

Government Advocacy Update



Protecting Your Interests

March 15, 2021

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

The 2021 legislative session hit the halfway mark last week. The Legislature is off this week on a planned spring break. When they return on the March 22, there will be eight weeks left in the session. There was a flurry of legislative activity ahead of the break, and an issue of interest to MOCPA was advanced.

MOCPA has been closely following the Legislature's efforts to pass an economic nexus bill (aka a *Wayfair* fix). The Legislature moved closer to making that a reality last week, although there is still a lot of work to do.

The biggest focus of the debate over the passage of a *Wayfair* bill has been what to do with the revenue generated from the expanded tax base. That debate became more clearly focused last week as both chambers passed their version of the *Wayfair* fix.

The Senate passed [SB 153](#), which establishes economic nexus and uses the proceeds to pay for income tax cuts and a state earned income tax credit. The House passed [HB 554](#), which establishes economic nexus and uses the revenue to fund an income tax cut. While that marks progress, there is one big difference between the bills that will shape a lot of the remaining debate.

The House bill contains a provision that would require local governments with an existing use tax to re-vote the measure in order to collect the use tax from economic nexus. Jurisdictions without a use tax currently that approve one in the future would get the benefit of the expanded nexus. This would create even more confusion to Missouri's already perplexing patchwork of local taxes. This provision was added to appease the sentiment among many House members that the expanded nexus is in essence a new tax and should be voted on by the public.

There are also some technical differences between the two bills on the use of certified service providers and sales tax exemptions. The technical and funding differences are likely to be worked out without a great deal of controversy. The local vote provision has not been raised in any of the Senate debates, so it is not clear yet how it will be received. Because it is strongly opposed by local governments and adds to the complexity of implementing the legislation, it is likely to face opposition in the Senate.

The Legislature has focused the first half of the session on its high-priority issues. The thought was to advance priority legislation so that if a COVID-19 outbreak stalled the session, these measures would not get derailed. Because the Legislature made it through the first half without a significant shutdown, they are in a good position to get these measures completed. At any point, controversy over these or other measures could erupt and slow down the progress. Vaccine distribution appears to be picking up, but health experts are warning that we are not out of danger for an uptick in COVID-19 cases. So while the Legislature is at the halfway point in what most would say is a good spot, it is much too early to make predictions on what gets to the finish line. Stay tuned.

Because the Legislature is on break this week, there will not be a *Government Advocacy Update* next week. Look for the next update on March 29.

Legislation of Interest

[Click here](#) to view the complete list of high-priority bills MOCOPA is currently tracking. The period for filing bills has closed, so new bills cannot be filed. Bills may be amended, which may result in bills being added or removed from the list. Be sure to check the list often for updates to legislation that may be of interest to you or your clients.

For Additional Information

This *Government Advocacy Update* will continue weekly through the legislative session, with the exception of March 22 due to the Legislature's spring break. If you have any questions on MOCOPA's government advocacy efforts, please visit the [Web page](#), or contact [Dena Hull](#) at (800) 264-7966, ext. 105.

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