



January 30, 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**

Last week, the House and Senate both passed high-profile legislation, and the committees in both chambers were busy. Also, Gov. Greitens announced a new committee tasked with reviewing tax credits and tax reform.

Typically at this point in the session, floor time in both chambers is spent grinding through routine legislation that was pre-filed, and floor action has traditionally been uneventful while the committees are busy with hearings and negotiating details on the more complex or controversial issues. Due to the change in the make-up of the House, Senate and governor's office this session, the hot-button items have moved quickly to the floor and thus far are being dispatched rapidly as well.

In the first two weeks of the session, the House passed legislation banning lobbyist gifts, and establishing Missouri as a right to work state. Last week, it passed legislation establishing a state-wide regulatory framework that will allow transportation providers like Lyft and Uber to operate in the state. While there were some fireworks associated with the discussions, all three measures passed with strong support. The House is expected to move to several tort reform issues next. In the past, these types of issues have taken most of the session to work out.

In similar fashion, the Senate passed its version of the right to work legislation, which was expected. However, it was surprising to most that it passed without having to use a previous question motion to halt a filibuster. It was the consensus of capitol regulars that the opponents of right to work would filibuster the legislation, and the supporters would move the previous question to stop the debate. In the past when that has happened, the Senate has seen an increase in tensions among its members, and a corresponding slowdown in work flow. Passage of this controversial legislation in the Senate this early, without creating a tremendous amount of animosity, may be a good sign for the rest of the session. The Senate also will now move to tort reform issues. We will see if this pattern holds during those debates.

While the governor has not yet delivered his budget to the Legislature, he made it clear last week that tax credit and tax reform are going to be on his agenda. He established a committee to review tax credits and tax rates. Named "The Governor's Committee for Simple, Fair, and Low Taxes," the group is charged with:

- Comparing Missouri's tax credit programs and tax rates to peer states;
- Assessing the economic impact of existing state tax credit programs;
- Assessing the possibility of financing cuts to overall state tax rates with cuts to tax credit programs; and
- Recommending comprehensive tax reform legislation to the governor no later than June 30, 2017.

The committee members have not yet been named, but it will consist of 10 people and is to host at least four town hall meetings around the state to gather public comments. You can read the governor's announcement [here](#).

As previously reported, there is another commission undertaking a review of the state's tax policy. The Study Commission on State Tax Policy was established by statute last year. It encompasses a broad charge and has three MSCPA members actively participating, including the group's chair Randy Hilger. He believes the work of the governor's committee will complement the work of the commission.

### **Committee Hearings of Interest**

**The House Ways and Means Committee** heard [HB 129](#), which corrects taxability of delivery charges. The MSCPA supports this bill. There was no opposition, and it has a zero fiscal note.

**The House Elementary and Secondary Education Committee** heard [HB 468](#), which would require the addition of schedules of immaterial financial data to the audit reports of school districts. The MSCPA testified in opposition to this legislation. No one testified in support.

**The House Judiciary Committee** heard [HB 32](#), which would allow CPAs and enrolled agents to appear before the Administrative Hearing Commission. The Missouri Bar Association testified in opposition to the bill. The MSCPA testified for informational purposes to answer many questions from the committee. This bill has been introduced for the last two years, but it was previously assigned to the Ways and Means Committee.

**The Senate Ways and Means Committee** voted Do Pass [SB 16](#), which corrects the taxability of delivery charges. They also voted Do Pass [SB 130](#), which requires the DOR to pay the taxpayer's attorney's cost if they lose all or substantially all counts.

### **Legislation of Interest**

[Click here](#) for a list of high-priority bills the MSCPA is currently tracking that are of interest to Missouri CPAs and businesses. This site is updated weekly as new bills are filed or as a result of changes to legislation.

### **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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