

SECOND REGULAR SESSION

SENATE JOINT RESOLUTION NO. 101

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR MOON.

5137S.01I

KRISTINA MARTIN, Secretary

JOINT RESOLUTION

Submitting to the qualified voters of Missouri, an amendment repealing sections 1 and 6(a) of article X of the Constitution of Missouri, and adopting eleven new sections in lieu thereof relating to taxation.

Be it resolved by the Senate, the House of Representatives concurring therein:

That at the next general election to be held in the
2 state of Missouri, on Tuesday next following the first Monday
3 in November, 2026, or at a special election to be called by
4 the governor for that purpose, there is hereby submitted to
5 the qualified voters of this state, for adoption or
6 rejection, the following amendment to article X of the
7 Constitution of the state of Missouri:

Section A. Sections 1 and 6(a), article X, Constitution
2 of Missouri, are repealed and eleven new sections adopted in
3 lieu thereof, to be known as sections 1(a), 1(b), 1(c), 1(d),
4 1(e), 1(f), 1(g), 1(h), 1(i), 1(j), and 6(a), to read as
5 follows:

Section 1(a). The provisions of sections 1(a) to 1(j)
2 and section 6(a) of this article shall be known and may be
3 cited as the "Ed Emery Act". The taxing power may be
4 exercised by the general assembly for state purposes, and by
5 counties and other political subdivisions under power
6 granted to them by the general assembly for county,
7 municipal, and other corporate purposes, except the general
8 assembly shall not have the power to enact any law:

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

Section 1(b). For tax years beginning on or after January 1, 2029, the following laws are repealed:

Section 1(c). 1. For tax years beginning on or after
2 January 1, 2029, any law enacted by the general assembly
3 that imposes a tax for state purposes that is on or measured

4 by the income or earnings of an individual shall not be more
5 than three percent.

6 2. For tax years beginning on or after January 1,
7 2031, any law enacted by the general assembly that imposes a
8 tax for state purposes that is on or measured by the income
9 or earnings of an individual shall be repealed.

10 3. The general assembly shall enact a law with an
11 effective date no later than January 1, 2031, to provide a
12 mechanism for the continuation of any property tax relief
13 available for senior citizens and disabled individuals in
14 the tax year beginning January 1, 2027, and which was, for
15 that tax year, provided in the form of an income tax credit.

Section 1(d). For tax years beginning on or after
1 January 1, 2029, all laws enacted by the general assembly
2 for state purposes prior to the effective date of this
3 section imposing sales and use taxes and exemptions thereto
4 are repealed, except taxes on alcohol, aviation fuel,
5 insurance products, tobacco, any taxes imposed by article
6 IV, sections 43(a) and 47(a), or any taxes provided for by
7 article IV, section 30(a), and exemptions thereto.

Section 1(e). 1. The general assembly shall enact a
2 law, effective January 1, 2029, imposing and levying a tax
3 on all sales and services, except those sales and services
4 exempted pursuant to section 1(f) of this article, at a rate
5 that shall not exceed five percent prior to January 1, 2031,
6 except for the rate of tax imposed on food which shall not
7 exceed four percent prior to January 1, 2031. On and after
8 January 1, 2031, the sum of the rate of such tax on sales
9 and services other than food plus the rates of the taxes
10 calculated in section 1(h) of this article shall not exceed
11 seven percent, and the rate of tax on the sale of food plus

12 the rates of the taxes calculated in section 1(h) of this
13 article shall not exceed five and one-half percent.

14 2. All revenues collected from the tax imposed
15 pursuant to this section shall be deposited into the general
16 revenue fund of the state of Missouri and be subject to
17 appropriation by the general assembly, unless otherwise
18 restricted or appropriated by this constitution, except a
19 portion of the revenues collected from the tax imposed
20 pursuant to this section shall be deposited into the school
21 district trust fund or any successor fund, to be distributed
22 to the school districts of the state as provided by law, so
23 that such fund receives no less than the amount of revenue
24 as such fund received on average annually in fiscal years
25 2023-2027.

26 3. In the event of an emergency, the general assembly
27 may increase taxes, licenses, or fees as prescribed in
28 section 18(e)3 of this article.

Section 1(f). The following shall not be subject to
any tax imposed pursuant to section 1(e) of this article:

(1) Those sales and services subject to taxes which
are specifically exempted from the repeal in section 1(d) of
this article;

(2) Sales of personal property for which the tax
authorized pursuant to section 1(e) of this article or a
sales or use tax repealed by section 1(d) of this article
has been collected due to a prior taxable transaction or
sales for resale;

(3) Professional services;

(4) Sales, leases, or rents of real property including
all fees, charges, or commissions resulting directly or
indirectly from the sale, lease, or rent of the real
property;

16 (5) Sales of metered or unmetered water or wastewater
17 service, electric energy or capacity, electric service,
18 natural, artificial or propane gas, wood, coal, or heating
19 oil;

20 (6) Sales of pharmaceuticals or medical services by a
21 licensed health care professional for the direct benefit of
22 any individual's health care, where such sales or services
23 are not subject to being recouped from another source;

24 (7) Child care services and services provided for by a
25 residential care, assisted living, intermediate care, or
26 skilled nursing facility;

27 (8) Tuition and fees of any early childhood,
28 prekindergarten, kindergarten, elementary, secondary,
29 vocational or technical school, or an accredited institution
30 of higher education for educational services;

31 (9) Services rendered by an employee for his or her
32 employer;

33 (10) Services between entities that in the given year
34 consolidate earnings;

35 (11) Sales or services directly used for agricultural
36 trade or agricultural business purposes;

44 (13) Construction, warehousing, computer system,
45 software design, employment, call center, and payroll
46 processing services;

47 (14) Sales of stocks, bonds, financial instruments,
48 and other similar intangible personal property;

49 (15) Sales of bullion or coins, artistic works,
50 precious stones, or other tangible personal property held
51 exclusively for investment purposes;

52 (16) Sales of insurance products and insurance
53 services;

54 (17) Sales of railroad rolling stock for use in
55 transporting persons or property in interstate commerce and
56 motor vehicles licensed for a gross weight of twenty-four
57 thousand pounds or more or trailers used by common carriers
58 in the transportation of persons or property;

59 (18) Sales of barges which are to be used primarily in
60 the transportation of property or cargo on interstate
61 waterways;

62 (19) The purchase or storage of tangible personal
63 property by any common carrier engaged in the interstate air
64 transportation of persons and cargo;

65 (20) Gaming sales, services, wagers, winnings, or
66 admission fees related to licensed bingo, racing, or
67 excursion gambling boat activities;

68 (21) Sales or services to or for the benefit of the
69 United States of America, any state, county, other political
70 subdivision, foreign government, or a charitable
71 organization exempt from taxation under federal law, and the
72 sale or service is in furtherance of the purpose of the
73 state, county, or other political subdivision, or a
74 charitable organization;

75 (22) Sales made through the use of funds provided by
76 the Supplemental Nutrition Assistance Program or any
77 successor program;

78 (23) Sales for which federal government coupons or
79 vouchers under the supplemental funding for women, infants,
80 and children program, or any successor program, are used as
81 payment;

82 (24) Sales exempted from state taxation under any
83 other federal program that requires a state that chooses to
84 participate in such a program to be exempt from tax;

85 (25) Nonproprietary sales made by or nonproprietary
86 services performed by the state, a county, or other
87 political subdivision;

88 (26) Sales which the state of Missouri is prohibited
89 from taxing pursuant to this constitution or the
90 Constitution or laws of the United States of America; and

91 (27) Any other sale or service exempted by a two-
92 thirds vote of the members elected to each house of the
93 general assembly, proceeded upon in the same manner as in
94 the case of a bill and presented to the governor.

Section 1(g). 1. "Cumulative sales tax rate" as used in section 1(i) of this article shall mean the rate of the state sales tax, levied and imposed under section 1(e), plus the rate of the taxes imposed by article IV, sections 43(a) and 47(a), as calculated in section 1(h), plus the rate of sales and use taxes, as calculated in section 1(i) of this article, or newly imposed sales and use taxes, imposed by counties, other political subdivisions, and other taxing jurisdictions, but excluding any taxes imposed by transportation development districts or community improvement districts.

12 2. "Professional services" as used in sections 1(a)
13 through 1(j) of this article shall mean services rendered by
14 an accountant, architect, barber, cosmetologist, embalmer,

15 engineer, funeral director, lawyer, real estate agent, real
16 estate broker, or real estate appraiser.

17 3. "Sales" as used in sections 1(a) to 1(j) of this
18 article shall mean any transfer, rental, lease, exchange, or
19 barter, conditional, or otherwise, in any manner or by any
20 means whatsoever, of tangible property, not purchased for
21 resale or leasing, for consideration. "Sales" shall also
22 include the privilege of storing, using, or consuming within
23 this state any article of tangible property on or after
24 January 1, 2029.

25 4. "Services" as used in sections 1(a) to 1(j) of this
26 article shall mean all activities for the benefit, use or
27 consumption, regardless if paid by a fee, retainer,
28 commission, or other consideration, when such activities
29 involve predominantly the performance of a service as
30 distinguished from the sale of property.

Section 1(h). Notwithstanding the provisions of
sections 43(a) and 47(a) of article IV of this constitution
to the contrary, effective January 1, 2029, the tax levied
and imposed pursuant to those sections shall be imposed on
the same tax base as the tax authorized under section 1(e)
of this article. The rates of tax levied and imposed
pursuant to sections 43(a) and 47(a) of article IV of the
constitution shall be recalculated, no later than May 1,
2028, and adjusted to produce an amount of revenue for the
2029 fiscal year substantially equal to the amount received
on average annually in fiscal years 2023-2027, however, on
and after January 1, 2031, the sum of such rates plus the
rate of the tax authorized in section 1(e) of this article
shall not exceed seven percent. The general assembly shall
provide for the procedure by which such tax rates shall be
recalculated and the rate of tax may be readjusted in the

17 same manner one time after January 1, 2029, and before
18 January 1, 2032, to provide an amount of revenue for each
19 fiscal year substantially equal to the amount received on
20 average annually in fiscal years 2023-2027.

Section 1(i). 1. Effective January 1, 2029, all
2 provisions of laws, ordinances, or resolutions exempting
3 sales and services other than the sales and services
4 exempted pursuant to sections 1(a) to 1(j) and section 25 of
5 this article from taxation by counties, other political
6 subdivisions, or other taxing jurisdictions, as well as all
7 provisions establishing the rate of the tax on such sales
8 and services, except those exemptions or exclusions
9 expressly approved by local voters and in effect as of
10 January 1, 2027, shall be void.

11 2. A new rate shall be imposed by the counties, other
12 political subdivisions, and other taxing jurisdictions on
13 sales and services necessary to produce an amount of revenue
14 substantially equal to the amount that was produced by the
15 prior rate of the tax on average in the five years prior to
16 January 1, 2029.

17 3. The department of revenue shall calculate the new
18 rate under a process the general assembly shall establish by
19 law, and shall provide the new rate to the counties, other
20 political subdivisions, and other taxing jurisdictions no
21 later than September 1, 2028. The general assembly shall
22 include a process for allowing taxpayers, counties, other
23 political subdivisions, and other taxing jurisdictions, to
24 appeal the recalculation in this section, provided that such
25 appeal be filed by January 1, 2031. The department of
revenue may recalculate the new rate under the process
established by the general assembly one time after January
1, 2029, but before January 1, 2031.

29 4. On or after January 1, 2031, the cumulative sales
30 tax rate shall only exceed ten percent, when either:

31 (1) The cumulative sales tax rate exceeds ten percent,
32 when the new rate established pursuant to subsection 3 of
33 section 1(i) of this article is effective, and such rate
34 shall be reduced to the extent that the county, other
35 political subdivision, or other taxing jurisdiction is no
36 longer authorized by law to impose, in whole or part, any
37 sales tax which was a component of the cumulative sales tax
38 rate at the time the new rate was established pursuant to
39 subsection 3 of section 1(i) of this article; or

40 (2) The qualified electors in the taxing jurisdiction
41 proposing a tax on sales and services, which tax will cause
42 the cumulative sales tax rate to exceed ten percent in any
43 part of the taxing jurisdiction, approve the new tax in the
44 same requisite percentages as approval of local government
45 debt in article VI, section 26(b) of this constitution.

Section 1(j). 1. The burden of proof for establishing
2 tax liability for any taxes imposed pursuant to section 1(e)
3 of this article shall be borne by the state in all legal
4 proceedings.

5 2. Taxpayers shall have the same rights to enforce the
6 provisions of this amendment as in section 23 of this
7 article.

Section 6(a). 1. The general assembly [may] shall
2 provide that a portion of the assessed valuation of real
3 property actually occupied by the owner or owners thereof as
4 a homestead, be [exempted from the payment of taxes thereon,
5 in such amounts and upon such conditions as may be
6 determined by law, and the general assembly may provide for
7 certain tax credits or rebates in lieu of or in addition to
8 such an exemption, but any such law shall further provide

9 for restitution to the respective political subdivisions of
10 revenues lost, if any, by reason of the exemption, and any
11 such law may also provide for comparable financial relief to
12 persons who are not the owners of homesteads but who occupy
13 rental property as their homes] **credited against current tax**
14 **liability in certain circumstances.** If in the prior tax
15 year, the property tax liability on any parcel of subclass
16 (1) real property increased by more than five percent in a
17 year of general reassessment or two and one-half in a year
18 without general reassessment, then any eligible owner of the
19 property shall receive a property tax relief credit in the
20 amount of fifty percent of the increase above such
21 thresholds for such year against the current year's property
22 tax liability. Eligible owners must be sixty-five years or
23 older and have an income, including Social Security, of
24 seventy-five thousand dollars or less, adjusted annually
25 based on the general price level as defined in section 17(3)
26 of this article. Owners in homes with an appraised value in
27 excess of four hundred thousand dollars, adjusted annually
28 based on the general price level as defined in section 17(3)
29 of this article, are not eligible. The state shall
30 reimburse local governments for seventy-five percent of any
31 credit taken under this section. Any eligible owner who
32 receives a property tax relief credit pursuant to this
33 section shall not be eligible for any exemption, refund,
34 credit, or rebate pursuant to sections 1(c)(3) or 6(a)(2) of
35 this article.

36 2. In addition to the relief provided by subsection 1
37 of this section, the general assembly may provide that a
38 portion of the assessed valuation of real property actually
39 occupied by the owner or owners thereof as a homestead, be
40 exempted from the payment of taxes thereon, in such amounts

41 and upon such conditions as may be determined by law, and
42 the general assembly may provide for certain tax credits or
43 rebates in lieu of or in addition to such an exemption, but
44 any such law shall further provide for restitution to the
45 respective political subdivisions of revenues lost, if any,
46 by reason of the exemption, and any such law may also
47 provide for comparable financial relief to persons who are
48 not the owners of homesteads but who occupy rental property
49 as their homes.

2 [Section 1. The taxing power may be
3 exercised by the general assembly for state
4 purposes, and by counties and other political
5 subdivisions under power granted to them by the
6 general assembly for county, municipal and other
corporate purposes.]

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