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Committees

Agriculture Policy
Appropriations-Transportation and Economic
Development
Conservation & Natural Resources

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Hello from the capitol!

I am writing this Wednesday afternoon and we are scheduled for another evening session. Things are still in somewhat of a quagmire here at the capitol as we have seven more working days until the end of session.

The days are getting longer and the bills are getting larger. With time running out everyone is looking for a vehicle on which to amend their legislation to try to get it passed.

From the capitol windows every farmer in the General Assembly is watching the river. They are forecasting some dangerous crest levels which have the possibility of doing severe damage to the crop fields in the river bottoms. I think every one feels for his fellow farmers on the economical and psychological effects this flood will have. I have tried to keep in contact with our citizens in the northern end of the district to see how bad it will be. I guess we will just have to wait and see how high the river will get and the damage it will cause.

The House passed House Bill 327 which is the omnibus economic development bill. One of the things this act creates is a non-refundable income and corporate franchise tax credit for sales of qualifying beef animals based upon such animal's weight at the time of first sale. The tax credit shall be equal to ten cents per pound above four hundred fifty pounds for the first sale, and ten cents per pound above the weight of the qualifying beef animal at the time of the first qualifying sale for four hundred fifty pounds, whichever is greater, for a subsequent sale. A qualifying beef animal must be certified by the Agriculture and Small Business Development Authority and be born in this state after August 28, 2008, and raised or finished in this state.

This act also enables a taxpayer making less than \$30,000 per year who modifies their home to be accessible to a disabled person who resides with the taxpayer to claim a credit against their income tax for one hundred percent of the costs of modification, up to \$2,500. For taxpayers making between \$30,000 and \$60,000, a credit will be allowed in the

amount equal to fifty percent of the costs of modification, up to \$2,500. All tax credits will be refundable, up to \$2,500 per year. The credits are not transferable.

House Bill 327 increases the cap on the amount of tax credits that can be issued in a calendar year for the Enhanced Enterprise Zone Program from seven million dollars per year to twenty-five million dollars per year. It modifies the definition of an “employee” to a person employed by the enhanced business enterprise that is scheduled to work an average of at least 1,000 hours per year. Health insurance must be offered to employees at all times and must be partially paid by the employer. Currently, the definition of an “employee” includes full-time, part-time, and seasonal employees.

Regarding sales tax exemptions for manufacturing, this act exempts purchases of certain energies, gases, utilities, chemicals, machinery and equipment used in the manufacture or processing of products including those consumed in the processing of recovered materials from state and local sales and use taxation.

House Bill 327 increases the cap on the amount of tax credits that can be issued in a calendar year for the Quality Jobs Program from twelve million dollars to thirty million dollars.

It allows the calendar year’s maximum amount of quality jobs tax credits issued to a qualifying company that participates in both the Quality Jobs Program and the New Job Training Program to be increased by an amount equivalent to the withholding tax retained by that company under the New Job Training Program if the combined benefits do not exceed the projected state benefits of the project.

This act allows qualified companies to receive tax credits for providing tuition reimbursement programs to certain employees.

It revises the definition of “full-time employee” from an employee who works an average of 35 hours per week to an employee of the qualified company that is scheduled to work an average of 35 hours per week, but leaves the remaining requirements of the definition unchanged.

House Bill 327 establishes the “Regional Railroad Authorities Act.” The purpose of an authority established and operated under the act is to provide for the preservation, improvement, and the continuation of rail service for agriculture, industry, or passenger traffic and to provide for the preservation of railroad right-of-way for transportation uses, when determined to be practicable and necessary for the public welfare.

The authority may plan, establish, acquire, develop, construct, purchase, enlarge, extend, improve, maintain, equip, operate, regulate, and protect railroads, railroad properties and railroad facilities within its boundaries, including but not limited to terminal buildings, roadways, crossings, bridges, causeways, tunnels, equipment, and rolling stock.

The state of Missouri and any political subdivision may transfer to any regional railroad authority or may place in its possession or control, by lease or other contract or agreement, either for a limited period or in fee, any property within a regional railroad authority district or any property wherever situated.

House Bill 327 establishes the Small Business and Entrepreneurial Growth Act for small business employers who expand their business by increasing the number of jobs and meeting certain qualifications. Beginning January 1, 2008, a qualified employer can retain the Missouri withholding tax from the salaries of the newly created jobs for one year; or if the employer pays more than 50% of the cost of the premiums for health insurance for all employees, the withholding tax can be retained for two years.

This act exempts motor fuel used for school buses, by school districts or persons contracted with school districts to provide school bus services. The exemption provided by this act will be provided to the school district for which the fuel is consumed in the form of a refund, regardless of whether the school district paid the tax or the tax was paid by persons contracted with the district to provide school bus services.

The House also passed House Bill 758 which is a tax credit for employers of high school students. This bill authorizes a tax credit for employers who hire qualified high school students for summer jobs. The tax credit is equal to 35% of the wages paid to the student employee. An employee can claim up to \$50,000 per year. To qualify, a student must be currently enrolled as a junior or senior in high school, meet minimum attendance requirements, earn a grade point average of 2.0 or better, and be eligible for the free or reduced school lunch program.

As always, it is an honor and pleasure to serve as your state representative.