



February 23, 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, despite calls for heavy snowfall, both chambers conducted business as usual. Several priority bills were the subject of debate and action, including a major reform of utility regulation; elimination of diversity, equity and inclusion programs in all state departments; liability protection for Bayer's Roundup pesticide; and passage of a bill to reduce the statute of limitations on personal injury claims from five to two years. The Senate has now third read and passed 19 bills while the House has only third read and passed eight. This is a major role reversal compared to the last legislative session and has many wondering how long the Senate can continue to stay positive and productive.

Only one week remains for the filing of new legislation, and only three weeks remain before the legislative Spring Break.

On Tuesday, Governor Kehoe signed [Executive Order 25-18](#), which directs all Missouri agencies to eliminate DEI initiatives. The order prohibits the use of state funds for DEI and prevents agencies from considering DEI in hiring decisions. The order requires equal protection of all people; eliminates all public funds for DEI; prohibits DEI as a consideration for state hiring practices; and requires every department to complete a compliance review within 30 days of the signage of the order.

Professional Licensing—The House Committee on Professional Registration and Licensing heard HB 946, which currently requires an oversight body for professional licenses to waive any examination, educational, or experience requirements within 30 days for a resident military spouse or a nonresident military spouse and issue the applicant a license if the applicant meets all other requirements. The bill seeks a waiver for resident spouses of Missouri law enforcement officers.

Taxes: Estates and Trusts—The House Committee on Children and Families heard HB 1259, which would ensure that resident trusts and estates receive the same income tax deduction as nonresident trusts and estates and only applies to the extent that it is not a determinant of the federal distributable new income of the estate or trust.

Taxes: Income—The Senate Committee on Economic and Workforce Development convened to consider passage of six resolutions, which upon voter approval, would place spending caps on the General Assembly's appropriation authority, create the Tax Reform Fund for any surplus revenue collections, repeal the prohibition on sales and use tax expansions, eliminate the Missouri income tax and personal capital gains taxes immediately, and impose a state sales tax on services of 6 percent. A Senate Committee Substitute was adopted to combine all six resolutions into one. Once modified, the resolution passed.

The committee also heard five bills that, beginning Jan. 1, 2026, would impose a flat rate of 4 percent personal income tax on the income of every Missouri resident. These measures are intended to statutorily implement provisions proposed in the six resolutions mentioned above. A Senate Committee Substitute was adopted to combine all five bills into one, and an additional bill was added that would eliminate the individual income tax. Once modified, the bill passed.

Legislation of Interest

[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.

A few bills of interest that had activity last week include:

- [SJR31](#), which repeals a tax on services, was voted out of the Senate Economic and Workforce Development Committee.
- [SB151](#), which implements the statute if SJR1 passes, was voted out of the Senate Economic and Workforce Development Committee.

Attend Important MOCPA Webinar Addressing Tax on Services Virtual | Feb. 28 | 9-9:50 a.m.

As Missouri lawmakers explore the possible elimination of personal or corporate income tax, there are proposals that could impose a tax on professional services as a potential source for financial relief.

Attend this session to better understand:

- The history of tax on services in Missouri;
- How such a tax would be implemented;
- Risks and impact it would have on the CPA profession, your clients, and the business community; and
- How you can help by reaching out to your legislator.

We'll be joined by Joe Crosby, CEO of Multistate Associates, to share the national scope of this issue.

[Register here](#) for this 50-minute, complimentary CPE session.

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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