

# **Study Commission on State Tax Policy**

## **Organizational Meeting**

**Thursday, February 25, 2016**

**1:00 p.m.**

**Senate Lounge**

### **The Commission elected a chairman and vice-chairman**

- Chairman - Randy Hilger
- Vice-chairman - Daniel White

### **The Commission created 3 initial Workgroups:**

- Corporate/Individual Income tax
  - Chair – Daniel White
- Sales/Use Tax
  - Co-Chairs – Mary Mannix-Decker & Cindy Stein
- Administration
  - Chair – Senator Hegeman

### **Statutory Requirements**

- Section 136.450.3 requires the commission to establish at least five hearing dates held in different geographic regions of the state and open to the public
  - The commission decided that meetings should take place after late spring to accommodate tax season (ending April 15) and the Legislative Session (ending May 13)
- Section 136.450.7 requires the commission to provide the Governor and the General Assembly with reports of its findings and recommendations for legal and administrative changes, along with any proposed legislation the commission recommends
  - A preliminary report is due by 12/31/2016
  - A final report is due by 12/31/2017

### **Administrative Concerns**

- The Commission discussed implementing some sort of communication hub
  - Contacting the Office of Administration was suggested
- There are currently 2 vacancies
- An excel spreadsheet is circulating with contact information
- Reimbursement for mileage
  - There is a generic form for reimbursement
- A way to compare calendars?
  - It was suggested that dates should be established sooner rather than later so everyone can plan around them

### **Suggestions for areas to focus on:**

- Income tax brackets
  - Specifically how to modernize brackets without unintended consequences
- Special purpose taxing districts
  - Clearly outlining boundaries for those remitting sales taxes
  - Better data on the entities receiving these taxes
- Discuss adoption of the Streamlined Sales Tax Agreement
- Tax Credits
- Taxation effect on local communities (cities and counties)

### **The group discussed potential approaches**

- Workgroups
  - See below
- Meeting with other committees doing similar things
- Bringing in experts from different groups
  - Groups suggested:
    - Institute on Taxation Policy and Economic Development
    - Show-Me Institute
    - The Tax Foundation
    - University of Missouri

### **Workgroups**

- The Commission discussed creating workgroups
  - No limit on size of workgroup
- Potential Workgroup subjects
  - Local Sales/Use
  - Income Tax – Corporate/Individual
  - Property Tax
  - Tax Credits
  - Administrative Issues
  - Unemployment Tax
  - Fuel/Excise Tax
- Starting with 3 groups
- Workgroups will...
  - Identify baseline information (i.e. how their respective taxes work)
  - Compare with other entities
  - Provide information to Commission on how to move forward
- Commission members can email the chairman of a workgroup if interested in joining that workgroup – each chair will report who is in their workgroup