

SENATE BILL NO. 1436

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR SCHROER.

5829S.01I

KRISTINA MARTIN, Secretary

AN ACT

To repeal section 92.130, RSMo, and to enact in lieu thereof one new section relating to income exempt from earnings tax.

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

Section A. Section 92.130, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 92.130, to read as follows:

92.130. 1. The income received by any

(1) Labor, agricultural or horticultural organizations;

(2) Mutual savings bank not having a capital stock represented by shares;

(3) Fraternal-beneficiary society, order or association, operating under the lodge system or for the exclusive benefit of the members of a fraternity itself operating under the lodge system, and providing for the payment of life, sick, accident or other benefits to the members of such society, order, or association or their dependents;

(4) Domestic building and loan associations and credit unions without capital stock organized and operated for mutual purposes and without profit;

(5) Cemetery company owned and operated exclusively for the benefit of its members, unless said cemetery is operated for profit;

18 (6) Corporation or association organized and operated
19 exclusively for religious, charitable, scientific or
20 educational purposes, no part of the net income of which
21 inures to the benefit of any private stockholder or
22 individual;

23 (7) Business league, chamber of commerce or board of
24 trade not organized for profit and no part of the net income
25 of which inures to the benefit of any private stockholder or
26 individual;

27 (8) Civic league or organization not organized for
28 profit but operated exclusively for the promotion of social
29 welfare;

30 (9) Club organized and operated exclusively for
31 pleasure, recreation and other nonprofitable purposes, no
32 part of the net income of which inures to the benefit of any
33 private stockholder or member;

34 (10) Farmers or other mutual hail, cyclone or fire
35 insurance company, mutual ditch or irrigation company,
36 mutual or cooperative telephone company, or like
37 organization, the income of which consists solely of
38 assessments, dues and fees collected from members for the
39 sole purpose of meeting its expenses;

40 (11) Farmers, fruit growers or like association,
41 organized and operated as a sales agent for the purpose of
42 marketing the products of its members and turning back to
43 them the proceeds of sales, less the necessary selling
44 expenses, on the basis of the quantity of produce furnished
45 by them;

46 (12) Corporation or association organized for the
47 exclusive purpose of holding title to property, collecting
48 income therefrom, and turning over the entire amount

49 thereof, less expenses, to an organization which itself is
50 exempt from the tax imposed by chapter 143;

51 (13) Federal land banks and national farm loan
52 associations, as provided in section 26 of an act of
53 congress approved July 17, 1916, entitled "An act to provide
54 capital for agricultural development, to create standard
55 forms of investment based upon farm mortgage, to equalize
56 rates of interest upon farm loans, to furnish a market for
57 United States bonds, to create government depositaries and
58 financial agents for the United States, and for other
59 purposes";

60 (14) Joint stock land banks as to income derived from
61 bonds or debentures or other joint stock land banks or any
62 federal land bank belonging to such joint stock land bank;

63 (15) Express companies which now pay an annual tax on
64 their gross receipts in this state and insurance companies
65 which pay an annual tax on their gross premium receipts in
66 this state;

67 (16) Trusts created by an employer and employees as
68 part of a stock bonus, pension or profit-sharing plan, for
69 the exclusive benefit of employees, to which contributions
70 are made by such employer or employees, or both, for the
71 purpose of distributing to such employees the earnings and
72 principal of the fund accumulated by the trust in accordance
73 with such plan, or a trust consisting solely of one or more
74 restricted retirement funds created for one or more self-
75 employed persons as part of a retirement plan for the
76 exclusive benefit of such self-employed person or persons,
77 to which contributions are made by such self-employed person
78 or persons, for the purpose of distributing to such self-
79 employed person or persons the earnings and principal of the
80 fund accumulated by the trust in accordance with such plan

81 and the amount actually distributed, or made available to
82 any distributee;

83 **(17) Citizens who are low-income taxpayers as to any**
84 **income received as salaries, wages, commissions, and other**
85 **compensation. The term "low-income taxpayer" shall mean any**
86 **individual who has an income at or below thirty thousand**
87 **five hundred dollars;** shall not be taxable under any tax
88 ordinance enacted pursuant to the provisions of sections
89 92.110 to 92.200.

90 2. The following income shall be exempt, regardless of
91 who receives it, from such tax:

92 (1) The proceeds of life insurance policies paid to
93 the individual beneficiaries upon the death of the insured;

94 (2) The amount received by the insured as a return of
95 premium or premiums paid by him under life insurance or
96 endowment contracts, either during the term or at the
97 maturity of the term mentioned in the contract or upon the
98 surrender of the contract;

99 (3) Any amount received under workers' compensation
100 acts, as compensation for personal injuries or sickness,
101 plus the amount of any damages received whether by suit or
102 agreement on account of such injuries or sickness, or
103 through the war risk insurance act or any law for the
104 benefit or relief of injured or disabled members of the
105 military or naval forces of the United States;

106 (4) The value of property acquired by gift, bequest,
107 devise or descent, but the income from such property shall
108 be included as income;

109 (5) Interest upon the obligations of this state or of
110 any political subdivision thereof, or upon the obligations
111 of the United States or its possessions;

112 (6) Any income derived from any public utility
113 performing functions of national government or those
114 incident to the state or any political subdivision thereof,
115 or from the exercise of any essential government function
116 accruing to any state, territory or the District of
117 Columbia; provided, that whenever any state, territory or
118 the District of Columbia, or any political subdivision of a
119 state or territory has, prior to the passage of chapter 143,
120 entered in good faith into a contract with any person or
121 corporation the object and purpose of which is to acquire,
122 construct, operate or maintain a public utility, no tax
123 shall be levied under the provisions of chapter 143 upon the
124 income derived from the operation of such public utility, so
125 far as the payment thereof will impose a loss or burden upon
126 such state, territory or the District of Columbia, or a
127 political subdivision of this state; but this provision is
128 not intended to confer upon such person or corporation any
129 financial gain or exemption or to relieve such person or
130 corporation from the payment of a tax as provided for in
131 chapter 143 upon the part or portion of said income to which
132 such person or corporation shall be entitled under such
133 contract.

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