

SECOND REGULAR SESSION

SENATE BILL NO. 574

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR EIGEL.

Pre-filed December 1, 2019, and ordered printed.

ADRIANE D. CROUSE, Secretary.

3721S.011

AN ACT

To repeal section 143.011, RSMo, and to enact in lieu thereof three new sections relating to taxation, with penalty provisions.

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

Section A. Section 143.011, RSMo, is repealed and three new sections enacted in lieu thereof, to be known as sections 143.011, 146.200, and 188.800, to read as follows: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:

| 5 | If the Missouri taxable income is: | The tax is: |
|----|------------------------------------|------------------------------------------|
| 6 | Not over \$1,000.00 | 1 1/2% of the Missouri taxable income |
| 7 | Over \$1,000 but not over \$2,000 | \$15 plus 2% of excess over \$1,000 |
| 8 | Over \$2,000 but not over \$3,000 | \$35 plus 2 1/2% of excess over \$2,000 |
| 9 | Over \$3,000 but not over \$4,000 | \$60 plus 3% of excess over \$3,000 |
| 10 | Over \$4,000 but not over \$5,000 | \$90 plus 3 1/2% of excess over \$4,000 |
| 11 | Over \$5,000 but not over \$6,000 | \$125 plus 4% of excess over \$5,000 |
| 12 | Over \$6,000 but not over \$7,000 | \$165 plus 4 1/2% of excess over \$6,000 |
| 13 | Over \$7,000 but not over \$8,000 | \$210 plus 5% of excess over \$7,000 |
| 14 | Over \$8,000 but not over \$9,000 | \$260 plus 5 1/2% of excess over \$8,000 |
| 15 | Over \$9,000 | \$315 plus 6% of excess over \$9,000 |

16 2. (1) Beginning with the 2017 calendar year, the top rate of tax under
17 subsection 1 of this section may be reduced over a period of years. Each
18 reduction in the top rate of tax shall be by one-tenth of a percent and no more

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

19 than one reduction shall occur in a calendar year. No more than five reductions
20 shall be made under this subsection. Reductions in the rate of tax shall take
21 effect on January first of a calendar year and such reduced rates shall continue
22 in effect until the next reduction occurs.

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

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

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

35 3. (1) In addition to the rate reductions under subsection 2 of this section,
36 beginning with the 2019 calendar year, the top rate of tax under subsection 1 of
37 this section shall be reduced by four-tenths of one percent. Such reduction in the
38 rate of tax shall take effect on January first of the 2019 calendar year.

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

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

44 4. (1) **In addition to the rate reductions under subsections 2 and**
45 **3 of this section, beginning with the 2021 calendar year, the top rate of**
46 **tax under subsection 1 of this section shall be reduced by three-tenths**
47 **of one percent. Such reduction in the rate of tax shall take effect on**
48 **January first of a calendar year.**

49 (2) **The modification of tax rates under this subsection shall only**
50 **apply to tax years that begin on or after a modification takes effect.**

51 (3) **The director of the department of revenue shall, by rule,**
52 **adjust the tax tables under subsection 1 of this section to effectuate the**
53 **provisions of this subsection.**

54 5. Beginning with the 2017 calendar year, the brackets of Missouri

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

60 [5.] 6. As used in this section, the following terms mean:

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

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

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

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

**146.200. 1. As used in this section, the following terms shall
2 mean:**

**3 (1) "Endowment", a permanent fund held by an institution of
4 higher education that:**

**5 (a) Consists of property, cash, cash equivalents, stocks, bonds, or
6 any other marketable security;**

**7 (b) Is used for purposes indicated by donors to such fund or for
8 other purposes related to the mission of the institution of higher
9 education; and**

**10 (c) Attempts to maintain and grow the principal of such fund,
11 while annually disbursing all or part of investment earnings generated
12 by the fund;**

**13 (2) "Qualifying institution of higher education", an institution of
14 higher education that:**

**15 (a) Is affiliated with, or provides medical faculty to, any abortion
16 facility, as such term is defined in section 188.015;**

17 (b) Offers specific medical fellowships that offer training in

18 performing or inducing abortions; or

19 (c) Supports in any manner any abortion facility where abortions
20 are performed or induced when not necessary to save the life of the
21 mother.

22 2. For all tax years beginning on or after January 1, 2021, a tax
23 is hereby imposed for every taxable year on the endowment of a
24 qualifying institution of higher education at a rate of one and nine-
25 tenths percent of the aggregate fair market value of the assets of such
26 endowment.

27 3. Revenues generated by the tax under this section shall be
28 deposited in the general revenue fund.

29 4. The department of revenue shall promulgate rules to
30 implement the provisions of this section. Any rule or portion of a rule,
31 as that term is defined in section 536.010 that is created under the
32 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,
34 if applicable, section 536.028. This section and chapter 536 are
35 nonseverable and if any of the powers vested with the general assembly
36 pursuant to chapter 536 to review, to delay the effective date, or to
37 disapprove and annul a rule are subsequently held unconstitutional,
38 then the grant of rulemaking authority and any rule proposed or
39 adopted after August 28, 2020, shall be invalid and void.

188.800. 1. As used in this section, the following terms mean:

2 (1) "Director", the director of the department of revenue;

3 (2) "Law enforcement agency", any state agency or department,
4 any local police department, or any sheriff's office authorized to
5 enforce criminal laws;

6 (3) "Person", any individual, corporation, political subdivision,
7 or other legal entity;

8 (4) "Seller", any person who knowingly offers or receives any
9 valuable consideration for the fetal organs or tissue resulting from an
10 abortion. "Seller" shall not include a person receiving payment for
11 burial or other final disposition of the fetal remains, or payment for a
12 pathological examination, autopsy, or postmortem examination of the
13 fetal remains.

14 2. An excise tax is hereby levied on the sale of fetal organs or
15 tissue at the rate of ten percent of the sale price or valuable

16 consideration received by the seller.

17 3. The director shall issue stamps to accompany fetal organs or
18 tissue to indicate payment of the tax required by this section. Sellers
19 shall report the taxes payable at the time and on the form prescribed
20 by the director. Sellers shall be required to give their name, address,
21 Social Security number, or other identifying information on the
22 form. Upon payment of the tax, the director shall issue stamps in an
23 amount equal to the amount of the tax paid. Taxes shall be paid and
24 stamps shall be issued either by mail or in person.

25 4. Every law enforcement agency shall report to the department
26 of revenue within forty-eight hours after seizing fetal organs or tissue,
27 or making an arrest of an individual in possession of fetal organs or
28 tissue, upon which a stamp has not been affixed. The report shall be in
29 the manner prescribed by the director, and shall include the time and
30 place of the arrest or seizure, the amount of fetal organs or tissue, the
31 identification of any individual in possession of the fetal organs or
32 tissue, such individual's Social Security number, and any other
33 information prescribed by the director.

34 5. Any report from any crime laboratory in the state relating to
35 the testing, analysis, or identification of any unstamped fetal organs or
36 tissue seized by any law enforcement agency shall be provided to the
37 department of revenue within ten days of the laboratory's findings for
38 the purposes of this section.

39 6. The tax imposed under this section shall be paid by any
40 person who purchases or intends to sell fetal organs or tissue in this
41 state upon which the tax has not been paid as evidenced by a stamp
42 issued by the director. Upon payment of the tax, the person shall
43 permanently affix the appropriate stamps to the fetal organs or tissue.

44 7. Notwithstanding any other provision of law to the contrary,
45 an assessment against a person who possesses fetal organs or tissue to
46 which a stamp has not been affixed as required by this section shall be
47 made as provided in this section. The director shall immediately assess
48 the tax, applicable penalty, and interest based on any information
49 brought to the attention of the director, or the director's duly
50 authorized assistants, that a person is liable for unpaid tax under this
51 section. The tax shall be assessed in the same manner as any other tax
52 assessment. The director shall notify the person in writing of the

53 amount of the tax, penalty, and interest due, and demand its immediate
54 payment. The notice of assessment and demand for payment shall be
55 either mailed to the person at the person's last known address or
56 served on the person in person. If the person does not pay the tax,
57 penalty, and interest immediately upon receipt of the notice and
58 demand, the director shall collect the assessment, including penalty
59 and interest, under the procedures in chapter 140 unless the person
60 files with the director sufficient security in the amount of the
61 assessment, including penalty and interest. If security is not provided,
62 the director shall use all means available to collect the assessment from
63 any property in which the person has a legal, equitable, or beneficial
64 interest.

65 8. The provisions of this section shall not be construed to confer
66 any immunity from criminal prosecution or conviction for a violation
67 of section 188.036, or any other provision of law, upon any person who
68 voluntarily pays the tax imposed under this section or who otherwise
69 complies with this section.

70 9. Any person required under this section to pay any tax, keep
71 any records, or supply any information, who with intent to defraud
72 willfully fails to pay such tax, keep such records, or supply such
73 information, at the time or times required by law, shall, in addition to
74 other penalties provided by law, be guilty of a class A misdemeanor.

75 10. The tax collected under this section shall be deposited in the
76 general revenue fund.

77 11. The department of revenue may promulgate rules to
78 implement the provisions of this section. Any rule or portion of a rule,
79 as that term is defined in section 536.010, that is created under the
80 authority delegated in this section shall become effective only if it
81 complies with and is subject to all of the provisions of chapter 536 and,
82 if applicable, section 536.028. This section and chapter 536 are
83 nonseverable, and if any of the powers vested with the general
84 assembly under chapter 536 to review, to delay the effective date, or to
85 disapprove and annul a rule are subsequently held unconstitutional,
86 then the grant of rulemaking authority and any rule proposed or
87 adopted after August 28, 2020, shall be invalid and void.