

# SENATE BILL NO. 1262

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR LEWIS.

4582S.011

KRISTINA MARTIN, Secretary

## AN ACT

To repeal sections 92.105, 92.111, and 92.115, RSMo, and to enact in lieu thereof three new sections relating to earnings tax.

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

Section A. Sections 92.105, 92.111, and 92.115, RSMo, are  
2 repealed and three new sections enacted in lieu thereof, to be  
3 known as sections 92.105, 92.111, and 92.115, to read as  
4 follows:

92.105. It is the intent of sections 92.105 to 92.125  
2 that starting in 2011 voters in any city imposing an  
3 earnings tax will decide in local elections to continue the  
4 earnings tax. If the majority of local voters vote to  
5 continue the earnings tax, it will continue for five years,  
6 **or in any city with more than four hundred thousand**  
7 **inhabitants and located in more than one county, for ten**  
8 **years**, and then will be voted on again. If a majority of  
9 voters in any city having an earnings tax vote against  
10 continuing the earnings tax, it will be phased out pursuant  
11 to section 92.125 in such city over a period of ten years.  
12 Further, sections 92.105 to 92.125 prohibit any Missouri  
13 city or town that does not, as of November 2, 2010, impose  
14 an earnings tax, from imposing such a tax on residents and  
15 businesses.

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

92.111. 1. After December 31, 2011, no city,  
including any constitutional charter city, shall impose or  
levy an earnings tax, except a constitutional charter city  
that imposed or levied an earnings tax on November 2, 2010,  
may continue to impose the earnings tax if it submits to the  
voters of such city pursuant to section 92.115 the question  
whether to continue such earnings tax for a period of five  
years, **or if such city with more than four hundred thousand  
inhabitants and located in more than one county, for a  
period of ten years**, and a majority of such qualified voters  
voting thereon approve such question, however, if no such  
election is held, or if in any election held to continue to  
impose or levy the earnings tax a majority of such qualified  
voters voting thereon fail to approve the continuation of  
the earnings tax, such city shall no longer be authorized to  
impose or levy such earnings tax except to reduce such tax  
in the manner provided by section 92.125.

2. As used in sections 92.111 to 92.200, unless the  
context clearly requires otherwise, the term "earnings tax"  
means a tax on the:

(1) Salaries, wages, commissions and other  
compensation earned by its residents;

(2) Salaries, wages, commissions and other  
compensation earned by nonresidents of the city for work  
done or services performed or rendered in the city;

(3) Net profits of associations, businesses or other  
activities conducted by residents;

(4) Net profits of associations, businesses or other  
activities conducted in the city by nonresidents;

(5) Net profits earned by all corporations as the  
result of work done or services performed or rendered and  
business or other activities.

92.115. 1. Any constitutional charter city which as  
of November 2, 2010, imposed or levied an earnings tax may  
continue to impose or levy an earnings tax, pursuant to  
sections 92.111 to 92.200, if it submits to the qualified  
voters of such city on the next general municipal election  
date immediately following November 2, 2010, and once every  
five years thereafter, **or if such city with more than four  
hundred thousand inhabitants and located in more than one  
county, once every ten years thereafter**, the question  
whether to continue to impose and levy the earnings tax  
authorized pursuant to sections 92.111 to 92.200, and if a  
majority of qualified voters voting approve the continuance  
of the earnings tax at such election.

2. (1) The question submitted to the qualified voters  
in any such city, **except for any city with more than four  
hundred thousand inhabitants and located in more than one  
county**, shall contain the earnings tax percentage imposed  
and the name of the city submitting the question and shall  
otherwise contain exactly the following language:

Shall the earnings tax of \_\_\_\_\_ %, imposed by  
the City of \_\_\_\_\_, be continued for a period  
of five (5) years commencing January [1] 1st  
immediately following the date of this  
election?

☐ Yes

☐ No

(2) The question submitted to the qualified voters in  
any city with more than four hundred thousand inhabitants  
and located in more than one county shall contain the  
earnings tax percentage imposed and the name of the city  
submitting the question and shall otherwise contain exactly  
the following language:

31            Shall the earnings tax of \_\_\_\_\_ %, imposed by  
32            the City of \_\_\_\_\_, be continued for a period  
33            of ten (10) years commencing January 1st  
34            immediately following the date of this  
             election?

35                            ☐ Yes                            ☐ No

36            3. If the question whether to continue to impose and  
37            levy the earnings tax fails to be approved by the majority  
38            of qualified voters voting thereon, the earnings tax levied  
39            and imposed on November 2, 2010, shall be reduced pursuant  
40            to section 92.125 commencing January first of the calendar  
41            year following the date of the election held under this  
42            section or January first of the calendar year following the  
43            calendar year in which such election was authorized under  
44            this section but not held by such city.

45            4. No city which has begun reductions of its earnings  
46            tax pursuant to section 92.125 may, by ordinance or any  
47            other means, with or without voter approval, stop or suspend  
48            such reduction.

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