



MISSOURI HOUSE OF REPRESENTATIVES
WITNESS APPEARANCE FORM

BILL NUMBER: HB 3405		DATE: 3/10/2026	
COMMITTEE: Ways and Means			
TESTIFYING: <input checked="" type="checkbox"/> IN SUPPORT OF <input type="checkbox"/> IN OPPOSITION TO <input type="checkbox"/> FOR INFORMATIONAL PURPOSES			
WITNESS NAME			
BUSINESS/ORGANIZATION:			
WITNESS NAME: ARNIE C. A.C. "HONEST ABE" DIENOFF		PHONE NUMBER: 314-440-9000	
BUSINESS/ORGANIZATION NAME: STATE PUBLIC ADVOCACY		TITLE: STATE PUBLIC ADVOCATE	
ADDRESS: PO BOX 1535			
CITY: O'FALLON		STATE: MO	ZIP: 63366
EMAIL:	ATTENDANCE:	SUBMIT DATE: 3/10/2026 12:00 AM	
THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.			



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WITNESS NAME		
REGISTERED LOBBYIST:		
WITNESS NAME: EMILY LEWIS		PHONE NUMBER: 573-636-8151
REPRESENTING: MISSOURI BANKERS ASSOCIATION		TITLE:
ADDRESS: PO BOX 57		
CITY: JEFFERSON CITY		STATE: MO
		ZIP: 65102
EMAIL: elewis@mobankers.com	ATTENDANCE: Written	SUBMIT DATE: 3/10/2026 5:40 PM
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WITNESS NAME			
REGISTERED LOBBYIST:			
WITNESS NAME: JARED HANKINSON		PHONE NUMBER: 573-634-3511	
REPRESENTING: MISSOURI CHAMBER OF COMMERCE		TITLE:	
ADDRESS: PO BOX 149			
CITY: JEFFERSON CITY		STATE: MO	ZIP: 65102
EMAIL:	ATTENDANCE:	SUBMIT DATE: 3/10/2026 12:00 AM	
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WITNESS NAME			
BUSINESS/ORGANIZATION:			
WITNESS NAME: ZACHARY WYATT		PHONE NUMBER: 573-751-0191	
BUSINESS/ORGANIZATION NAME: DEPARTMENT OF REVENUE		TITLE: LEGISLATIVE DIRECTOR	
ADDRESS: 301 WEST HIGH STREET			
CITY: JEFFERSON CITY		STATE: MO	ZIP: 65101
EMAIL:	ATTENDANCE:	SUBMIT DATE: 3/10/2026 12:00 AM	
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WITNESS NAME			
INDIVIDUAL:			
WITNESS NAME: SARAH BERRY		PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME:		TITLE:	
ADDRESS:			
CITY:		STATE:	ZIP:
EMAIL:	ATTENDANCE: Written	SUBMIT DATE: 3/10/2026 8:46 AM	
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This notice is submitted to preserve the legislative record regarding structural and constitutional concerns arising from House Bill 3405.

HB 3405 substantially alters Missouri’s elective pass-through entity tax framework by replacing the current member credit mechanism with a deduction-based system beginning with tax years after December 31, 2026. Under existing law, members of electing partnerships and S corporations receive a credit equal to their pro rata share of tax paid at the entity level. HB 3405 eliminates that credit structure and replaces it with a deduction calculated by dividing the member’s share of the entity-level tax by the highest individual tax rate under section 143.011.

This structural change creates a materially different form of tax relief that may produce unequal outcomes among similarly situated taxpayers depending upon residency, tax posture, and entity structure. Because tax classifications remain subject to constitutional scrutiny where they create arbitrary disparities, the shift from a credit-based system to a deduction-based system raises foreseeable concerns under the equal protection guarantees of the Fourteenth Amendment to the United States Constitution and Article I, Section 2 of the Missouri Constitution.

HB 3405 further centralizes authority in a single “affected business entity representative,” whose actions bind all members of the entity in administrative proceedings, reconsideration actions before the director of revenue, and judicial review. While such provisions may promote administrative efficiency, the statute expressly provides that the representative has sole authority to act and that all members are bound by those actions. This structure raises foreseeable procedural due process concerns insofar as individual members may be bound by tax elections, disputes, and litigation positions without direct participation or individualized procedural safeguards.

Additionally, the bill narrows the timing and availability of member opt-out elections by requiring that such elections be filed no later than the earlier of the entity’s unextended return due date or the actual filing date of the return.

This structure creates a heightened risk that members may lose tax treatment options through procedural timing alone, particularly where nonresident members rely on entity-level filings outside their control.

Taken together, these provisions represent more than a technical adjustment to pass-through entity taxation. HB 3405 restructures the method by which pass-through income is taxed, alters the

mechanism by which members receive tax relief, and binds members to decisions made by a single representative in both administrative and judicial proceedings.

These changes create foreseeable risks involving unequal tax treatment, procedural fairness, and administrative complexity.

This notice is submitted so that the General Assembly is formally aware of those concerns prior to enactment.