

HCS HB 1661 -- INCOME TAX DEDUCTION FOR JOB CREATION BY SMALL BUSINESSES

SPONSOR: Scharnhorst (Hoskins)

COMMITTEE ACTION: Voted "do pass" by the Committee on Small Business by a vote of 20 to 0.

This substitute clarifies that a small business formed as a sole proprietorship, partnership, S-corporation, C-corporation, limited liability company, limited liability partnership, or other business entity can qualify for the income tax deduction for job creation by a small business and allows any flow-through entity to pass the deduction onto its members, shareholders, or partners.

FISCAL NOTE: Estimated Net Cost on General Revenue Fund of Unknown in FY 2013, FY 2014, and FY 2015. No impact on Other State Funds in FY 2013, FY 2014, and FY 2015.

PROPOSERS: Supporters say that the bill clarifies the intent of House Bill 45 from last year. The Department of Revenue has a different definition of "small business" and has decided that the deduction applies only to C-corporations. The bill clarifies that all business entities qualify.

Testifying for the bill were Representative Hoskins; National Federation of Independent Business; Missouri Retailers Association; and Missouri Grocers' Association.

OPPOSERS: There was no opposition voiced to the committee.