

# SENATE AMENDMENT NO. \_\_\_\_\_

Offered by \_\_\_\_\_ of \_\_\_\_\_

Amend SS/SCS/Senate Bill Nos. 509 & 496, Pages 1-3, Section 135.350, Line \_\_\_\_\_,

2 by striking all of said section from the bill; and

3 Further amend said bill, pages 3-5, section 135.352, by  
4 striking all of said section from the bill and inserting in lieu  
5 thereof the following:

6 "143.011. 1. A tax is hereby imposed for every taxable  
7 year on the Missouri taxable income of every resident. The tax  
8 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:

If the Missouri taxable income is:	The tax is:
Not over \$1,000.00. . . . .	1 1/2% of the Missouri taxable income
Over \$1,000 but not over \$2,000	\$15 plus 2% of excess over \$1,000
Over \$2,000 but not over \$3,000	\$35 plus 2 ½% of excess over \$2,000
Over \$3,000 but not over \$4,000	\$60 plus 3% of excess over \$3,000
Over \$4,000 but not over \$5,000	\$90 plus 3 ½% of excess over \$4,000

1	Over \$5,000 but not over \$6,000	\$125 plus 4% of excess over
2		\$5,000
3	Over \$6,000 but not over \$7,000	\$165 plus 4 ½% of excess over
4		\$6,000
5	Over \$7,000 but not over \$8,000	\$210 plus 5% of excess over
6		\$7,000
7	Over \$8,000 but not over \$9,000	\$260 plus 5 ½% of excess over
8		\$8,000
9	Over \$9,000.. . . . .	\$315 plus 6% of excess over \$9,000

10       2. (1) Beginning with the 2015 calendar year, the top rate  
11 of tax under subsection 1 of this section may be reduced over a  
12 period of years. Each reduction in the top rate of tax shall be  
13 by one-tenth of a percent, except that the final reduction under  
14 this subsection shall be by one-twentieth of a percent. No more  
15 than one reduction shall occur in a calendar year. The top rate  
16 of tax shall not be reduced below five and one-quarter percent.  
17 Reductions in the rate of tax shall take effect on January first  
18 of a calendar year and such reduced rates shall continue in  
19 effect until the next reduction occurs.

20       (2) A reduction in the rate of tax shall only occur if the  
21 amount of net general revenue collected in the previous fiscal  
22 year exceeds the highest amount of net general revenue collected  
23 in any of the three fiscal years prior to such fiscal year by at  
24 least one hundred million dollars.

25       (3) Any modification of tax rates under this subsection  
26 shall only apply to tax years that begin on or after a  
27 modification takes effect.

28       (4) The director of the department of revenue shall, by  
29 rule, adjust the tax tables under subsection 1 of this section to

1 effectuate the provisions of this subsection. The bracket for  
2 income over nine thousand dollars shall be eliminated once the  
3 top rate of tax has been reduced to five and one-half of a  
4 percent.

5 143.021. 1. Every resident having a taxable income of less  
6 than nine thousand dollars shall determine his tax from a tax  
7 table prescribed by the director of revenue and based upon the  
8 rates provided in section 143.011. The tax table shall be on the  
9 basis of one hundred dollar increments of taxable income below  
10 nine thousand dollars. The tax provided in the table shall be  
11 the amount rounded to the nearest whole dollar by applying the  
12 rates in section 143.011 to the taxable income at the midpoint of  
13 each increment, except there shall be no tax on a taxable income  
14 of less than one hundred dollars. Every resident having a  
15 taxable income of nine thousand dollars or more shall determine  
16 his tax from the rate provided in section 143.011. This  
17 subsection shall only apply if the top rate of tax under section  
18 143.011 is greater than five and one-half of a percent.

19 2. Every resident having a taxable income of less than  
20 eight thousand dollars shall determine his tax from a tax table  
21 prescribed by the director of revenue and based upon the rates  
22 provided in section 143.011. The tax table shall be on the basis  
23 of one hundred dollar increments of taxable income below eight  
24 thousand dollars. The tax provided in the table shall be the  
25 amount rounded to the nearest whole dollar by applying the rates  
26 in section 143.011 to the taxable income at the midpoint of each  
27 increment, except there shall be no tax on a taxable income of  
28 less than one hundred dollars. Every resident having a taxable  
29 income of eight thousand dollars or more shall determine his tax

1 from the rate provided in section 143.011. This subsection shall  
2 only apply if the top rate of tax under section 143.011 is  
3 greater than five percent and less than or equal to five and one-  
4 half percent.

5 143.022. 1. As used in this section, "business income"  
6 means the Missouri source net profit from business determined  
7 under the provisions of the Internal Revenue Code and partnership  
8 income as determined by sections 143.401 and 143.471. Business  
9 income shall not include "compensation" as such term is defined  
10 under subsection 1 of Article IV of Section 32.200 or "guaranteed  
11 payments" as defined by the Internal Revenue Code.

12 2. In addition to all other modifications allowed by law,  
13 there shall be subtracted from the federal adjusted gross income  
14 of an individual taxpayer a percentage of business income, to the  
15 extent it is included in federal adjusted gross income when  
16 determining the taxpayer's Missouri adjusted gross income.

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

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

27 (2) The partners in a partnership.

28 4. The percentage to be subtracted under subsection 2 of  
29 this section shall be increased over a period of years. Each

1 increase in the percentage shall be by ten percent and no more  
2 than one increase shall occur in a calendar year. The maximum  
3 percentage that may be subtracted is fifty percent of business  
4 income. Any increase in the percentage that may be subtracted  
5 shall take effect on January first of a calendar year and such  
6 percentage shall continue in effect until the next percentage  
7 increase occurs. An increase shall only apply to tax years that  
8 begin on or after the increase takes effect.

9 5. An increase in the percentage that may be subtracted  
10 under subsection 2 of this section shall only occur if the amount  
11 of net general revenue collected in the previous fiscal year  
12 exceeds the highest amount of net general revenue collected in  
13 any of the three fiscal years prior to such fiscal year by at  
14 least one hundred million dollars.

15 6. The first year that a taxpayer may make the subtraction  
16 under subsection 2 of this section is 2015, provided that the  
17 provisions of subsection 5 of this section are met. If the  
18 provisions of subsection 5 of this section are met, the  
19 percentage that may be subtracted in 2015 is ten percent."; and

20 Further amend said bill, pages 6-10, section 253.550, by  
21 striking all of said section from the bill; and

22 Further amend said bill, pages 10-11, section 253.557, by  
23 striking all of said section from the bill; and

24 Further amend said bill, pages 11-17, section 253.599, by  
25 striking all of said section from the bill; and

26 Further amend the title and enacting clause accordingly.