

FIRST REGULAR SESSION

SENATE BILL NO. 313

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR EIGEL.

1526S.02I

ADRIANE D. CROUSE, Secretary

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Section A. Section 143.011, RSMo, is repealed and one new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

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

6	If the Missouri taxable	The tax is:
7	income is:	
8	Not over \$1,000.00	1 1/2% of the Missouri taxable
9		income
10	Over \$1,000 but not over	\$15 plus 2% of excess over \$1,000
11	\$2,000	
12	Over \$2,000 but not over	\$35 plus 2 1/2% of excess over
13	\$3,000	\$2,000
14	Over \$3,000 but not over	\$60 plus 3% of excess over \$3,000
15	\$4,000	

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

16	Over \$4,000 but not over	\$90 plus 3 1/2% of excess over
17	\$5,000	\$4,000
18	Over \$5,000 but not over	\$125 plus 4% of excess over
19	\$6,000	\$5,000
20	Over \$6,000 but not over	\$165 plus 4 1/2% of excess over
21	\$7,000	\$6,000
22	Over \$7,000 but not over	\$210 plus 5% of excess over
23	\$8,000	\$7,000
24	Over \$8,000 but not over	\$260 plus 5 1/2% of excess over
25	\$9,000	\$8,000
26	Over \$9,000	\$315 plus 6% of excess over
27		\$9,000

28 2. (1) Beginning with the 2017 calendar year, the top
 29 rate of tax under subsection 1 of this section may be
 30 reduced over a period of years. Each reduction in the top
 31 rate of tax shall be by one-tenth of a percent and no more
 32 than one reduction shall occur in a calendar year. No more
 33 than five reductions shall be made under this subsection.
 34 Reductions in the rate of tax shall take effect on January
 35 first of a calendar year and such reduced rates shall
 36 continue in effect until the next reduction occurs.

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

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

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

54 3. (1) In addition to the rate reductions under
55 subsection 2 of this section, beginning with the 2019
56 calendar year, the top rate of tax under subsection 1 of
57 this section shall be reduced by four-tenths of one
58 percent. Such reduction in the rate of tax shall take
59 effect on January first of the 2019 calendar year.

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

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

66 **4. (1) In addition to the rate reductions under**
67 **subsections 2 and 3 of this section, beginning with the 2021**
68 **calendar year, the top rate of tax under subsection 1 of**
69 **this section may be reduced pursuant to subdivision (2) of**
70 **this subsection. Each reduction in the top rate of tax**
71 **shall be by one-tenth of one percent. Reductions in the**
72 **rate of tax shall take effect on January first of a calendar**
73 **year and such reduced rates shall continue in effect until**
74 **the next reduction occurs.**

75 **(2) (a) A reduction in the rate of tax pursuant to**
76 **this subsection shall only occur if net general revenue**
77 **collected in a fiscal year exceeds baseline net general**

revenue collections. An additional reduction shall be made for every one hundred million dollars of net general revenue collected during a fiscal year that is in excess of baseline net general revenue collections, and more than one reduction may occur in a calendar year.

(b) Reductions in the rate of tax made pursuant to this subsection shall be permanent and the rate of tax shall not be increased if net general revenue collected in a fiscal year is less than baseline net general revenue collections.

(3) 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.

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

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

111 [(2)] (3) "CPI for the preceding calendar year", the
112 average of the CPI as of the close of the twelve month
113 period ending on August thirty-first of such calendar year;

114 [(3)] (4) "Net general revenue collected", all revenue
115 deposited into the general revenue fund, less refunds and
116 revenues originally deposited into the general revenue fund
117 but designated by law for a specific distribution or
118 transfer to another state fund;

119 [(4)] (5) "Percent increase in inflation", the
120 percentage, if any, by which the CPI for the preceding
121 calendar year exceeds the CPI for the year beginning
122 September 1, 2014, and ending August 31, 2015.

✓