

SECOND REGULAR SESSION

# HOUSE BILL NO. 2199

## 94TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES LIPKE (Sponsor), MUSCHANY, DUSENBERG, THRELKELD,  
YATES, SCHARNHORST AND PRATT (Co-sponsors).

Read 1st time February 19, 2008 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

4314L.02I

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### AN ACT

To repeal sections 143.011 and 143.171, RSMo, and to enact in lieu thereof two new sections relating to income taxation.

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

Section A. Sections 143.011 and 143.171, RSMo, are repealed and two new sections  
2 enacted in lieu thereof, to be known as sections 143.011 and 143.171, to read as follows:

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

5	If the Missouri taxable income is:	The tax is:
6	[Not over \$1,000.00 . . . . .	1 1/2% of the Missouri
7		taxable income
8	Over \$1,000 but not over \$2,000 . . . . .	\$15 plus 2% of excess
9		over \$1,000
10	Over \$2,000 but not over \$3,000 . . . . .	\$35 plus 2 1/2% of excess
11		over \$2,000]
12	Over \$3,000 but not over \$4,000 . . . . .	[\$60 plus 3%] <b>2%</b> of
13		excess over \$3,000
14	Over \$4,000 but not over \$5,000 . . . . .	[\$90] <b>\$20</b> plus [3 1/2%]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

15		<b>2 1/2%</b> of excess over \$4,000
16	Over \$5,000 but not over \$6,000 .....	[\$125] <b>\$45</b> plus [4%]
17		<b>3%</b> of excess over \$5,000
18	Over \$6,000 but not over \$7,000 .....	[\$165] <b>\$75</b> plus [4 1/2%]
19		<b>3 1/2%</b> of excess over \$6,000
20	Over \$7,000 but not over \$8,000 .....	[\$210] <b>\$110</b> plus [5%]
21		<b>4%</b> of excess over \$7,000
22	Over \$8,000 but not over \$9,000 .....	[\$260] <b>\$150</b> plus [5 1/2%]
23		<b>4 1/2%</b> of excess over \$8,000
24	Over \$9,000 .....	[\$315] <b>\$195</b> plus [6%] <b>5%</b> of
25		excess over \$9,000

143.171. 1. [For all tax years beginning before January 1, 1994, for an individual taxpayer and for all tax years beginning before September 1, 1993, for a corporate taxpayer, the taxpayer shall be allowed a deduction for his federal income tax liability under chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed after reduction for all credits thereon, except the credit for payments of federal estimated tax, the credit for the overpayment of any federal tax, and the credits allowed by the Internal Revenue Code by section 31 (tax withheld on wages), section 27 (tax of foreign country and United States possessions), and section 34 (tax on certain uses of gasoline, special fuels, and lubricating oils).

2.] For all tax years beginning on or after January 1, 1994, **but ending on or before December 31, 2008**, an individual taxpayer shall be allowed a deduction for his federal income tax liability under chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed, not to exceed five thousand dollars on a single taxpayer's return or ten thousand dollars on a combined return, after reduction for all credits thereon, except the credit for payments of federal estimated tax, the credit for the overpayment of any federal tax, and the credits allowed by the Internal Revenue Code by section 31 (tax withheld on wages), section 27 (tax of foreign country and United States possessions), and section 34 (tax on certain uses of gasoline, special fuels, and lubricating oils). **For all tax years beginning on or after January 1, 2009, the deduction limits provided under this subsection shall increase to ten thousand dollars on a single taxpayer's return and twenty thousand dollars on a combined return.**

[3.] 2. For all tax years beginning on or after September 1, 1993, a corporate taxpayer shall be allowed a deduction for fifty percent of its federal income tax liability under chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed after reduction for all credits thereon, except the credit for payments of federal estimated tax, the credit for the overpayment of any federal tax, and the credits allowed by the Internal Revenue Code by section 31 (tax withheld on wages), section 27 (tax of foreign country and United States

26 possessions), and section 34 (tax on certain uses of gasoline, special fuels and lubricating oils).  
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28       [4.] **3.** If a federal income tax liability for a tax year prior to the applicability of sections  
29 143.011 to 143.996 for which he was not previously entitled to a Missouri deduction is later paid  
30 or accrued, he may deduct the federal tax in the later year to the extent it would have been  
31 deductible if paid or accrued in the prior year.

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