

HCS HB 2140 -- TASK FORCE ON FAIR, LOCAL TAXATION

SPONSOR: Hoskins

COMMITTEE ACTION: Voted "Do Pass with Amendments" by the Standing Committee on Emerging Issues by a vote of 11 to 0. Voted "Do Pass with HCS" by the Select Committee on General Laws by a vote of 10 to 0.

This bill authorizes a taxing jurisdiction to hold a vote on whether to impose a local sales tax on vehicle titling on purchases from a source other than a licensed Missouri dealer after such a tax was repealed.

The bill creates the Missouri Task Force on Fair, Nondiscriminatory Local Taxation Concerning Motor Vehicles, Trailers, Boats, and Outboard Motors to consist of 14 specified members including three members of the House of Representatives, with no more than two members from the same political party, appointed by the Speaker of the House and three members of the Senate, with no more than two members from the same political party, appointed by the President Pro Tem of the Senate. The task force will review the disparity in taxation that resulted from the Missouri Supreme Court's decision in *Street v. Director of Revenue*, the need for local jurisdictions to continue to receive revenue to provide vital services, and the need to avoid placing Missouri dealers of motor vehicles at a competitive disadvantage to non-Missouri dealers. The task force must submit a report of its findings to the Governor and General Assembly by December 31, 2018 and the task force expires on January 1, 2019.

PROPOSERS: Supporters say that without this bill many Missouri cities and counties would lose a considerable amount of revenue. The loss in revenue could affect funding for local fire and police departments. Missouri business owners could lose business to out of state competitors, affecting the local job markets. Many of the local taxing jurisdictions are attempting to have this issue placed on the ballot before November 2016 but feel that their voters need more time to educate themselves about this complicated issue.

Testifying for the bill were Representative Hoskins; Jackson County Legislature; St. Louis Municipal League; Eileen Weir, City Of Independence; Missouri Association Of Counties; Missouri Municipal League; Missouri State Council Of Fire Fighters; Mike Kenagy, Marine Dealers Assoc; City Of St. Peters; Missouri Budget Project; Saint Louis Police Officers Association; Greene County Commission; City Of St. Charles; and the Missouri Ambulance Association.

OPPOSERS: There was no opposition voiced to the committee.