

Weekly Report  
March 19, 2004

By: Sen. John Griesheimer  
(573) 751-3678

**GOAL OF LEGISLATION IS TO EQUALIZE  
ASSESSMENT OF BUSINESS TANGIBLE PROPERTY**

Whether a company is large or small, it's only fair that each business be taxed an equal amount for the same equipment. Unfortunately, right now that's not what is happening here in Missouri.

This session I have sponsored legislation aimed at leveling the playing field on assessment of business personal property taxes.

What we are trying to do is fix a flawed system on how business tangible personal property is assessed.

Since 2002, an independent firm has been doing appeals for large industries that have a large amount of equipment, with this company receiving a share of the reductions. The state tax commission has upheld every challenge.

It's obvious we have a real problem.

This practice started in St. Louis but now has spread into a statewide issue.

When there is a large reduction in a taxing district, the smaller industries could be forced to make up for the lost revenues then the burden shifts to the little guy. That's grossly unfair.

That's why I agreed to become involved in this issue. It's probably one of the toughest most controversial ones we will debate this year.

Every taxing district wants this changed. But because industry is fighting against this change, we are trying to reach a compromise.

When I started working on this matter last year, I found out there is no uniform way to do this assessment. Each county assessor does it differently, and as such, there are 114 different ways that business tangible personal property is being assessed statewide.

Through this legislation, we are trying to establish a basic set of assessment guidelines for county assessors to follow and still give each the flexibility to assess the property fairly. That's all we are trying to do.

Right now when a business lists the value of equipment it's on an honor system. In most counties there is no way to prove how valuable the equipment is.

Counties do not go in and do an audit on cost or the amount of equipment and its value.

The bill will establish a set depreciation schedule. The devil is in the details and that's what we are trying to work out.

It's a highly complex problem.

I am not trying to raise taxes on business and industry. The goal is to remain revenue neutral. Ultimately there will be some winners and losers, and neither side is going to be completely happy with this.

After many revisions, the latest version of my bill – Senate Bill 1184 – has attached to Senate Bill 960 and has passed the Senate.

We will be working with Rep. Mike Sutherland in a continued effort to reach a compromise. It's nice to know I have total support of the Senate's top leadership – President Pro Tem Peter Kinder and Senate Majority Leader Michael R. Gibbons.

Our goal is to make a fair and equitable system for all businesses – large and small.

If you are in Jefferson City, please feel free to stop by my office in Room 226 at the State Capitol. You may call me anytime at (800) 247-6102 or (573) 751-3678, or you may call my home at 239-2521 or 239-2523. My cell phone number is (314) 650-5777.