

HB 1981 -- TAX CREDIT FOR CERTAIN MOTOR VEHICLES

SPONSOR: Spreng

COMMITTEE ACTION: Voted "do pass" by the Special Committee on Job Creation and Economic Development by a vote of 11 to 0.

Beginning January 1, 2008, this bill authorizes a tax credit equal to 100% of the state sales tax paid on any new motor vehicle assembled and purchased in Missouri on or after that date. The tax credit may be claimed against a taxpayer's income tax; corporate franchise tax; financial institutions tax; and bridge, express, and public utility companies tax. Any political entity may exempt these sales from the local sales tax by order or ordinance.

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

FISCAL NOTE: Estimated Cost on General Revenue Fund of \$8,737,599 in FY 2009, \$8,738,734 in FY 2010, and \$8,739,760 in FY 2011. No impact on Other State Funds in FY 2009, FY 2010, and FY 2011.

PROPOSERS: Supporters say that the bill will preserve jobs and encourage growth in the automobile manufacturing industry in Missouri. People will come here to buy cars that have been built in Missouri, and auto makers will build more cars here.

Testifying for the bill were Representative Spreng; Chrysler, LLC; Clem P. Wittman, United Auto Workers, Local 93; Taxpayers Research Institute of Missouri; Associated Industries of Missouri; and Missouri Economic Development Council.

OPPOSERS: There was no opposition voiced to the committee.