

HCS HB 1617 -- BRING JOBS HOME ACT

SPONSOR: McCaherty

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Small Business by a vote of 14 to 1. Voted "Do Pass with HCS" by the Select Committee on Commerce by a vote of 9 to 0.

This bill establishes the Bring Jobs Home Act and authorizes an income tax deduction equal to 50% of the eligible insourcing expenses associated with eliminating a business located outside of the state and reestablishing it in Missouri. The elimination may occur in a year other than the year the relocation occurs, and the expenses must be under a written insourcing plan. To be eligible for the tax deduction, the number of full-time employees in Missouri for the year the deduction is claimed must exceed the number of full-time employees for the year preceding the year in which the eligible insourcing expenses were paid or incurred.

Eligible insourcing expenses must be taken into account during the taxable year that the plan has been completed and all eligible insourcing expenses have been paid or incurred or, if the taxpayer chooses, the first taxable year after the taxable year the expenses have been paid or incurred. A deduction will not be allowed for any expenses incurred when dissolving a business in Missouri and relocating it to another state.

The maximum annual amount of tax deductions is \$5 million and will be allowed on a first come first served filing basis. Any deduction that cannot be claimed in the taxable year can be carried forward up to five years. If a taxpayer is allowed a deduction under this program and within 10 years of receiving the deduction eliminates the business unit for which the deduction was allowed, the taxpayer must repay the state an amount equal to the amount of the deduction.

The provisions of the bill will expire six years after the effective date.

This bill is similar to SCS HCS HB 325 (2015).

PROPONENTS: Supporters say that the bill is for a business that moves out of the state or country to entice them to return home. Missouri is constantly competing for jobs in surrounding states and other countries. Missouri loses jobs to out-of-state businesses. This bill creates jobs for Missouri. If the bill passes, call centers that left Missouri may return.

Testifying for the bill were Representative McCaherty;

Communication Workers Of America; Missouri Chamber of Commerce;
Mike Louis; and United Steelworkers - District 11.

OPPONENTS: There was no opposition voiced to the committee.