



## Tax Bills Advance in Senate

### *Chamber Passes Fuel Tax Increase and Tax for Online Purchases*

The Legislature's Spring Break, which marks the halfway point in session, began March 11, and the two Chambers will reconvene on Monday, March 22. During the final week before the break, the Senate debated numerous tax proposals, and two bills were passed addressing the fuel tax and taxes on online purchases.

Raising the fuel tax to bolster transportation funding has been a top priority for Senate President Pro Tem Dave Schatz (R-Sullivan). However, this has been an elusive goal given substantial opposition to any tax increase and arguments that the state should redirect existing revenues toward transportation. SB 262, sponsored by Senator Schatz, gradually raises Missouri's fuel tax by 2.5 cents a year until it is increased by 12.5 cents per gallon in 2025. Missouri's current fuel tax is 17 cents, which is lower than any of our neighboring states, even though Missouri has more state-maintained highway miles. Fees for vehicles that use alternative fuels are also increased under this legislation.

As a concession to concerns about a tax increase, there is a provision allowing Missourians to apply for a refund of the additional fuel taxes they paid that year. SB 262 passed the Senate 21 to 13 and now moves to the House. Before session, House Speaker Rob Vescovo (R-Arnold) said he was skeptical of fuel tax increases since voters rejected a ballot measure to raise the gas tax in 2018.

The Senate also passed legislation implementing a use tax on online purchases. Missouri is one of only two states that have not passed the "Wayfair" fix to align tax collections on brick-and-mortar and online purchases. SB 153, sponsored by Senator Andrew Koenig (R-Manchester), passed the Senate 28 to 4 and has been sent to the House.

In addition to Wayfair, the legislation creates three additional income tax rate cuts of .1%. These will be triggered if the state meets certain revenue targets. For the 2020 tax year, Missouri's top income tax rate is 5.4%, but since it applies to income over \$8,584, it is an almost universal rate. Missouri is already in the midst of triggered income tax reductions that will eventually reduce the top rate to 5.1%.

SB 153 also establishes a state Earned Income Tax Credit, subject to the state meeting certain revenue targets. This Missouri Working Family Tax Credit will reduce the tax bill for low-income working families in the state. The credit would start at 10% of a taxpayer's federal EITC and then increase to 20% based on revenue thresholds.

## Dates of Interest

### *January*

- **6** - First Day of Session
- **18** - No Session, Martin Luther King Jr. Day
- **27** - State of the State Address

### *March*

- **1** - Bill Filing Deadline
- **12** - Legislative Spring Break Begins
- **22** - Legislature Reconvenes

### *April*

- **5** - No Session, Easter Break

### *May*

- **7** - Budget Bills Must be Passed
- **14** - Last Day of Session

## House Passes Initiative Petition Changes

The House worked late the Wednesday before Spring Break considering changes to the initiative petition process, which permits referendums modifying state statute or the constitution to be placed on the ballot. Recent constitutional amendments approved by voters include medical marijuana legalization and Medicaid expansion.

Currently, to place a constitutional amendment on the ballot, the petition must be signed by 8% of legal voters in two-thirds of Missouri's congressional districts. HJR 20, sponsored by Representative Mike Henderson (R-Bonne Terre), raises the threshold to 10% in all congressional districts. Once on the ballot, constitutional measures would require a two-thirds majority vote for passage. The language also defines legal voters as those who are US citizens, residents of Missouri, and registered to vote.

During the committee hearing, supporters of the legislation argued Missouri's constitution is too easy to change and there should be a higher threshold for amendments. Opponents contended HJR 20 limits citizens' ability to pursue change by making it more onerous to place amendments on the ballot.

HJR 20 passed the House 111 to 46 and now moves to the Senate. This measure will have to go to a vote of the people if passed by the Legislature.

## News in Brief

- The House General Laws Committee heard HB 1162, sponsored by Representative Curtis Trent (R-Springfield), which modifies provisions related to student data privacy. The legislation would prevent public schools from publicly posting or publishing any individually identifiable information about a child, parent, or guardian without consent. It also establishes procedures governing the use of and access to student data by third parties and creates a task force to study student data privacy.
- The House Elementary and Secondary Education Committee conducted a hearing on HB 37, sponsored by Representative Suzie Pollock (R-Lebanon). This legislation would limit immunization requirements to only public schools and daycares, rather than both public and private. It also restricts the higher education meningococcal vaccine requirement to only students living in publicly-owned housing.
- Legislation to extend the current SNAP Farmers Market program was heard in the House Committee

on Agriculture Policy. Current statute provides for a pilot program to offer vouchers for farmers market purchases to Supplemental Nutrition Assistance Program (SNAP) participants. This statute will terminate in September 2021 unless reauthorized by the Legislature. HB 594, sponsored by Representative Ian Mackey (D-St. Louis), extends the program to 2033.

- The Senate Transportation Committee held a hearing on SB 493, sponsored by Senator Elaine Gannon (R-DeSoto). This bill would require that children under age two be secured in a rear-facing car seat when transported in a motor vehicle. Senator Gannon also carried this legislation during her time in the House.
- SB 454, sponsored by Senator Bill White (R-Joplin), creates a Birth Match program. This would be designed to help the Children's Division identify children born to parents previously convicted of serious crimes against minors or who have had parental rights terminated due to abuse or neglect. The Division would be able to proactively offer voluntary services to these families. The bill was heard in the Senate Committee on Seniors, Families, Veterans, and Military Affairs.
- Legislation to expand requirements for medication assisted treatment (MAT) in jails and Department of Corrections facilities was heard in the Senate Health and Pensions Committee. SB 521, sponsored by Senator Steve Roberts (D-St. Louis), requires detainees and incarcerated individuals be assessed for substance use disorders. MAT services would also have to be provided, consistent with a physician's treatment plan.



*The Way We Work Says It All*