

SECOND REGULAR SESSION

# SENATE BILL NO. 575

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SCHAEFER.

Pre-filed December 1, 2015, and ordered printed.

ADRIANE D. CROUSE, Secretary.

5045S.011

## AN ACT

To repeal sections 92.111, 92.115, 92.120, and 92.125, RSMo, and to enact in lieu thereof one new section relating to the repeal of earnings taxes in certain cities.

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

Section A. Sections 92.111, 92.115, 92.120, and 92.125, RSMo, are  
2 repealed and one new section enacted in lieu thereof, to be known as section  
3 92.111, to read as follows:

92.111. 1. After December 31, [2011] **2017**, no city, including any  
2 constitutional charter city, shall impose or levy an earnings tax[, except a  
3 constitutional charter city that imposed or levied an earnings tax on November  
4 2, 2010, may continue to impose the earnings tax if it submits to the voters of  
5 such city pursuant to section 92.115 the question whether to continue such  
6 earnings tax for a period of five years and a majority of such qualified voters  
7 voting thereon approve such question, however, if no such election is held, or if  
8 in any election held to continue to impose or levy the earnings tax a majority of  
9 such qualified voters voting thereon fail to approve the continuation of the  
10 earnings tax, such city shall no longer be authorized to impose or levy such  
11 earnings tax except to reduce such tax in the manner provided by section 92.125].

12 2. As used in sections 92.111 to 92.200, unless the context clearly requires  
13 otherwise, the term "earnings tax" means a tax on the:

14 (1) Salaries, wages, commissions and other compensation earned by its  
15 residents;

16 (2) Salaries, wages, commissions and other compensation earned by  
17 nonresidents of the city for work done or services performed or rendered in the

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

18 city;

19 (3) Net profits of associations, businesses or other activities conducted by  
20 residents;

21 (4) Net profits of associations, businesses or other activities conducted in  
22 the city by nonresidents;

23 (5) Net profits earned by all corporations as the result of work done or  
24 services performed or rendered and business or other activities;

[92.115. 1. Any constitutional charter city which as of  
2 November 2, 2010, imposed or levied an earnings tax may continue  
3 to impose or levy an earnings tax, pursuant to sections 92.111 to  
4 92.200, if it submits to the qualified voters of such city on the next  
5 general municipal election date immediately following November  
6 2, 2010, and once every five years thereafter, the question whether  
7 to continue to impose and levy the earnings tax authorized  
8 pursuant to sections 92.111 to 92.200, and if a majority of qualified  
9 voters voting approve the continuance of the earnings tax at such  
10 election.

11 2. The question submitted to the qualified voters in any  
12 such city shall contain the earnings tax percentage imposed and  
13 the name of the city submitting the question and shall otherwise  
14 contain exactly the following language:

15 Shall the earnings tax of ....., imposed by the City of .....,  
16 be continued for a period of five (5) years commencing January 1  
17 immediately following the date of this election?

18  YES  NO

19 3. If the question whether to continue to impose and levy  
20 the earnings tax fails to be approved by the majority of qualified  
21 voters voting thereon, the earnings tax levied and imposed on  
22 November 2, 2010, shall be reduced pursuant to section 92.125  
23 commencing January first of the calendar year following the date  
24 of the election held under this section or January first of the  
25 calendar year following the calendar year in which such election  
26 was authorized under this section but not held by such city.

27 4. No city which has begun reductions of its earnings tax  
28 pursuant to section 92.125 may, by ordinance or any other means,  
29 with or without voter approval, stop or suspend such reduction.]

2 [92.120. The tax on salaries, wages, commissions and other  
3 compensation of individuals, subject to tax, and on the net profits  
4 or earnings of associations, businesses or other activities, and  
5 corporations, subject to tax, shall not be in excess of one percent  
per annum.]

2 [92.125. If no election is held pursuant to section 92.115, or  
3 if in an election held to continue to impose or levy the earnings tax  
4 a majority of such qualified voters fail to approve the continuance  
5 of the earnings tax, the earnings tax levied and imposed on  
November 2, 2010, shall be reduced as follows:

6 (1) Beginning January first of the first calendar year  
7 following the calendar year in which the election provided for in  
8 section 92.115 was held or the calendar year in which the election  
9 provided for in section 92.115 was authorized to be held but was  
10 not held, the earnings tax shall not be in excess of nine-tenths of  
11 one percent;

12 (2) Beginning January first of the second calendar year  
13 following the calendar year in which the election provided for in  
14 section 92.115 was held or the calendar year in which the election  
15 provided for in section 92.115 was authorized to be held but was  
16 not held, the earnings tax shall not be in excess of eight-tenths of  
17 one percent;

18 (3) Beginning January first of the third calendar year  
19 following the calendar year in which the election provided for in  
20 section 92.115 was held or the calendar year in which the election  
21 provided for in section 92.115 was authorized to be held but was  
22 not held, the earnings tax shall not be in excess of seven-tenths of  
23 one percent;

24 (4) Beginning January first of the fourth calendar year  
25 following the calendar year in which the election provided for in  
26 section 92.115 was held or the calendar year in which the election  
27 provided for in section 92.115 was authorized to be held but was  
28 not held, the earnings tax shall not be in excess of six-tenths of one  
29 percent;

30 (5) Beginning January first of the fifth calendar year  
31 following the calendar year in which the election provided for in

32 section 92.115 was held or the calendar year in which the election  
33 provided for in section 92.115 was authorized to be held but was  
34 not held, the earnings tax shall not be in excess of one-half of one  
35 percent;

36 (6) Beginning January first of the sixth calendar year  
37 following the calendar year in which the election provided for in  
38 section 92.115 was held or the calendar year in which the election  
39 provided for in section 92.115 was authorized to be held but was  
40 not held, the earnings tax shall not be in excess of four-tenths of  
41 one percent;

42 (7) Beginning January first of the seventh calendar year  
43 following the calendar year in which the election provided for in  
44 section 92.115 was held or the calendar year in which the election  
45 provided for in section 92.115 was authorized to be held but was  
46 not held, the earnings tax shall not be in excess of three-tenths of  
47 one percent;

48 (8) Beginning January first of the eighth calendar year  
49 following the calendar year in which the election provided for in  
50 section 92.115 was held or the calendar year in which the election  
51 provided for in section 92.115 was authorized to be held but was  
52 not held, the earnings tax shall not be in excess of two-tenths of  
53 one percent;

54 (9) Beginning January first of the ninth calendar year  
55 following the calendar year in which the election provided for in  
56 section 92.115 was held or the calendar year in which the election  
57 provided for in section 92.115 was authorized to be held but was  
58 not held, the earnings tax shall not be in excess of one-tenth of one  
59 percent;

60 (10) After the ninth calendar year following the calendar  
61 year in which the election provided for in section 92.115 was held  
62 or the calendar year in which the election provided for in section  
63 92.115 was authorized to be held but was not held, notwithstanding  
64 any provisions of this chapter or chapter 66, 80, or 94 or the  
65 provisions of any municipal charter, no city, including any  
66 constitutional charter city, which either failed to hold an election  
67 pursuant to section 92.111 or which held an election pursuant to

68 section 92.111 and in which a majority of qualified voters fail to  
69 approve the continuance of the earnings tax, may impose or levy by  
70 ordinance or any other means an earnings tax.]

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Unofficial

Bill

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