

FIRST EXTRAORDINARY SESSION OF THE

FIRST REGULAR SESSION

# SENATE BILL NO. 14

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR WEBBER.

3301S.011

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Section A. Section 143.011, RSMo, is repealed and one new  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

143.011. 1. A tax is hereby imposed for every taxable  
2 year on the Missouri taxable income of every resident. The  
3 tax shall be determined by applying the tax table or the  
4 rate provided in section 143.021, which is based upon the  
5 following rates:

6	If the Missouri	The tax is:
7	taxable income is:	
8	Not over \$1,000.00	1 1/2% of the Missouri
9		taxable income
10	Over \$1,000 but not	\$15 plus 2% of excess over
11	over \$2,000	\$1,000
12	Over \$2,000 but not	\$35 plus 2 1/2% of excess
13	over \$3,000	over \$2,000
14	Over \$3,000 but not	\$60 plus 3% of excess over
15	over \$4,000	\$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	\$90 plus 3 1/2% of excess
17	over \$5,000	over \$4,000
18	Over \$5,000 but not	\$125 plus 4% of excess over
19	over \$6,000	\$5,000
20	Over \$6,000 but not	\$165 plus 4 1/2% of excess
21	over \$7,000	over \$6,000
22	Over \$7,000 but not	\$210 plus 5% of excess over
23	over \$8,000	\$7,000
24	Over \$8,000 but not	\$260 plus 5 1/2% of excess
25	over \$9,000	over \$8,000
26	Over \$9,000	\$315 plus 6% of excess over
27		\$9,000

28           2. (1) Notwithstanding the provisions of subsection 1  
 29 of this section to the contrary, beginning with the 2023  
 30 calendar year, the top rate of tax pursuant to subsection 1  
 31 of this section shall be four and ninety-five hundredths  
 32 percent.

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

36           (3) The director of the department of revenue shall,  
 37 by rule, adjust the tax table provided in subsection 1 of  
 38 this section to effectuate the provisions of this  
 39 subsection. The top remaining rate of tax shall apply to  
 40 all income in excess of seven thousand dollars, as adjusted  
 41 pursuant to subsection **[5]** 6 of this section.

42           3. (1) In addition to the rate reduction under  
 43 subsection 2 of this section, beginning with the 2024  
 44 calendar year, the top rate of tax under subsection 1 of  
 45 this section may be reduced by fifteen hundredths of a

46 percent. A reduction in the rate of tax shall take effect  
47 on January first of a calendar year and such reduced rates  
48 shall continue in effect until the next reduction occurs.

49 (2) A reduction in the rate of tax shall only occur if  
50 the amount of net general revenue collected in the previous  
51 fiscal year exceeds the highest amount of net general  
52 revenue collected in any of the three fiscal years prior to  
53 such fiscal year by at least one hundred seventy-five  
54 million dollars.

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

58 (4) The director of the department of revenue shall,  
59 by rule, adjust the tax tables under subsection 1 of this  
60 section to effectuate the provisions of this subsection.

61 4. (1) In addition to the rate reductions under  
62 subsections 2 and 3 of this section, beginning with the  
63 calendar year immediately following the calendar year in  
64 which a reduction is made pursuant to subsection 3 of this  
65 section, the top rate of tax under subsection 1 of this  
66 section may be further reduced over a period of years. Each  
67 reduction in the top rate of tax shall be by one-tenth of a  
68 percent and no more than one reduction shall occur in a  
69 calendar year. No more than three reductions shall be made  
70 under this subsection. Reductions in the rate of tax shall  
71 take effect on January first of a calendar year and such  
72 reduced rates shall continue in effect until the next  
73 reduction occurs.

74 (2) (a) A reduction in the rate of tax shall only  
75 occur if:

76 a. The amount of net general revenue collected in the  
77 previous fiscal year exceeds the highest amount of net

78 general revenue collected in any of the three fiscal years  
79 prior to such fiscal year by at least two hundred million  
80 dollars; and

81       b. The amount of net general revenue collected in the  
82 previous fiscal year exceeds the amount of net general  
83 revenue collected in the fiscal year five years prior,  
84 adjusted annually by the percentage increase in inflation  
85 over the preceding five fiscal years.

86       (b) The amount of net general revenue collected  
87 required by subparagraph a. of paragraph (a) of this  
88 subdivision in order to make a reduction pursuant to this  
89 subsection shall be adjusted annually by the percent  
90 increase in inflation beginning with January 2, 2023.

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

94       (4) The director of the department of revenue shall,  
95 by rule, adjust the tax tables under subsection 1 of this  
96 section to effectuate the provisions of this subsection.  
97 The bracket for income subject to the top rate of tax shall  
98 be eliminated once the top rate of tax has been reduced  
99 below the rate applicable to such bracket, and the top  
100 remaining rate of tax shall apply to all income in excess of  
101 the income in the second highest remaining income bracket.

102       **5. (1) Notwithstanding any provision of this section**  
103 **to the contrary, beginning with the 2026 calendar year, in**  
104 **addition to the rate of tax provided in subsection 1 of this**  
105 **section, an additional tax shall be imposed at a rate of one**  
106 **percent on all Missouri taxable income in excess of one**  
107 **million dollars.**

108       **(2) (a) All revenues derived from the tax imposed**  
109 **pursuant to this subsection shall be credited to the**

"Disaster Relief Fund", which is hereby created in the state treasury. The state treasurer shall be custodian of the fund. In accordance with sections 30.170 and 30.180, the state treasurer may approve disbursements. The fund shall be a dedicated fund and money in the fund shall be used solely by the department of public safety to provide relief from disasters and emergencies, as declared by the governor. Notwithstanding the provisions of section 33.080 to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund. The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund.

(b) Seventy-five percent of the moneys in the fund shall be reserved for emergencies declared for any area wholly or partially located within a city not within a county. The remaining twenty-five percent of moneys in the fund may be utilized for emergencies declared for any other area in the state.

(3) The provisions of this subsection shall expire on December 31, 2028.

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

[6.] 7. As used in this section, the following terms mean:

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

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

148           (3) "Net general revenue collected", all revenue  
149 deposited into the general revenue fund, less refunds and  
150 revenues originally deposited into the general revenue fund  
151 but designated by law for a specific distribution or  
152 transfer to another state fund;

153           (4) "Percent increase in inflation", the percentage,  
154 if any, by which the CPI for the preceding calendar year  
155 exceeds the CPI for the year beginning September 1, 2014,  
156 and ending August 31, 2015.

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