

FIRST REGULAR SESSION

SENATE BILL NO. 486

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR RAZER.

2135S.011

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal sections 92.105, 92.111, and 92.115, RSMo, and to enact in lieu thereof three new sections relating to earnings tax.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 92.105, 92.111, and 92.115, RSMo, are
2 repealed and three new sections enacted in lieu thereof, to be
3 known as sections 92.105, 92.111, and 92.115, to read as
4 follows:

92.105. It is the intent of sections 92.105 to 92.125
2 that starting in 2011 voters in any city imposing an
3 earnings tax will decide in local elections to continue the
4 earnings tax. If the majority of local voters vote to
5 continue the earnings tax, it will continue for five years,
6 **or in any home rule city with more than four hundred**
7 **thousand inhabitants and located in more than one county,**
8 **for ten years,** and then will be voted on again. If a
9 majority of voters in any city having an earnings tax vote
10 against continuing the earnings tax, it will be phased out
11 pursuant to section 92.125 in such city over a period of ten
12 years. Further, sections 92.105 to 92.125 prohibit any
13 Missouri city or town that does not, as of November 2, 2010,
14 impose an earnings tax, from imposing such a tax on
15 residents and businesses.

92.111. 1. After December 31, 2011, no city,
2 including any constitutional charter city, shall impose or

3 levy an earnings tax, except a constitutional charter city
4 that imposed or levied an earnings tax on November 2, 2010,
5 may continue to impose the earnings tax if it submits to the
6 voters of such city pursuant to section 92.115 the question
7 whether to continue such earnings tax for a period of five
8 years, **or if such city is a home rule city with more than**
9 **four hundred thousand inhabitants and located in more than**
10 **one county, for a period of ten years,** and a majority of
11 such qualified voters voting thereon approve such question,
12 however, if no such election is held, or if in any election
13 held to continue to impose or levy the earnings tax a
14 majority of such qualified voters voting thereon fail to
15 approve the continuation of the earnings tax, such city
16 shall no longer be authorized to impose or levy such
17 earnings tax except to reduce such tax in the manner
18 provided by section 92.125.

19 2. As used in sections 92.111 to 92.200, unless the
20 context clearly requires otherwise, the term "earnings tax"
21 means a tax on the:

22 (1) Salaries, wages, commissions and other
23 compensation earned by its residents;

24 (2) Salaries, wages, commissions and other
25 compensation earned by nonresidents of the city for work
26 done or services performed or rendered in the city;

27 (3) Net profits of associations, businesses or other
28 activities conducted by residents;

29 (4) Net profits of associations, businesses or other
30 activities conducted in the city by nonresidents;

31 (5) Net profits earned by all corporations as the
32 result of work done or services performed or rendered and
33 business or other activities.

92.115. 1. Any constitutional charter city which as
of November 2, 2010, imposed or levied an earnings tax may
continue to impose or levy an earnings tax, pursuant to
sections 92.111 to 92.200, if it submits to the qualified
voters of such city on the next general municipal election
date immediately following November 2, 2010, and once every
five years thereafter, **or if such city is a home rule city
with more than four hundred thousand inhabitants and located
in more than one county, once every ten years thereafter,**
the question whether to continue to impose and levy the
earnings tax authorized pursuant to sections 92.111 to
92.200, and if a majority of qualified voters voting approve
the continuance of the earnings tax at such election.

2. (1) The question submitted to the qualified voters
in any such city, **except for any home rule city with more
than four hundred thousand inhabitants and located in more
than one county,** shall contain the earnings tax percentage
imposed and the name of the city submitting the question and
shall otherwise contain exactly the following language:

Shall the earnings tax of _____ %, imposed by
the City of _____, be continued for a period of
five (5) years commencing January 1 immediately
following the date of this election?

☐ Yes

☐ No

(2) The question submitted to the qualified voters in
any home rule city with more than four hundred thousand
inhabitants and located in more than one county shall
contain the earnings tax percentage imposed and the name of
the city submitting the question and shall otherwise contain
exactly the following language:

Shall the earnings tax of _____ %, imposed by
the City of _____, be continued for a period of

33 **ten (10) years commencing January 1st**
34 **immediately following the date of this election?**

35 ☐ **Yes** ☐ **No**

36 3. If the question whether to continue to impose and
37 levy the earnings tax fails to be approved by the majority
38 of qualified voters voting thereon, the earnings tax levied
39 and imposed on November 2, 2010, shall be reduced pursuant
40 to section 92.125 commencing January first of the calendar
41 year following the date of the election held under this
42 section or January first of the calendar year following the
43 calendar year in which such election was authorized under
44 this section but not held by such city.

45 4. No city which has begun reductions of its earnings
46 tax pursuant to section 92.125 may, by ordinance or any
47 other means, with or without voter approval, stop or suspend
48 such reduction.

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