

House _____ Amendment NO. _____

Offered By _____

1 AMEND House Committee Substitute for Senate Bill No. 87, Page 1, Section A, Line 2, by
2 inserting after said section and line the following:

3
4 "143.121. 1. The Missouri adjusted gross income of a resident individual shall be the
5 taxpayer's federal adjusted gross income subject to the modifications in this section.

6 2. There shall be added to the taxpayer's federal adjusted gross income:

7 (1) The amount of any federal income tax refund received for a prior year which resulted in
8 a Missouri income tax benefit;

9 (2) Interest on certain governmental obligations excluded from federal gross income by
10 ~~[Section 103 of the Internal Revenue Code]~~ 26 U.S.C. Section 103. The previous sentence shall not
11 apply to interest on obligations of the state of Missouri or any of its political subdivisions or
12 authorities and shall not apply to the interest described in subdivision (1) of subsection 3 of this
13 section. The amount added ~~[pursuant to]~~ under this subdivision shall be reduced by the amounts
14 applicable to such interest that would have been deductible in computing the taxable income of the
15 taxpayer except only for the application of ~~[Section 265 of the Internal Revenue Code]~~ 26 U.S.C.
16 Section 265. The reduction shall only be made if it is at least five hundred dollars;

17 (3) The amount of any deduction that is included in the computation of federal taxable
18 income ~~[pursuant to Section 168 of the Internal Revenue Code]~~ under 26 U.S.C. Section 168, as
19 amended by the Job Creation and Worker Assistance Act of 2002, to the extent the amount deducted
20 relates to property purchased on or after July 1, 2002, but before July 1, 2003, and to the extent the
21 amount deducted exceeds the amount that would have been deductible ~~[pursuant to Section 168 of~~
22 ~~the Internal Revenue Code of 1986]~~ under 26 U.S.C. Section 168 as in effect on January 1, 2002;

23 (4) The amount of any deduction that is included in the computation of federal taxable
24 income for net operating loss allowed by ~~[Section 172 of the Internal Revenue Code of 1986]~~ 26
25 U.S.C. Section 172, as amended, other than the deduction allowed by ~~[Section 172(b)(1)(G) and~~
26 ~~Section 172(i) of the Internal Revenue Code of 1986]~~ 26 U.S.C. Section 172(b)(1)(G) and 26 U.S.C.
27 Section 172(i), as amended, for a net operating loss the taxpayer claims in the tax year in which the
28 net operating loss occurred or carries forward for a period of more than twenty years and carries
29 backward for more than two years. Any amount of net operating loss taken against federal taxable
30 income but disallowed for Missouri income tax purposes ~~[pursuant to]~~ under this subdivision after
31 June 18, 2002, may be carried forward and taken against any income on the Missouri income tax
32 return for a period of not more than twenty years from the year of the initial loss; and

33 (5) For nonresident individuals in all taxable years ending on or after December 31, 2006,
34 the amount of any property taxes paid to another state or a political subdivision of another state for
35 which a deduction was allowed on such nonresident's federal return in the taxable year unless such
36 state, political subdivision of a state, or the District of Columbia allows a subtraction from income

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1 for property taxes paid to this state for purposes of calculating income for the income tax for such
 2 state, political subdivision of a state, or the District of Columbia.

3 3. There shall be subtracted from the taxpayer's federal adjusted gross income the following
 4 amounts to the extent included in federal adjusted gross income:

5 (1) Interest or dividends on obligations of the United States and its territories and
 6 possessions or of any authority, commission or instrumentality of the United States to the extent
 7 exempt from Missouri income taxes ~~[pursuant to]~~ under the laws of the United States. The amount
 8 subtracted ~~[pursuant to]~~ under this subdivision shall be reduced by any interest on indebtedness
 9 incurred to carry the described obligations or securities and by any expenses incurred in the
 10 production of interest or dividend income described in this subdivision. The reduction in the
 11 previous sentence shall only apply to the extent that such expenses including amortizable bond
 12 premiums are deducted in determining the taxpayer's federal adjusted gross income or included in
 13 the taxpayer's Missouri itemized deduction. The reduction shall only be made if the expenses total
 14 at least five hundred dollars;

15 (2) The portion of any gain, from the sale or other disposition of property having a higher
 16 adjusted basis to the taxpayer for Missouri income tax purposes than for federal income tax
 17 purposes on December 31, 1972, that does not exceed such difference in basis. If a gain is
 18 considered a long-term capital gain for federal income tax purposes, the modification shall be
 19 limited to one-half of such portion of the gain;

20 (3) The amount necessary to prevent the taxation ~~[pursuant to]~~ under this chapter of any
 21 annuity or other amount of income or gain which was properly included in income or gain and was
 22 taxed ~~[pursuant to]~~ under the laws of Missouri for a taxable year prior to January 1, 1973, to the
 23 taxpayer, or to a decedent by reason of whose death the taxpayer acquired the right to receive the
 24 income or gain, or to a trust or estate from which the taxpayer received the income or gain;

25 (4) Accumulation distributions received by a taxpayer as a beneficiary of a trust to the
 26 extent that the same are included in federal adjusted gross income;

27 (5) The amount of any state income tax refund for a prior year which was included in the
 28 federal adjusted gross income;

29 (6) The portion of capital gain specified in section 135.357 that would otherwise be included
 30 in federal adjusted gross income;

31 (7) The amount that would have been deducted in the computation of federal taxable income
 32 ~~[pursuant to Section 168 of the Internal Revenue Code]~~ under 26 U.S.C. Section 168 as in effect on
 33 January 1, 2002, to the extent that amount relates to property purchased on or after July 1, 2002, but
 34 before July 1, 2003, and to the extent that amount exceeds the amount actually deducted ~~[pursuant~~
 35 ~~to Section 168 of the Internal Revenue Code]~~ under 26 U.S.C. Section 168 as amended by the Job
 36 Creation and Worker Assistance Act of 2002;

37 (8) For all tax years beginning on or after January 1, 2005, the amount of any income
 38 received for military service while the taxpayer serves in a combat zone which is included in federal
 39 adjusted gross income and not otherwise excluded therefrom. As used in this section, "combat
 40 zone" means any area which the President of the United States by Executive Order designates as an
 41 area in which Armed Forces of the United States are or have engaged in combat. Service is
 42 performed in a combat zone only if performed on or after the date designated by the President by
 43 Executive Order as the date of the commencing of combat activities in such zone, and on or before
 44 the date designated by the President by Executive Order as the date of the termination of combatant
 45 activities in such zone;

46 (9) For all tax years ending on or after July 1, 2002, with respect to qualified property that is
 47 sold or otherwise disposed of during a taxable year by a taxpayer and for which an additional
 48 modification was made under subdivision (3) of subsection 2 of this section, the amount by which
 49 additional modification made under subdivision (3) of subsection 2 of this section on qualified

property has not been recovered through the additional subtractions provided in subdivision (7) of this subsection; ~~and~~

(10) For all tax years beginning on or after January 1, 2014, the amount of any income received as payment from any program which provides compensation to agricultural producers who have suffered a loss as the result of a disaster or emergency, including the:

- (a) Livestock Forage Disaster Program;
- (b) Livestock Indemnity Program;
- (c) Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish;
- (d) Emergency Conservation Program;
- (e) Noninsured Crop Disaster Assistance Program;
- (f) Pasture, Rangeland, Forage Pilot Insurance Program;
- (g) Annual Forage Pilot Program;
- (h) Livestock Risk Protection Insurance Plan; and
- (i) Livestock Gross Margin insurance plan; and

(11) For all tax years beginning on or after January 1, 2020, one hundred percent of all unreimbursed educator expenses incurred by an eligible educator during the tax year, not to exceed five hundred dollars. As used in this subdivision, the following terms shall mean:

(a) "Educator expenses", expenses incurred by an eligible educator that qualify for a federal deduction under 26 U.S.C. Section 62, as amended;

(b) "Eligible educator", an eligible educator as defined under 26 U.S.C. Section 62, as amended.

4. There shall be added to or subtracted from the taxpayer's federal adjusted gross income the taxpayer's share of the Missouri fiduciary adjustment provided in section 143.351.

5. There shall be added to or subtracted from the taxpayer's federal adjusted gross income the modifications provided in section 143.411.

6. In addition to the modifications to a taxpayer's federal adjusted gross income in this section, to calculate Missouri adjusted gross income there shall be subtracted from the taxpayer's federal adjusted gross income any gain recognized ~~[pursuant to Section 1033 of the Internal Revenue Code of 1986]~~ under 26 U.S.C. Section 1033, as amended, arising from compulsory or involuntary conversion of property as a result of condemnation or the imminence thereof.

7. (1) As used in this subsection, "qualified health insurance premium" means the amount paid during the tax year by such taxpayer for any insurance policy primarily providing health care coverage for the taxpayer, the taxpayer's spouse, or the taxpayer's dependents.

(2) In addition to the subtractions in subsection 3 of this section, one hundred percent of the amount of qualified health insurance premiums shall be subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid for such premiums is included in federal taxable income. The taxpayer shall provide the department of revenue with proof of the amount of qualified health insurance premiums paid.

8. (1) Beginning January 1, 2014, in addition to the subtractions provided in this section, one hundred percent of the cost incurred by a taxpayer for a home energy audit conducted by an entity certified by the department of natural resources under section 640.153 or the implementation of any energy efficiency recommendations made in such an audit shall be subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid for any such activity is included in federal taxable income. The taxpayer shall provide the department of revenue with a summary of any recommendations made in a qualified home energy audit, the name and certification number of the qualified home energy auditor who conducted the audit, and proof of the amount paid for any activities under this subsection for which a deduction is claimed. The taxpayer shall also provide a copy of the summary of any recommendations made in a qualified home energy audit to the department of natural resources.

1 (2) At no time shall a deduction claimed under this subsection by an individual taxpayer or
2 taxpayers filing combined returns exceed one thousand dollars per year for individual taxpayers or
3 cumulatively exceed two thousand dollars per year for taxpayers filing combined returns.

4 (3) Any deduction claimed under this subsection shall be claimed for the tax year in which
5 the qualified home energy audit was conducted or in which the implementation of the energy
6 efficiency recommendations occurred. If implementation of the energy efficiency recommendations
7 occurred during more than one year, the deduction may be claimed in more than one year, subject to
8 the limitations provided under subdivision (2) of this subsection.

9 (4) A deduction shall not be claimed for any otherwise eligible activity under this subsection
10 if such activity qualified for and received any rebate or other incentive through a state-sponsored
11 energy program or through an electric corporation, gas corporation, electric cooperative, or
12 municipally owned utility.

13 9. The provisions of subsection 8 of this section shall expire on December 31, 2020."; and
14
15 Further amend said bill by amending the title, enacting clause, and intersectional references
16 accordingly.