

SENATE BILL NO. 18

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOSKINS.

5953S.02I

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal sections 143.021, 143.071, and 143.131, RSMo, and section 143.011 as enacted by senate bills nos. 153 & 97, one hundred first general assembly, first regular session, and to enact in lieu thereof four new sections relating to income taxes, with an emergency clause for certain sections and an effective date for a certain section.

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

Section A. Sections 143.021, 143.071, and 143.131, RSMo, and section 143.011 as enacted by senate bills nos. 153 & 97, one hundred first general assembly, first regular session, are repealed and four new sections enacted in lieu thereof, to be known as sections 143.011, 143.021, 143.071, and 143.131, to read as follows: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

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

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
15	\$4,000	\$3,000
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
29 top 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 seven 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 (5) Notwithstanding the provisions of subdivision (1)
55 of this subsection to the contrary, there shall be no
56 reduction under this subsection in the 2024 calendar year.
57 However, such reductions shall continue after the 2024
58 calendar year for subsequent calendar years.

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

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

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

71 4. (1) In addition to the rate reductions under
72 subsections 2 and 3 of this section, beginning with the 2024

73 calendar year, the top rate of tax under subsection 1 of
74 this section shall be reduced by one-tenth of one percent.

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

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

81 **5.] (1) Notwithstanding the provisions of subsection**
82 **1 of this section to the contrary, beginning with the 2023**
83 **calendar year, the top rate of tax pursuant to subsection 1**
84 **of this section shall be four and seven-tenths percent.**

85 (2) The modification of tax rates made pursuant to
86 this subsection shall apply only to tax years that begin on
87 or after January 1, 2023.

88 (3) The director of the department of revenue shall,
89 by rule, adjust the tax table provided in subsection 1 of
90 this section to effectuate the provisions of this
91 subsection. The top remaining rate of tax shall apply to
92 all income in excess of seven thousand dollars, as adjusted
93 pursuant to subsection 3 of this section.

94 3. (1) Beginning with the 2024 calendar year, the top
95 rate of tax under subsection 1 of this section, as adjusted
96 pursuant to subsection 2 of this section, may be reduced
97 over a period of years. Each reduction in the top rate of
98 tax shall be by one-tenth of a percent and no more than one
99 reduction shall occur in a calendar year. No more than
100 seven reductions shall be made under this subsection.
101 Reductions in the rate of tax shall take effect on January
102 first of a calendar year and such reduced rates shall
103 continue in effect until the next reduction occurs.

104 (2) A reduction in the rate of tax shall only occur if
105 the amount of net general revenue collected in the previous
106 fiscal year exceeds the highest amount of net general
107 revenue collected in any of the three fiscal years prior to
108 such fiscal year by at least one hundred fifty million
109 dollars.

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

113 (4) The director of the department of revenue shall,
114 by rule, adjust the tax tables under subsection 1 of this
115 section to effectuate the provisions of this subsection.
116 The bracket for income subject to the top rate of tax shall
117 be eliminated once the top rate of tax has been reduced
118 below such rate pursuant to this subsection, and the top
119 remaining rate of tax shall apply to all income in excess of
120 the income in the second highest remaining income bracket.

121 4. Beginning with the 2017 calendar year, the brackets
122 of Missouri taxable income identified in subsection 1 of
123 this section shall be adjusted annually by the percent
124 increase in inflation. The director shall publish such
125 brackets annually beginning on or after October 1, 2016.
126 Modifications to the brackets shall take effect on January
127 first of each calendar year and shall apply to tax years
128 beginning on or after the effective date of the new brackets.

129 [6.] 5. As used in this section, the following terms
130 mean:

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

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

137 (3) "Net general revenue collected", all revenue
138 deposited into the general revenue fund, less refunds and
139 revenues originally deposited into the general revenue fund
140 but designated by law for a specific distribution or
141 transfer to another state fund;

142 (4) "Percent increase in inflation", the percentage,
143 if any, by which the CPI for the preceding calendar year
144 exceeds the CPI for the year beginning September 1, 2014,
145 and ending August 31, 2015.

143.021. 1. Every resident having a taxable income
2 shall determine his or her tax from the rates provided in
3 section 143.011. **For all tax years beginning on or before**
4 **December 31, 2022**, there shall be no tax on a taxable income
5 of less than one hundred dollars.

6 2. (1) **Notwithstanding the provisions of subsection 1**
7 **of section 143.011 to the contrary, for all tax years**
8 **beginning on or after January 1, 2023, there shall be no tax**
9 **on taxable income of less than one thousand dollars, as**
10 **adjusted pursuant to subsection 3 of section 143.011.**

11 (2) **The modifications made pursuant to this subsection**
12 **shall only apply to tax years that begin on or after January**
13 **1, 2023.**

14 (3) **The director of the department of revenue shall,**
15 **by rule, adjust the tax table provided in subsection 1 of**
16 **section 143.011 to effectuate the provisions of this**
17 **subsection.**

143.071. 1. For all tax years beginning before
2 September 1, 1993, a tax is hereby imposed upon the Missouri

3 taxable income of corporations in an amount equal to five
4 percent of Missouri taxable income.

5 2. For all tax years beginning on or after September
6 1, 1993, and ending on or before December 31, 2019, a tax is
7 hereby imposed upon the Missouri taxable income of
8 corporations in an amount equal to six and one-fourth
9 percent of Missouri taxable income.

10 3. For all tax years beginning on or after January 1,
11 2020, **and ending on or before December 31, 2022**, a tax is
12 hereby imposed upon the Missouri taxable income of
13 corporations in an amount equal to four percent of Missouri
14 taxable income.

15 4. **For all tax years beginning on or after January 1,**
16 **2023, there shall be no tax imposed upon the Missouri**
17 **taxable income of corporations.**

18 5. The provisions of this section shall not apply to
19 out-of-state businesses operating under sections 190.270 to
20 190.285.

143.131. 1. The Missouri standard deduction may be
2 deducted in determining Missouri taxable income of a
3 resident individual unless the taxpayer or his spouse has
4 elected to itemize his deduction as provided in section
5 143.141.

6 2. **For all tax years beginning on or before December**
7 **31, 2022**, the Missouri standard deduction shall be the
8 allowable federal standard deduction.

9 3. **For all tax years beginning on or after January 1,**
10 **2023, the Missouri standard deduction for every filing**
11 **status except married filing combined shall be the allowable**
12 **federal standard deduction plus two thousand dollars, and**
13 **for the filing status of married filing combined the**

14 **Missouri standard deduction shall be the allowable federal**
15 **standard deduction plus four thousand dollars.**

Section B. Because immediate action is necessary to
2 provide meaningful tax relief to all Missourians, the repeal
3 and reenactment of sections 143.021, 143.071, and 143.131 of
4 this act is deemed necessary for the immediate preservation
5 of the public health, welfare, peace, and safety, and is
6 hereby declared to be an emergency act within the meaning of
7 the constitution, and the repeal and reenactment of sections
8 143.021, 143.071, and 143.131 of this act shall be in full
9 force and effect upon its passage and approval.

Section C. The repeal and reenactment of section
2 143.011, as enacted by senate bills nos. 153 & 97, one
3 hundred first general assembly, first regular session shall
4 become effective on January 1, 2023.

✓