

FIRST REGULAR SESSION

SENATE BILL NO. 469

90TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR WIGGINS.

Read 1st time February 18, 1999, and 1,000 copies ordered printed.

S2038.011

TERRY L. SPIELER, Secretary.

AN ACT

To repeal section 143.081, RSMo 1994, relating to credit for income tax paid to another state, and to enact in lieu thereof one new section relating to the same subject, with an effective date.

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

Section A. Section 143.081, RSMo 1994, is repealed and one new section enacted in lieu thereof, to be known as section 143.081, to read as follows:

143.081. 1. A resident individual, resident estate, and resident trust shall be allowed a credit against the tax otherwise due under sections 143.005 to 143.998 for the amount of any income tax imposed on him for the taxable year by another state of the United States (or a political subdivision thereof) or the District of Columbia on income derived from sources therein and which is also subject to tax under sections 143.005 to 143.998. **Solely for purposes of this subsection, the phrase "income tax imposed" shall include any income tax credit allowed by such other state or the District of Columbia the basis for which is a charitable contribution which qualifies as a charitable deduction from income pursuant to the Internal Revenue Code of 1986, as amended.**

2. The credit provided under this section shall not exceed an amount which bears the same ratio to the tax otherwise due under sections 143.005 to 143.998 as the amount of the taxpayer's Missouri adjusted gross income derived from sources in the other taxing jurisdiction bears to his Missouri adjusted gross income derived from all sources. In applying the limitation of the previous sentence to an estate or trust, Missouri taxable income shall be substituted for Missouri adjusted gross income. If the tax of more than one other taxing jurisdiction is imposed on the same item of income, the credit shall not exceed the limitation that would result if the taxes of all the other jurisdictions applicable to the item were deemed to be of a single jurisdiction.

3. For the purposes of this section, in the case of an S corporation, each resident S

shareholder shall be considered to have paid a tax imposed on the shareholder in an amount equal to the shareholder's pro rata share of any net income tax paid by the S corporation to a state which does not measure the income of shareholders on an S corporation by reference to the income of the S corporation or where a composite return and composite payments are made in such state on behalf of the S shareholders by the S corporation.

Section B. The repeal and reenactment of section 143.081 shall be effective January 1, 2000, and shall apply to all taxable years commencing after December 31, 1999.

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