

HOUSE BILL NO. 804

99TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE MATTHIESEN.

1702H.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 tax rates.

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Section A. Section 143.011, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 143.011, to read as follows: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 15,000.00	1 1 1/2 % of the Missouri taxable income
Over \$ 1,000 15,000 but not over \$ 2,000 30,000	15 150 plus 2% of excess over \$ 1,000 15,000
Over \$ 2,000 but not over \$3,000	\$35 plus 2 1/2% of excess over
	\$2,000
Over \$ 3,000 30,000 but not	60 450 plus 3% 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 \$[4,000] 45,000	over \$[3,000]
19		
20	Over \$4,000 but not over \$5,000	\$90 plus 3 1/2% of excess over
21	_____	\$4,000] 30,000
22		
23	Over \$[5,000] 45,000 but not	\$[125] 900 plus 4% of excess
24	over \$[6,000] 60,000	over \$[5,000] 45,000
25		
26	Over \$[6,000] 60,000 but not	\$[165] 1,500 plus [4-1/2] 2%
27	over \$[7,000] 75,000	of excess over \$[6,000]
28		
29	Over \$7,000 but not over \$8,000	\$210 plus 5% of excess
30	_____	over \$7,000
31		
32	Over \$8,000 but not over \$9,000	\$260 plus 5 1/2% of
33	_____	excess over \$8,000] 60,000
34		
35	Over \$[9,000] 75,000	\$. [315] 2,250 plus
36		6% of excess over \$[9,000]
37		75,000

38 2. (1) Beginning with the 2017 calendar year, the top rate of tax under subsection 1 of
39 this section may be reduced over a period of years. Each reduction in the top rate of tax shall be
40 by one-tenth of a percent and no more than one reduction shall occur in a calendar year. The top
41 rate of tax shall not be reduced below five and one-half percent. Reductions in the rate of tax
42 shall take effect on January first of a calendar year and such reduced rates shall continue in effect
43 until the next reduction occurs.

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

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

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

54 3. Beginning with the 2017 calendar year, the brackets of Missouri taxable income
55 identified in subsection 1 of this section shall be adjusted annually by the percent increase in
56 inflation. The director shall publish such brackets annually beginning on or after October 1,
57 2016. Modifications to the brackets shall take effect on January first of each calendar year and
58 shall apply to tax years beginning on or after the effective date of the new brackets.

59 4. As used in this section, the following terms mean:

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

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

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

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