



July 18, 2022

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

July 14 was the final day for Governor Parson to sign or veto legislation passed during the 2022 session. MOCPA had 13 truly agreed and finally passed bills that it was tracking after the session. The governor vetoed three of those bills and signed 10. Two of the three vetoed bills are likely to be the subject of a special session to address the governor's concerns.

Governor Parson vetoed **HB 1720**, **HB 2090** and **SB 724**. **SB 724** is an omnibus bill containing various provisions impacting local government financial reporting. The governor's veto was prompted by concerns over some provisions of the bill that only impacted certain counties and school districts. Many of the provisions of this bill were also passed in **HB 1606** that the governor signed.

The other two vetoed bills on MOCPA's tracking list had a greater potential impact on Missouri CPAs. **HB 1724** is an omnibus agriculture bill that extended the sunsets on several agricultural tax credits. **HB 2090** would have established a one-time tax rebate to certain taxpayers based on income levels and their 2022 tax liability. MOCPA had expressed concern that this bill would likely have been confusing to taxpayers and posed some challenges in implementing.

In his veto message, the governor expressed support for the underlying concepts of both bills. As a result, he announced that he would call on the

Legislature to convene a special session to address his concerns over the legislation and pass versions he would sign. Specifically, he wants longer sunsets on the tax credits, and a tax cut that impacts all Missouri taxpayers. No date has been set yet for the special session.

The most significant bill for Missouri CPAs that was signed by the governor is **HB 2400**. This bill contains the SALT Parity Act, which allows pass-through entities to elect to pay their state tax directly from the partnership and receive an off-setting credit for the partners. These provisions are modeled after measures enacted in other states. Missouri is the 22nd state to adopt this type of tax workaround.

The bill contains several other provisions impacting tax returns and other reporting issues for flow-through entities. The SALT provisions are effective for tax years ending on or after Dec. 31, 2022. (The bill summary has the wrong effective date). Other provisions have various other effective dates. There are numerous other changes to tax returns, reporting, and tax credits, so it is best to read the details of the bill, not just the summary to determine the full impact of this bill on your business or clients.

The other bills signed impact certain specialized issues of interest to some but not all. [Click here](#) to see a complete list of the final status of MOCPA's high-priority legislation that passed this session.

The Legislature returns September 14 for a veto session. Governor Parson can call the special session anytime between now and the end of the year.

For Additional Information

Watch for additional updates after the veto session and when a special session is announced. MOCPA is also hosting a **complimentary Legislative Update webinar** on August 19, 10-10:50 a.m. led by Chuck Pierce. [Click here](#) to register!

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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