



March 27, 2023

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

Legislators returned to Jefferson City last week after spring break. This officially marks the second half of the session. Both chambers worked on tax legislation of interest to Missouri CPAs. The House begins floor work on budget bills this week.

The Senate returned and picked up where it left for break continuing a filibuster. After an all-nighter on Monday, a compromise was reached to allow the bill to pass. Senators returned to normal work on Tuesday. One of the bills the Senate passed last week is of interest to Missouri CPAs. **SB 143**'s original purpose was to establish a new tax credit for stores located in a designated food desert. This bill was amended on the floor to add sales tax exemptions for personal hygiene products and certain durable medical devices. The bill needs one more Senate vote before it goes to the House.

The House passed two bills that make substantial changes to the Missouri tax code. **HB 356** increases the exemption for private pension income and adds Schedule F income to the list of income that qualifies for the Missouri business income deduction. This bill requires one more vote before it goes to the Senate.

HB 816 was passed by the House and sent to the Senate. This bill makes several changes to tax code, including:

- Reduces the top rate of individual income tax to 4.5 percent;
- Reduces the corporate income tax to 2 percent on Jan. 1, 2024, and provides a series of additional rate reductions based on revenue triggers until the tax is eliminated; and
- Removes the cap on the Social Security deduction.

Last week, the House Budget Committee finished its work on the budget. This means the budget bills will be taken up on the floor this week. Because there are numerous bills and the process for amending and passing them is time consuming, this will likely take up most of the week. That means the Senate will likely not get the budget until next week, giving it five weeks to make changes and work out the differences between the two versions.

Legislation of Interest

[Click here](#) to view the complete list of high-priority bills MOCPA is currently tracking. The deadline for filing new bills has passed. However, bills are frequently amended, 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.

Provide Input on PTET to MODOR

MOCPA's government advocacy team and a small working group of volunteer members will be meeting with the Missouri Department of Revenue's taxation division to discuss the challenges CPAs are encountering with the PTET filings this year. We will be sharing ways to improve the process so that it will go better in the future.

If you have questions, issues or practical solutions that you'd like addressed during this meeting, please [click here](#) to share with us by **June 1**. Individual comments will not be responded to but will be aggregated and presented to the Department's personnel during our meetings.

Some of the issues CPAs have experienced this year can be fixed administratively in time for next filing season, while others will require legislation. Any legislative remedies will likely not be effective until 2025. Thank you for your ongoing input and patience during this process!

For Additional Information

This *Government Advocacy Update* will continue weekly through the legislative session. 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.

Legislative Update Webinar—this Friday!

Attend a complimentary, virtual mid-session **Legislative Update on March 31**; 9 to 9:50 a.m. You'll receive timely information from Chuck Pierce on bills MOCPA is following that could impact your business, clients and the profession. [Click here](#) to sign up!

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