

FIRST REGULAR SESSION

# SENATE BILL NO. 26

97TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR KRAUS.

Pre-filed December 1, 2012, and ordered printed.

TERRY L. SPIELER, Secretary.

0363S.011

## AN ACT

To repeal sections 143.011 and 143.071, RSMo, and to enact in lieu thereof three new sections relating to taxation, with an effective date for a certain section.

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

Section A. Sections 143.011 and 143.071, RSMo, are repealed and three  
2 new sections enacted in lieu thereof, to be known as sections 143.011, 143.013,  
3 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 taxable income
8 Over \$1,000 but not over \$2,000	\$15 plus 2% of excess over \$1,000
10 Over \$2,000 but not over \$3,000	\$35 plus 2 1/2% of excess over \$2,000
12 Over \$3,000 but not over \$4,000	\$60 plus 3% of excess over \$3,000
14 Over \$4,000 but not over \$5,000	\$90 plus 3 1/2% of excess over \$4,000
16 Over \$5,000 but not over \$6,000	\$125 plus 4% of excess over \$5,000
18 Over \$6,000 but not over \$7,000	\$165 plus 4 1/2% of excess

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

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.

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, 2013, but
- 15 before January 1, 2014, five percent of the amount of business income;
- 16 (2) For the tax year beginning on or after January 1, 2014, but
- 17 before January 1, 2015, ten percent of the amount of business income;
- 18 (3) For the tax year beginning on or after January 1, 2015, but
- 19 before January 1, 2016, fifteen percent of the amount of business
- 20 income;
- 21 (4) For the tax year beginning on or after January 1, 2016, but
- 22 before January 1, 2017, twenty percent of the amount of business
- 23 income;
- 24 (5) For tax years beginning on or after January 1, 2017, twenty-
- 25 five percent of the amount of business income.

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.

143.071. 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, **but before**  
5 **January 1, 2013**, a tax is hereby imposed upon the Missouri taxable income of  
6 corporations in an amount equal to six and one-fourth percent of Missouri taxable  
7 income.

8 3. **For the tax year beginning on or after January 1, 2013, but**  
9 **before January 1, 2014**, a tax is hereby imposed upon the Missouri  
10 taxable income of corporations in an amount equal to five and one-  
11 fourth percent of Missouri taxable income.

12 4. **For the tax year beginning on or after January 1, 2014, but**  
13 **before January 1, 2015**, a tax is hereby imposed upon the Missouri  
14 taxable income of corporations in an amount equal to four and one-  
15 fourth percent of Missouri taxable income.

16 5. **For all tax years beginning on or after January 1, 2015**, a tax  
17 is hereby imposed upon the Missouri taxable income of corporations in  
18 an amount equal to three and one-fourth percent of Missouri taxable  
19 income.

Section B. The repeal and reenactment of section 143.011 shall become  
2 effective on January 1, 2014.