

HCS HB 142 -- PERSONAL PROPERTY DEPRECIATION

SPONSOR: Berry

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Ways and Means by a vote of 11 to 1. Voted "Do Pass" by the Committee on Rules- Administrative Oversight by a vote of 9 to 4.

Currently, a telephone company has its tangible personal property assessed in the same manner as a railroad. Beginning January 1, 2018, this bill allows a telephone company to elect to have its tangible personal property assessed in accordance with depreciation schedules.

The bill contains a fee in lieu of tax requirement that applies to telephone companies in school districts that receive less tax revenue as a result of the tax modifications. Companies in these districts will remit a fee as specified in the bill to such school districts unless an increase in tax levy by the district occurs making the outcome revenue neutral for the school district.

This bill is similar to HCS HB 1898 (2016).

PROPOSERS: Supporters say that the bill will create a level playing field for the tax treatment of telecommunications companies some of which were regulated under older, utility-based standards that should not apply to deregulated markets.

Testifying for the bill were Representative Berry; Centurylink; and Missouri Telecommunications Industry Association.

OPPONENTS: Those who oppose the bill say that it could cost school districts significant revenue in certain cases where tax limitations have been reached.

Testifying against the bill was School Administrators Coalition.

OTHERS: Others testifying on the bill say like property should be treated equally however, loss to taxing districts should be accounted for in this bill.

Testifying on the bill was Missouri Budget Project.