

FIRST REGULAR SESSION  
SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE BILLS NOS. 26, 11 & 31**  
97TH GENERAL ASSEMBLY

Reported from the Committee on Ways and Means, February 25, 2013, with recommendation that the Senate Committee Substitute do pass.

TERRY L. SPIELER, Secretary.

0363S.05C

**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, with an effective date for certain sections.

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

Section A. Sections 143.011, 143.021, and 143.071, RSMo, are repealed  
2 and four new sections enacted in lieu thereof, to be known as sections 143.011,  
3 143.013, 143.021, and 143.071, to read as follows:

143.011. A tax is hereby imposed for every taxable year on the Missouri  
2 taxable income of every resident. The tax shall be determined by applying the  
3 tax table or the rate provided in section 143.021, which is based upon the  
4 following rates:

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

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

18	Over \$6,000 [but not over \$7,000]	\$165 plus 4 1/2% of excess
19		over \$6,000
20	[Over \$7,000 but not over \$8,000]	\$210 plus 5% of excess
21		over \$7,000
22	Over \$8,000 but not over \$9,000	\$260 plus 5 1/2% of excess
23		over \$8,000
24	Over \$9,000 . . . . .	\$315 plus 6% of excess
25		over \$9,000]

143.013. 1. As used in this section, "business income" means  
 2 income greater than zero arising from transactions and activity in the  
 3 regular course of the taxpayer's trade or business and includes income  
 4 from tangible property if the acquisition, management, and disposition  
 5 of the property constitute integral parts of the taxpayer's regular trade  
 6 or business operations. "Business income" shall not include  
 7 "compensation" as such term is defined under subsection 1 of Article IV  
 8 of section 32.200.

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

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

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

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

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

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

26 3. In the case of a small corporation described in section 143.471  
 27 or a partnership, computing the deduction allowed under subsection 2  
 28 of this section, taxpayers described in subdivisions (1) or (2) of this  
 29 subsection shall be allowed such deduction apportioned in proportion

30 to their share of ownership of the business on the last day of the  
31 taxpayer's tax period for which such deduction is being claimed when  
32 determining the Missouri adjusted gross income of:

33 (1) The shareholders of a small corporation as described in  
34 section 143.471;

35 (2) The partners in a partnership.

143.021. Every resident having a taxable income of less than [nine] six  
2 thousand dollars shall determine his tax from a tax table prescribed by the  
3 director of revenue and based upon the rates provided in section 143.011. The tax  
4 table shall be on the basis of one hundred dollar increments of taxable income  
5 below [nine] six thousand dollars. The tax provided in the table shall be the  
6 amount rounded to the nearest whole dollar by applying the rates in section  
7 143.011 to the taxable income at the midpoint of each increment, except there  
8 shall be no tax on a taxable income of less than one hundred dollars. Every  
9 resident having a taxable income of [nine] six thousand dollars or more shall  
10 determine his tax from the rate provided in section 143.011.

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

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

8 **3. For all tax years beginning on or after January 1, 2014, a tax**  
9 **is hereby imposed upon the Missouri taxable income of corporations in**  
10 **an amount equal to four and three-fourths percent of Missouri taxable**  
11 **income.**

Section B. The repeal and reenactment of sections 143.011 and 143.021  
2 of this act shall become effective on January 1, 2014.

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