

HCS HB 448 -- TAX CREDIT ON SALES AND MANUFACTURING OF CERTAIN AUTOMOBILES (Spreng)

COMMITTEE OF ORIGIN: Special Committee on Job Creation and Economic Development

This substitute authorizes a tax credit equal to 100% of the state sales tax paid on any new motor vehicle assembled and purchased in Missouri after January 1, 2008. The tax credit may be claimed against a taxpayer's income tax; corporate franchise tax; financial institutions tax; and bridge, express, and public utility companies tax. Local sales taxes will continue to be collected. The provisions of the substitute relating to the tax credit will expire on December 31 six years after the effective date.

Currently, electricity used in the primary manufacturing of automobiles cannot be assessed local or state sales taxes if the raw materials used in the processing contain at least 25% recovered materials. The substitute specifies that the raw materials used during the primary manufacturing of automobiles will be assumed to contain at least 25% recovered materials.

FISCAL NOTE: Estimated Cost on General Revenue Fund of \$4,383,540 to Unknown in FY 2008, \$8,736,773 to Unknown in FY 2009, and \$8,737,741 to Unknown in FY 2010. Unknown expected to exceed \$100,000. Estimated Cost on Other State Funds of Unknown in FY 2008, FY 2009, and FY 2010. Unknown expected to exceed \$100,000.