

HOUSE BILL NO. 2272

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE WINDHAM.

4503H.03I

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 143.011 and 143.021, RSMo, and to enact in lieu thereof two new sections relating to income tax.

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

Section A. Sections 143.011 and 143.021, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 143.011 and 143.021, to read as follows: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:

4	[H] On the portion of the Missouri taxable	The tax is:
5	income that is:	
6	[Not over \$1,000.00] Less than \$55,000	[1 1/2% of the Missouri taxable income] There is no tax imposed
7	[Over \$1,000 but not over \$2,000] At least	[\$15 plus 2% of excess over \$1,000] 5.4%
8	\$55,000 but not over \$74,999	of such portion of the Missouri taxable income
9	[Over \$2,000 but not over \$3,000] Over	[\$35 plus 2 1/2% of excess over \$2,000]
10	\$74,999 but not over \$149,999	8.89% of such portion of the Missouri taxable income

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.

11	[Over \$3,000 but not over \$4,000] Over	[\$60 plus 3% of excess over \$3,000] 10.5%
12	\$149,999	of such portion of the Missouri taxable income
13	[Over \$4,000 but not over \$5,000]	[\$90 plus 3 1/2% of excess over \$4,000]
14	[Over \$5,000 but not over \$6,000]	[\$125 plus 4% of excess over \$5,000]
15	[Over \$6,000 but not over \$7,000]	[\$165 plus 4 1/2% of excess over \$6,000]
16	[Over \$7,000 but not over \$8,000]	[\$210 plus 5% of excess over \$7,000]
17	[Over \$8,000 but not over \$9,000]	[\$260 plus 5 1/2% of excess over \$8,000]
18	[Over \$9,000]	[\$315 plus 6% of excess over \$9,000]

19

20 ~~[2. (1) Beginning with the 2017 calendar year, the top rate of tax under subsection 1 of~~
 21 ~~this section may be reduced over a period of years. Each reduction in the top rate of tax shall be~~
 22 ~~by one-tenth of a percent and no more than one reduction shall occur in a calendar year. No~~
 23 ~~more than five reductions shall be made under this subsection. Reductions in the rate of tax shall~~
 24 ~~take effect on January first of a calendar year and such reduced rates shall continue in effect until~~
 25 ~~the next reduction occurs.~~

26 ~~—— (2) A reduction in the rate of tax shall only occur if the amount of net general revenue~~
 27 ~~collected in the previous fiscal year exceeds the highest amount of net general revenue collected~~
 28 ~~in any of the three fiscal years prior to such fiscal year by at least one hundred fifty million~~
 29 ~~dollars.~~

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

32 ~~—— (4) The director of the department of revenue shall, by rule, adjust the tax tables under~~
 33 ~~subsection 1 of this section to effectuate the provisions of this subsection. The bracket for~~
 34 ~~income subject to the top rate of tax shall be eliminated once the top rate of tax has been reduced~~
 35 ~~to five and one-half percent, and the top remaining rate of tax shall apply to all income in excess~~
 36 ~~of the income in the second highest remaining income bracket.~~

37 ~~—— 3. (1) In addition to the rate reductions under subsection 2 of this section, beginning~~
 38 ~~with the 2019 calendar year, the top rate of tax under subsection 1 of this section shall be reduced~~
 39 ~~by four-tenths of one percent. Such reduction in the rate of tax shall take effect on January first~~
 40 ~~of the 2019 calendar year.~~

41 ~~—— (2) The modification of tax rates under this subsection shall only apply to tax years that~~
 42 ~~begin on or after the date the modification takes effect.~~

43 ~~—— (3) The director of the department of revenue shall, by rule, adjust the tax tables under~~
44 ~~subsection 1 of this section to effectuate the provisions of this subsection.~~

45 ~~—— 4. Beginning with the 2017 calendar year, the brackets of Missouri taxable income~~
46 ~~identified in subsection 1 of this section shall be adjusted annually by the percent increase in~~
47 ~~inflation. The director shall publish such brackets annually beginning on or after October 1,~~
48 ~~2016. Modifications to the brackets shall take effect on January first of each calendar year and~~
49 ~~shall apply to tax years beginning on or after the effective date of the new brackets.~~

50 ~~—— 5. As used in this section, the following terms mean:~~

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

53 ~~—— (2) "CPI for the preceding calendar year", the average of the CPI as of the close of the~~
54 ~~twelve month period ending on August thirty-first of such calendar year;~~

55 ~~—— (3) "Net general revenue collected", all revenue deposited into the general revenue fund;~~
56 ~~less refunds and revenues originally deposited into the general revenue fund but designated by~~
57 ~~law for a specific distribution or transfer to another state fund;~~

58 ~~—— (4) "Percent increase in inflation", the percentage, if any, by which the CPI for the~~
59 ~~preceding calendar year exceeds the CPI for the year beginning September 1, 2014, and ending~~
60 ~~August 31, 2015.]~~

143.021. Every resident having a taxable income shall determine his or her tax from the
2 rates provided in section 143.011. There shall be no tax on a taxable income of less than ~~one~~
3 ~~hundred] fifty-five thousand~~ dollars.

✓