

HCS HB 45 -- SMALL BUSINESS TAX RELIEF (Hoskins)

COMMITTEE OF ORIGIN: Committee on Small Business

This substitute changes the laws regarding the Big Government Get Off My Back Act which provides tax relief to certain small businesses. In its main provisions, the substitute:

(1) Specifies that any federal mandate implemented by the state must be subject to statutory authorization of the General Assembly;

(2) Extends from four years to five years the restriction on increases for user fees and the restriction on the imposition of new rules;

(3) Revises the definition of "small business" to include businesses with fewer than 50 employees instead of the current 25; and

(4) Authorizes, for tax years 2011 through 2014, an income tax deduction for a small business that creates new full-time jobs with an annual salary of at least the average annual county wage as determined by the Missouri Economic Research and Information Center. To be a full-time job, the employee must work at least an average of 36 hours per week for a 16-week period. The business will be allowed a deduction of \$10,000 for each new full-time job created or \$20,000 per new full-time job if the business offers health insurance for new employees and pays at least 50% of the premiums of all full-time employees who opt into the plan.

The provisions of the substitute will expire December 31 three years from the effective date.

FISCAL NOTE: Estimated Cost on General Revenue Fund of More than \$224,416 in FY 2012, More than \$301,062 in FY 2013, and More than \$303,111 in FY 2014. No impact on state funds in FY 2012, FY 2013, and FY 2014.