

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR

**HOUSE BILLS NOS. 444,
217, 225, 239, 243,
297, 402 & 172**

94TH GENERAL ASSEMBLY

Reported from the Committee on Ways and Means, April 24, 2007, with recommendation that the Senate Committee Substitute do pass.

0761S.07C

TERRY L. SPIELER, Secretary.

AN ACT

To amend chapter 143, RSMo, by adding thereto one new section relating to an income tax deduction.

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

Section A. Chapter 143, RSMo, is amended by adding thereto one new
2 section, to be known as section 143.125, to read as follows:

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

2 **(1) "Benefits", any Social Security benefits, or Social Security**
3 **disability benefits;**

4 **(2) "Taxpayer", any resident individual.**

5 **2. For the taxable year beginning on or after January 1, 2007,**
6 **any taxpayer shall be allowed to subtract from the taxpayer's Missouri**
7 **adjusted gross income to determine Missouri taxable income an amount**
8 **equal to twenty percent of the amount of any benefits received by the**
9 **taxpayer and that are included in federal adjusted gross income under**
10 **Section 86 of the Internal Revenue Code of 1986, as amended. For the**
11 **taxable year beginning on or after January 1, 2008, any taxpayer shall**
12 **be allowed to subtract from the taxpayer's Missouri adjusted gross**
13 **income to determine Missouri taxable income an amount equal to**
14 **thirty-five percent of the amount of any benefits received by the**
15 **taxpayer and that are included in federal adjusted gross income under**
16 **Section 86 of the Internal Revenue Code of 1986, as amended. For the**
17 **taxable year beginning on or after January 1, 2009, any taxpayer shall**

18 be allowed to subtract from the taxpayer's Missouri adjusted gross
19 income to determine Missouri taxable income an amount equal to fifty
20 percent of the amount of any benefits received by the taxpayer and that
21 are included in federal adjusted gross income under Section 86 of the
22 Internal Revenue Code of 1986, as amended. For the taxable year
23 beginning on or after January 1, 2010, any taxpayer shall be allowed to
24 subtract from the taxpayer's Missouri adjusted gross income to
25 determine Missouri taxable income an amount equal to sixty-five
26 percent of the amount of any benefits received by the taxpayer and that
27 are included in federal adjusted gross income under Section 86 of the
28 Internal Revenue Code of 1986, as amended. For the taxable year
29 beginning on or after January 1, 2011, any taxpayer shall be allowed to
30 subtract from the taxpayer's Missouri adjusted gross income to
31 determine Missouri taxable income an amount equal to eighty percent
32 of the amount of any benefits received by the taxpayer and that are
33 included in federal adjusted gross income under Section 86 of the
34 Internal Revenue Code of 1986, as amended. For all taxable years
35 beginning on or after January 1, 2012, any taxpayer shall be allowed to
36 subtract from the taxpayer's Missouri adjusted gross income to
37 determine Missouri taxable income an amount equal to the amount of
38 any benefits received by the taxpayer and that are included in federal
39 adjusted gross income under Section 86 of the Internal Revenue Code
40 of 1986, as amended.

41 3. The director of the department of revenue may promulgate
42 rules to implement the provisions of this section. Any rule or portion
43 of a rule, as that term is defined in section 536.010, RSMo, that is
44 created under the authority delegated in this section shall become
45 effective only if it complies with and is subject to all of the provisions
46 of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This
47 section and chapter 536, RSMo, are nonseverable and if any of the
48 powers vested with the general assembly pursuant to chapter 536,
49 RSMo, to review, to delay the effective date, or to disapprove and annul
50 a rule are subsequently held unconstitutional, then the grant of
51 rulemaking authority and any rule proposed or adopted after August
52 28, 2007, shall be invalid and void.