

FIRST EXTRAORDINARY SESSION  
SENATE COMMITTEE SUBSTITUTE FOR

# SENATE BILLS NOS. 1 & 6

101ST GENERAL ASSEMBLY

5983S.02C

ADRIANE D. CROUSE, Secretary

## AN ACT

To repeal sections 143.021 and 143.131, RSMo, and section 143.011 as enacted by senate bills nos. 153 & 97, one hundred first general assembly, first regular session, and to enact in lieu thereof three new sections relating to income taxes, with an emergency clause for certain sections and an effective date for a certain section.

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

Section A. Sections 143.021 and 143.131, RSMo, and section  
2 143.011 as enacted by senate bills nos. 153 & 97, one hundred  
3 first general assembly, first regular session, are repealed and  
4 three new sections enacted in lieu thereof, to be known as  
5 sections 143.011, 143.021, and 143.131, to read as follows:

143.011. 1. A tax is hereby imposed for every taxable  
2 year on the Missouri taxable income of every resident. The  
3 tax shall be determined by applying the tax table or the  
4 rate provided in section 143.021, which is based upon the  
5 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

**EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

12	Over \$2,000 but not over	\$35 plus 2 1/2% of excess over
13	\$3,000	\$2,000
14	Over \$3,000 but not over	\$60 plus 3% of excess over
15	\$4,000	\$3,000
16	Over \$4,000 but not over	\$90 plus 3 1/2% of excess over
17	\$5,000	\$4,000
18	Over \$5,000 but not over	\$125 plus 4% of excess over
19	\$6,000	\$5,000
20	Over \$6,000 but not over	\$165 plus 4 1/2% of excess over
21	\$7,000	\$6,000
22	Over \$7,000 but not over	\$210 plus 5% of excess over
23	\$8,000	\$7,000
24	Over \$8,000 but not over	\$260 plus 5 1/2% of excess over
25	\$9,000	\$8,000
26	Over \$9,000	\$315 plus 6% of excess over
27		\$9,000

28           2. [(1) Beginning with the 2017 calendar year, the  
29 top rate of tax under subsection 1 of this section may be  
30 reduced over a period of years. Each reduction in the top  
31 rate of tax shall be by one-tenth of a percent and no more  
32 than one reduction shall occur in a calendar year. No more  
33 than seven reductions shall be made under this subsection.  
34 Reductions in the rate of tax shall take effect on January  
35 first of a calendar year and such reduced rates shall  
36 continue in effect until the next reduction occurs.

37           (2) A reduction in the rate of tax shall only occur if  
38 the amount of net general revenue collected in the previous  
39 fiscal year exceeds the highest amount of net general  
40 revenue collected in any of the three fiscal years prior to

41 such fiscal year by at least one hundred fifty million  
42 dollars.

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

46 (4) The director of the department of revenue shall,  
47 by rule, adjust the tax tables under subsection 1 of this  
48 section to effectuate the provisions of this subsection.  
49 The bracket for income subject to the top rate of tax shall  
50 be eliminated once the top rate of tax has been reduced to  
51 five and one-half percent, and the top remaining rate of tax  
52 shall apply to all income in excess of the income in the  
53 second highest remaining income bracket.

54 (5) Notwithstanding the provisions of subdivision (1)  
55 of this subsection to the contrary, there shall be no  
56 reduction under this subsection in the 2024 calendar year.  
57 However, such reductions shall continue after the 2024  
58 calendar year for subsequent calendar years.

59 3. (1) In addition to the rate reductions under  
60 subsection 2 of this section, beginning with the 2019  
61 calendar year, the top rate of tax under subsection 1 of  
62 this section shall be reduced by four-tenths of one  
63 percent. Such reduction in the rate of tax shall take  
64 effect on January first of the 2019 calendar year.

65 (2) The modification of tax rates under this  
66 subsection shall only apply to tax years that begin on or  
67 after the date the modification takes effect.

68 (3) The director of the department of revenue shall,  
69 by rule, adjust the tax tables under subsection 1 of this  
70 section to effectuate the provisions of this subsection.

71 4. (1) In addition to the rate reductions under  
72 subsections 2 and 3 of this section, beginning with the 2024

73 calendar year, the top rate of tax under subsection 1 of  
74 this section shall be reduced by one-tenth of one percent.

75 (2) The modification of tax rates under this  
76 subsection shall apply only to tax years that begin on or  
77 after the date the modification takes effect.

78 (3) The director of the department of revenue shall,  
79 by rule, adjust the tax tables under subsection 1 of this  
80 section to effectuate the provisions of this subsection.

81 **5.] (1) Notwithstanding the provisions of subsection**  
82 **1 of this section to the contrary, beginning with the 2023**  
83 **calendar year, the top rate of tax pursuant to subsection 1**  
84 **of this section shall be four and eight-tenths percent.**

85 (2) The modification of tax rates made pursuant to  
86 this subsection shall apply only to tax years that begin on  
87 or after January 1, 2023.

88 (3) The director of the department of revenue shall,  
89 by rule, adjust the tax table provided in subsection 1 of  
90 this section to effectuate the provisions of this  
91 subsection. The top remaining rate of tax shall apply to  
92 all income in excess of seven thousand dollars, as adjusted  
93 pursuant to subsection 3 of this section.

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

102 [6.] 4. As used in this section, the following terms  
103 mean:

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

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

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

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

143.021. 1. Every resident having a taxable income  
2 shall determine his or her tax from the rates provided in  
3 section 143.011. **For all tax years beginning on or before**  
4 **December 31, 2022**, there shall be no tax on a taxable income  
5 of less than one hundred dollars.

6 2. (1) **Notwithstanding the provisions of subsection 1**  
7 **of section 143.011 to the contrary, for all tax years**  
8 **beginning on or after January 1, 2023, there shall be no tax**  
9 **on taxable income of less than or equal to one thousand**  
10 **dollars, as adjusted pursuant to subsection 3 of section**  
11 **143.011.**

12 (2) **The modifications made pursuant to this subsection**  
13 **shall only apply to tax years that begin on or after January**  
14 **1, 2023.**

15 (3) **The director of the department of revenue shall,**  
16 **by rule, adjust the tax table provided in subsection 1 of**

17 **section 143.011 to effectuate the provisions of this**  
18 **subsection.**

143.131. 1. The Missouri standard deduction may be  
2 deducted in determining Missouri taxable income of a  
3 resident individual unless the taxpayer or his spouse has  
4 elected to itemize his deduction as provided in section  
5 143.141.

6 **2. For all tax years beginning on or before December**  
7 **31, 2022,** the Missouri standard deduction shall be the  
8 allowable federal standard deduction.

9 **3. For all tax years beginning on or after January 1,**  
10 **2023, the Missouri standard deduction for every filing**  
11 **status except married filing combined shall be the allowable**  
12 **federal standard deduction plus two thousand dollars, and**  
13 **for the filing status of married filing combined the**  
14 **Missouri standard deduction shall be the allowable federal**  
15 **standard deduction plus four thousand dollars.**

Section B. Because of the importance of providing tax  
2 relief to all Missourians, the repeal and reenactment of  
3 sections 143.021 and 143.131 of this act is deemed necessary  
4 for the immediate preservation of the public health,  
5 welfare, peace, and safety, and is hereby declared to be an  
6 emergency act within the meaning of the constitution, and  
7 the repeal and reenactment of sections 143.021 and 143.131  
8 of this act shall be in full force and effect upon its  
9 passage and approval.

Section C. The repeal and reenactment of section  
2 143.011, as enacted by senate bills nos. 153 & 97, one  
3 hundred first general assembly, first regular session, shall  
4 become effective on January 1, 2023.

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