

SENATE SUBSTITUTE

FOR

SENATE COMMITTEE SUBSTITUTE

FOR

SENATE BILLS NOS. 26, 11 & 31

AN ACT

To repeal sections 143.011, 143.021 and 143.071, RSMo, and to enact in lieu thereof four new sections relating to taxation.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI, AS FOLLOWS:

1 Section A. Sections 143.011, 143.021, and 143.071, RSMo,
2 are repealed and four new sections enacted in lieu thereof, to be
3 known as sections 143.011, 143.021, 143.022, and 143.071, to read
4 as follows:

5 143.011. A tax is hereby imposed for every taxable year on
6 the Missouri taxable income of every resident.

7 1. For tax years ending on or before December 31, 2013, the
8 tax shall be determined by applying the tax table or the rate
9 provided in section 143.021, which is based upon the following
10 rates:

11	If the Missouri taxable income is: The tax is:	
12	Not over \$1,000.00	1 1/2% of the Missouri
13		taxable income
14	Over \$1,000 but not over \$2,000	\$15 plus 2% of excess
15		over \$1,000
16	Over \$2,000 but not over \$3,000	\$35 plus 2 1/2% of excess
17		over \$2,000

1	Over \$3,000 but not over \$4,000	\$60 plus 3% of excess
2		over \$3,000
3	Over \$4,000 but not over \$5,000	\$90 plus 3 1/2% of excess
4		over \$4,000
5	Over \$5,000 but not over \$6,000	\$125 plus 4% of excess
6		over \$5,000
7	Over \$6,000 but not over \$7,000	\$165 plus 4 1/2% of excess
8		over \$6,000
9	Over \$7,000 but not over \$8,000	\$210 plus 5% of excess
10		over \$7,000
11	Over \$8,000 but not over \$9,000	\$260 plus 5 1/2% of excess
12		over \$8,000
13	Over \$9,000	\$315 plus 6% of excess
14		over \$9,000

15 2. For all tax years beginning on or before January 1,
16 2014, but ending on or before December 31, 2014, the tax shall be
17 determined by applying the tax table or the rate provided in
18 section 143.021, which is based upon the following rates:

19	<u>If the Missouri taxable income is:</u>	<u>The tax is:</u>
20	<u>Not over \$1,000.00</u>	<u>1 1/2% of the Missouri</u>
21		<u>taxable income</u>
22	<u>Over \$1,000 but not over \$2,000 . . .</u>	<u>\$15 plus 2% of excess</u>
23		<u>over \$1,000</u>
24	<u>Over \$2,000 but not over \$3,000 . . .</u>	<u>\$35 plus 2 1/2% of excess</u>
25		<u>over \$2,000</u>
26	<u>Over \$3,000 but not over \$4,000 . . .</u>	<u>\$60 plus 3% of excess</u>
27		<u>over \$3,000</u>
28	<u>Over \$4,000 but not over \$5,000 . . .</u>	<u>\$90 plus 3 1/2% of excess</u>

1		<u>over \$4,000</u>
2	<u>Over \$5,000 but not over \$6,000 . . .</u>	<u>\$125 plus 4% of excess</u>
3		<u>over \$5,000</u>
4	<u>Over \$6,000 but not over \$7,000 . . .</u>	<u>\$165 plus 4 1/2% of excess</u>
5		<u>over \$6,000</u>
6	<u>Over \$7,000 but not over \$8,000 . . .</u>	<u>\$210 plus 5% of excess</u>
7		<u>over \$7,000</u>
8	<u>Over \$8,000 but not over \$8,600 . . .</u>	<u>\$260 plus 5 1/2% of excess</u>
9		<u>over \$8,000</u>
10	<u>Over \$8,600</u>	<u>\$293 plus 5 4/5% of excess</u>
11		<u>over \$8,600</u>

12 3. For all tax years beginning on or before January 1,
13 2015, but ending on or before December 31, 2015, the tax shall be
14 determined by applying the tax table or the rate provided in
15 section 143.021, which is based upon the following rates:

16	<u>If the Missouri taxable income is:</u>	<u>The tax is:</u>
17	<u>Not over \$1,000.00</u>	<u>1 1/2% of the Missouri</u>
18		<u>taxable income</u>
19	<u>Over \$1,000 but not over \$2,000 . .</u>	<u>\$15 plus 2% of excess</u>
20		<u>over \$1,000</u>
21	<u>Over \$2,000 but not over \$3,000 . . .</u>	<u>\$35 plus 2 1/2% of excess</u>
22		<u>over \$2,000</u>
23	<u>Over \$3,000 but not over \$4,000 . . .</u>	<u>\$60 plus 3% of excess</u>
24		<u>over \$3,000</u>
25	<u>Over \$4,000 but not over \$5,000 . . .</u>	<u>\$90 plus 3 1/2% of excess</u>
26		<u>over \$4,000</u>
27	<u>Over \$5,000 but not over \$6,000 . . .</u>	<u>\$125 plus 4% of excess</u>
28		<u>over \$5,000</u>

1	<u>Over \$6,000 but not over \$7,000 . . . \$165 plus 4 1/2% of excess</u>
2	<u>over \$6,000</u>
3	<u>Over \$7,000 but not over \$8,000 . . . \$210 plus 5% of excess</u>
4	<u>over \$7,000</u>
5	<u>Over \$8,000 but not over \$8,200 . . . \$260 plus 5 1/2% of excess</u>
6	<u>over \$8,000</u>
7	<u>Over \$8,200 \$271 plus 5 3/5% of excess</u>
8	<u>over \$8,200</u>

9 4. For all tax years beginning on or before January 1,
10 2016, but ending on or before December 31, 2016, the tax shall be
11 determined by applying the tax table or the rate provided in
12 section 143.021, which is based upon the following rates:

13	<u>If the Missouri taxable income is:</u>	<u>The tax is:</u>
14	<u>Not over \$1,000.00</u>	<u>1 1/2% of the Missouri</u>
15		<u>taxable income</u>
16	<u>Over \$1,000 but not over \$2,000 . . .</u>	<u>\$15 plus 2% of excess</u>
17		<u>over \$1,000</u>
18	<u>Over \$2,000 but not over \$3,000 . . .</u>	<u>\$35 plus 2 1/2% of excess</u>
19		<u>over \$2,000</u>
20	<u>Over \$3,000 but not over \$4,000 . . .</u>	<u>\$60 plus 3% of excess</u>
21		<u>over \$3,000</u>
22	<u>Over \$4,000 but not over \$5,000 . . .</u>	<u>\$90 plus 3 1/2% of excess</u>
23		<u>over \$4,000</u>
24	<u>Over \$5,000 but not over \$6,000 . . .</u>	<u>\$125 plus 4% of excess</u>
25		<u>over \$5,000</u>
26	<u>Over \$6,000 but not over \$7,000 . . .</u>	<u>\$165 plus 4 1/2% of excess</u>
27		<u>over \$6,000</u>
28	<u>Over \$7,000 but not over \$7,800 . . .</u>	<u>\$210 plus 5% of excess</u>

1 over \$7,000

2 Over \$7,800 \$250 plus 5 2/5% of excess

3 over \$7,800

4 5. For all tax years beginning on or after January 1, 2017,
5 but ending on or before December 31, 2017, the tax shall be
6 determined by applying the tax table or the rate provided in
7 section 143.021, which is based upon the following rates:

8 If the Missouri taxable income is: The tax is:

9 Not over \$1,000.00 1 1/2% of the Missouri
10 taxable income

11 Over \$1,000 but not over \$2,000 . . . \$15 plus 2% of excess
12 over \$1,000

13 Over \$2,000 but not over \$3,000 . . . \$35 plus 2 1/2% of excess
14 over \$2,000

15 Over \$3,000 but not over \$4,000 . . . \$60 plus 3% of excess
16 over \$3,000

17 Over \$4,000 but not over \$5,000 . . . \$90 plus 3 1/2% of excess
18 over \$4,000

19 Over \$5,000 but not over \$6,000 . . . \$125 plus 4% of excess
20 over \$5,000

21 Over \$6,000 but not over \$7,000 . . . \$165 plus 4 1/2% of excess
22 over \$6,000

23 Over \$7,000 but not over \$7,400 . . . \$210 plus 5% of excess
24 over \$7,000

25 Over \$7,400 \$230 plus 5 1/5% of excess
26 over \$7,400

27 6. For all tax years beginning on or after January 1,
28 2018, the tax shall be determined by applying the tax table or

1 the rate provided in section 143.021, which is based upon the
2 following rates:

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

19 143.021. 1. For all tax years ending on or before December
20 31, 2013, every resident having a taxable income of less than
21 nine thousand dollars shall determine his tax from a tax table
22 prescribed by the director of revenue and based upon the rates
23 provided in section 143.011. The tax table shall be on the basis
24 of one hundred dollar increments of taxable income below nine
25 thousand dollars. The tax provided in the table shall be the
26 amount rounded to the nearest whole dollar by applying the rates
27 in section 143.011 to the taxable income at the midpoint of each
28 increment, except there shall be no tax on a taxable income of

1 less than one hundred dollars. Every resident having a taxable
2 income of nine thousand dollars or more shall determine his tax
3 from the rate provided in section 143.011.

4 2. For all tax years beginning on or after January 1, 2014,
5 and ending on or before December 31, 2014, every resident having
6 a taxable income of less than eight thousand six hundred dollars
7 shall determine his tax from a tax table prescribed by the
8 director of revenue and based upon the rates provided in section
9 143.011. The tax table shall be on the basis of one hundred
10 dollar increments of taxable income below eight thousand six
11 hundred dollars. The tax provided in the table shall be the
12 amount rounded to the nearest whole dollar by applying the rates
13 in section 143.011 to the taxable income at the midpoint of each
14 increment, except there shall be no tax on a taxable income of
15 less than one hundred dollars. Every resident having a taxable
16 income of eight thousand six hundred dollars or more shall
17 determine his tax from the rate provided in section 143.011.

18 3. For all tax years beginning on or after January 1, 2015,
19 and ending on or before December 31, 2015, every resident having
20 a taxable income of less than eight thousand two hundred dollars
21 shall determine his tax from a tax table prescribed by the
22 director of revenue and based upon the rates provided in section
23 143.011. The tax table shall be on the basis of one hundred
24 dollar increments of taxable income below eight thousand two
25 hundred dollars. The tax provided in the table shall be the
26 amount rounded to the nearest whole dollar by applying the rates
27 in section 143.011 to the taxable income at the midpoint of each
28 increment, except there shall be no tax on a taxable income of

1 less than one hundred dollars. Every resident having a taxable
2 income of eight thousand two hundred dollars or more shall
3 determine his tax from the rate provided in section 143.011.

4 4. For all tax years beginning on or after January 1, 2016,
5 and ending on or before December 31, 2016, every resident having
6 a taxable income of less than seven thousand eight hundred
7 dollars shall determine his tax from a tax table prescribed by
8 the director of revenue and based upon the rates provided in
9 section 143.011. The tax table shall be on the basis of one
10 hundred dollar increments of taxable income below seven thousand
11 eight hundred dollars. The tax provided in the table shall be
12 the amount rounded to the nearest whole dollar by applying the
13 rates in section 143.011 to the taxable income at the midpoint of
14 each increment, except there shall be no tax on a taxable income
15 of less than one hundred dollars. Every resident having a
16 taxable income of seven thousand eight hundred dollars or more
17 shall determine his tax from the rate provided in section
18 143.011.

19 5. For all tax years beginning on or after January 1, 2017,
20 and ending on or before December 31, 2017, every resident having
21 a taxable income of less than seven thousand four hundred dollars
22 shall determine his tax from a tax table prescribed by the
23 director of revenue and based upon the rates provided in section
24 143.011. The tax table shall be on the basis of one hundred
25 dollar increments of taxable income below seven thousand four
26 hundred dollars. The tax provided in the table shall be the
27 amount rounded to the nearest whole dollar by applying the rates
28 in section 143.011 to the taxable income at the midpoint of each

1 increment, except there shall be no tax on a taxable income of
2 less than one hundred dollars. Every resident having a taxable
3 income of seven thousand four hundred dollars or more shall
4 determine his tax from the rate provided in section 143.011.

5 6. For all tax years beginning on or after January 1, 2018,
6 every resident having a taxable income of less than seven
7 thousand dollars shall determine his tax from a tax table
8 prescribed by the director of revenue and based upon the rates
9 provided in section 143.011. The tax table shall be on the basis
10 of one hundred dollar increments of taxable income below seven
11 thousand dollars. The tax provided in the table shall be the
12 amount rounded to the nearest whole dollar by applying the rates
13 in section 143.011 to the taxable income at the midpoint of each
14 increment, except there shall be no tax on a taxable income of
15 less than one hundred dollars. Every resident having a taxable
16 income of seven thousand dollars or more shall determine his tax
17 from the rate provided in section 143.011.

18 143.022. 1. As used in this section, "business income"
19 means income greater than zero arising from transactions and
20 activity in the regular course of the taxpayer's trade or
21 business and includes income from tangible property if the
22 acquisition, management, and disposition of the property
23 constitute integral parts of the taxpayer's regular trade or
24 business operations. "Business income" shall not include
25 "compensation" as such term is defined under subsection 1 of
26 Article IV of section 32.200.

27 2. In addition to all other modifications allowed by law,
28 there shall be subtracted from the federal adjusted gross income

1 of an individual taxpayer, the following amounts to the extent
2 included in federal adjusted gross income when determining the
3 taxpayer's Missouri adjusted gross income:

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

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

10 (3) For the tax year beginning on or after January 1, 2016,
11 but before January 1, 2017, thirty percent of the amount of
12 business income;

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

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

18 3. In the case of a small corporation described in section
19 143.471 or a partnership, computing the deduction allowed under
20 subsection 2 of this section, taxpayers described in subdivisions
21 (1) or (2) of this subsection shall be allowed such deduction
22 apportioned in proportion to their share of ownership of the
23 business on the last day of the taxpayer's tax period for which
24 such deduction is being claimed when determining the Missouri
25 adjusted gross income of:

26 (1) The shareholders of a small corporation as described in
27 section 143.471;

28 (2) The partners in a partnership.

1 143.071. 1. For all tax years beginning before September
2 1, 1993, a tax is hereby imposed upon the Missouri taxable income
3 of corporations in an amount equal to five percent of Missouri
4 taxable income.

5 2. For all tax years beginning on or after September 1,
6 1993, and ending on or before December 31, 2013, a tax is hereby
7 imposed upon the Missouri taxable income of corporations in an
8 amount equal to six and one-fourth percent of Missouri taxable
9 income.

10 3. (1) For all tax years beginning on or after January 1,
11 2014, but ending on or before December 31, 2014, a tax is hereby
12 imposed upon the Missouri taxable income of corporations in an
13 amount equal to six and one-twentieths percent of Missouri
14 taxable income.

15 (2) For all tax years beginning on or after January 1,
16 2015, but ending on or before December 31, 2015, a tax is hereby
17 imposed upon the Missouri taxable income of corporations in an
18 amount equal to five and seventeen-twentieths percent of Missouri
19 taxable income.

20 (3) For all tax years beginning on or after January 1,
21 2016, but ending on or before December 31, 2016, a tax is hereby
22 imposed upon the Missouri taxable income of corporations in an
23 amount equal to five and thirteen-twentieths percent of Missouri
24 taxable income.

25 (4) For all tax years beginning on or after January 1,
26 2017, but ending on or before December 31, 2017, a tax is hereby
27 imposed upon the Missouri taxable income of corporations in an
28 amount equal to five and nine-twentieths percent of Missouri

1 taxable income.

2 (5) For all tax years beginning on or after January 1,
3 2018, a tax is hereby imposed upon the Missouri taxable income of
4 corporations in an amount equal to five and one-quarter percent
5 of Missouri taxable income.