

FIRST REGULAR SESSION

SENATE BILL NO. 407

97TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR WALLINGFORD.

Read 1st time February 27, 2013, and ordered printed.

TERRY L. SPIELER, Secretary.

1792S.011

AN ACT

To repeal section 143.171, RSMo, and to enact in lieu thereof one new section relating to deduction of federal income tax liability.

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

Section A. Section 143.171, RSMo, is repealed and one new section
2 enacted in lieu thereof, to be known as section 143.171, to read as follows:

143.171. 1. **(1)** For all tax years beginning on or after January 1, 1994,
2 **and ending on or before December 31, 2013**, an individual taxpayer shall
3 be allowed a deduction for his **or her** federal income tax liability under Chapter
4 1 of the Internal Revenue Code for the same taxable year for which the Missouri
5 return is being filed, not to exceed five thousand dollars on a single taxpayer's
6 return or ten thousand dollars on a combined return, after reduction for all
7 credits thereon, except the credit for payments of federal estimated tax, the credit
8 for the overpayment of any federal tax, and the credits allowed by the Internal
9 Revenue Code by Section 31 (tax withheld on wages), Section 27 (tax of foreign
10 country and United States possessions), and Section 34 (tax on certain uses of
11 gasoline, special fuels, and lubricating oils).

12 **(2)** For all tax years beginning on or after January 1, 2014, an
13 individual taxpayer shall be allowed a deduction for his or her federal
14 income tax liability under Chapter 1 of the Internal Revenue Code for
15 the same taxable year for which the Missouri return is being filed after
16 reduction for all credits thereon, except the credit for payments of
17 federal estimated tax, the credit for the overpayment of any federal tax,
18 and the credits allowed by the Internal Revenue Code by Section 31
19 (tax withheld on wages), Section 27 (tax of foreign country and United
20 States possessions), and Section 34 (tax on certain uses of gasoline,

21 **special fuels, and lubricating oils).**

22 2. For all tax years beginning on or after September 1, 1993, a corporate
23 taxpayer shall be allowed a deduction for fifty percent of its federal income tax
24 liability under Chapter 1 of the Internal Revenue Code for the same taxable year
25 for which the Missouri return is being filed after reduction for all credits thereon,
26 except the credit for payments of federal estimated tax, the credit for the
27 overpayment of any federal tax, and the credits allowed by the Internal Revenue
28 Code by Section 31 (tax withheld on wages), Section 27 (tax of foreign country and
29 United States possessions), and Section 34 (tax on certain uses of gasoline, special
30 fuels and lubricating oils).

31 3. If a federal income tax liability for a tax year prior to the applicability
32 of sections 143.011 to 143.996 for which he **or she** was not previously entitled to
33 a Missouri deduction is later paid or accrued, he may deduct the federal tax in
34 the later year to the extent it would have been deductible if paid or accrued in the
35 prior year.

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Bill

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