

**Missouri Budget Project E-News
State and Federal Policy Update
March 9, 2012**

State Issues

- 1. Marketplace Fairness Substitute Now Includes Corporate Tax Break**
- 2. House Budget Committee Passes Budget, Senate Concludes Department Hearings**
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State Issues

1. Marketplace Fairness Substitute Now Includes Corporate Tax Break

The House Tax Reform Committee released a committee substitute of [House Bill 1356](#), the Marketplace Fairness Act, which would dedicate any revenues from collection of internet sales taxes to lowering the corporate income tax.

Since consumers are changing their buying habits from traditional stores to remote sellers, such as internet retailers, it makes little sense to dedicate unknown future revenues to reducing another tax. The Missouri Budget Project will continue to work with legislators and our partners to find the most palatable and equitable implementation of the Marketplace Fairness Act.

2. House Budget Committee Passes Budget, Senate Concludes Department Hearings

The [House Budget Committee](#) passed their version of the Governor's budget this week. Minor amendments were made to the version they released last week, including more funding for public health offices and a partial restoration of funding for medical services for the blind.

A \$50 million grant to fund a Medicaid eligibility and enforcement upgrade that had been included in recommendations from the Appropriations Committee for the Health, Mental Health and Social Services remained absent from the House Budget.

The Budget Committee gave unanimous support to all budget bills with the exception of House Bills 2010 and 2011, which contain Mental Health, Health and Senior Services, and Social Services. Those budgets passed mostly along party lines.

Meanwhile, the Senate Appropriations Committee concluded hearings with state departments this week. In the hearings, much attention was paid to social services that families receive and whether some families are receiving more than one state sponsored service or subsidy.

The Budget Bills will be considered on the House floor the week after spring break.

3. Justice Reinvestment Act Progresses

The Justice Reinvestment Act, a bill that will amend parole and probation guidelines for non-violent offenders, passed the Senate and House this week. The act will save the state tens of millions of dollars and increase public safety by focusing on corrections strategies that improve outcomes.

The Senate version of the Act, [SB 699](#), sponsored by [Senator Jack Goodman](#) (R-Mt. Vernon), was passed by the Senate with only one dissenting vote. The House version, [HB 1525](#), sponsored by [Representative Gary Fuhr](#) (R- St. Louis), was passed unanimously by the House.

Now each version moves to the other body where passage is incredibly likely. The House also added necessary funding for the act into the State Budget that was passed by the House Budget Committee this week.

4. Missouri Legislature Begins Spring Break

The legislature has adjourned for spring break, and will reconvene on March 19th.