS NAME			
INDIVIDUAL:			
WITNESS NAME: SARAH BERRY		PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME:		TITLE:	
ADDRESS:			
CITY:		STATE:	ZIP:
EMAIL:	ATTENDANCE: Written	SUBMIT DATE: 5/5/2026 7:46 AM	

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

This testimony is submitted to document constitutional and structural concerns presented by HB 2243 and to preserve those concerns for purposes of potential judicial review.

The bill repeals the existing exemption from local sales tax for manufacturing inputs while retaining and expanding certain targeted exemptions, including those tied to specific projects and classifications.

As drafted, the measure raises identifiable issues under the Missouri Constitution and broader structural doctrines governing taxation and legislative uniformity.

Legal Concerns:

1. Uniformity and Consistency in Taxation (Mo. Const. art. X, §§ 3, 4(a))

HB 2243 removes a broadly applicable local sales tax exemption for manufacturing inputs, thereby increasing tax burdens across a wide class of businesses.

At the same time, the statute preserves and reaffirms multiple targeted exemptions, including those applicable to specific industries and project types.

While the General Assembly retains discretion in structuring tax policy, differential treatment among similarly situated taxpayers must remain rational and consistent with constitutional uniformity requirements.[1]

Where a statute removes general exemptions while maintaining or layering selective exemptions for narrower categories, questions may arise as to whether the resulting tax structure operates in a uniform and non-arbitrary manner.

This testimony preserves any claim that the resulting framework may create inconsistent or preferential treatment without sufficient constitutional justification.

2. Selective Retention of Targeted Exemptions (Special Law Considerations — Mo. Const. art. III, § 40)

The bill retains exemptions tied to highly specific classifications, including the exemption for construction of a "nuclear security enterprise" located in a city with more than 400,000 inhabitants and

located in more than one county.

As previously recognized by Missouri courts, statutory classifications—particularly those using population thresholds or structural descriptors—must not function as a means of enacting special laws applicable to limited localities where a general law could apply.[2]

When a statute simultaneously removes broad-based tax relief while preserving narrowly tailored exemptions tied to specific geographic or project-based criteria, it raises a structural concern as to whether the law operates as a general taxation measure or as a selectively applied benefit.

This testimony preserves that issue.

3. Structural Reallocation of Tax Burden

HB 2243 shifts the tax burden by:

reinstating local sales taxes on manufacturing inputs across a broad class of taxpayers,

while maintaining exemptions that apply to narrower, defined activities or entities

The fiscal analysis reflects a substantial increase in local government revenue (estimated over $34 million annually), indicating a material redistribution of tax obligations.

While redistribution of tax burdens is within legislative authority, courts have considered whether such reallocations, when combined with selective exemptions, create disproportionate effects that may implicate equal protection or uniformity principles.[3]

This testimony preserves any claim that the combined effect of removing broad exemptions and maintaining targeted ones results in a structurally imbalanced taxation scheme.

4. Pattern of Narrow Classification and Targeted Incentive Preservation

HB 2243 reflects a broader structural pattern observed across multiple measures, including:

retention of narrowly defined exemptions tied to specific projects or locations

reliance on population-based or structural qualifiers

selective application of tax benefits alongside

broader tax burden shifts

While no conclusion is asserted as to legislative intent, the recurrence of these structural elements across separate bills may warrant review as to whether such classifications function as neutral policy tools or as mechanisms that consistently direct benefits toward identifiable subsets.

This testimony is submitted to preserve that structural consideration.

Conclusion:
HB 2243 presents identifiable constitutional considerations, particularly with respect to uniformity in taxation, the continued use of narrowly tailored exemptions, and the structural allocation of tax burdens.

The combination of removing broad exemptions while preserving targeted benefits creates a foreseeable basis for legal challenge.

This testimony is submitted to ensure that these issues are clearly reflected in the legislative record and preserved for potential judicial review.

Footnotes:
[1] Mo. Const. art. X, §§ 3, 4(a).
[2] Mo. Const. art. III, § 40; Blaske v. Smith, 821 S.W.2d 822, 832 (Mo. 1991); Jefferson County Fire Prot.

Dists. Ass'n v. Blunt, 205 S.W.3d 866, 870–71 (Mo. banc 2006).
[3] U.S. Const. amend. XIV; FCC v. Beach Commc'ns, Inc., 508 U.S. 307, 313 (1993).

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: **HB 2243**	DATE: **5/5/2026**
COMMITTEE: **Rules - Legislative**	

TESTIFYING: ☐ IN SUPPORT OF ☑ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

BUSINESS/ORGANIZATION:

WITNESS NAME: **STEVEN BURGER**	PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME: **BURGER SPECIALTY FOODS**	TITLE: **EXECUTIVE CHAIRMAN**	
ADDRESS: **32819 HIGHWAY 87 SOUTH**		
CITY: **CALIFORNIA**	STATE: **MO**	ZIP: **65018**
EMAIL: **sburger@smokehouse.com**	ATTENDANCE: **Written**	SUBMIT DATE: **5/5/2026 2:30 PM**

We totally object to HB2243, which adds taxes to manufacturers and also complicates the tax system in a way that could jeopardize the states ability to collect sales tax from out of state retailers. This is a short sighted bill that should be defeated.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: **HB 2243**	DATE: **5/5/2026**
COMMITTEE: **Rules - Legislative**	

TESTIFYING: ☐ IN SUPPORT OF ☑ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

BUSINESS/ORGANIZATION:

WITNESS NAME: **VICKIE HURST**	PHONE NUMBER: **734-529-4474**	
BUSINESS/ORGANIZATION NAME: **AMRIZE CEMENT INC.**	TITLE: **HEAD OF US INDIRECT AND PROPERTY TAX**	
ADDRESS: **6211 N ANN ARBOR RD**		
CITY: **DUNDEE**	STATE: **MI**	ZIP: **48131**
EMAIL: **vickie.hurst@amrize.com**	ATTENDANCE: **Written**	SUBMIT DATE: **5/5/2026 3:52 PM**

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

There should not be a difference between state and local government treatment. It creates an administrative burden placed solely on the taxpayer. Being able to comply with differences in tax administration is costly, requires additional resources, and punishes manufacturers who are trying to keep costs down for the average consumer.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER:	DATE:
HB 2243	**5/5/2026**

COMMITTEE:
Rules - Legislative

TESTIFYING: ☐ IN SUPPORT OF ☑ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

BUSINESS/ORGANIZATION:

WITNESS NAME:	PHONE NUMBER:
WILLIAM MCBRIER	**314-296-1241**
BUSINESS/ORGANIZATION NAME: **AMEREN**	TITLE: **MANAGER, NON INCOME TAX**

ADDRESS:
1901 CHOUTEAU AVE

CITY:	STATE:	ZIP:
ST LOUIS	**MO**	**63103**

EMAIL:	ATTENDANCE:	SUBMIT DATE:
wmcbrier@ameren.com	**Written**	**5/5/2026 2:12 PM**

Not a good bill for our customers.