

FIRST REGULAR SESSION

# SENATE BILL NO. 162

90TH GENERAL ASSEMBLY

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INTRODUCED BY SENATOR MAXWELL.

Pre-filed December 8, 1998, and 1,000 copies ordered printed.

S0429.02I

TERRY L. SPIELER, Secretary.

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## AN ACT

To repeal section 147.010, RSMo 1994, relating to taxation, and to enact in lieu thereof one new section relating to the same subject.

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

Section A. Section 147.010, RSMo 1994, is repealed and one new section enacted in lieu thereof, to be known as section 147.010, to read as follows:

147.010. 1. For the transitional year defined in subsection 4 of this section and each taxable year beginning on or after January 1, 1980, **but before January 1, 2000**, every corporation organized under or subject to chapter 351, RSMo, or under any other law of this state shall, in addition to all other fees and taxes now required or paid, pay an annual franchise tax to the state of Missouri equal to one-twentieth of one percent of the par value of its outstanding shares and surplus if its outstanding shares and surplus exceeds two hundred thousand dollars, or if the outstanding shares of such corporation or any part thereof consist of shares without par value, then, in that event, for the purpose herein contained, such shares shall be considered as having a value of five dollars per share unless the actual value of such shares should exceed five dollars per share, in which case the tax shall be levied and collected on the actual value and the surplus if the actual value and the surplus exceeds two hundred thousand dollars. If such corporation employs a part of its outstanding shares in business in another state or country, then such corporation shall pay an annual franchise tax equal to one-twentieth of one percent of its outstanding shares and surplus employed in this state if its outstanding shares and surplus employed in this state exceeds two hundred thousand dollars, and for the purposes of this chapter, such corporation shall be deemed to have employed in this state that proportion of its entire outstanding shares and surplus that its property and assets employed in this state bears to all its property and assets wherever located. A foreign corporation engaged in business in this state,

whether under a certificate of authority issued under chapter 351, RSMo, or not, shall be subject to this section. Any corporation whose outstanding shares and surplus as calculated above does not exceed two hundred thousand dollars shall state that fact on a form prescribed by the secretary of state. **For all taxable years beginning on or after January 1, 2000, the annual franchise tax shall be equal to forty-five thousandths of one percent of the par value of the corporation's outstanding shares and surplus if the outstanding shares and surplus exceeds one million dollars. Any corporation whose outstanding shares and surplus does not exceed one million dollars shall state that fact on the prescribed form.**

2. This law shall not apply to corporations not organized for profit, nor to corporations organized under the provisions of chapter 349, RSMo, nor to express companies, which now pay an annual tax on their gross receipts in this state, nor to insurance companies, which pay an annual tax on their premium receipts in this state, nor to electric and telephone corporations organized under chapters 351, RSMo, and 392, RSMo, prior to January 1, 1980, which have been declared tax exempt organizations under section 501(c) of the Internal Revenue Code of 1986, nor for taxable years beginning after December 31, 1986, to banking institutions subject to the annual franchise tax imposed by sections 148.010 to 148.110, RSMo; but bank deposits shall be considered as funds of the individual depositor left for safekeeping and shall not be considered in computing the amount of tax collectible under the provisions of this chapter.

3. A corporation's "taxable year" for purposes of this chapter shall be its taxable year as provided in section 143.271, RSMo.

4. A corporation's "transitional year" for the purposes of this chapter shall be its taxable year which includes parts of each of the years 1979 and 1980.

5. The franchise tax payable for a corporation's transitional year shall be computed by multiplying the amount otherwise due for that year by a fraction, the numerator of which is the number of months between January 1, 1980, and the end of the taxable year and the denominator of which is twelve. The franchise tax payable, if a corporation's taxable year is changed as provided in section 143.271, RSMo, shall be similarly computed under regulations prescribed by the secretary of state.

6. All franchise reports and franchise taxes shall be returned to the secretary of state who shall transfer such taxes to the director of revenue. All checks and drafts remitted for payment of franchise taxes shall be made payable to the director of revenue.

7. Section 32.057, RSMo, shall apply to the secretary of state as equally as it applies to the director of revenue and the secretary of state shall maintain the confidentiality of all franchise tax reports returned to him. Such reports, however, may be made available at any time to the director of revenue and the director of revenue will maintain their confidentiality.

Unofficial

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