

February 26, 2018

In order to be responsive to the latest legislative developments, MOCPA continually monitors proposed legislation. The society utilizes both professional and grassroots lobbyists to ensure the CPA profession has a voice in Jefferson City. By keeping members informed, MOCPA is empowering you to contribute to the legislative process.

Update provided by Chuck Pierce, CPA, MOCPA government relations consultant

Session Update

It was a big week in the Capitol that ended with Governor Greitens being indicted by a St. Louis grand jury. The House entered the tax reform debate by filing its own bill. While it has some items in common with the Senate plan, there are enough differences to indicate that the path to passing tax reform may be a long one.

Thursday afternoon, the news broke that the governor had been indicted. It happened after the House had gone home for the week and just as the Senate was adjourning. Because the story broke after the Legislature was done for the week, the impact of this event on the legislative process won't begin to be seen until this week. Here is an overview of the potential effect this could have on the legislative process.

At this point, the governor has been charged with a felony invasion of privacy crime. He retains his office unless he is convicted, resigns or is impeached. The governor has said the charges are not supported, and he plans to fight them in court if necessary. That leaves the House with a choice of whether to conduct its own investigation or wait for the outcome of the trial. House leadership has publicly stated they plan to begin an investigation.

Here is how the House process transpires. The speaker of the House will name a special committee to conduct an investigation of the governor to determine if there is sufficient evidence to warrant an impeachment. If the committee determines the evidence supports impeachment, it will recommend that to the House. An impeachment vote requires a simple majority of the House. If the House votes to impeach, the trial is conducted by a panel of seven judges appointed by the Senate. It requires a decision of guilty by five or more of the seven for impeachment to occur.

This is a lengthy process. Although the Legislature will be in session while this process is occurring, it will have an impact on the session. The special committee in the House will undoubtedly be made up of senior members. While they are conducting the hearings and investigations, they will not be able to work on other committee matters. Both chambers will also be unsure of the outcome and what impact it may have on legislation that passes. Time is of the essence as well. There are only 12 weeks left in the session. Any vote for impeachment and the corresponding appointment of the judicial panel must be done before the Legislature adjourns. If not, it would require a special session

to continue the investigation. It is not clear if the governor would call a special session to allow the investigation to continue. The only other option would be a resolution approved by two-thirds majority of both chambers to call a special session. Because of this uncertainty, the House will likely try to get the investigation completed as quickly as possible. Even if that means diverting resources and time from other legislative priorities. There is no doubt that this issue will have a profound impact in the Legislature until it is resolved.

In the midst of all this, both chambers appear committed to advancing tax reform measures. On Thursday, the House introduced [HB 2540](#)—its version of tax reform. It reduces individual and corporate tax rates, implements the Streamlined Sales Tax Act, revises the multi-state apportionment method, eliminates the timely filing allowance, reduces the deduction for federal income taxes, makes changes to the circuit breaker, establishes a new medical reimbursement allowance, and increases motor vehicle registration fees.

Both the House and Senate version differ from the governor's plan. At this point, it is unlikely the governor will be able to advance his plan over the Legislature's. Therefore, if tax reform passes, it is likely to contain some combination of the items in either [SB 617](#) or HB 2540. These plans are very complicated. The changes to the sales tax definitions and the multi-state allocation will affect businesses differently based on their individual circumstances. MOCPA will be watching these closely, but if you have businesses or clients impacted by these areas it would be prudent to try to take time to review these bills closely to determine the impact the changes could have on your business or your clients.

Legislation of Interest

To view the complete list of high-priority bills MOCPA is currently tracking, along with their most recent activity and current status, [click here](#). The following bills had significant activity this week:

[HB 1455](#), requiring high schools and public institutions of higher education to provide information related to careers and salaries to students, passed the House 143 to 5.

[HB 1552](#), requiring spouses of members of the active duty component of the Armed Forces to be given first priority in the processing of all professional licensure applications, passed the House 120 to 17.

[HB 1650](#), modifying provisions relating to trust instruments, passed the House 146 to 2.

[HB 1710](#), changing the law relating to recognizing licenses to practice occupations or professions issued by other states, passed the House 146 to 1.

[HB 1796](#), establishing the First-Time Home Buyer Savings Account Act and authorizing a tax deduction for contributions to a savings account dedicated to buying a first home, passed the House 133 to 13.

[HB 1858](#), requiring the Department of Revenue to feature a map of all special taxing districts on its website, passed the House 143 to 1.

[SB 625](#), modifying certain sales and use tax exemptions, passed the Senate 30 to 1.

For Additional Information

This *Government Advocacy Update* will continue weekly through the legislative session. If you have any questions on MOCPA's government advocacy efforts, please visit the [Web page](#), or contact [Dena Hull](#) at (800) 264-7966, ext. 105.

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