

FIRST REGULAR SESSION

SENATE BILL NO. 132

99TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR KRAUS.

Pre-filed December 1, 2016, and ordered printed.

ADRIANE D. CROUSE, Secretary.

0032S.011

AN ACT

To repeal section 143.011, RSMo, and to enact in lieu thereof one new section relating to income taxes.

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

Section A. Section 143.011, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 143.011, to read as follows:

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

If the Missouri taxable income is:	The tax is:
6 Not over \$1,000.00	1½% 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 2½% 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 3½% 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 4½% of excess over \$6,000

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

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 5½% of excess
23		over \$8,000
24	Over \$9,000	\$315 plus 6% of excess
25		over \$9,000

26 2. (1) Beginning with the [2017] **2018** calendar year, the top rate of tax
 27 under subsection 1 of this section may be reduced over a period of years. Each
 28 reduction in the top rate of tax shall be by [one-tenth] **one-fifth** of a percent and
 29 no more than one reduction shall occur in a calendar year. The top rate of tax
 30 shall not be reduced below five [and one-half] percent. Reductions in the rate of
 31 tax shall take effect on January first of a calendar year and such reduced rates
 32 shall continue in effect until the next reduction occurs.

33 (2) A reduction in the rate of tax shall only occur if the amount of net
 34 general revenue collected in the previous fiscal year exceeds the highest amount
 35 of net general revenue collected in any of the three fiscal years prior to such fiscal
 36 year by at least one hundred fifty million dollars.

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

39 (4) The director of the department of revenue shall, by rule, adjust the tax
 40 tables under subsection 1 of this section to effectuate the provisions of this
 41 subsection. [The bracket for income subject to the top rate of tax shall be
 42 eliminated once the top rate of tax has been reduced to five and one-half of a
 43 percent.]

44 3. Beginning with the [2017] **2018** calendar year, the brackets of Missouri
 45 taxable income identified in subsection 1 of this section shall be adjusted
 46 annually by the percent increase in inflation. The director shall publish such
 47 brackets annually beginning on or after October 1, 2016. Modifications to the
 48 brackets shall take effect on January first of each calendar year and shall apply
 49 to tax years beginning on or after the effective date of the new brackets.

50 4. As used in this section, the following terms mean:

51 (1) "CPI", the Consumer Price Index for All Urban Consumers for the
 52 United States as reported by the Bureau of Labor Statistics, or its successor
 53 index;

54 (2) "CPI for the preceding calendar year", the average of the CPI as of the
 55 close of the twelve month period ending on August thirty-first of such calendar

56 year;

57 (3) "Percent increase in inflation", the percentage, if any, by which the
58 CPI for the preceding calendar year exceeds the CPI for the year beginning
59 September 1, 2014, and ending August 31, 2015.

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