

SENATE BILL NO. 627

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOUGH.

2716S.011

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Section A. Section 143.011, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 143.011, to read as follows:

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

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 2022**
68 **calendar year, the top rate of tax under subsection 1 of**
69 **this section shall be reduced by one-half of one percent.**
70 **Such reduction in the top rate of tax shall take effect on**
71 **January first of the 2022 calendar year.**

72 **(2) The modification of tax rates under this**
73 **subsection shall only apply to tax years that begin on or**
74 **after the date the modification takes effect.**

75 **(3) The director of the department of revenue shall,**
76 **by rule, adjust the tax tables under subsection 1 of this**
77 **section to effectuate the provisions of this subsection.**

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

86 [5.] 6. As used in this section, the following terms
87 mean:

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

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

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

99 (4) "Percent increase in inflation", the percentage,
100 if any, by which the CPI for the preceding calendar year
101 exceeds the CPI for the year beginning September 1, 2014,
102 and ending August 31, 2015.

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