

HB 2381 -- INCOME TAX DEDUCTION FOR BANKS FOR INTEREST EARNED ON CERTAIN LOANS

SPONSOR: Cunningham

COMMITTEE ACTION: Voted "do pass" by the Committee on Financial Institutions by a vote of 12 to 0.

Beginning January 1, 2010, this bill authorizes an income tax deduction for a bank or lending institution for the amount of income tax due on any taxable interest received from a loan made to an individual or entity located within an enterprise zone. The deduction will be 100% of the amount of the taxable interest realized on the loan.

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

FISCAL NOTE: Estimated Cost on General Revenue Fund of Unknown in FY 2011, FY 2012, and FY 2013. No impact on Other State Funds in FY 2011, FY 2012, and FY 2013.

PROPOSERS: Supporters say that the bill will provide low interest loans in enterprise zones, promoting economic growth for Missouri.

Testifying for the bill were Representative Cunningham; Missouri Bankers Association; and Missouri Independent Bankers Association.

OPPOSERS: There was no opposition voiced to the committee.