

HB 969 -- INCOME TAX: INTANGIBLE ASSETS (Cooper, 120)

This bill establishes a procedure for the determination of tax liability for purposes of corporate income tax of certain expenses and costs related to certain intangible property when the property is transferred to a related entity.

The bill provides specific criteria for determining if transactional expenses and costs related to the transfer and use of the rights to patents, trade names, trademarks, and other intangible property incurred by a taxpayer from a related entity are a legitimate business expense and are allowed to be deducted in the computation of Missouri taxable income.

Any issue relevant to ascertaining the tax liability of a taxpayer related to the deductibility of these expenses and costs will be strictly construed against the taxing authority in favor of the taxpayer.

FISCAL NOTE: Total Estimated Cost on General Revenue Fund of \$86,569 in FY 2005, \$0 in FY 2006, and \$0 in FY 2007.