

HB 857-- PERSONAL PROPERTY TAXES OF TELEPHONE COMPANIES

SPONSOR: Jones

COMMITTEE ACTION: Voted "Do Pass with Amendments" by the Standing Committee on Telecommunications by a vote of 9 to 2. Voted "Do Pass with HCS" by the Select Committee on Utilities by a vote of 5 to 1.

Currently, a telephone company has their tangible personal property assessed in the same manner as a railroad. Beginning January 1, 2017, this bill allows a telephone company to annually elect to have their tangible personal property assessed in accordance with depreciation schedules. The bill specifies that its provisions do not apply to any other utilities.

PROPOSERS: Supporters say that this bill will spur industry growth through lower taxation. The bill will also make the tax structure more fair by taking into account the fact that telecommunications equipment depreciates in value faster than most other types of property.

Testifying for the bill were Representative Jones; Centurylink; and Missouri Telecommunications Industry Association.

OPPOSERS: Those who oppose the bill say that this will merely shift the cost of the tax burden onto taxpayers and counties.

Testifying against the bill were Missouri Association of Counties; Missouri Municipal League; and Missouri School Boards Association.