



February 3, 2025

In order to be responsive to the latest legislative developments, MOCPA continually monitors proposed legislation. We utilize both professional and grassroots lobbyists to ensure the CPA profession has a voice in Jefferson City. By keeping members informed, MOCPA is empowering you to contribute to the legislative process.

Session Update

Last week, Governor Kehoe delivered his first State of the State address to a joint session of the Missouri General Assembly. "Securing Missouri's Future" was the theme as he rolled out his state budget proposal for Fiscal Year 2026.

Additionally, both the House and Senate had numerous public hearings as members continue to push their legislative priorities forward. Despite all this activity, neither body has placed any legislation on its bill calendar, which must take place before the full body can debate and amend the legislation. This is expected to happen in the next week or two, and then session will be in full swing.

Budget Update—Governor Kehoe released his Fiscal Year 2026 Executive Operating Budget on Tuesday afternoon after presenting the State of the State. The \$52.8 billion FY26 budget includes a total of \$3.99 billion in discretionary funds. Under his plan, the state will still retain a \$1.5 billion surplus left from the FY'25 budget. Individual income taxes continue as the highest source of revenue for the state at 58.5 percent of the state's total \$13.6 billion in general revenue, and FY'26 is expected to see a 1.6 percent increase in collections. Governor Kehoe's budget is focused on seven key areas: public safety, economic development, agriculture, education, healthcare and mental health, veterans and military services and government.

Both the House Budget and the Senate Appropriations Committees have begun hearings to review the governor's recommendations and the FY25 Supplemental Budget, which has been requested by Budget Director Dan Haug to be passed by March 14. The next few weeks will see the House Budget Committee begin to craft their recommendations as the various departments walk veteran and new committee members through their requests and New Decision Items (NDIs).

Legislation of Interest

· [SB 67](#), had a hearing in the Senate Committee on Economic and Workforce

Development, and MOCPA testified in support of the bill. SB67 allows the Missouri DOR to waive interest and penalties on tax under payments due to disallowed tax credits. The sponsor's intent with the legislation is to incentivize taxpayers to donate to benevolent charities without fear of tax penalties.

· [HB 594](#), which repeals the tax on capital gains, was voted out of the House Committee on Commerce. Its companion bill, [SB 46](#), was also voted out of Committee.

[Click here](#) to view the complete list of high-priority bills MOCPA is currently tracking. New bills are filed daily, and the list is updated each week. Be sure to check the list regularly to look for legislation that may be of interest to you or your clients.

For Additional Information

This *Government Advocacy Update* will continue regularly through the legislative session. If you have any questions on our legislative efforts, please visit our [government advocacy web page](#), or contact [Dena Hull](#) at (800) 264-7966, ext. 105.

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