



CONSTRUCTION BLOG

Developer Win in Missouri

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The Missouri Public Service Commission has entered a ruling which supports development in Missouri. Under its ruling, Missouri developers will not be required to pay a tax that investor-owned water and sewer utilities are now required to pay, as a result of a change made to the federal tax code by the 2017 Tax Cut and Jobs Act, on infrastructure that is contributed to them. Under a prior tariff that had been in effect in Missouri, developers were required to pay such taxes for investor-owned utilities. One developer of which we are aware was being asked to pay more than \$300,000 in tax on a 66 lot development.

This ruling will allow developments in areas served by investor-owned utilities to remain competitive with developments that are served by municipally owned utilities and/or water or sewer districts. The ruling is specific to Missouri American Water Company, which is the largest investor-owned utility in the state; but should be followed for other investor-owned utilities, as well. Sue Schultz represented the developer in this proceeding before the Commission.