

# SENATE BILL NO. 604

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR KOENIG.

2732S.011

ADRIANE D. CROUSE, Secretary

## AN ACT

To repeal section 92.111, RSMo, and to enact in lieu thereof one new section relating to earnings tax.

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

Section A. Section 92.111, RSMo, is repealed and one new  
2 section enacted in lieu thereof, to be known as section 92.111,  
3 to read as follows:

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 and a majority of such qualified voters voting thereon  
9 approve such question, however, if no such election is held,  
10 or if in any election held to continue to impose or levy the  
11 earnings tax a majority of such qualified voters voting  
12 thereon fail to approve the continuation of the earnings  
13 tax, such city shall no longer be authorized to impose or  
14 levy such earnings tax except to reduce such tax in the  
15 manner provided by section 92.125.

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

19           (1) Salaries, wages, commissions and other  
20 compensation earned by its residents;

21           (2) Salaries, wages, commissions and other  
22 compensation earned by nonresidents of the city for work  
23 done or services performed or rendered in the city. **"Work  
24 done or services performed or rendered in the city" shall  
25 not include any work or services performed or rendered  
26 through telecommuting or otherwise performed or rendered  
27 remotely unless the location where such remote work or  
28 services are performed is located in the city. Any taxpayer  
29 denied a refund for taxes paid for such work or services not  
30 performed or rendered in the city may bring a cause of  
31 action in a court of competent jurisdiction to recover the  
32 amount of refund owed, and such taxpayer shall recover  
33 reasonable attorney's fees resulting from such cause of  
34 action;**

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

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

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

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