

HCS HB 1898 -- TELEPHONE COMPANY PERSONAL PROPERTY

SPONSOR: Berry

COMMITTEE ACTION: Voted "Do Pass with Amendments" by the Standing Committee on Telecommunications by a vote of 6 to 3. Voted "Do Pass with HCS" by the Select Committee on Utilities by a vote of 10 to 1.

Currently, a telephone company has its tangible personal property assessed in the same manner as a railroad. Beginning January 1, 2017, this bill allows a telephone company to annually elect to have its tangible personal property assessed in accordance with depreciation schedules. Telecommunications companies are allowed to use county assessors to value property other than land and buildings for calculation of the tax. The bill contains a fee in lieu of tax requirement that applies to telephone companies in school districts that receive less tax revenue as a result of the tax modifications. Companies in these districts will remit a fee as specified in the bill to such school districts unless an increase in tax levy by the district occurs making the outcome revenue neutral for the school district.

PROPOSERS: Supporters say that the bill will create a level playing field for the tax treatment of telecommunications companies some of which were regulated under older, utility-based standards that should not apply to deregulated markets.

Testifying for the bill were Representative Berry; Centurylink; Southwestern Bell Telephone Company D/B/A At&T Missouri And Its Affiliates; Verizon Communications; and Missouri Telecommunications Industry Association.

OPPONENTS: Those who oppose the bill say that it could cost school districts significant revenue in certain cases where tax limitations have been reached.

Testifying against the bill was Scott Kimble, Missouri Council Of School Administrators.