

HOUSE BILL NO. 1043

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE CURTMAN.

1980L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 143.011, RSMo, and to enact in lieu thereof one new section relating to income taxes.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 143.011, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 143.011, to read as follows:

143.011. 1. A tax is hereby imposed for every taxable year on the Missouri taxable income of every resident. The tax shall be determined by applying the tax table or the rate provided in section 143.021, which is based upon the following rates:

If the Missouri taxable income is:	The tax is:
Not over \$1,000.00	1 1/2% of the Missouri taxable income
Over \$1,000 but not over \$2,000	\$15 plus 2% of excess over \$1,000
Over \$2,000 but not over \$3,000	\$35 plus 2 1/2% of excess over \$2,000
Over \$3,000 but not over \$4,000	\$60 plus 3% of excess over \$3,000
Over \$4,000 but not over \$5,000	\$90 plus 3 1/2% of excess over \$4,000
Over \$5,000 but not over \$6,000	\$125 plus 4% of excess

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18		over \$5,000
19	Over \$6,000 but not over \$7,000	\$165 plus 4 1/2% of
20		excess over \$6,000
21	Over \$7,000 but not over \$8,000	\$210 plus 5% of excess
22		over \$7,000
23	Over \$8,000 but not over \$9,000	\$260 plus 5 1/2% of
24		excess over \$8,000
25	Over \$9,000	\$315 plus 6% of excess
26		over \$9,000

27 2. (1) Beginning with the 2017 calendar year, the top rate of tax under subsection 1 of
 28 this section may be reduced over a period of years. Each reduction in the top rate of tax shall be
 29 by one-tenth of a percent and no more than one reduction shall occur in a calendar year. The top
 30 rate of tax shall not be reduced below five and one-half percent. Reductions in the rate of tax
 31 shall take effect on January first of a calendar year and such reduced rates shall continue in effect
 32 until the next reduction occurs.

33 (2) A reduction in the rate of tax shall only occur if the amount of net general revenue
 34 collected in the previous fiscal year exceeds the highest amount of net general revenue collected
 35 in any of the three fiscal years prior to such fiscal year by at least one hundred fifty million
 36 dollars.

37 (3) Any modification of tax rates under this subsection shall only apply to tax years that
 38 begin on or after a modification takes effect.

39 (4) The director of the department of revenue shall, by rule, adjust the tax tables under
 40 subsection 1 of this section to effectuate the provisions of this subsection. The bracket for
 41 income subject to the top rate of tax shall be eliminated once the top rate of tax has been reduced
 42 to five and one-half [of a] percent.

43 3. Beginning with the 2017 calendar year, the brackets of Missouri taxable income
 44 identified in subsection 1 of this section shall be adjusted annually by the percent increase in
 45 inflation. The director shall publish such brackets annually beginning on or after October 1,
 46 2016. Modifications to the brackets shall take effect on January first of each calendar year and
 47 shall apply to tax years beginning on or after the effective date of the new brackets.

48 4. **(1) Notwithstanding subsection 5 of this section to the contrary, as used in this**
 49 **subsection, the following terms mean:**

50 (a) **"CPI", the annual general price level as measured by the Consumer Price Index**
 51 **for All Urban Consumers for the United States, or its successor index, as defined and**
 52 **officially reported by the Bureau of Labor Statistics of the United States Department of**
 53 **Labor, or its successor agency;**

54 **(b) "Inflation increase", the percentage of increase in the annual average of the CPI**
55 **over the previous year.**

56 **(2) For all taxable years beginning on or after January 1, 2017, in addition to any**
57 **other adjustment required under this section, the amounts of the Missouri taxable income**
58 **listed in subsection 1 of this section shall be adjusted annually as provided in this**
59 **subsection.**

60 **(3) For the taxable year beginning on January 1, 2017, the director shall adjust the**
61 **amounts of the Missouri taxable income listed in subsection 1 of this section by the same**
62 **percentage as the inflation increase in the calendar year beginning on January 1, 2016. For**
63 **each subsequent taxable year, the director shall determine the inflation increase in the next**
64 **immediately preceding year that has not been used in an adjustment under this subsection**
65 **and shall annually adjust the amounts of the Missouri taxable income by the same**
66 **percentage of such preceding inflation increase. If there was no inflation increase in a**
67 **particular year, the director shall disregard such year and apply the percentage of inflation**
68 **increase in the next immediately preceding year having an inflation increase to the next**
69 **required annual adjustment.**

70 **(4) The director shall annually make the adjustments required under this**
71 **subsection until each inflation increase in calendar years 1931 to 2016 has been applied to**
72 **the amounts of the Missouri taxable income listed in subsection 1 of this section.**

73 **5. Except as provided in subsection 4 of this section, as used in this section, the**
74 **following terms mean:**

75 **(1) "CPI", the Consumer Price Index for All Urban Consumers for the United States as**
76 **reported by the Bureau of Labor Statistics, or its successor index;**

77 **(2) "CPI for the preceding calendar year", the average of the CPI as of the close of the**
78 **twelve month period ending on August thirty-first of such calendar year;**

79 **(3) "Percent increase in inflation", the percentage, if any, by which the CPI for the**
80 **preceding calendar year exceeds the CPI for the year beginning September 1, 2014, and ending**
81 **August 31, 2015.**

✓