

HB 834 -- INCOME TAXES

SPONSOR: Riggs

Currently, the top rate of income tax will be reduced from 6% to 5.5%, with each cut becoming effective if net general revenue collections meet a certain trigger. This bill increases the amount in which the top rate will be reduced. Each year the trigger is met, the top rate will be reduced by 0.2% rather than 0.1%. The aggregate amount of reductions to be made under this provision must not exceed 0.8% (Section 143.011, RSMo).

Currently, a business income deduction is being phased in over a period of years. Each year that a general revenue growth trigger is met, the deduction amount is increased by 5%. Once fully phased in, individual taxpayers may deduct up to 20% of their business income. This bill increases the amount that may be deducted. Each year that the trigger is met, the deduction amount will be increased by 10%. Once fully phased in, individual taxpayers may deduct up to 50% of their business income (Section 143.022).

This bill is the same as SB 260 (2019).