

# SENATE AMENDMENT NO. \_\_\_\_\_

Offered by \_\_\_\_\_ Of \_\_\_\_\_

Amend SS/SCS/House Bill No. 754, Page 1, Section A, Line 6,

2 by inserting after all of said line the following:

3 "143.121. 1. The Missouri adjusted gross income of a  
4 resident individual shall be the taxpayer's federal adjusted  
5 gross income subject to the modifications in this section.

6 2. There shall be added to the taxpayer's federal  
7 adjusted gross income:

8 (1) The amount of any federal income tax refund  
9 received for a prior year which resulted in a Missouri  
10 income tax benefit. The amount added pursuant to this  
11 subdivision shall not include any amount of a federal income  
12 tax refund attributable to a tax credit reducing a  
13 taxpayer's federal tax liability pursuant to Public Law 116-  
14 136 or 116-260, enacted by the 116th United States Congress,  
15 for the tax year beginning on or after January 1, 2020, and  
16 ending on or before December 31, 2020, and deducted from  
17 Missouri adjusted gross income pursuant to section 143.171.  
18 The amount added under this subdivision shall also not  
19 include any amount of a federal income tax refund  
20 attributable to a tax credit reducing a taxpayer's federal  
21 tax liability under any other federal law that provides  
22 direct economic impact payments to taxpayers to mitigate  
23 financial challenges related to the COVID-19 pandemic, and  
24 deducted from Missouri adjusted gross income under section  
25 143.171;

(2) Interest on certain governmental obligations excluded from federal gross income by 26 U.S.C. Section 103 of the Internal Revenue Code, as amended. The previous sentence shall not apply to interest on obligations of the state of Missouri or any of its political subdivisions or authorities and shall not apply to the interest described in subdivision (1) of subsection 3 of this section. The amount added pursuant to this subdivision shall be reduced by the amounts applicable to such interest that would have been deductible in computing the taxable income of the taxpayer except only for the application of 26 U.S.C. Section 265 of the Internal Revenue Code, as amended. The reduction shall only be made if it is at least five hundred dollars;

(3) The amount of any deduction that is included in the computation of federal taxable income pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as amended by the Job Creation and Worker Assistance Act of 2002 to the extent the amount deducted relates to property purchased on or after July 1, 2002, but before July 1, 2003, and to the extent the amount deducted exceeds the amount that would have been deductible pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code of 1986 as in effect on January 1, 2002;

(4) The amount of any deduction that is included in the computation of federal taxable income for net operating loss allowed by 26 U.S.C. Section 172 of the Internal Revenue Code of 1986, as amended, other than the deduction allowed by 26 U.S.C. Section 172(b)(1)(G) and 26 U.S.C. Section 172(i) of the Internal Revenue Code of 1986, as amended, for a net operating loss the taxpayer claims in the tax year in which the net operating loss occurred or carries forward for a period of more than twenty years and carries backward for more than two years. Any amount of net

operating loss taken against federal taxable income but disallowed for Missouri income tax purposes pursuant to this subdivision after June 18, 2002, may be carried forward and taken against any income on the Missouri income tax return for a period of not more than twenty years from the year of the initial loss; and

(5) For nonresident individuals in all taxable years ending on or after December 31, 2006, the amount of any property taxes paid to another state or a political subdivision of another state for which a deduction was allowed on such nonresident's federal return in the taxable year unless such state, political subdivision of a state, or the District of Columbia allows a subtraction from income for property taxes paid to this state for purposes of calculating income for the income tax for such state, political subdivision of a state, or the District of Columbia;

(6) For all tax years beginning on or after January 1, 2018, any interest expense paid or accrued in a previous taxable year, but allowed as a deduction under 26 U.S.C. Section 163, as amended, in the current taxable year by reason of the carryforward of disallowed business interest provisions of 26 U.S.C. Section 163(j), as amended. For the purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under 26 U.S.C. Section 163, as amended, if the limitation under 26 U.S.C. Section 163(j), as amended, did not exist.

3. There shall be subtracted from the taxpayer's federal adjusted gross income the following amounts to the extent included in federal adjusted gross income:

(1) Interest received on deposits held at a federal reserve bank or interest or dividends on obligations of the

92 United States and its territories and possessions or of any  
93 authority, commission or instrumentality of the United  
94 States to the extent exempt from Missouri income taxes  
95 pursuant to the laws of the United States. The amount  
96 subtracted pursuant to this subdivision shall be reduced by  
97 any interest on indebtedness incurred to carry the described  
98 obligations or securities and by any expenses incurred in  
99 the production of interest or dividend income described in  
100 this subdivision. The reduction in the previous sentence  
101 shall only apply to the extent that such expenses including  
102 amortizable bond premiums are deducted in determining the  
103 taxpayer's federal adjusted gross income or included in the  
104 taxpayer's Missouri itemized deduction. The reduction shall  
105 only be made if the expenses total at least five hundred  
106 dollars;

107 (2) The portion of any gain, from the sale or other  
108 disposition of property having a higher adjusted basis to  
109 the taxpayer for Missouri income tax purposes than for  
110 federal income tax purposes on December 31, 1972, that does  
111 not exceed such difference in basis. If a gain is  
112 considered a long-term capital gain for federal income tax  
113 purposes, the modification shall be limited to one-half of  
114 such portion of the gain;

115 (3) The amount necessary to prevent the taxation  
116 pursuant to this chapter of any annuity or other amount of  
117 income or gain which was properly included in income or gain  
118 and was taxed pursuant to the laws of Missouri for a taxable  
119 year prior to January 1, 1973, to the taxpayer, or to a  
120 decedent by reason of whose death the taxpayer acquired the  
121 right to receive the income or gain, or to a trust or estate  
122 from which the taxpayer received the income or gain;

(4) Accumulation distributions received by a taxpayer as a beneficiary of a trust to the extent that the same are included in federal adjusted gross income;

(5) The amount of any state income tax refund for a prior year which was included in the federal adjusted gross income;

(6) The portion of capital gain specified in section 135.357 that would otherwise be included in federal adjusted gross income;

(7) The amount that would have been deducted in the computation of federal taxable income pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as in effect on January 1, 2002, to the extent that amount relates to property purchased on or after July 1, 2002, but before July 1, 2003, and to the extent that amount exceeds the amount actually deducted pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as amended by the Job Creation and Worker Assistance Act of 2002;

(8) For all tax years beginning on or after January 1, 2005, the amount of any income received for military service while the taxpayer serves in a combat zone which is included in federal adjusted gross income and not otherwise excluded therefrom. As used in this section, "combat zone" means any area which the President of the United States by Executive Order designates as an area in which Armed Forces of the United States are or have engaged in combat. Service is performed in a combat zone only if performed on or after the date designated by the President by Executive Order as the date of the commencing of combat activities in such zone, and on or before the date designated by the President by Executive Order as the date of the termination of combatant activities in such zone;

(9) For all tax years ending on or after July 1, 2002, with respect to qualified property that is sold or otherwise disposed of during a taxable year by a taxpayer and for which an additional modification was made under subdivision (3) of subsection 2 of this section, the amount by which additional modification made under subdivision (3) of subsection 2 of this section on qualified property has not been recovered through the additional subtractions provided in subdivision (7) of this subsection;

(10) For all tax years beginning on or after January 1, 2014, the amount of any income received as payment from any program which provides compensation to agricultural producers who have suffered a loss as the result of a disaster or emergency, including the:

- (a) Livestock Forage Disaster Program;
- (b) Livestock Indemnity Program;
- (c) Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish;
- (d) Emergency Conservation Program;
- (e) Noninsured Crop Disaster Assistance Program;
- (f) Pasture, Rangeland, Forage Pilot Insurance Program;
- (g) Annual Forage Pilot Program;
- (h) Livestock Risk Protection Insurance Plan;
- (i) Livestock Gross Margin Insurance Plan;

(11) For all tax years beginning on or after January 1, 2018, any interest expense paid or accrued in the current taxable year, but not deducted as a result of the limitation imposed under 26 U.S.C. Section 163(j), as amended. For the purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under 26 U.S.C. Section 163, as amended, if the limitation under 26 U.S.C. Section 163(j), as amended, did not exist;

(12) One hundred percent of any retirement benefits received by any taxpayer as a result of the taxpayer's service in the Armed Forces of the United States, including reserve components and the National Guard of this state, as defined in 32 U.S.C. Sections 101(3) and 109, and any other military force organized under the laws of this state; [and]

(13) For all tax years beginning on or after January 1, 2022, one hundred percent of any federal, state, or local grant moneys received by the taxpayer if the grant money was disbursed for the express purpose of providing or expanding access to broadband internet to areas of the state deemed to be lacking such access; and

(14) For all tax years beginning on or after January 1, 2026, the portion of capital gain on the sale or exchange of specie, as that term is defined in section 408.010, that are otherwise included in the taxpayer's federal adjusted gross income.

4. There shall be added to or subtracted from the taxpayer's federal adjusted gross income the taxpayer's share of the Missouri fiduciary adjustment provided in section 143.351.

5. There shall be added to or subtracted from the taxpayer's federal adjusted gross income the modifications provided in section 143.411.

6. In addition to the modifications to a taxpayer's federal adjusted gross income in this section, to calculate Missouri adjusted gross income there shall be subtracted from the taxpayer's federal adjusted gross income any gain recognized pursuant to 26 U.S.C. Section 1033 of the Internal Revenue Code of 1986, as amended, arising from compulsory or involuntary conversion of property as a result of condemnation or the imminence thereof.

220           7. (1) As used in this subsection, "qualified health  
221 insurance premium" means the amount paid during the tax year  
222 by such taxpayer for any insurance policy primarily  
223 providing health care coverage for the taxpayer, the  
224 taxpayer's spouse, or the taxpayer's dependents.

225           (2) In addition to the subtractions in subsection 3 of  
226 this section, one hundred percent of the amount of qualified  
227 health insurance premiums shall be subtracted from the  
228 taxpayer's federal adjusted gross income to the extent the  
229 amount paid for such premiums is included in federal taxable  
230 income. The taxpayer shall provide the department of  
231 revenue with proof of the amount of qualified health  
232 insurance premiums paid.

233           8. (1) Beginning January 1, 2014, in addition to the  
234 subtractions provided in this section, one hundred percent  
235 of the cost incurred by a taxpayer for a home energy audit  
236 conducted by an entity certified by the department of  
237 natural resources under section 640.153 or the  
238 implementation of any energy efficiency recommendations made  
239 in such an audit shall be subtracted from the taxpayer's  
240 federal adjusted gross income to the extent the amount paid  
241 for any such activity is included in federal taxable  
242 income. The taxpayer shall provide the department of  
243 revenue with a summary of any recommendations made in a  
244 qualified home energy audit, the name and certification  
245 number of the qualified home energy auditor who conducted  
246 the audit, and proof of the amount paid for any activities  
247 under this subsection for which a deduction is claimed. The  
248 taxpayer shall also provide a copy of the summary of any  
249 recommendations made in a qualified home energy audit to the  
250 department of natural resources.

251           (2) At no time shall a deduction claimed under this  
252 subsection by an individual taxpayer or taxpayers filing



combined returns exceed one thousand dollars per year for individual taxpayers or cumulatively exceed two thousand dollars per year for taxpayers filing combined returns.

(3) Any deduction claimed under this subsection shall be claimed for the tax year in which the qualified home energy audit was conducted or in which the implementation of the energy efficiency recommendations occurred. If implementation of the energy efficiency recommendations occurred during more than one year, the deduction may be claimed in more than one year, subject to the limitations provided under subdivision (2) of this subsection.

(4) A deduction shall not be claimed for any otherwise eligible activity under this subsection if such activity qualified for and received any rebate or other incentive through a state-sponsored energy program or through an electric corporation, gas corporation, electric cooperative, or municipally owned utility.

9. The provisions of subsection 8 of this section shall expire on December 31, 2020.

10. (1) As used in this subsection, the following terms mean:

(a) "Beginning farmer", a taxpayer who:

a. Has filed at least one but not more than ten Internal Revenue Service Schedule F (Form 1040) Profit or Loss From Farming forms since turning eighteen years of age;

b. Is approved for a beginning farmer loan through the USDA Farm Service Agency Beginning Farmer direct or guaranteed loan program;

c. Has a farming operation that is determined by the department of agriculture to be new production agriculture but is the principal operator of a farm and has substantial farming knowledge; or

285           d. Has been determined by the department of  
286 agriculture to be a qualified family member;

287           (b) "Farm owner", an individual who owns farmland and  
288 disposes of or relinquishes use of all or some portion of  
289 such farmland as follows:

290           a. A sale to a beginning farmer;

291           b. A lease or rental agreement not exceeding ten years  
292 with a beginning farmer; or

293           c. A crop-share arrangement not exceeding ten years  
294 with a beginning farmer;

295           (c) "Qualified family member", an individual who is  
296 related to a farm owner within the fourth degree by blood,  
297 marriage, or adoption and who is purchasing or leasing or is  
298 in a crop-share arrangement for land from all or a portion  
299 of such farm owner's farming operation.

300           (2) (a) In addition to all other subtractions  
301 authorized in this section, a taxpayer who is a farm owner  
302 who sells all or a portion of such farmland to a beginning  
303 farmer may subtract from such taxpayer's Missouri adjusted  
304 gross income an amount to the extent included in federal  
305 adjusted gross income as provided in this subdivision.

306           (b) Subject to the limitations in paragraph (c) of  
307 this subdivision, the amount that may be subtracted shall be  
308 equal to the portion of capital gains received from the sale  
309 of such farmland that such taxpayer receives in the tax year  
310 for which such taxpayer subtracts such capital gain.

311           (c) A taxpayer may subtract the following amounts and  
312 percentages per tax year in total capital gains received  
313 from the sale of such farmland under this subdivision:

314           a. For the first two million dollars received, one  
315 hundred percent;

316           b. For the next one million dollars received, eighty  
317 percent;

318           c. For the next one million dollars received, sixty  
319 percent;

320           d. For the next one million dollars received, forty  
321 percent; and

322           e. For the next one million dollars received, twenty  
323 percent.

324           (d) The department of revenue shall prepare an annual  
325 report reviewing the costs and benefits and containing  
326 statistical information regarding the subtraction of capital  
327 gains authorized under this subdivision for the previous tax  
328 year including, but not limited to, the total amount of all  
329 capital gains subtracted and the number of taxpayers  
330 subtracting such capital gains. Such report shall be  
331 submitted before February first of each year to the  
332 committee on agriculture policy of the Missouri house of  
333 representatives and the committee on agriculture, food  
334 production and outdoor resources of the Missouri senate, or  
335 the successor committees.

336           (3) (a) In addition to all other subtractions  
337 authorized in this section, a taxpayer who is a farm owner  
338 who enters a lease or rental agreement for all or a portion  
339 of such farmland with a beginning farmer may subtract from  
340 such taxpayer's Missouri adjusted gross income an amount to  
341 the extent included in federal adjusted gross income as  
342 provided in this subdivision.

343           (b) Subject to the limitation in paragraph (c) of this  
344 subdivision, the amount that may be subtracted shall be  
345 equal to the portion of cash rent income received from the  
346 lease or rental of such farmland that such taxpayer receives  
347 in the tax year for which such taxpayer subtracts such  
348 income.

349           (c) No taxpayer shall subtract more than twenty-five  
350 thousand dollars per tax year in total cash rent income

351 received from the lease or rental of such farmland under  
 352 this subdivision.

353 (4) (a) In addition to all other subtractions  
 354 authorized in this section, a taxpayer who is a farm owner  
 355 who enters a crop-share arrangement on all or a portion of  
 356 such farmland with a beginning farmer may subtract from such  
 357 taxpayer's Missouri adjusted gross income an amount to the  
 358 extent included in federal adjusted gross income as provided  
 359 in this subdivision.

360 (b) Subject to the limitation in paragraph (c) of this  
 361 subdivision, the amount that may be subtracted shall be  
 362 equal to the portion of income received from the crop-share  
 363 arrangement on such farmland that such taxpayer receives in  
 364 the tax year for which such taxpayer subtracts such income.

365 (c) No taxpayer shall subtract more than twenty-five  
 366 thousand dollars per tax year in total income received from  
 367 the lease or rental of such farmland under this subdivision.

368 (5) The department of agriculture shall, by rule,  
 369 establish a process to verify that a taxpayer is a beginning  
 370 farmer for purposes of this section and shall provide  
 371 verification to the beginning farmer and farm seller of such  
 372 farmer's and seller's certification and qualification for  
 373 the exemption provided in this subsection."; and

374 Further amend said bill, page 20, section 381.410, line  
 375 54, by inserting after all of said line the following:

376 "408.010. [The silver coins of the United States are  
 377 hereby declared a] 1. This section shall be known and may  
 378 be cited as the "Constitutional Money Act".

379 2. Electronic specie currency shall be accepted as  
 380 legal tender[, at their par value, fixed by the laws of the  
 381 United States, and shall be receivable in] for payment of  
 382 all public debts[, public or private,] hereafter contracted  
 383 in the state of Missouri and specie legal tender and

384 electronic specie currency may be accepted as payment for  
385 all private debts hereafter contracted in the state of  
386 Missouri, in the discretion of the receiving entity;  
387 provided, however, that no person shall have the right to  
388 pay, upon any one debt, dimes and half dimes to an amount  
389 exceeding ten dollars, or of twenty and twenty-five cent  
390 pieces exceeding twenty dollars. Upon receiving a request  
391 for payment to a public entity using electronic specie, the  
392 custody agent, or other entity responsible for transmitting  
393 the payment to the public entity shall transmit the funds in  
394 United States dollars.

395 3. The director of the department of revenue shall  
396 promulgate rules on the methods of acceptance of electronic  
397 specie currency as payment for any debt, tax, fee, or  
398 obligation owed. Any rule or portion of a rule, as that  
399 term is defined in section 536.010, that is created under  
400 the authority delegated in this subsection shall become  
401 effective only if it complies with and is subject to all of  
402 the provisions of chapter 536 and, if applicable, section  
403 536.028. This subsection and chapter 536 are nonseverable  
404 and if any of the powers vested with the general assembly  
405 pursuant to chapter 536 to review, to delay the effective  
406 date, or to disapprove and annul a rule are subsequently  
407 held unconstitutional, then the grant of rulemaking  
408 authority and any rule proposed or adopted after August 28,  
409 2025, shall be invalid and void.

410 4. Except as expressly provided by contract, no person  
411 or entity shall be required to use specie legal tender or  
412 electronic specie currency in the payment of any debt and  
413 nothing in this section shall prohibit the use of federal  
414 reserve notes in the payment of any debt.

415 5. Any entity doing business in this state may, if  
416 requested by an employee, pay compensation to such employee,

417 in full or in part, in the dollar equivalent specie legal  
418 tender either in physical or in electronic transfer form.  
419 Any entity choosing to compensate its employees in specie  
420 legal tender shall be responsible for verifying the weight  
421 and purity of any physical specie legal tender before  
422 compensating employees.

423 6. Under no circumstance shall the state of Missouri  
424 or any department, agency, political subdivision, or  
425 instrumentality thereof:

426 (1) Seize from any person any specie legal tender or  
427 electronic specie currency that is owned by such person,  
428 except as otherwise provided in section 513.607. Any person  
429 whose specie legal tender or electronic specie currency is  
430 seized in violation of this subdivision shall have a cause  
431 of action in a court of competent jurisdiction, with any  
432 successful such action resulting in the award of attorney's  
433 fees;

434 (2) Enforce or attempt to enforce any federal acts,  
435 laws, executive orders, administrative orders, rules,  
436 regulations, statutes, or ordinances infringing on the right  
437 of a person to keep and use specie legal tender and  
438 electronic specie currency as provided in this section;

439 (3) Restrict in any way the ability of a person or  
440 financial institution to acquire specie legal tender or  
441 electronic specie currency or use specie legal tender or  
442 electronic specie currency in transactions; or

443 (4) Enact any law discriminating or favoring one means  
444 of legal tender in the course of a transaction over another  
445 means of legal tender.

446 7. For purposes of this section, the following terms  
447 mean:

448 (1) "Bullion", refined precious metal, limited to gold  
449 and silver only, in any shape or form, with uniform content

450 and purity, including, but not limited to, coins, rounds,  
451 bars, ingots, and any other products, that are:

452 (a) Stamped or imprinted with the weight and purity of  
453 the precious metal that it contains; and

454 (b) Valued primarily based on its metal content and  
455 not on its form and function;

456 (2) "Electronic specie currency", a representation of  
457 actual gold and silver, specie, and bullion held in an  
458 account, which may be transferred by electronic  
459 instruction. Such representation shall reflect the exact  
460 unit of physical specie or gold and silver bullion in the  
461 account in its fractional troy ounce measurement as provided  
462 in this section;

463 (3) "Legal tender", a recognized medium of exchange  
464 for the payment of debts, public charges, taxes, or dues  
465 that is:

466 (a) Authorized by the United States Congress pursuant  
467 to Article I, Section 8 of the United States Constitution; or

468 (b) Authorized by Missouri law pursuant to Article I,  
469 Section 10 of the United States Constitution;

470 (4) "Precious metal", gold or silver;

471 (5) "Specie", bullion fabricated into products of  
472 uniform shape, size, design, content, weight, and purity  
473 that are suitable for or customarily used as currency, as a  
474 medium of exchange, or as the medium for purchase, sale,  
475 storage, transfer, or delivery of precious metals in retail  
476 or wholesale transactions;

477 (6) "Specie legal tender", includes any of the  
478 following:

479 (a) Specie coin issued by the federal government at  
480 any time; and

481        (b) Any other specie, provided such specie does not  
482 contain any insignia, symbols, or other recognizable logos  
483 of the Nazi Party."; and  
484        Further amend the title and enacting clause accordingly.