

FIRST REGULAR SESSION

SENATE BILL NO. 451

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR MOON.

2138S.01I

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal section 143.011, RSMo, and to enact in lieu thereof two new sections 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Section A. Section 143.011, RSMo, is repealed and two new
2 sections enacted in lieu thereof, to be known as sections
3 143.011 and 146.200, 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 9 taxable income
10	Over \$1,000 but not over	\$15 plus 2% of excess over
11	\$2,000	\$1,000
12	Over \$2,000 but not over	\$35 plus 2 1/2% of excess
13	\$3,000	over \$2,000
14	Over \$3,000 but not over	\$60 plus 3% of excess over
15	\$4,000	\$3,000
16	Over \$4,000 but not over	\$90 plus 3 1/2% of excess
17	\$5,000	over \$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.**

18	Over \$5,000 but not over \$6,000	\$125 plus 4% of excess over \$5,000
20	Over \$6,000 but not over \$7,000	\$165 plus 4 1/2% of excess over \$6,000
22	Over \$7,000 but not over \$8,000	\$210 plus 5% of excess over \$7,000
24	Over \$8,000 but not over \$9,000	\$260 plus 5 1/2% of excess over \$8,000
26	Over \$9,000	\$315 plus 6% of excess over \$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 2022
68 calendar year, the top rate of tax under subsection 1 of
69 this section may be reduced by seventeen-hundredths of one
70 percent. Such reduction in the rate of tax shall take
71 effect on January first of a calendar year.**

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

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

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

82 5. Beginning with the 2017 calendar year, the brackets
83 of Missouri taxable income identified in subsection 1 of
84 this section shall be adjusted annually by the percent
85 increase in inflation. The director shall publish such
86 brackets annually beginning on or after October 1, 2016.
87 Modifications to the brackets shall take effect on January
88 first of each calendar year and shall apply to tax years
89 beginning on or after the effective date of the new brackets.

90 [5.] 6. As used in this section, the following terms
91 mean:

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

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

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

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

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

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

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

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

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

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

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

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

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

23 2. For all tax years beginning on or after January 1,
24 2022, a tax is hereby imposed for every tax year on the
25 endowment of a qualifying institution of higher education at
26 a rate of one and nine-tenths percent of the aggregate fair
27 market value of the assets of such endowment. Any
28 institution that becomes a qualifying institution of higher
29 education on or after January 1, 2022, shall remain subject
30 to the tax imposed under this section regardless of whether
31 such institution no longer meets the definition of a
32 qualifying institution of higher education as defined under
33 this section.

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

36 4. The department of revenue shall promulgate rules to
37 implement the provisions of this section. Any rule or
38 portion of a rule, as that term is defined in section
39 536.010, that is created under the authority delegated in
40 this section shall become effective only if it complies with
41 and is subject to all of the provisions of chapter 536 and,
42 if applicable, section 536.028. This section and chapter
43 536 are nonseverable, and if any of the powers vested with
44 the general assembly under chapter 536 to review, to delay
45 the effective date, or to disapprove and annul a rule are
46 subsequently held unconstitutional, then the grant of
47 rulemaking authority and any rule proposed or adopted after
48 August 28, 2021, shall be invalid and void.

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