

HB 1562 -- TAX CREDIT FOR MILITARY-RELATED COMPENSATION

SPONSOR: LeVota

COMMITTEE ACTION: Voted "do pass" by the Special Committee on Veterans by a vote of 11 to 0.

Beginning January 1, 2008, this bill authorizes a refundable income tax credit to individuals, partnerships, and corporations for 100% of the salary and benefits paid to any employee while on active military duty as a member of a reserve or national guard unit. The credit is limited to \$500,000 a year, and the Department of Revenue will determine a procedure to equally distribute the cumulative tax credits among the qualifying taxpayers.

The provisions of the bill will expire December 31 six years from the effective date.

FISCAL NOTE: Estimated Cost on General Revenue Fund of \$532,001 in FY 2009, \$533,228 in FY 2010, and \$534,275 in FY 2011. No impact on Other State Funds in FY 2009, FY 2010, and FY 2011.

PROPOSERS: Supporters say that there has been an ongoing problem with some employers not paying benefits to service members on active duty. The bill will help alleviate this problem by providing tax credits for these employers.

Testifying for the bill were Representative LeVota; Dewey Riehn, Veterans of Foreign Wars of the United States, Missouri Department; and Ernie Lee, Missouri Association of Veterans Organizations.

OPPOSERS: There was no opposition voiced to the committee.