

FIRST REGULAR SESSION

SENATE BILL NO. 449

97TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR ROMINE.

Read 1st time February 28, 2013, and ordered printed.

TERRY L. SPIELER, Secretary.

1948S.011

AN ACT

To amend chapter 143, RSMo, by adding thereto one new section relating to a deduction for business income.

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 section, to be known as section 143.022, to read as follows:

143.022. 1. As used in this section, "business income" means income greater than zero arising from transactions and activity in the regular course of the taxpayer's trade or business and includes income from tangible property if the acquisition, management, and disposition of the property constitute integral parts of the taxpayer's regular trade or business operations. "Business income" shall not include "compensation" as such term is defined under subsection 1 of Article IV of section 32.200, or amounts that have not been withdrawn from the business entity for distribution to persons holding an ownership interest in such business entity.

2. In addition to all other modifications allowed by law, there shall be subtracted from the federal adjusted gross income of an individual taxpayer, the following amounts to the extent included in federal adjusted gross income when determining the taxpayer's Missouri adjusted gross income:

(1) For the tax year beginning on or after January 1, 2014, but before January 1, 2015, ten percent of the amount of business income;

(2) For the tax year beginning on or after January 1, 2015, but before January 1, 2016, twenty percent of the amount of business income;

(3) For the tax year beginning on or after January 1, 2016, but

22 before January 1, 2017, thirty percent of the amount of business
23 income;

24 (4) For the tax year beginning on or after January 1, 2017, but
25 before January 1, 2018, forty percent of the amount of business income;

26 (5) For tax years beginning on or after January 1, 2018, fifty
27 percent of the amount of business income.

28 3. In the case of a small corporation described in section 143.471
29 or a partnership, computing the deduction allowed under subsection 2
30 of this section, taxpayers described in subdivisions (1) or (2) of this
31 subsection shall be allowed such deduction apportioned in proportion
32 to their share of ownership of the business on the last day of the
33 taxpayer's tax period for which such deduction is being claimed when
34 determining the Missouri adjusted gross income of:

35 (1) The shareholders of a small corporation as described in
36 section 143.471;

37 (2) The partners in a partnership.

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Bill

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