

FIRST REGULAR SESSION

# HOUSE BILL NO. 718

## 102ND GENERAL ASSEMBLY

---

INTRODUCED BY REPRESENTATIVE DEATON.

1710H.011

DANA RADEMAN MILLER, Chief Clerk

---

### AN ACT

To repeal sections 143.121, 408.010, and 513.090, RSMo, and to enact in lieu thereof five new sections relating to bullion.

---

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

Section A. Sections 143.121, 408.010, and 513.090, RSMo, are repealed and five new sections enacted in lieu thereof, to be known as sections 143.121, 408.010, 408.012, 408.014, and 513.090, to read as follows:

143.121. 1. The Missouri adjusted gross income of a resident individual shall be the taxpayer's federal adjusted gross income subject to the modifications in this section.

2. There shall be added to the taxpayer's federal adjusted gross income:

(1) The amount of any federal income tax refund received for a prior year which resulted in a Missouri income tax benefit. The amount added pursuant to this subdivision shall not include any amount of a federal income tax refund attributable to a tax credit reducing a taxpayer's federal tax liability pursuant to Public Law 116-136 or 116-260, enacted by the 116th United States Congress, for the tax year beginning on or after January 1, 2020, and ending on or before December 31, 2020, and deducted from Missouri adjusted gross income pursuant to section 143.171. The amount added under this subdivision shall also not include any amount of a federal income tax refund attributable to a tax credit reducing a taxpayer's federal tax liability under any other federal law that provides direct economic impact payments to taxpayers to mitigate financial challenges related to the COVID-19 pandemic, and deducted from Missouri adjusted gross income under section 143.171;

(2) Interest on certain governmental obligations excluded from federal gross income by 26 U.S.C. Section 103 of the Internal Revenue Code, as amended. The previous sentence

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.

17 shall not apply to interest on obligations of the state of Missouri or any of its political  
18 subdivisions or authorities and shall not apply to the interest described in subdivision (1) of  
19 subsection 3 of this section. The amount added pursuant to this subdivision shall be reduced  
20 by the amounts applicable to such interest that would have been deductible in computing the  
21 taxable income of the taxpayer except only for the application of 26 U.S.C. Section 265 of the  
22 Internal Revenue Code, as amended. The reduction shall only be made if it is at least five  
23 hundred dollars;

24 (3) The amount of any deduction that is included in the computation of federal  
25 taxable income pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as amended  
26 by the Job Creation and Worker Assistance Act of 2002 to the extent the amount deducted  
27 relates to property purchased on or after July 1, 2002, but before July 1, 2003, and to the  
28 extent the amount deducted exceeds the amount that would have been deductible pursuant to  
29 26 U.S.C. Section 168 of the Internal Revenue Code of 1986 as in effect on January 1, 2002;

30 (4) The amount of any deduction that is included in the computation of federal  
31 taxable income for net operating loss allowed by 26 U.S.C. Section 172 of the Internal  
32 Revenue Code of 1986, as amended, other than the deduction allowed by 26 U.S.C. Section  
33 172(b)(1)(G) and 26 U.S.C. Section 172(i) of the Internal Revenue Code of 1986, as  
34 amended, for a net operating loss the taxpayer claims in the tax year in which the net  
35 operating loss occurred or carries forward for a period of more than twenty years and carries  
36 backward for more than two years. Any amount of net operating loss taken against federal  
37 taxable income but disallowed for Missouri income tax purposes pursuant to this subdivision  
38 after June 18, 2002, may be carried forward and taken against any income on the Missouri  
39 income tax return for a period of not more than twenty years from the year of the initial loss;  
40 and

41 (5) For nonresident individuals in all taxable years ending on or after December 31,  
42 2006, the amount of any property taxes paid to another state or a political subdivision of  
43 another state for which a deduction was allowed on such nonresident's federal return in the  
44 taxable year unless such state, political subdivision of a state, or the District of Columbia  
45 allows a subtraction from income for property taxes paid to this state for purposes of  
46 calculating income for the income tax for such state, political subdivision of a state, or the  
47 District of Columbia;

48 (6) For all tax years beginning on or after January 1, 2018, any interest expense paid  
49 or accrued in a previous taxable year, but allowed as a deduction under 26 U.S.C. Section  
50 163, as amended, in the current taxable year by reason of the carryforward of disallowed  
51 business interest provisions of 26 U.S.C. Section 163(j), as amended. For the purposes of this  
52 subdivision, an interest expense is considered paid or accrued only in the first taxable year the

53 deduction would have been allowable under 26 U.S.C. Section 163, as amended, if the  
54 limitation under 26 U.S.C. Section 163(j), as amended, did not exist.

55 3. There shall be subtracted from the taxpayer's federal adjusted gross income the  
56 following amounts to the extent included in federal adjusted gross income:

57 (1) Interest received on deposits held at a federal reserve bank or interest or dividends  
58 on obligations of the United States and its territories and possessions or of any authority,  
59 commission or instrumentality of the United States to the extent exempt from Missouri  
60 income taxes pursuant to the laws of the United States. The amount subtracted pursuant to  
61 this subdivision shall be reduced by any interest on indebtedness incurred to carry the  
62 described obligations or securities and by any expenses incurred in the production of interest  
63 or dividend income described in this subdivision. The reduction in the previous sentence  
64 shall only apply to the extent that such expenses including amortizable bond premiums are  
65 deducted in determining the taxpayer's federal adjusted gross income or included in the  
66 taxpayer's Missouri itemized deduction. The reduction shall only be made if the expenses  
67 total at least five hundred dollars;

68 (2) The portion of any gain, from the sale or other disposition of property having a  
69 higher adjusted basis to the taxpayer for Missouri income tax purposes than for federal  
70 income tax purposes on December 31, 1972, that does not exceed such difference in basis. If  
71 a gain is considered a long-term capital gain for federal income tax purposes, the modification  
72 shall be limited to one-half of such portion of the gain;

73 (3) The amount necessary to prevent the taxation pursuant to this chapter of any  
74 annuity or other amount of income or gain which was properly included in income or gain and  
75 was taxed pursuant to the laws of Missouri for a taxable year prior to January 1, 1973, to the  
76 taxpayer, or to a decedent by reason of whose death the taxpayer acquired the right to receive  
77 the income or gain, or to a trust or estate from which the taxpayer received the income or  
78 gain;

79 (4) Accumulation distributions received by a taxpayer as a beneficiary of a trust to the  
80 extent that the same are included in federal adjusted gross income;

81 (5) The amount of any state income tax refund for a prior year which was included in  
82 the federal adjusted gross income;

83 (6) The portion of capital gain specified in section 135.357 that would otherwise be  
84 included in federal adjusted gross income;

85 (7) The amount that would have been deducted in the computation of federal taxable  
86 income pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as in effect on  
87 January 1, 2002, to the extent that amount relates to property purchased on or after July 1,  
88 2002, but before July 1, 2003, and to the extent that amount exceeds the amount actually

89 deducted pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as amended by the  
90 Job Creation and Worker Assistance Act of 2002;

91 (8) For all tax years beginning on or after January 1, 2005, the amount of any income  
92 received for military service while the taxpayer serves in a combat zone which is included in  
93 federal adjusted gross income and not otherwise excluded therefrom. As used in this section,  
94 "combat zone" means any area which the President of the United States by Executive Order  
95 designates as an area in which Armed Forces of the United States are or have engaged in  
96 combat. Service is performed in a combat zone only if performed on or after the date  
97 designated by the President by Executive Order as the date of the commencing of combat  
98 activities in such zone, and on or before the date designated by the President by Executive  
99 Order as the date of the termination of combatant activities in such zone;

100 (9) For all tax years ending on or after July 1, 2002, with respect to qualified property  
101 that is sold or otherwise disposed of during a taxable year by a taxpayer and for which an  
102 additional modification was made under subdivision (3) of subsection 2 of this section, the  
103 amount by which additional modification made under subdivision (3) of subsection 2 of this  
104 section on qualified property has not been recovered through the additional subtractions  
105 provided in subdivision (7) of this subsection;

106 (10) For all tax years beginning on or after January 1, 2014, the amount of any  
107 income received as payment from any program which provides compensation to agricultural  
108 producers who have suffered a loss as the result of a disaster or emergency, including the:

- 109 (a) Livestock Forage Disaster Program;
- 110 (b) Livestock Indemnity Program;
- 111 (c) Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish;
- 112 (d) Emergency Conservation Program;
- 113 (e) Noninsured Crop Disaster Assistance Program;
- 114 (f) Pasture, Rangeland, Forage Pilot Insurance Program;
- 115 (g) Annual Forage Pilot Program;
- 116 (h) Livestock Risk Protection Insurance Plan;
- 117 (i) Livestock Gross Margin Insurance Plan;

118 (11) For all tax years beginning on or after January 1, 2018, any interest expense paid  
119 or accrued in the current taxable year, but not deducted as a result of the limitation imposed  
120 under 26 U.S.C. Section 163(j), as amended. For the purposes of this subdivision, an interest  
121 expense is considered paid or accrued only in the first taxable year the deduction would have  
122 been allowable under 26 U.S.C. Section 163, as amended, if the limitation under 26 U.S.C.  
123 Section 163(j), as amended, did not exist; ~~and~~

124 (12) One hundred percent of any retirement benefits received by any taxpayer as a  
125 result of the taxpayer's service in the Armed Forces of the United States, including reserve

126 components and the National Guard of this state, as defined in 32 U.S.C. Sections 101(3) and  
127 109, and any other military force organized under the laws of this state; **and**

128 **(13) For all tax years beginning on or after January 1, 2024, the portion of**  
129 **capital gain on the sale or exchange of gold and silver that are otherwise included in the**  
130 **taxpayer's federal adjusted gross income.**

131 4. There shall be added to or subtracted from the taxpayer's federal adjusted gross  
132 income the taxpayer's share of the Missouri fiduciary adjustment provided in section 143.351.

133 5. There shall be added to or subtracted from the taxpayer's federal adjusted gross  
134 income the modifications provided in section 143.411.

135 6. In addition to the modifications to a taxpayer's federal adjusted gross income in this  
136 section, to calculate Missouri adjusted gross income there shall be subtracted from the  
137 taxpayer's federal adjusted gross income any gain recognized pursuant to 26 U.S.C. Section  
138 1033 of the Internal Revenue Code of 1986, as amended, arising from compulsory or  
139 involuntary conversion of property as a result of condemnation or the imminence thereof.

140 7. (1) As used in this subsection, "qualified health insurance premium" means the  
141 amount paid during the tax year by such taxpayer for any insurance policy primarily  
142 providing health care coverage for the taxpayer, the taxpayer's spouse, or the taxpayer's  
143 dependents.

144 (2) In addition to the subtractions in subsection 3 of this section, one hundred percent  
145 of the amount of qualified health insurance premiums shall be subtracted from the taxpayer's  
146 federal adjusted gross income to the extent the amount paid for such premiums is included in  
147 federal taxable income. The taxpayer shall provide the department of revenue with proof of  
148 the amount of qualified health insurance premiums paid.

149 8. (1) Beginning January 1, 2014, in addition to the subtractions provided in this  
150 section, one hundred percent of the cost incurred by a taxpayer for a home energy audit  
151 conducted by an entity certified by the department of natural resources under section 640.153  
152 or the implementation of any energy efficiency recommendations made in such an audit shall  
153 be subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid  
154 for any such activity is included in federal taxable income. The taxpayer shall provide the  
155 department of revenue with a summary of any recommendations made in a qualified home  
156 energy audit, the name and certification number of the qualified home energy auditor who  
157 conducted the audit, and proof of the amount paid for any activities under this subsection for  
158 which a deduction is claimed. The taxpayer shall also provide a copy of the summary of any  
159 recommendations made in a qualified home energy audit to the department of natural  
160 resources.

161 (2) At no time shall a deduction claimed under this subsection by an individual  
162 taxpayer or taxpayers filing combined returns exceed one thousand dollars per year for

163 individual taxpayers or cumulatively exceed two thousand dollars per year for taxpayers  
164 filing combined returns.

165 (3) Any deduction claimed under this subsection shall be claimed for the tax year in  
166 which the qualified home energy audit was conducted or in which the implementation of the  
167 energy efficiency recommendations occurred. If implementation of the energy efficiency  
168 recommendations occurred during more than one year, the deduction may be claimed in more  
169 than one year, subject to the limitations provided under subdivision (2) of this subsection.

170 (4) A deduction shall not be claimed for any otherwise eligible activity under this  
171 subsection if such activity qualified for and received any rebate or other incentive through a  
172 state-sponsored energy program or through an electric corporation, gas corporation, electric  
173 cooperative, or municipally owned utility.

174 9. The provisions of subsection 8 of this section shall expire on December 31, 2020.

408.010. ~~[The silver coins of the United States are hereby declared a]~~ **1. Gold and  
2 silver coinage shall be accepted as legal tender, at their par value**~~;~~ ~~fixed by the laws of the  
3 United States], and shall be receivable in payment of all debts, public or private, hereafter  
4 contracted in the state of Missouri~~~~;~~ ~~provided, however, that no person shall have the right to  
5 pay, upon any one debt, dimes and half dimes to an amount exceeding ten dollars, or of  
6 twenty and twenty five cent pieces exceeding twenty dollars].~~ **Costs incurred in the course  
7 of verification of the weight and purity of any gold or silver coinage during any such  
8 transaction shall be borne by the receiving entity.**

9 **2. No person or entity shall be required to use gold or silver coinage in the  
10 payment of any debt.**

11 **3. Nothing in this section shall prohibit the use of federal reserve notes in the  
12 payment of any debt.**

13 **4. Except as otherwise provided in section 513.607, under no circumstance shall  
14 the state of Missouri or any department, agency, court, political subdivision, or  
15 instrumentality thereof seize from any person any gold or silver that is owned by such  
16 person.**

**408.012. Any person or entity may produce and sell gold or silver coins in this  
2 state, provided that:**

3 **(1) Each coin is labeled in a clear and intelligible manner with the weight and  
4 purity of the coin; and**

5 **(2) The seller otherwise complies with the provisions of section 407.292.**

**408.014. 1. The "Missouri Bullion Depository" is hereby established as an  
2 agency of the state within the state treasurer's office. The depository is established to  
3 serve as the custodian, guardian, and administrator of certain bullion and specie that  
4 may be transferred to or otherwise acquired by this state or any department, agency, or**

5 political subdivision thereof. The treasurer may adopt all rules necessary to carry out  
6 the purpose of this section.

7 2. (1) The depository may receive a deposit of bullion or specie from or on  
8 behalf of a person acting in the person's own right, as trustee, or in another fiduciary  
9 capacity, in accordance with rules adopted by the auditor as appropriate to:

10 (a) Ensure compliance with law; and

11 (b) Protect the interests of:

12 a. The depository;

13 b. Depository account holders;

14 c. This state and the departments, agencies, or political subdivisions thereof; and

15 d. The public at large.

16 (2) The depository shall keep and maintain records of the bullion and specie  
17 each person deposits.

18 (3) The treasurer shall adopt standards by which the quantities of bullion and  
19 specie deposited are credited to a depositor's depository account by reference to the  
20 particular form in which the bullion and specie were deposited, classified by mint,  
21 denomination, weight, assay mark, or other indicator, as applicable. The standards  
22 shall conform to applicable national and international standards of weights and  
23 measures.

24 (4) The treasurer may, if the treasurer determines that to do so is in the public  
25 interest, restrict the forms in which deposits may be made.

26 (5) The depository shall adjust each depository account balance to reflect  
27 additions to or withdrawals or deliveries from the account.

28 3. The treasurer shall submit to the governor and the general assembly a report  
29 on the status, condition, operations, and prospects for the depository and depository  
30 participation each year not later than September thirtieth.

31 4. Any rule or portion of a rule, as that term is defined in section 536.010, that is  
32 created under the authority delegated in this section shall become effective only if it  
33 complies with and is subject to all of the provisions of chapter 536 and, if applicable,  
34 section 536.028. This section and chapter 536 are nonseverable and if any of the powers  
35 vested with the general assembly pursuant to chapter 536 to review, to delay the  
36 effective date, or to disapprove and annul a rule are subsequently held unconstitutional,  
37 then the grant of rulemaking authority and any rule proposed or adopted after August  
38 28, 2023, shall be invalid and void.

39 5. For purposes of this section, the following terms mean:

40 (1) "Bullion", precious metals that are formed into uniform shapes and  
41 quantities such as ingots, bars, or plates, with uniform content and purity, as are

42 **suitable for or customarily used in the purchase, sale, storage, transfer, and delivery of**  
43 **bulk or wholesale transactions in precious metals;**

44 **(2) "Specie", a precious metal stamped into coins of uniform shape, size, design,**  
45 **content, and purity, suitable for or customarily used as currency, as a medium of**  
46 **exchange, or as the medium for purchase, sale, storage, transfer, or delivery of precious**  
47 **metals in retail or wholesale transactions.**

513.090. The following property shall be liable to be seized and sold upon attachment  
2 and execution issued from any court of record:

3 (1) All goods and chattels not herein exempted;

4 (2) All the rights and shares in the stock of any association, joint stock company,  
5 bank, insurance company or other corporation;

6 (3) ~~[All current gold and silver coin, which shall be returned by the officer as so much~~  
7 ~~collected, without exposing the same to sale;~~

8 ~~(4)~~ Any bills, or other evidences of debt, issued by any moneyed corporation, or by  
9 the government of the United States, this state, or any other state, belonging to any person  
10 against whom an execution shall be issued, at the time such writ shall be delivered to the  
11 officer, or at any time thereafter;

12 ~~[(5)]~~ (4) All real estate whereof the defendant, or any person for his use, was seized,  
13 in law or equity, at the time of the issue and levy of the attachment, or rendition of the  
14 judgment, order or decree whereon execution was issued, or at any time thereafter.

✓