

SECOND REGULAR SESSION

HOUSE BILL NO. 1808

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE ENGLISH.

5184H.02I

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 143.011, RSMo, and to enact in lieu thereof one new section relating to state income tax.

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

Section A. Section 143.011, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 143.011, to read as follows:

143.011. 1. **For all tax years beginning before January 1, 2017**, a tax is hereby imposed for every taxable year on the Missouri taxable income of every resident. The tax shall be determined by applying the tax table or the rate provided in section 143.021, which is based upon the following rates:

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6 If the Missouri taxable income is: The tax is:

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8 Not over \$1,000.00 1 1/2% of the Missouri taxable income

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10 Over \$1,000 but not over \$2,000 \$15 plus 2% of excess over \$1,000

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12 Over \$2,000 but not over \$3,000 \$35 plus 2 1/2% of excess over \$2,000

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14 Over \$3,000 but not over \$4,000 \$60 plus 3% of excess over \$3,000

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16 Over \$4,000 but not over \$5,000 \$90 plus 3 1/2% of excess over \$4,000

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18 Over \$5,000 but not over \$6,000 \$125 plus 4% of excess over \$5,000

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.

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20 Over \$6,000 but not over \$7,000 \$165 plus 4 1/2% of excess over \$6,000

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22 Over \$7,000 but not over \$8,000 \$210 plus 5% of excess over \$7,000

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24 Over \$8,000 but not over \$9,000 \$260 plus 5 1/2% of excess over \$8,000

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26 Over \$9,000 \$315 plus 6% of excess over \$9,000

27 **2. For all tax years beginning on or after January 1, 2017, the rate of tax on**
28 **Missouri taxable income shall be:**

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30 **Not over twenty-five thousand dollars0% of the Missouri taxable income**

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32 **Over twenty-five thousand dollars6% of the Missouri taxable income**

33 **3.** (1) Beginning with the 2017 calendar year, the top rate of tax under subsection [1]
34 **2** of this section may be reduced over a period of years. Each reduction in the top rate of tax
35 shall be by one-tenth of a percent and no more than one reduction shall occur in a calendar year.
36 The top rate of tax shall not be reduced below five and one-half percent. Reductions in the rate
37 of tax shall take effect on January first of a calendar year and such reduced rates shall continue
38 in effect until the next reduction occurs.

39 (2) A reduction in the rate of tax shall only occur if the amount of net general revenue
40 collected in the previous fiscal year exceeds the highest amount of net general revenue collected
41 in any of the three fiscal years prior to such fiscal year by at least one hundred fifty million
42 dollars.

43 (3) Any modification of tax rates under this subsection shall only apply to tax years that
44 begin on or after a modification takes effect.

45 (4) The director of the department of revenue shall, by rule, adjust the tax tables under
46 subsection [1] **2** of this section to effectuate the provisions of this subsection. The bracket for
47 income subject to the top rate of tax shall be eliminated once the top rate of tax has been reduced
48 to five and one-half [of a] percent.

49 [3.] **4.** Beginning with the 2017 calendar year, the brackets of Missouri taxable income
50 identified in subsection [1] **2** of this section shall be adjusted annually by the percent increase
51 in inflation. The director shall publish such brackets annually beginning on or after October 1,
52 2016. Modifications to the brackets shall take effect on January first of each calendar year and
53 shall apply to tax years beginning on or after the effective date of the new brackets.

54 [4.] **5.** As used in this section, the following terms mean:

55 (1) "CPI", the Consumer Price Index for All Urban Consumers for the United States as
56 reported by the Bureau of Labor Statistics, or its successor index;

57 (2) "CPI for the preceding calendar year", the average of the CPI as of the close of the
58 twelve month period ending on August thirty-first of such calendar year;

59 (3) "Percent increase in inflation", the percentage, if any, by which the CPI for the
60 preceding calendar year exceeds the CPI for the year beginning September 1, 2014, and ending
61 August 31, 2015.

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