

HCS HB 553 -- TAX CREDIT FOR CERTAIN MOTOR VEHICLE PURCHASES

SPONSOR: Flook (Spreng)

COMMITTEE ACTION: Voted "do pass" by the Committee on Job Creation and Economic Development by a vote of 12 to 0.

Beginning January 1, 2010, this substitute 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 is refundable and 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 substitute will expire December 31 six years from the effective date.

FISCAL NOTE: Estimated Cost on General Revenue Fund of \$0 in FY 2010, \$7,244,228 to \$9,596,919 in FY 2011, and \$7,284,011 to \$9,636,702 in FY 2012. No impact on Other State Funds in FY 2010, FY 2011, and FY 2012.

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; Associated Industries of Missouri; and Taxpayers Research Institute of Missouri.

OPPOSERS: There was no opposition voiced to the committee.