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The Stouffer Report: Special Session Called to Discuss Tax Incentives



Last week, we focused on pension reform. This week, we will take a look at the second issue being discussed during the [First Extraordinary Session of the 95th General Assembly](#).

[House Bill 2](#) is also known as the Manufacturing Jobs Act. The measure is the driving force behind the governor's call for a special session. Even though the proposal is aimed at Ford's plant in Claycomo, the bill would benefit manufacturers that meet certain requirements who invest money to build new products in Missouri.

Under the Manufacturing Jobs Act, qualified suppliers or automobile manufacturers would be allowed to keep employee withholding taxes for a certain number of years. Manufacturers would be able to keep all of their withholding taxes for 10 years and those that modify or expand on existing products may retain 50 percent of the withholding taxes for seven years. The withholding taxes would only be for the jobs that were retained, not necessarily everybody in the shop.

This is a measure that has garnered quite a bit of attention. The [original bill](#) essentially ran out of time at the end of the regular session. The new version of this measure is pretty much a carbon copy.

Supporters say this bill is vital to keeping not only

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the Ford plant operating in Claycomo and the 3,700 jobs there, but also keeps parts suppliers around the state in business as well. They also say the benefits would only be given to Ford if the company follows through with their pledge to renovate the Claycomo factory for next-generation vehicles and keep the existing jobs there.

Opponents counter by saying we do not have the money for the tax incentives, and the state is picking winners and losers with this legislation. They add there has been no guarantee made by Ford that they will, indeed, keep the Ford plant open.

Lawmakers remained aware of the cost associated with calling a special session. The full Missouri Senate only met twice in Jefferson City since starting the extraordinary session on June 24. With the recent conclusion of special session, my colleagues and I upheld our commitment to keep costs down and spend the taxpayers' money in the most efficient manner possible.

Senator Stouffer serves the counties of Carroll, Chariton, Cooper, Howard, Lafayette, Macon, Ray, Saline, and a part of Clay.

If you have questions or comments about this or any other issue, please call toll free (866) 768-3987 or by e-mail at bstouffer@senate.mo.gov.

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