

SECOND REGULAR SESSION

# SENATE BILL NO. 674

99TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR KOENIG.

Pre-filed December 1, 2017, and ordered printed.

ADRIANE D. CROUSE, Secretary.

4409S.02I

## AN ACT

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

*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Section A. Section 143.011, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 143.011, to read as follows: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:
Not over \$1,000.00	1 ½% 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 1/2% 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 1/2% of excess over \$4,000
Over \$5,000 but not over \$6,000	\$125 plus 4% of excess over \$5,000
Over \$6,000 but not over \$7,000	\$165 plus 4 1/2% of excess over \$6,000
Over \$7,000 but not over \$8,000	\$210 plus 5% of excess over \$7,000
Over \$8,000 but not over \$9,000	\$260 plus 5 ½% of excess over \$8,000
Over \$9,000	\$315 plus 6% of excess over \$9,000

2. (1) Beginning with the 2017 calendar year, the top rate of tax under subsection 1 of this section may be reduced over a period of years. Each reduction in the top rate of tax shall be by one-tenth of a percent and no more than one reduction shall occur in a calendar year. The top rate of tax shall not

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

20 be reduced below five and one-half percent. Reductions in the rate of tax shall  
21 take effect on January first of a calendar year and such reduced rates shall  
22 continue in effect until the next reduction occurs.

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

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

29 (4) The director of the department of revenue shall, by rule, adjust the tax  
30 tables under subsection 1 of this section to effectuate the provisions of this  
31 subsection. The bracket for income subject to the top rate of tax shall be  
32 eliminated once the top rate of tax has been reduced to five and one-half [of a]  
33 percent, **and the top remaining rate of tax shall apply to all income in**  
34 **excess of the income in the second highest remaining income bracket.**

35 3. Beginning with the 2017 calendar year, the brackets of Missouri  
36 taxable income identified in subsection 1 of this section shall be adjusted  
37 annually by the percent increase in inflation. The director shall publish such  
38 brackets annually beginning on or after October 1, 2016. Modifications to the  
39 brackets shall take effect on January first of each calendar year and shall apply  
40 to tax years beginning on or after the effective date of the new brackets.

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

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

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

48 (3) "**Net general revenue collected**", **all revenue deposited into the**  
49 **general revenue fund, less refunds and revenues originally deposited**  
50 **into the general revenue fund but designated by law for a specific**  
51 **distribution or transfer to another state fund;**

52 (4) "Percent increase in inflation", the percentage, if any, by which the  
53 CPI for the preceding calendar year exceeds the CPI for the year beginning  
54 September 1, 2014, and ending August 31, 2015.

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