

HCS SCS SB 174 -- TAXATION

SPONSOR: Crawford

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Ways and Means by a vote of 6 to 0. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 9 to 0.

PUBLIC SAFETY OFFICER SURVIVING SPOUSE TAX CREDIT

This bill reauthorizes the Public Safety Officer Surviving Spouse tax credit until December 31, 2027 (Section 135.090, RSMo).

This provision is similiar to a provision contained in SCS SBs 632 & 675 (2018), SCS HCS HBs 1288, 1377 & 2050 (2018), and SS HB 655 (2017).

PERSONAL PROPERTY TAX

Currently, aircraft that are at least 25 years old, used solely for noncommercial purposes, and operated less than 50 hours per year are assessed at 5% of the true value in money. This bill changes that annual usage limit to 150 hours per year (Section 137.115).

This provision is similar to HB 1205 (2019).

MISSOURI ADJUSTED GROSS INCOME

This bill exempts interest received on deposits held at a federal reserve bank from Missouri adjusted gross income (Section 143.121).

This provision is the same as a provision contained in SCS SB 46 (2019).

This bill provides that for all tax years beginning on or after January 1, 2018, interest expenses paid or accrued in a previous taxable year, but allowed as a deduction in the current taxable year for federal tax purposes by reason of the carry forward of disallowed business interest provisions of federal law, will be added to a taxpayer's federal adjusted gross income for the purposes of the calculation of Missouri adjusted gross income.

This bill also provides that for all tax years beginning on or after January 1, 2018, interest expenses paid or accrued in the current taxable year, but not allowed as a deduction for federal tax purposes, shall be subtracted from a taxpayer's federal adjusted gross income for the purposes of the calculation of Missouri adjusted gross income (Section 143.121).

This provision is similar to SCS SB 410 (2019).

CORPORATE TAXATION

This bill adds "qualified air freight forwarders," as defined in the bill, to the definition of "corporation" as a transportation corporation for the purposes of corporate income allocation (Section 143.441).

TELECOMMUNICATIONS SALES TAX

This bill provides that if telecommunications services that are taxable under current law are aggregated with and not separately stated from charges for telecommunications services that are not taxable under current law, the nontaxable services may be subject to tax unless the telecommunications provider can identify by reasonable and verifiable standards the portion of the charges not subject to tax, as described in the bill (Section 144.020).

This provision is similar to SCS SB 483 (2019) and HB 1227 (2019).

BANK FRANCHISE TAX CREDIT

Currently, law provides for a tax credit for banking institutions to compensate for franchise taxes paid by banking institutions, as well as a tax credit that may be claimed in the event the corporate franchise tax is repealed by the General Assembly. Because the corporate franchise tax was repealed beginning January 1, 2016, for all tax years beginning on or after January 1, 2020, this bill disallows the tax credit designed to compensate for the franchise tax (Section 148.064).

This provision is the same as SB 175 (2019) and HB 455 (2019).

PROPOSERS: Supporters say that this gets rid of an unneeded tax credit that was accidentally left in place after phasing out the franchise tax. Without this change, current law accidentally allows for double dipping of tax credits. Additionally, this bill helps define what interest is for banks.

Testifying for the bill were Senator Crawford; Department of Revenue; and Missouri Bankers Association.

OPPOSERS: There was no opposition voiced to the committee.