

SENATE AMENDMENT NO. _____

Offered by _____ of _____

Amend SS/Senate Bill No. 36, Page 1, Section Title, Line 4,

2 by striking "tax credits" and inserting in lieu thereof the
3 following: "taxation"; and

4 Further amend said bill, page 16, section 135.1610,
5 line 73, by inserting after all of said line the following:

6 "143.011. 1. A tax is hereby imposed for every
7 taxable year on the Missouri taxable income of every
8 resident. The tax shall be determined by applying the tax
9 table or the rate provided in section 143.021, which is
10 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 |

| | | |
|----|---------------------------|----------------------------------|
| 25 | Over \$6,000 but not over | \$165 plus 4 1/2% of excess over |
| 26 | \$7,000 | \$6,000 |
| 27 | Over \$7,000 but not over | \$210 plus 5% of excess over |
| 28 | \$8,000 | \$7,000 |
| 29 | Over \$8,000 but not over | \$260 plus 5 1/2% of excess over |
| 30 | \$9,000 | \$8,000 |
| 31 | Over \$9,000 | \$315 plus 6% of excess over |
| 32 | | \$9,000 |

33 2. (1) Beginning with the 2017 calendar year, the top
34 rate of tax under subsection 1 of this section may be
35 reduced over a period of years. Each reduction in the top
36 rate of tax shall be by one-tenth of a percent and no more
37 than one reduction shall occur in a calendar year. No more
38 than five reductions shall be made under this subsection.
39 Reductions in the rate of tax shall take effect on January
40 first of a calendar year and such reduced rates shall
41 continue in effect until the next reduction occurs.

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

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

51 (4) The director of the department of revenue shall,
52 by rule, adjust the tax tables under subsection 1 of this
53 section to effectuate the provisions of this subsection.
54 The bracket for income subject to the top rate of tax shall
55 be eliminated once the top rate of tax has been reduced to
56 five and one-half percent, and the top remaining rate of tax

57 shall apply to all income in excess of the income in the
58 second highest remaining income bracket.

59 3. (1) In addition to the rate reductions under
60 subsection 2 of this section, beginning with the 2019
61 calendar year, the top rate of tax under subsection 1 of
62 this section shall be reduced by four-tenths of one
63 percent. Such reduction in the rate of tax shall take
64 effect on January first of the 2019 calendar year.

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

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

71 4. (1) In addition to the rate reductions under
72 subsections 2 and 3 of this section, beginning with the 2021
73 calendar year, the top rate of tax under subsection 1 of
74 this section may be reduced pursuant to subdivision (2) of
75 this subsection. Each reduction in the top rate of tax
76 shall be by one-tenth of one percent. Reductions in the
77 rate of tax shall take effect on January first of a calendar
78 year and such reduced rates shall continue in effect until
79 the next reduction occurs.

80 (2) (a) A reduction in the rate of tax pursuant to
81 this subsection shall only occur if net general revenue
82 collected in a fiscal year exceeds baseline net general
83 revenue collections. An additional reduction shall be made
84 for every one hundred million dollars of net general revenue
85 collected during a fiscal year that is in excess of baseline
86 net general revenue collections, and more than one reduction
87 may occur in a calendar year.

88 (b) Reductions in the rate of tax made pursuant to
89 this subsection shall be permanent and the rate of tax shall

90 not be increased if net general revenue collected in a
91 fiscal year is less than baseline net general revenue
92 collections.

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

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

99 5. Beginning with the 2017 calendar year, the brackets
100 of Missouri taxable income identified in subsection 1 of
101 this section shall be adjusted annually by the percent
102 increase in inflation. The director shall publish such
103 brackets annually beginning on or after October 1, 2016.
104 Modifications to the brackets shall take effect on January
105 first of each calendar year and shall apply to tax years
106 beginning on or after the effective date of the new brackets.

107 [5.] 6. As used in this section, the following terms
108 mean:

109 (1) "Baseline net general revenue collections", ten
110 billion, three hundred million dollars, increased by one
111 hundred million dollars for every reduction in the rate of
112 tax made pursuant to subsection 4 of this section.

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

116 [(2)] (3) "CPI for the preceding calendar year", the
117 average of the CPI as of the close of the twelve month
118 period ending on August thirty-first of such calendar year;

119 [(3)] (4) "Net general revenue collected", all revenue
120 deposited into the general revenue fund, less refunds and
121 revenues originally deposited into the general revenue fund

122 but designated by law for a specific distribution or
123 transfer to another state fund;

124 ~~[(4)]~~ (5) "Percent increase in inflation", the
125 percentage, if any, by which the CPI for the preceding
126 calendar year exceeds the CPI for the year beginning
127 September 1, 2014, and ending August 31, 2015."; and

128 Further amend the title and enacting clause accordingly.