SENATE AMENDMENT NO. ___

Offered by _____ **Of** _____

Amend SS/Senate **Bill No.** 1, **Page** 1, **Section** A, **Line** 5,

by inserting after all of said line the following:

"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 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 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 1/2% 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. No more than five reductions shall be made under this subsection. Reductions in the rate of tax shall take effect on January first of a calendar year and such reduced rates shall continue in effect until the next reduction occurs.

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

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

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

3. (1) In addition to the rate reductions under subsection 2 of this section, beginning with the 2019 calendar year, the top rate of tax under subsection 1 of this section shall be reduced by four-tenths of one percent. Such reduction in the rate of tax shall take effect on January first of the 2019 calendar year.

(2) The modification of tax rates under this subsection shall only apply to tax years that begin on or after the date the modification takes effect.

(3) The director of the department of revenue shall, by rule, adjust the tax tables under subsection 1 of this section to effectuate the provisions of this subsection.

4. (1) In addition to the rate reductions under subsections 2 and 3 of this section, beginning with the 2022 calendar year, the top rate of tax under subsection 1 of this section may be reduced by seventeen-hundredths of one percent. Such reduction in the rate of tax shall take effect on January first of a calendar year.

(2) A reduction in the rate of tax under this subsection shall only occur if one or more institutions is subject to the tax imposed on the endowments of institutions of higher education under section 146.200.

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

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

5. Beginning with the 2017 calendar year, the brackets of Missouri taxable income identified in subsection 1 of this section shall be adjusted annually by the percent increase in inflation. The director shall publish such brackets annually beginning on or after October 1, 2016.

Modifications to the brackets shall take effect on January first of each calendar year and shall apply to tax years beginning on or after the effective date of the new brackets.

[5.**]** 6. As used in this section, the following terms mean:

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

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

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

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

146.200. 1. As used in this section, the following terms shall mean:

(1) "Endowment", a permanent fund held by an institution of higher education that:

(a) Consists of property, cash, cash equivalents, stocks, bonds, or any other marketable security;

(b) Is used for purposes indicated by donors to such fund or for other purposes related to the mission of the institution of higher education; and

(c) Attempts to maintain and grow the principal of such fund, while annually disbursing all or part of investment earnings generated by the fund;

(2) "Qualifying institution of higher education", an institution of higher education that:

(a) Is affiliated with, or provides medical faculty to, any abortion facility, as such term is defined in section 188.015;

(b) Offers specific medical residencies or fellowships that offer training in performing or inducing abortions; or

(c) Supports in any manner any abortion facility where abortions are performed or induced when not necessary to save the life of the mother.

2. For all tax years beginning on or after January 1, 2022, a tax is hereby imposed for every tax year on the endowment of a qualifying institution of higher education at a rate of one and nine-tenths percent of the aggregate fair market value of the assets of such endowment. Any institution that becomes a qualifying institution of higher education on or after January 1, 2022, shall remain subject to the tax imposed under this section regardless of whether such institution no longer meets the definition of a qualifying institution of higher education as defined under this section.

3. Revenues generated by the tax imposed under this section shall be deposited in the general revenue fund.

4. The department of revenue shall promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable, and if any of the powers vested with the general assembly under chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are

subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after the effective date of this act shall be invalid and void.";

and

Further amend the title and enacting clause accordingly.