

FIRST REGULAR SESSION

HOUSE BILL NO. 547

99TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE CURTMAN.

0782H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

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

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Section A. Section 143.011, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 143.011, to read as follows: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. A tax is hereby imposed for every ~~taxable~~ **tax** 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:

If the Missouri taxable income is: The tax is:

Not over \$1,000.00	1 1/2% of the Missouri taxable income
Over \$1,000 but not over \$2,000	\$15 plus 2% of excess over \$1,000
Over \$2,000 but not over \$3,000	\$35 plus 2 1/2% of excess over \$2,000
Over \$3,000 but not over \$4,000	\$60 plus 3% of excess over \$3,000
Over \$4,000 but not over \$5,000	\$90 plus 3 1/2% of excess over \$4,000
Over \$5,000 but not over \$6,000	\$125 plus 4% of excess over \$5,000
Over \$6,000 but not over \$7,000	\$165 plus 4 1/2% of excess over \$6,000
Over \$7,000 but not over \$8,000	\$210 plus 5% of excess over \$7,000
Over \$8,000 but not over \$9,000	\$260 plus 5 1/2% of excess over \$8,000
Over \$9,000	\$315 plus 6% of excess over \$9,000

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.

17 2. (1) Beginning with the 2017 calendar year, the top rate of tax under subsection 1 of
18 this section may be reduced over a period of years. Each reduction in the top rate of tax shall be
19 by one-tenth of a percent and no more than one reduction shall occur in a calendar year. The top
20 rate of tax shall not be reduced below five and one-half percent. Reductions in the rate of tax
21 shall take effect on January first of a calendar year and such reduced rates shall continue in effect
22 until the next reduction occurs.

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

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

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

33 3. Beginning with the 2017 calendar year, the brackets of Missouri taxable income
34 identified in subsection 1 of this section shall be adjusted annually by the percent increase in
35 inflation. The director shall publish such brackets annually beginning on or after October 1,
36 2016. Modifications to the brackets shall take effect on January first of each calendar year and
37 shall apply to tax years beginning on or after the effective date of the new brackets.

38 4. (1) **As used in this subsection, the term "tax year" means a twelve-month period**
39 **ending on December thirty-first.**

40 (2) **For the tax year beginning on January 1, 2018, the director shall positively**
41 **adjust the amounts of the Missouri taxable income listed in subsection 1 of this section by**
42 **a percentage equal to the inflation rate that occurred in 1934. For each subsequent tax**
43 **year, the director shall positively adjust the amounts of the Missouri taxable income by a**
44 **rate equal to the amount of inflation experienced during the corresponding historical tax**
45 **year. If the corresponding historical tax year did not experience a positive inflation rate,**
46 **the director shall not adjust the amounts of Missouri taxable income for that tax year**
47 **under this subsection and shall resume adjustments in the next tax year whose**
48 **corresponding historical tax year did experience a positive inflation rate. No adjustment**
49 **under this subsection shall be in an amount that increases the amounts of the Missouri**
50 **taxable income beyond the limit of article X, section 18 or 18(e) of the Constitution of**
51 **Missouri.**

52 **(3) The director shall make annual adjustments required under subdivision (2) of**
53 **this subsection until the amount of total adjustments resulting from this subsection is equal**
54 **to seventeen and seven-tenths percent, which was the inflation rate between tax years 1934**
55 **and 2015, and shall not make adjustments under this subsection thereafter. This**
56 **subdivision shall not prevent the director from adjusting the amounts of Missouri taxable**
57 **income under provisions other than this subsection.**

58 **(4) Under section 23.253 of the Missouri sunset act:**

59 **(a) The provisions of the new program authorized under this subsection shall**
60 **automatically sunset on December thirty-first two years after the effective date of this**
61 **subsection unless reauthorized by an act of the general assembly;**

62 **(b) If such program is reauthorized, the program authorized under this subsection**
63 **shall automatically sunset on December thirty-first two years after the effective date of the**
64 **reauthorization of this subdivision unless reauthorized by an act of the general assembly;**
65 **and**

66 **(c) This subsection shall terminate on September first of the calendar year**
67 **immediately following the calendar year in which the program authorized under this**
68 **subsection is sunset.**

69 **5. As used in this section, the following terms mean:**

70 **(1) "Corresponding historical tax year", the tax year eighty-four years prior to a**
71 **tax year;**

72 **(2) "CPI", the Consumer Price Index for All Urban Consumers for the United States as**
73 **reported by the Bureau of Labor Statistics, or its successor index;**

74 ~~[(2)]~~ **(3) "CPI for the preceding calendar year", the average of the CPI as of the close of**
75 **the [twelve-month] twelve-month period ending on August thirty-first of such calendar year;**

76 ~~[(3)]~~ **(4) "Inflation rate", the percentage that indicates the change in the CPI,**
77 **reported by the Bureau of Labor Statistics, in a given tax year;**

78 **(5) "Percent increase in inflation", the percentage, if any, by which the CPI for the**
79 **preceding calendar year exceeds the CPI for the year beginning September 1, 2014, and ending**
80 **August 31, 2015.**

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