

April 23, 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 tumultuous week in the Legislature. The Senate passed a major ethics reform bill and sent it to the House. The House sent the Senate a major tax reform bill. A legislative staffer was arrested on suspicion of soliciting sex with a minor online. A hazmat team descended on the Capitol to investigate a suspicious package. In a normal environment, any one of these would be major news. However, all of these events were overshadowed by additional developments in the ongoing case of Governor Greitens.

By all accounts, it was a bad week for the governor. Still dealing with negative press and critical statements from legislators related to the Legislative Investigative Committee report, the governor had to deal with several more unfavorable developments. On Tuesday, Attorney General Josh Hawley held a press conference to announce his investigation had uncovered what he believed to be adequate evidence to support a charge that the governor had committed a felony of computer tampering in using the donor list from a not-for-profit in his campaign. Because the attorney general does not have prosecutorial authority, he announced he was turning this information over to the St. Louis City circuit attorney to determine if charges should be filed. He also announced he had given the information to the House Special Investigative Committee. On Thursday, the judge ruled against the governor's motion to dismiss his case in St. Louis City Circuit Court. The week ended with the St. Louis City circuit attorney filing charges Friday based on the information provided by the attorney general.

The Legislature is attempting to focus on its regular duties despite all this activity. Although all of the legislative leadership has called on the governor to resign, he has steadfastly said that he is going to fight all of these charges in court. All indications are that any formal impeachment actions would not commence until the House Special Investigative Committee finishes its work. A resolution is being circulated to call for a special session to deal with the governor's situation. It requires three-fourths of both chambers to call for a special session. If enough legislators support a special session, it is likely that the final four weeks of session will continue to focus on normal legislation. If not, the Legislature may feel compelled to address these issues during the next four weeks. If that happens, little else will get done.

A large part of the normal legislative debate last week was devoted to tax reform. The House passed its major tax reform bill, [HB 2540](#), on Tuesday by a vote of 91 to 61. This bill is more than 400 pages and makes several changes to the tax code. In summary, the bill: reduces individual and corporate income tax rates; phases out the deduction for FIT for both individuals and corporations; establishes a Missouri earned income tax credit; reduces the timely filing allowance for both sales and payroll taxes; eliminates the optional three-factor method for multi-state tax allocation and replaces it with a new single-factor method; adopts streamlined sales tax agreement; and substantially increases motor vehicle registration fees. This bill now goes to the Senate. It is expected that the Senate will not support all of these measures, but it may well amend the House bill and send it back. Although the ultimate passage of such a complex measure will still require a lot of effort, tax reform made a substantial step forward last week.

The Senate's comprehensive tax bill, [SB 617](#), hit a snag. The bill was assigned to the Senate Fiscal Oversight Committee. The committee had a hearing on the bill last week but did not vote the bill out of committee. Senators on the committee have questions on the fiscal note. Those questions will need to be resolved before the bill can move to a final vote on the Senate floor.

With the passage of **HB 2540**, there are two tax bills that have advanced from their chamber of origin. [SB 674](#) was approved by the Senate on April 12. Although amendment of both is likely, if a major tax bill passes this year, it will probably contain components of these bills.

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 1261](#), relating to professional registration and a waiver of occupational fees for certain individuals, passed the House 87 to 43.

[HB 1656](#), establishing the "Professional Employer Organization Act," was voted do pass by the Senate Professional Registration Committee.

[HB 1928](#), changing the laws relating to professional registration, was voted do pass by the Senate Professional Registration Committee.

[SB 573](#), modifying several provisions relating to the armed services, was truly agreed and finally passed. The Senate adopted House amendments and passed the bill 32 to 0.

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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