



Government Advocacy Update

PROTECTING YOUR INTERESTS

January 19, 2026

In order to be responsive to the latest legislative developments, MOCPA continually monitors proposed legislation. We utilize 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.

Session Update

Last week, both the House and Senate held a flurry of committee hearings. In total, 114 bills were heard, and both House and Senate Budget Committees met to receive an overview of Governor Kehoe's Executive Budget.

The major focus of the week was the State of the State Address given by Governor Kehoe to a Joint Session of the Missouri General Assembly. In his address, the governor highlighted the first year of his administration and focused on the growth in his four policy priorities of: public safety, economic development, agriculture and education. He outlined his legislative priorities for the 2026 legislative session, which include: a phase out of Missouri's individual income tax by proposing a ballot initiative; expansion of nuclear energy and the use of artificial intelligence; expand incentives for capital investments; ongoing funding for the Missouri Blue Shield program; juvenile justice and sentencing reform; and increasing the MO Scholars funding and open enrollment.

Governor Kehoe also released his \$54.5 billion FY 2027 Executive Budget, which cuts more than \$600 million in general revenue and announced further withholdings would be necessary to balance the budget. Additionally, there is no new spending for public schools, higher education or state employees. [Click here](#) for a full text of the speech.

Budget Update

Since FY 2022, more than 3,400 new budgetary items have been added to the state's operating budget, resulting in nearly \$13 billion in new general revenue spending. Governor Kehoe's budget recommendations reduce more than \$600 million from the core operating budget, which seeks to address a projected future imbalance exceeding \$2 billion. This would potentially allow the state to meet mandatory and high priority obligations, including Medicaid matching requirements, childcare subsidies, disaster relief, higher education and the K-12 foundation

formula. The budget also includes \$286.5 million in further spending restrictions for all state departments.

Once the Executive Budget was released, Budget Director Dan Haug met with the House Budget Committee and the Senate Appropriations Committee to provide an overview of the FY 2027 budget recommendations and an in-depth review of the FY 2026 Supplemental Budget. This is one of the largest Supplemental Budgets the state has needed. The largest items included in the budget were for MoDOT at nearly \$636 million due to only receiving 9 months of funding, \$73 million in federal funds for the FIFA World Cup, \$118 million for Medicaid HCBS to maintain current care plans and an additional \$1 billion for actual MO HealthNet expenditures. Due to federal spending guidelines, the FY 2026 Supplemental Budget must be passed and signed by the governor before March 15.

Legislation of Interest

[Click here](#) to view the complete list of high-priority bills MOCPA is currently tracking. New bills are filed daily, and the list is updated each week. Be sure to check the list regularly to look for legislation that may be of interest to you or your clients.

Of special note, [HB 1797](#) and [SB 1233](#) are bills proposing alternative pathways to CPA licensure.

Bills on MOCPA's list with activity last week include:

- [HB 1771](#), which exempts taxpayers from penalties or interest on an income tax balance due if the taxpayer is denied part or all of a tax credit that they have qualified for due to the lack of available funds for the credit. The House Committee on Ways and Means convened to receive public testimony. Several groups, including Associated Industries of Missouri, provided supporting testimony, and no opposing testimony was presented.
- [HB 1883](#), which creates a sales tax exemption on tangible personal property that is sold a second or any number of subsequent times after the original point of sale, at an auction. The bill excludes motor vehicles, trailers, boats or outboard motors acquired for use on highways and waters in Missouri, which are not required to be titled. The House Committee on Ways and Means met to receive public testimony. Groups spoke in opposition, and no supporting testimony was presented. The Department of Revenue presented informational testimony.

Attend CPA Day: Your Voice Matters

Jan. 28 | 9:30 a.m. – 1:30 p.m.

Jefferson City

Join MOCPA members in Jefferson City for a meaningful day of advocacy and connection. CPA Day at the Capitol offers firsthand insights into legislative issues impacting the profession, conversations with House and Senate leaders, and the chance to meet directly with lawmakers to share why key concerns—namely, allowing alternative licensure pathways, and avoiding a tax on professional services—matter to Missouri CPAs.

Register today at mocpa.org/cpaday!

For Additional Information

This *Government Advocacy Update* will continue regularly through the legislative session. If you have any questions on our legislative efforts, please contact [Dena Hull](#) at (800) 264-7966, ext. 105.

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