

FIRST REGULAR SESSION

HOUSE BILL NO. 795

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE POGUE.

1070H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 143.011 and 143.071, RSMo, and to enact in lieu thereof two new sections relating to income tax rates.

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

Section A. Sections 143.011 and 143.071, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 143.011 and 143.071, to read as follows:

143.011. 1. A tax is hereby imposed for every ~~taxable~~ tax 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

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.

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

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

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

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

36 ~~——— 3. (1) In addition to the rate reductions under subsection 2 of this section, beginning~~
37 ~~with the 2019 calendar year, the top rate of tax under subsection 1 of this section shall be reduced~~
38 ~~by four-tenths of one percent. Such reduction in the rate of tax shall take effect on January first~~
39 ~~of the 2019 calendar year.~~

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

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

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

49 [5:] 3. As used in this section, the following terms mean:

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

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

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

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

60

61 143.071. 1. For all tax years beginning before September 1, 1993, a tax is hereby
62 imposed upon the Missouri taxable income of corporations in an amount equal to five percent
63 of Missouri taxable income.

64 2. For all tax years beginning on or after September 1, 1993, and ending on or before
65 December 31, 2019, a tax is hereby imposed upon the Missouri taxable income of corporations
66 in an amount equal to six and one-fourth percent of Missouri taxable income.

67 3. For all tax years beginning on or after January 1, 2020, a tax is hereby imposed upon
68 the Missouri taxable income of corporations in an amount equal to ~~four~~ five percent of
69 Missouri taxable income.

70 4. The provisions of this section shall not apply to out-of-state businesses operating
71 under sections 190.270 to 190.285.