



LEGISLATIVE AGENDA

2020



MISSOURI CHAMBER
OF COMMERCE AND INDUSTRY

2020

LEGISLATIVE AGENDA

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CIVIL JUSTICE

2020 Recommended Legislative Policies



Restore accountability when punitive damages are awarded and reinstate punitive damage caps:

The Missouri Chamber supports measures to better balance court processes that determine when and how punitive damages may be requested and awarded. The Missouri Chamber supports limiting the amount of recoverable damages in certain cases. Specifically, we advocate for the legislative action needed to place a cap on punitive damages in common law tort cases

Strengthen the Missouri Merchandising Practices Act (MMPA):

The Missouri Chamber supports strengthening the MMPA to reduce frivolous lawsuits by classes of individuals who suffered no actual harm. The Missouri Chamber supports reforming the definition of “causation” to require a showing that the purportedly deceptive act or practice caused the plaintiff to enter into the transaction and caused loss. We further support reforms to the MMPA that seek to avoid duplicative damage awards, provide fair procedures for class action lawsuits, add consistency between federal and state consumer protections and protect the regulatory authority of other state and federal agencies.

Increase transparency in asbestos litigation by requiring trust claim disclosure:

Asbestos litigation has caused hundreds of businesses to declare bankruptcy, with over 60 of those establishing trusts to compensate future claimants. The businesses currently being sued in asbestos litigation are increasingly peripheral defendants, who are being sued for exposures claimants also allege were caused by the bankrupt companies. The Missouri Chamber supports legislation that would require the disclosure of asbestos bankruptcy claims before trial. This would increase transparency and curtail fraudulent claims, allow businesses to fairly litigate all relevant exposures and ensure there will be compensation for future claimants by appropriately apportioning fault.

Establish statute of repose:

Businesses that put products into the stream of commerce are required to comply with contemporary regulations. Those firms should

not be exposed to liability because subsequent regulatory changes implicate previously designed and produced products. The Missouri Chamber supports a reasonable statute of repose that will bar claims against manufacturers for compliant products put into commerce that are the subject of later regulatory changes.

Ensure the selection of Missouri judges is open and fair:

The Missouri Chamber supports common sense reforms for the selection of judges to Missouri's circuit and appellate courts that emphasize impartiality, fairness and equitable justice for all Missourians.

Strengthen Missouri's employment arbitration climate:

Missouri's employers enter into arbitration agreements with employees to avoid costly litigation and resolve controversies rapidly. With skyrocketing court costs and a court system increasingly unfriendly to business, the employer community depends upon the reliable dispute resolution structure provided by arbitration. The Missouri Chamber supports proposals aimed at clarifying and strengthening Missouri's arbitration statute.

Eliminate joint and several liability:

Current law provides that joint and several liability is applied if a defendant is 51 percent or more at fault. In such circumstances, the defendant is jointly and severally liable for the entire amount of the damages recoverable by the plaintiff. If a defendant is found to be less than 51 percent at fault, the defendant is only responsible for the percent of the damages that corresponds with that defendant's percentage of fault. The Missouri Chamber advocates for the elimination of the current joint and several liability system in favor of a fair-share system of liability in which every defendant is liable only for the amount of harm the defendant caused, based on his or her percentage of fault and considering the fault of all responsible persons, no matter whether they are parties to the lawsuit.

Curtail litigation lending:

Leveraging civil judgments as a means of financing lawsuits is damaging to Missouri's businesses, consumers and the civil justice system. Litigation

lending companies prey on Missouri's most vulnerable citizens by promising immediate money in exchange for an interest in any future recovery. This practice inevitably increases the duration and expense of lawsuits and often leaves plaintiffs in worse financial shape than when they started. Litigation lending activities are not well regulated in Missouri. The Missouri Chamber supports legislation that would provide some level of consumer protection to this type of lending practice in Missouri.

Clarify collateral source rule:

Reforms to the collateral source rule have been passed into law, aimed at giving juries the full scope of information when determining an award for damages. Missouri law should be clarified to ensure the actual cost of care is provided, helping juries make accurate decisions regarding awards for damages.

Protect Missouri law from overreach from outside the state:

The American Law Institute's Restatement of the Law, Liability Insurance can provide Missouri practitioners guidance in addressing various issues in that area of law. However, Missouri courts should look to statutes and existing case law as the primary source in writing their decisions. Principles in The Restatement of Law should only be relied on if those same principles are found in statutes or existing precedent.

Ensure fairness and transparency in arbitration awards:

For arbitration awards to be binding and enforceable, all parties — including liability insurers — should have the opportunity to agree in writing to the arbitration proceeding.

Scheduling and filing deadline certainty:

Missouri businesses face uncertainty with respect to court scheduling and filing deadlines. Because there is no firm scheduling order, cases are allowed to meander for significant amounts of time, thereby increasing litigation and settlement costs. The Missouri Chamber supports the development of predictable and reasonable standards that rein in the cost of doing business in Missouri and promote fairness for all Missourians. ■

ECONOMIC DEVELOPMENT

2020 Recommended Legislative Policies



Encourage entrepreneurial and small-business development:

The Missouri Chamber supports the opportunity for small businesses and entrepreneurs to develop and grow their businesses. We support programs aimed at increasing access to various types of early stage capital, improving technological advancements and protecting businesses from burdensome regulations. We also support funding for the Missouri Technology Corporation.

Encourage corporate growth and attraction:

The Missouri Chamber supports improving the corporate environment and removing potential barriers facing expanding new businesses in Missouri. Fully funding programs such as Missouri One Start, deal closing fund, Missouri Partnership and incentives aimed at research and development will allow Missouri to attract and grow businesses across the state.

Use expanded broadband deployment to support economic development statewide:

Broadband providers continue to invest and expand access to high-speed internet in Missouri's urban and high cost, uneconomic and unserved rural areas. State and local government barriers continually need to be eliminated to help facilitate broadband deployment. Through state and federal grants, the private sector can work with government entities to improve broadband access, igniting economic and workforce development throughout the state.

Promote international trade:

The Missouri Chamber supports capitalizing on Missouri's existing resources and infrastructure to develop programs and institutions to promote Missouri in international markets. The Missouri Chamber supports the United States' leading role in trade across the world. Updates to North American Trade Agreement (NAFTA) and other free-trade agreements should continue to place Missouri exporters in a position to thrive.

Promote tourism programs and protect tourism funding:

Promotion of Missouri as a tourism destination should continue to be a priority for the state, as

it is an important economic development driver. The Missouri Chamber will promote, protect and advocate for preserving funding to enhance Missouri's travel and tourism industry.

Promote rural development:

Businesses and entrepreneurs in Missouri's rural and distressed communities continue to find it difficult to obtain the capital they need to expand and grow. The Missouri Chamber supports initiatives to bring capital to rural areas and the state's Opportunity Zones alike. We support legislation to drive investment in businesses in rural Missouri and Opportunity Zones through targeted tax credits that prioritize the creation and retention of quality jobs, transparency, accountability and evaluation standards. High-caliber job creation should also encourage economic upward mobility by providing incentives for workforce development and on-the-job training.

Improve dynamic fiscal note scoring:

The Missouri Chamber supports development of a comprehensive fiscal note process that accurately measures the total fiscal impact of proposed legislation, including accounting of the revenue gains from proposed economic development and financial incentives programs. ■

EDUCATION AND WORKFORCE DEVELOPMENT

2020 Recommended
Legislative Policies



Adequately fund all levels of education:

We believe that well-educated, competent and capable students are the key to Missouri's long-term economic health and competitiveness. The Missouri Chamber supports efforts to provide every Missouri child with access to a top-notch education. We support efforts to adequately fund all levels of education, Pre-K through 12 and post-secondary.

Support a comprehensive workforce development approach:

Workforce shortages and skills gaps limit businesses' growth. The Missouri Chamber supports a broad-spectrum approach to upskilling and right-skilling our state's workforce. This includes adequately funding our existing workforce development programs, like Fast Track and Missouri One Start job training, and advocating for new policies that are responsive to businesses' needs for skilled workers today while anticipating employment needs of the future. We support expansion of on-the-job training opportunities such as internships, externships and apprenticeships.

Maximize business engagement:

The Missouri Chamber supports engaging businesses in the process of educating and training Missouri's students. We support initiatives to incentivize programs that partner schools and businesses together to produce learning experiences that educate the workforce of tomorrow, especially in high-demand jobs. We support policies that help streamline the process for experienced professionals and business leaders to obtain certification for teaching.

Support adequate infrastructure funding:

The Missouri Chamber recognizes that an aging and failing infrastructure in schools and higher education institutions is detrimental to the process of successfully educating Missouri's students. The Missouri Chamber supports efforts to provide adequate funding for education infrastructure maintenance and improvements. We support initiatives aimed at updating and modernizing Missouri's educational institutions structurally and within the classroom and workforce training facilities.

Support broad-based public education reform:

The Missouri Chamber believes that market forces and individual merit will produce better educational results. We support broad-based education reform efforts. Included in this are eliminating the state-imposed teacher tenure system, instituting merit-based pay for teachers, better aligning curriculum with workforce needs and improving school choice options for all Missouri students. ■



ENERGY AND ENVIRONMENT

2020 Recommended Legislative Policies

Ensure Missouri has reliable, resilient and affordably priced energy and water:

The Missouri Chamber recognizes the advantage of reliable, resilient and affordable natural gas, propane, electricity and water in retaining and attracting business to our state. The Missouri Chamber supports efforts to address Missouri's aging infrastructure while ensuring natural gas, propane, electricity and water remains reliable at predictable and affordable rates for consumers. We also support grid modernization efforts that drive greater resiliency, rate affordability and economic development opportunities. The Missouri Chamber embraces an all-of-the-above approach to electricity generation, including coal, natural gas, nuclear and renewable sources.

Promote a balanced and modernized approach to regulation:

The Missouri Chamber supports a balanced and reasonable approach to environmental and energy regulation or policies that do not stifle innovation and economic growth or add unnecessary and burdensome costs to Missouri's businesses. The Missouri Chamber opposes environmental regulations and policies for air, water and waste that unduly raise costs for businesses or jeopardize creation, retention or growth of Missouri jobs. In addition, the Missouri Chamber supports a modernized approach to the regulatory system that is more interactive, collaborative and cost-effective.

Support interstate pipeline projects:

The Missouri Chamber supports approval and implementation of interstate pipeline projects that will create and support thousands of construction and manufacturing jobs in the United States and Missouri. Interstate pipelines help make oil and natural gas pricing more affordable for Missourians by increasing the availability of these American resources in the energy market. We also believe implementation of these projects will aid in United States energy security and independence by shifting United States oil sourcing to conflict-free and stable economic zones.

Implement responsible water quality standards and support Missouri-based solutions:

The Missouri Chamber supports responsible implementation of the Clean Water Act and the Safe Drinking Water Act without creating financial hardships for Missouri businesses. We oppose unilateral actions by the Environmental Protection Agency and support efforts that enable the Missouri Department of Natural Resources to create workable state plans that ensure all Missourians have access to safe, reliable and affordable water and wastewater service.

Use reasonable renewable energy standards:

The Missouri Chamber believes renewable energy standards should be reasonable to ensure our grid is reliable, resilient and flexible with predictable and affordable rates for businesses. We believe all forms of renewable energy, including biomass, hydropower, geothermal, wind, solar and any emerging technologies should be applicable to meeting the standards. Reasonable renewable standards encourage flexibility and innovation in the energy sector that lead to a more resilient grid and affordable rates for Missourians.

Protect Missouri's environment by supporting state regulation of coal combustion residuals (CCRs):

Missouri's energy providers safely store CCRs in our state. The Missouri Chamber supports a state-specific approach to CCR regulation instead of a federal approach. Missouri regulators have the experience and knowledge to regulate the closure of ash ponds located within the state and to provide appropriate protection for our state's environment.

Support reasonable and consistent taxation of utilities:

The Missouri Chamber supports state and local utility tax policy that is fair, consistent and equitable for all utility consumers and jurisdictions. ■

HEALTH CARE

2020 Recommended Legislative Policies

Support reauthorization of Missouri's Federal Reimbursement Allowance (FRA):

The Missouri Chamber supports the reauthorization of Missouri's FRA. This important public/private partnership serves as one of the top sources of revenue for the state, allowing Missouri to receive billions in matching federal funds, and frees up general revenue to be spent on other important state priorities. Without its reauthorization, Missouri will face an insurmountable budget hole that would devastate the state's financial outlook, severely impact the delivery of quality health care and slow any economic development. The Missouri Chamber recognizes the need for the state to leverage state and federal investment to maximize the quality of health care, improve the health of populations and reduce the per-capita costs of health care for the benefit of citizens, employers and sponsored populations.

Create a prescription drug monitoring program:

To reduce costs associated with prescription drug abuse and diversion, the Missouri Chamber supports the creation of a prescription drug monitoring program. Missouri is the only state that has not passed this type of legislation. A monitoring program would help reduce prescription drug abuse and help control Missouri businesses' related health care costs.

Improve access to quality health care for all Missourians:

The state's poorer-than-average health, coupled with a worsening health care workforce shortage, is negatively affecting access to health care for many Missourians, especially those in rural communities. The Missouri Chamber supports an all-of-the-above approach to improve access to quality care, including policies to build and maintain a health care workforce that can meet the demands of today and tomorrow, utilization of telehealth and other innovative solutions to address this serious problem.



Limit government-mandated health care benefits:

New health care coverage mandates increase the cost of health care for businesses. The Missouri Chamber opposes new governmental mandates on health care benefits and supports periodic review of existing mandates to determine ongoing necessity.

Embrace innovation and meaningful transparency initiatives:

The Missouri Chamber supports innovation in health care delivery that will improve outcomes and lower costs. We support meaningful transparency in pricing and quality of health care services and insurance products so businesses and individual consumers can make informed decisions. ■



LABOR AND INDUSTRIAL RELATIONS

2020 Recommended Legislative Policies

Implement right-to-work:

The Missouri Chamber continues to support right-to-work because employees should not be compelled to join a labor union or pay labor union dues as a condition of employment. Right-to-work remains a long-term priority for the Missouri Chamber.

Protect and strengthen workers' compensation reforms:

The workers' compensation system serves as a mechanism to ensure employees are fairly and quickly compensated for workplace injuries. The Missouri Chamber supports reforms to the system to help reduce workers' compensation insurance rates. These reforms should include proper validation of all claims and fairness in the system, clarifying the law where it has been subjected to inconsistent judicial decisions.

Unemployment insurance reform:

Missouri's fiscally unstable unemployment compensation system is a hindrance to economic

growth. During the recession, Missouri took on substantial debt from the federal government to fund the system. Employers paid expensive penalties to repay the federal government. The legal framework to qualify for unemployment should be modified, and the state should seek methods of repayment that are less costly than the present penalty model used against today's employers. The Missouri Chamber has led efforts to pass significant reforms to the unemployment insurance system and will continue working to enact those changes.

Implement paycheck protection legislation:

Employees should not be forced to forfeit a portion of their paychecks for political causes they do not support. The Missouri Chamber supports paycheck protection legislation that would require labor unions to give employees an opportunity each year to opt out of contributing a portion of their wages to union political activities.

Reform Missouri's prevailing wage law:

Prevailing wage laws add unnecessary costs to taxpayer-funded construction projects. Employers who do not comply with prevailing wage laws can be prosecuted and heavily fined. Positive reforms to the system have been made, and going forward the Missouri Chamber will work to amend the law to ensure that prevailing wage is not required for maintenance work.

Protect employers from unfair and harmful workplace rules and mandates:

The Missouri Chamber will work to reduce or eliminate unfair workplace rules and mandates that may burden or harm an employer's ability to attract and retain jobs. The Missouri Chamber will oppose federal and state workplace rules and mandates such as exposing employers to new liabilities based on how they classify their employees, expanding or adding new classes to Family and Medical Leave Act that do not exist in federal law, raising the minimum wage and placing additional regulations upon an employer during the hiring process.

Further, the Missouri Chamber supports state preemption legislation to prohibit local governments from enacting their own labor

standards. Uniform state standards for employment law will bring clarity to businesses that must navigate multiple layers of government regulation every day.

Protect the secret ballot election process and oppose “quickie” union elections:

The Missouri Chamber supports upholding the right of Missourians to vote by a secret ballot and ultimately wants to protect Missouri workers so they may continue to have a voice to exercise in private during the employee representation process. The Missouri Chamber will work to protect employers and employees against the impact of the Employee Free Choice Act (aka “card check”) or similar legislation at the federal level. The passage of such a law would effectively eliminate the proven practice of holding free and fair secret ballot elections by allowing unions to be certified simply by collecting employee signatures in public through a “card check” process. We believe that takes away each employee’s right to vote on representation free from coercion or intimidation.

Reform the state’s immigration policy:

The Missouri Chamber supports legislation that would provide an incentive for Missouri businesses to use E-Verify by providing the employer with an absolute bar from any state liability regarding the hiring of such employees if the employee provided false or misleading information regarding eligibility to work in the U.S. — unless the employer knowingly hired an undocumented alien.

Reform the workers’ compensation administrative law judge selection process:

Too often, Missouri employers feel the scales of justice are tipped against them in a workers’ compensation administrative hearing. The Missouri Chamber supports legislative efforts to inject fairness and accountability into the selection and retention of workers’ compensation law judges.

Provide state-level safeguards for joint employers:

The Missouri Chamber supports legislation to protect franchisors from unwarranted lawsuits

claiming the franchisor is a “joint employer” with its franchisees. Further, the Missouri Chamber supports legislation to clarify that the employment relationship between a franchisor and franchisee in state-level disputes should only apply where the franchisor exercises direct and immediate control.

Strengthen employers’ property rights:

Cybersecurity is of utmost importance in the information age, creating new challenges for employers throughout the world. In an effort to stay ahead of the curve, the Missouri Chamber supports efforts to strengthen civil penalties against employees who illegally obtain and disclose an employer’s proprietary information.

Bring clarity to independent contractor agreements:

Businesses face an increasing amount of rules and regulations from all levels of government. Often, there are several layers of red tape surrounding how businesses hire, compensate and work with employers and independent contractors. To eliminate confusion in this area, the Missouri Chamber supports implementing flexible yet objective standards to determine independent contractor status. All state agencies should use the same information in classifying independent contractors, providing businesses with greater clarity.

Clarify the treatment of arbitration clauses in employment contracts:

The Missouri Chamber supports abrogating the holding in *Baker v. Bristol Care, Inc.*, which overturned years of precedent regarding what constitutes consideration in an arbitration agreement. While at-will employment and continued employment had been considered sufficient consideration to support enforcement of arbitration agreements, the court in *Baker* disagreed and refused to enforce the arbitration agreement for insufficient consideration. For certainty in employment contracts moving forward, the Missouri Chamber supports abrogating *Baker* and returning to a clear standard for sufficient consideration in employment-related agreements. ■

TAXATION & FISCAL

2020 Recommended Legislative Policies

Adopt a responsible framework for collection of sales tax from out-of-state sellers in response to the *Wayfair* decision:

Prior to the U.S. Supreme Court's 2018 decision in *South Dakota v. Wayfair, Inc.*, a person only had a sufficient connection with a state to obligate the person to collect and remit such state's sales and use tax, i.e., nexus, if they had a physical presence in the state. This physical presence nexus was confirmed by the U.S. Supreme Court's 1992 decision in *Quill Corp. v. North Dakota*. In *Wayfair*, the U.S. Supreme Court overturned *Quill* and the physical presence nexus precedent by finding that sufficient nexus may be created based on the "the economic and virtual contacts" a person has with a taxing state. In doing so, the Court paved the way for states to require the collection of sales and use tax by out-of-state sellers without a physical presence.

The U.S. Supreme Court provided guidance for how states should enact a framework to implement the collection of sales tax by out-of-state sellers without a physical presence. This guidance suggests considering: a safe harbor provision for sellers with limited sales into a state; no retroactive collection of taxes; and adoption of the Streamlined Sales and Use Tax Agreement to ease the tax compliance burden for sellers. Missouri is one of just a few states not to have adopted a new collection framework since the passage of *Wayfair*, and our businesses remain at a competitive disadvantage.

Missouri should adopt a law to require the collection of sales tax for online and other transactions involving out-of-state sellers without a physical presence, taking into account the U.S. Supreme Court's guidance in the *Wayfair* decision while maintaining current sales and use tax exemptions the state has historically permitted.

The Missouri Chamber recommends legislation that would require all remote sellers meeting specific criteria to collect and remit vendor's use tax on sales of tangible personal property in Missouri. In an effort to minimize the administrative burden on both the sellers and the Missouri Department of Revenue, the Missouri Chamber recommends that remote sellers register, collect and remit vendor's use tax only if they meet or exceed a threshold of \$500,000 or more in sales of tangible personal property from outside Missouri to a destination



within Missouri. In addition, the Missouri Chamber does not support having any secondary sales threshold defined in terms of the number of items sold or the number of transactions, as some states have mandated. The Missouri Chamber also does not support any retroactive “look-back” provisions for the collection of taxes under this new legislation.

Finally, Missouri should consider the responsible application and use of additional revenues resulting from sales tax collections from online and other transactions involving out-of-state sellers without a physical presence.

Reform tax policy:

The Missouri Chamber supports efforts in the General Assembly to enact meaningful, comprehensive reform in Missouri’s tax system. The Missouri Chamber strongly believes that any tax reform, whether in the realm of corporate/individual income taxes, real/personal property taxes or sales/use taxes, should achieve the following objectives:

- **Provide revenue neutrality:** Tax reform should not be used, directly or indirectly, to increase state tax revenues, whether in short-term or long-range projections.
- **Eliminate/avoid double taxation:** Double taxation occurs when the same economic activity is used as a measure for more than one taxable event. Any revision to the tax code should avoid even the risk of double taxation
- **Minimize shifting the ultimate tax burden:** Tax reform can shift the economic burden from one group of taxpayers to another. Any proposed tax reform should avoid economic burden shifts among groups of taxpayers to the greatest extent possible. When economic burden shifts cannot be avoided to achieve other goals, such as equity or neutrality, they should be made gradually over an extended period of time.
- **Provide horizontal equity:** Horizontal equalization is the practice of treating taxpayers of similar incomes but differing circumstances in a similar way by making modest alterations to the tax code to

account for such disparities. Horizontal equity assists economic growth by minimizing the impact of the tax code on business decisions, thereby promoting a free marketplace. Horizontal equity should be considered with regard to any tax reform proposal.

- **Provide administrative simplicity:** Administrative complexity causes economic losses because businesses are required to spend additional resources just to comply with the tax code. Administrative complexity also reduces the efficiency of a tax system by making the state spend additional resources to process the more complicated tax returns, and it reduces the state’s revenue collections because taxpayers are unable to fully comply with the increased administrative burdens. Reform should always have the objective of moving toward a tax code that caters to administrative simplicity in order to avoid economic loss and to increase the tax system’s efficiency.
- **Provide a broad base:** A broad tax base encourages economic growth by minimizing the tax burden on any one specific group of taxpayers and lowering the tax burdens of all taxpayers by spreading the tax burden among more taxpayers. Each tax reform measure should have the goal of moving toward the broadest possible tax base.
- **Eliminate multiple fees and surcharges:** Missouri’s businesses are faced with many state and local fees and surcharges, including access fees, license fees, business license taxes, unemployment insurance fees and surcharges and workers’ compensation fees. Missouri has a duty to reduce the number and dollar amount of these fees and surcharges in addition to its duty to minimize the overall tax burden imposed on its residents. A burdensomely high effective state tax rate can negatively affect the state’s economy.

TAXATION AND FISCAL (continued)

Reform tax administration:

Taxpayers need stable and predictable rules that promote taxpayer fairness. The Missouri Chamber supports state tax administration reform that will improve transparency and enhance early taxpayer input on policies.

Phase in full deduction for the federal income tax:

In 1993, Missouri taxpayers suffered the largest tax increase in Missouri history. This legislative change forced Missouri corporations and many small-business owners to pay state income taxes on part of the federal income tax dollars they had already paid. This tax policy is particularly burdensome because businesses are required to pay an income tax on an income tax. The double tax occurs because businesses are prohibited from making use of the portion of money they pay to the federal government in taxes, yet they must pay tax on the same money again at the state level. Current law only permits C corporations to deduct one-half of the tax paid to the Internal Revenue Service (IRS). Those businesses choosing to be taxed as a pass-through entity are even more limited on their deduction for taxes paid to the IRS. The Missouri Chamber supports legislation to phase in the full deductibility of the federal income tax.

Expand state sales tax exemptions:

Missouri's sales tax exemptions provide Missouri's taxpayers with economic incentives to attract business to Missouri and to promote economic development. In addition, many of Missouri's sales tax exemptions enhance Missouri's social and environmental objectives. The Missouri Chamber is in favor of all sales tax exemptions that promote economic development activity and create jobs in Missouri. The Missouri Chamber opposes removing or imposing limitations on any sales tax exemptions if doing so could hinder Missouri's economic development initiatives.

Prohibit corporate tax information disclosures:

Taxpayers have an expectation of confidentiality and a right to privacy. Missouri's tax system is based on voluntary compliance. Corporations furnish and are required by law to provide extensive information



under penalties of fine or imprisonment. Studies have shown that the degree of compliance with tax laws is impacted directly by the degree of confidentiality of information that taxpayers are required to provide to the Department of Revenue (DOR) and the IRS. If the DOR were permitted to make such returns and/or return information public, it would invite a variety of intrusions into the taxpayers' privacy. Business competitors of a taxpayer could use this information to gain economic advantages over the unfortunate taxpayer. A lack of confidentiality could also facilitate the use of one taxpayer's return information for the political or other gain of its competitors. Because of the serious nature of the problems caused by such "transparency," the Missouri Chamber opposes public disclosure of all otherwise proprietary and tax information for any and all taxpayers.

Maintain appropriate state tax add-back list:

The DOR has historically proposed promulgating rules that relate to the requirement of state tax add-backs that are in violation of existing Missouri law. The proposed rules have exceeded the current statutory provisions by limiting the current legal definition of "income tax" and by expanding the list of state taxes that must be added back to Missouri taxable income. The Missouri Chamber strongly opposes any proposed or amended rule change or any administrative action by the DOR that would expand the legally permissible types of other states' taxes that must be added back to Missouri taxable income.

Adjust property taxes:

Current law allows for a reduction or elimination of property taxes for damaged or destroyed residential property due to a natural disaster. However, this benefit does not apply to commercial, agricultural or business personal property, leaving business owners with an unfair tax burden. The Missouri Chamber supports expanding the natural disaster property tax adjustment to apply to commercial, agricultural and business personal property damaged or destroyed by a natural disaster.

Equalize local tax treatment:

Currently, the Missouri state tax code mirrors the

federal tax code in the treatment of statutes of limitation and penalties assessed. However, local jurisdictions impose their own rules, creating complicated and confusing tax policies that treat taxpayers in similar situations differently across local jurisdictions. The Missouri Chamber supports equalizing the treatment of statutes of limitation and penalties among local, state and federal tax policies, using common guidelines for all taxes and fees.

Allow single remittance of local taxes and fees:

Every year, businesses large and small make thousands of payments to state and local jurisdictions to comply with regulations. These payments drive up the cost of doing business in Missouri. Compliance costs reduce the resources of private businesses and can be considered a waste of economic resources. The Missouri Chamber supports the implementation of a voluntary program to allow businesses to submit a single remittance each month to one entity to eliminate the compliance costs.

Provide tax incentive for S corporation formation of employee stock ownership plans:

Employee stock ownership plans (ESOPs) give employees partial ownership in a business over time. Many smaller businesses that are heavily invested in their companies use this option, motivating their employees to stay with the company and keep it going years after the startup phase or after the owner's retirement. Currently, S corporations do not qualify to receive the tax benefits allowed for C corporations. The Missouri Chamber supports the formation of ESOPs and allowing individual shareholders to exclude dividends and capital gains from their taxable incomes. ■

TECHNOLOGY

2020 Recommended Legislative Policies

Position Missouri as a tech hub:

Missouri is well positioned as a current top state for tech growth. The Missouri Chamber supports efforts to build upon our success and competitive edge to drive even more economic growth in this sector. We also support policies and initiatives to make Missouri a major player in emerging tech fields, such as advanced manufacturing, agtech and fintech.

Oppose patchwork privacy standards:

Conflicting data privacy standards across the nation create a patchwork of laws that is costly and stifles innovation. The Missouri Chamber supports a national data privacy standard that protects individual privacy and transparency while ensuring businesses can continue to innovate and flourish.

Support industry-led cybersecurity initiatives:

Cybersecurity threats increase costs to businesses and exploit the connectivity of critical infrastructure that is needed in our modern economy. We recognize that proactive, comprehensive cybersecurity practices are needed in both the private and public sectors. The Missouri Chamber opposes onerous and prescriptive cybersecurity standards that make it more difficult for businesses to prevent and mitigate attacks in a rapidly changing environment. We support industry-driven initiatives that are more adaptable and effective in protecting businesses and critical infrastructure from cybersecurity threats.

Support investment opportunities:

To maintain tech sector growth, Missouri should increase funding opportunities for tech-related businesses and innovation. The Missouri Chamber supports a wide array of policies and efforts to drive investment, including restoring funding for the Missouri Technology Corporation and the establishment of other programs that spur funding opportunities for research and development, startups and business expansion in Missouri.



Increase access to broadband:

More than 1.2 million Missourians do not have access to high-speed internet. Broadband access is vital for Missouri's economic growth. The Missouri Chamber supports efforts to fund the expansion and acceleration of broadband deployment. State and local government barriers should be eliminated to help facilitate broadband deployment.

Bolster a STEM workforce:

Careers in science, technology, engineering and math (STEM) are a driving force in Missouri's economy. Unfortunately, businesses struggle to fill open jobs in these fields. The Missouri Chamber supports an all-of-the-above approach to raising awareness of STEM careers and making education and training opportunities readily available across the state. We also support policies and programs that help promote greater diversity in the STEM workforce. Business models commonly used by companies in the tech sector and gig economy should be embraced to ensure Missouri remains an affordable state to do business where workforce demands can be met.

Increase access to training in computer programming:

Computer programming is a vital skill to have in our modern economy for individuals of all ages and across all sectors of business. The Missouri Chamber supports efforts to increase access to training in computer programming.

Modernize public sector IT systems:

As Missouri's public sector relies heavily on information technology (IT) systems in its daily operations, modernization is needed to realize greater efficiencies. The Missouri Chamber supports efforts to modernize the state's IT procurement processes, as well as policies that provide state decision makers greater flexibility in obtaining cost-effective and sophisticated IT systems. We also support efforts to recruit and retain a robust tech-focused workforce within state government that can manage procurement and oversight of the various complex IT systems used by state agencies.

Support smart infrastructure projects:

Missouri's businesses and residents rely upon natural gas, electricity and water in a modern economy. These vital services can be made more reliable, safe and affordable by integrating technology within our critical infrastructure systems. The Missouri Chamber supports efforts to integrate technology within these systems to ensure reliable service for businesses and residents and greater safety for communities in the event of a natural disaster. ■

TRANSPORTATION

2020 Recommended Legislative Policies



Support transportation infrastructure funding:

The Missouri Chamber recognizes adequate funds must be available for the maintenance and improvement of the state's transportation system. The Missouri Chamber supports finding stakeholder-driven options that provide long-term, sustainable, statewide transportation funding that will help maximize Missouri's potential as a centrally-located transportation hub for the country, continent and world. Investment in transportation improvements is a major economic engine that drives job creation, personal income and added value to Missouri's economy.

Support multimodal funding:

The Missouri Chamber supports legislation to identify increased funding sources that would allow the Missouri Highways and Transportation Commission to enhance multimodal programs throughout Missouri. Such programs would include public transportation, passenger and freight rail, ports, air travel, bicycling and walking. The Missouri Chamber does not support legislation that continues to divert transportation dollars out of the transportation fund to supplement non-transportation needs.

Support a holistic approach to finding solutions for Missouri's transportation infrastructure needs:

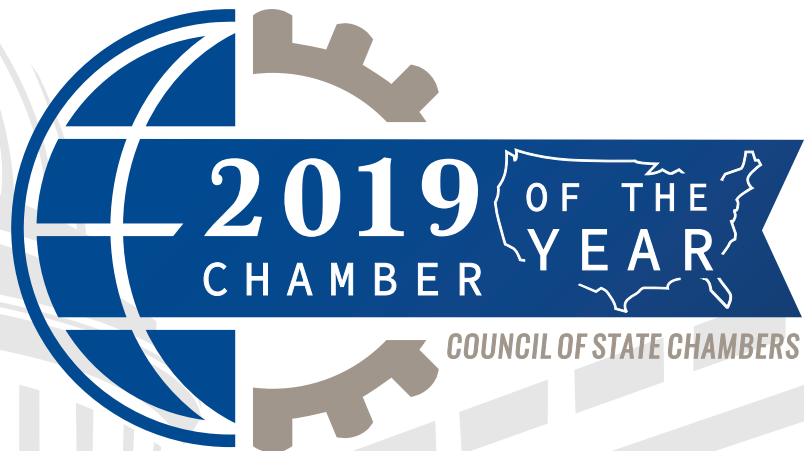
The Missouri Chamber recognizes the seriousness of the budgetary shortfalls facing municipal and state transportation officials. The Missouri Chamber further recognizes that addressing the current funding crisis may not have a one-size-fits-all solution. To that end, the Missouri Chamber supports innovative financing options, such as cost-sharing and investment-matching programs, that empower and encourage local communities to find local solutions to infrastructure needs. We further support taking a broad-spectrum approach to resolving the state's infrastructure needs in a way that maximizes the effectiveness of our existing infrastructure, provides adequate funding for development and maintenance of new and existing infrastructure, and does not unduly impact any disparate industry or class of business.

Support primary seat belt law:

The Missouri Chamber supports legislation that would change Missouri's secondary seat belt law to a primary seat belt law, allowing law enforcement officers to stop drivers for failing to wear their seat belts. Currently, a driver may only be ticketed for failing to wear a seat belt if stopped for another traffic violation.

Continue to support proactive solutions for Missouri's infrastructure needs:

The 21st Century Missouri Transportation System Task Force provided policymakers with numerous options. The Missouri Chamber supports continually evaluating the state's infrastructure needs to find the right solutions to meet the needs of our businesses and consumers. The state's infrastructure must be maintained to reduce or eliminate disruptions and to ensure stability and efficiency. ■



MISSOURI CHAMBER

OF COMMERCE AND INDUSTRY





Federation Priorities

The Missouri Chamber Federation is a partnership created to unify local and state chamber advocacy efforts in the state Capitol. The federation is a network of Missouri's strongest chambers of commerce providing grassroots support on issues that align with local priorities. Below are the federation's legislative priorities for 2020. Learn more about the federation at mochamber.com/join/federation.

- 1. Adopt a framework for collection of sales tax from out-of-state sellers.**

Missouri should adopt a law to require the collection of sales tax for online and other transactions involving out-of-state sellers without a physical presence. Missouri is one of the few states to not pass legislation in the wake of the U.S. Supreme Court's *Wayfair* ruling.
- 2. Support efforts to expand, fund and incentivize alternative career training pathways, including apprenticeships, internships, externships and other on-the-job training programs.**

A well-prepared workforce is imperative to Missouri's economic success. This requires raising early awareness of and opportunities for alternative career training pathways, including workplace-based training programs that can closely align training with the specific needs of an occupation or industry.
- 3. Support sustainable funding for a comprehensive transportation system.**

Adequate funds must be available for the maintenance and improvement of the state's transportation system. Investment in transportation improvements is a major economic engine that drives job creation, personal income and adds value to Missouri's economy.
- 4. Preserve communities of interest when drawing state legislative districts.**

Communities of interest are groups of individuals who are likely to have similar legislative concerns and would benefit from common representation. We support keeping communities of interest whole in redistricting processes.
- 5. Create a statewide prescription drug monitoring program.**

A prescription drug monitoring program would reduce drug abuse and diversion and help drive down costs associated with prescription drug abuse for employers. Missouri remains the only state in the nation that has not passed this type of legislation.



Federation Priorities (cont.)

- 6. Increase funding for broadband.**
More than 1.2 million Missourians do not have access to high-speed internet. Increased funding is needed to expand broadband access across the state. Broadband access is critical to ensure Missouri remains competitive in a 21st century economy.
- 7. Increase tourism funding.**
State investment in tourism supports economic growth, job creation and tax revenue. We support increasing funding of tourism promotion and other tourism-related programs as it would positively impact many communities across the state.
- 8. Invest in entrepreneurship.**
Enhancing the ability of entrepreneurs and small businesses to create their businesses and products while providing incentives to investors is a pathway to securing Missouri's future as a hub for innovation and technology. Restoring funding for the Missouri Technology Corporation is one potential policy option that could support this effort.
- 9. Increase funding for higher education.**
Well-educated, competent and capable students are the key to Missouri's long-term economic health and competitiveness. Therefore, we oppose cuts to higher education and support increasing funding levels to postsecondary institutions, including community colleges and universities.
- 10. Maintain investment in workforce development programs.**
Fully funding the programs that help individuals get the skills they need for careers in high demand fields, while adding to the pool of talent businesses can rely on to fill open jobs, is vital to strengthening our workforce. A stable funding framework should be applied to programs that do exactly that, like Fast Track and Missouri One Start customized training.



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