



## Missouri House of Representatives

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**CONTACT: Rep. Jim Murphy**  
**(573) 751-3719**  
**[Jim.Murphy@House.Mo.Gov](mailto:Jim.Murphy@House.Mo.Gov)**

### **House Passes Bill HB 1516 to Reform Earnings Tax and Support Remote Work Tax Clarity**

**JEFFERSON CITY, Mo.** – The Missouri House of Representatives is taking a significant step forward in modernizing tax policies and supporting remote work environments by passing HB 1516. Sponsored by State Representative Jim Murphy, this bill introduces crucial reforms to the earnings tax system in the City of St. Louis, ensuring fairness, transparency, and clarity for taxpayers.

HB 1516 mandates that the City of St. Louis provide quarterly reports on earnings tax receipts, enhancing transparency and accountability in tax administration. These reports will be accessible to the public and submitted to key state officials, reinforcing the importance of fiscal responsibility and oversight.

Furthermore, the bill clarifies the taxation of remote work, stipulating that the earnings tax will only apply to work or services performed within the city limits. This provision aligns tax policy with the evolving nature of work, supporting individuals who contribute to the city's economy remotely while ensuring that tax obligations are based on physical presence.

The bill represents the culmination of the work done in 2023 by the Special Interim Committee on the Earnings Tax, which submitted findings and recommendations after several hearings, all leading to the creation of HB 1516 to address and modify concerns surrounding the Earnings Tax.

“This legislation is a crucial step forward in modernizing our tax system to reflect the realities of the 21st-century workforce, while also promoting fairness, relieving the burdens on low-income workers, and encouraging economic growth,” Rep. Murphy, R-St. Louis, said. “We cannot rely on the status quo simply because it serves as a revenue source. This bill is about exploring alternatives that might be less regressive and more conducive to the city, region, and state's growth. I believe these changes mark a significant step towards creating equitable and sustainable taxation policies.”

In addition to clarifying tax obligations, HB 1516 establishes a robust refund process for taxpayers who believe they have been unfairly taxed for remote work. This measure empowers taxpayers to seek reimbursement for taxes paid on work or services not performed within the city, ensuring equitable treatment under the law.

The passage of HB 1516 underscores the House's commitment to fostering a business-friendly environment, supporting remote work opportunities, and upholding principles of accountability and transparency in taxation.

“HB 1516 represents a crucial step forward in modernizing our tax policies to better reflect the realities of the modern workforce. By enhancing transparency in reporting and providing clarity on remote work taxation, this legislation ensures fairness and efficiency in our tax system,” House Speaker Dean Plocher, R-Des Peres, said.

The bill now heads to the Missouri Senate for further consideration.

*State Representative Jim Murphy, a Republican, represents parts of St. Louis County (District 94) in the Missouri House of Representatives. He was elected to his first two-year term in November 2018. For more information, please contact Rep. Murphy's office at 573-751-3719 or via email at [Jim.Murphy@House.Mo.Gov](mailto:Jim.Murphy@House.Mo.Gov).*

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