

HB 1870 -- THE COLLECTION OF MONEY BY PUBLIC ENTITIES

(Vetoed by Governor)

THE COLLECTION OF MONEY BY PUBLIC ENTITIES (Sections 1.310 and 143.173, RSMo)

This bill extends the provisions of the "Big Government Get Off My Back Act," which provides tax relief to certain small businesses for five years beginning August 28, 2016. The bill:

(1) Specifies that any federal mandate compelling the state to enact, enforce, or administer a federal regulatory program must be subject to authorization through appropriation or statutory enactment;

(2) Extends the restriction on an increase of any state-imposed user fee and the requirement that any state agency proposing a rule must certify that it does not have an adverse impact on small businesses; that it is necessary to protect the life, health, or safety of the public; or that any small business is exempt from the rule; and

(3) Specifies the definition of "small business" to include businesses with fewer than 50 employees.

The bill authorizes, for tax years 2016 through 2021, an income tax deduction for a small business for each full-time job created with an annual salary of at least the county average wage as determined by the Department of Economic Development. To be a full-time job, the employee must work at least an average of 35 hours per week for a 52-week period. The business will be allowed a deduction of \$10,000 for each new full-time job created or \$20,000 for each full-time job if the business offers health insurance and pays at least 50% of the premiums.

BUSINESS LICENSE TAXES (Section 94.360)

This bill provides that after May 1, 2016 a municipality shall not impose a business license tax on any business under more than one of the following: Sections 94.110, 94.270, or 94.360, RSMo, pertaining to various different businesses. However, that restriction shall not apply to any tax levied by a fourth class city for a project from which bonds are outstanding as of May 1, 2005, or business license taxes imposed by the City of St. Louis or Kansas City.

QUALIFIED HEALTH INSURANCE (Section 143.121)

This bill removes the taxpayers' duty to provide the Department of Revenue with proof of the amount of qualified health insurance premiums paid for the purposes of determining one's federal adjusted gross income. The department may request for such proof though.

FEDERAL WORK AUTHORIZATION PROGRAM (Section 285.530)

This bill provides that businesses entities, as a condition for the award of any contract or grant exceeding \$5000 by the state or by any political subdivision thereof, state subsidized tax credit, tax abatement, or loan from the state, shall swear by affidavit that it is participating in a federal work authorization program with respect to those employees working in connection with those contracted services, unless participation in such a federal work authorization program would result in a substantial difficulty or expense.