



GOVERNMENT ADVOCACY UPDATE

Protecting Your Interests



July 6, 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

Right before the holiday weekend on Friday, July 1, Governor Parson took action on several bills, including some of high interest to Missouri CPAs. He also announced that he is planning to call the Legislature into a special session to deal with various tax credits and tax cuts.

The governor signed **HB 2400** on Friday. This bill contains numerous provisions of interest to Missouri CPAs. It is the only bill to pass containing the pass-through entity tax workaround that was a top priority for MOCPA this past session. The provisions of this, titled the SALT Parity Act, are effective for tax years beginning on or after 12/31/22 and allow pass-through entities to elect to pay the state tax directly and issue a credit to the partners. MOCPA will be working with the Missouri Department of Revenue to clarify how these new provisions will be implemented.

The governor also vetoed several bills, including two that MOCPA was tracking. **HB 1720** is a bill that would have extended the expiration of several tax credits. The governor indicated that because the extension was only two years, it reduced the effectiveness of the bill. [Click here](#) to read the governor's veto letter on this bill.

The governor also vetoed **HB 2090**. This bill would have provided one-time tax rebates to certain taxpayers based on income levels and 2021 tax liability. MOCPA had expressed concerns that the provisions would likely be confusing to taxpayers and difficult to implement. One of the governor's primary objections to the bill was that it would only impact a selected group of taxpayers. He indicated that he supports tax cuts that are broader and affect all taxpayers. [Click here](#) to read the governor's full veto letter.

During his press conference on these bills, Governor Parson expressed his support for these issues despite his concerns over the specifics of the legislation. As a result, he indicated that he plans to ask the Legislature to return before the next legislative session to extend the tax credits in **HB 1720** to at least 6 years.

He also plans to ask the Legislature to pass broader tax cuts that would take effect for tax year 2023. Although he said the specifics would need to be worked out with the Legislature, he stated he is interested in:

- Reducing the top individual income tax rate;
- Eliminating the bottom two brackets; and
- Increasing the standard deduction.

The date and specifics for the special session have not yet been announced. Watch for an update when those details are confirmed.

The deadline for the governor to act on remaining legislation is July 14. The next legislative update will be issued on July 18, to provide a summary of the bills enacted. Also watch for information on an upcoming virtual legislative update for MOCPA members.

Legislation of Interest

[Click here](#) to view the complete list of priority bills that passed containing issues of importance to MOCPA members, as well as the bills' current status.

For Additional Information

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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