



Government Advocacy Update

PROTECTING YOUR INTERESTS

March 13, 2017

In order to be responsive to the latest legislative developments, the MSCPA 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, the MSCPA is empowering you to contribute to the legislative process.

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

Session Update

With only one week left before the halfway point in the session, both chambers were again consumed by the debate of a few key controversial measures. Last week also saw the kick-off meeting of Gov. Greitens' Committee for Simple, Fair, and Low Taxes, as well as a conference call for the Study Commission on State Tax Policy.

The House concentrated on two measures that took up a lot of floor time and raised tensions. The first issue was tort reform. One of the oft-cited contributing factors to Missouri's ranking as a judicial nightmare is the practice of venue shopping. Under this practice, enterprising plaintiff attorneys have long tried to establish a venue in the City of St. Louis Court, which has a reputation for making liberal damage awards. Last week, the House passed a series of bills that will change the Supreme Court rules on how venue can be determined. This has been a long-standing priority of business organizations and the idea of ending the practice is generally supported by a majority of legislators. However, the details of how it is to be done, and whether to apply it to both in-state and out-of-state plaintiffs, sparked a lengthy debate between the attorneys in the chamber about the difference between jurisdiction and venue. Though fascinating to the attorneys, it only served to confuse even those who thought they supported the measure. The legislation was laid over on the informal calendar for a day while the legal debate carried on outside the chamber. The bills ultimately passed and now move to the Senate where they are expected to create a similar level of angst.

The second issue of focus was the response to the Missouri Supreme Court decision regarding the minimum wage in St. Louis. As expected, the House treated this matter as a top priority last week. After a contentious six-hour committee hearing on Monday, legislation to prohibit the City of St. Louis from establishing its own minimum wage was debated on the floor for several hours on both Wednesday and Thursday. The bill passed and includes an emergency clause so that it will become effective immediately upon signature. The legislation now goes to the Senate, where it is expected to be taken up straight away. Given the controversial tenor of this issue, and the Senate's practice of allowing unlimited debate and filibuster, most expect this measure to lock down the Senate for an extended time.

The Senate spent a large amount of its floor time last week debating the fate of transportation network companies (TNCs). The two most recognizable of these, Uber and Lyft, have been working on legislation for the past couple sessions. They would like to comply with a standard set of regulations established by the state, rather than deal with a patchwork of city and county regulations. Some members of the Legislature believe cities and counties should be able to set regulations for

these companies like they do all others, but the legislation sought by the TNCs ultimately managed to pass in the House. The Senate took up the House bills last week. Senators spent six hours Wednesday and four hours Thursday debating this without passing the legislation. It is not clear whether the debate will continue, or if the Senate will move on to other items while the parties try to develop a compromise.

The governor's Committee for Simple, Fair, and Low Taxes held its first meeting last week. The purpose of the meeting was primarily to establish the organization and focus of the committee. All members were present. After discussing a variety of alternative priorities, the committee decided to concentrate its efforts in three areas for reform: tax credits, income taxes, and sales taxes. The group committed to meeting the governor's time frame of delivering a report by June 30, 2017. The committee is charged with holding four town hall meetings, but the dates have not been announced. After only one meeting, it is hard to predict the outcome of the committee's work, but two things seem apparent. There is a lot of work to do by June 30, and reducing and/or restructuring tax credits will be a high priority for this group. The MSCPA will continue to monitor and report on the committee's activity.

Also meeting last week, by conference call, was the Study Commission on State Tax Policy, which is chaired by MSCPA member Randy Hilger. The commission discussed the progress of its various work groups. Members also considered how this commission's work was impacted by the governor's committee. The consensus of commission members was that their work was perhaps broader than that of the governor's committee and that they should continue their efforts. Since the study commission's report is due December 31, 2017—after the committee has submitted its report to the governor—the commission would be able to incorporate any recommendations or findings into their final report.

One point is clear. Although not a lot of tax legislation was filed this session, tax reform is receiving a great deal of attention.

Legislation of Interest

The most significant item of interest to the MSCPA last week was the Senate Professional Registration Committee's hearing on [SB 395](#), which proposes changes to the definition of attest and firm mobility. The legislation was presented by Sen. Denny Hoskins, CPA, and was supported by the MSCPA. Some senators had technical questions about the legislation. No one testified in opposition to the measure. The committee is expected to vote on the legislation this week.

[Click here](#) for a list of high-priority bills the MSCPA is currently tracking that are of interest to Missouri CPAs and businesses. If there are particular issues relevant to your company or clients, be sure to check their status regularly because legislation is starting to move.

For Additional Information

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

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