

SECOND REGULAR SESSION

[CORRECTED]

# HOUSE BILL NO. 1749

## 100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE ALLRED.

3246H.03I

DANA RADEMAN MILLER, Chief Clerk

### AN ACT

To repeal section 143.011, RSMo, and to enact in lieu thereof one new section relating to 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Section A. Section 143.011, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 143.011, to read as follows: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. 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:
<del>Not over \$1,000.00</del>	<del>1-1/2% of the Missouri taxable income</del>
<del>Over \$1,000 but not over \$2,000</del>	<del>\$15 plus 2% of excess over \$1,000</del>
<del>Over \$2,000 but not over \$3,000</del>	<del>\$35 plus 2-1/2% of excess over \$2,000</del>
<del>Over \$3,000 but not over \$4,000</del>	<del>\$60 plus 3% of excess over \$3,000</del>

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.

11	<del>Over \$4,000 but not over \$5,000</del>	<del>\$90 plus 3 1/2% of excess over \$4,000</del>
12	<del>Over \$5,000 but not over \$6,000</del>	<del>\$125 plus 4% of excess over \$5,000</del>
13	<del>Over \$6,000 but not over \$7,000</del>	<del>\$165 plus 4 1/2% of excess over \$6,000</del>
14	<del>Over \$7,000 but not over \$8,000</del>	<del>\$210 plus 5% of excess over \$7,000]</del>
15	<del>[Over \$8,000 but not over] \$9,000 and</del>	<del>[\$260 plus 5 1/2% of excess over \$8,000]</del>
16	<b>under</b>	$\left( \frac{(TI)(F)}{476,190.5} + 0.015 \right) (TI)$
17	Over \$9,000	<del>[\$315 plus 6% of excess over \$9,000]</del> $\left( C - \frac{180.9}{(TI)(F)} \right) (TI)$

18 **For purposes of the tax brackets in this subsection, "C" is a variable equal to 0.054, "TI"**  
 19 **is the amount of taxable income, and "F" is the number of filing periods.**

20 2. (1) Beginning with the [2017] **2021** calendar year, the [top rate of tax] **value of the**  
 21 **variable "C"** under subsection 1 of this section may be reduced over a period of years. Each  
 22 reduction in the [top rate of tax] **value of the variable "C"** shall be by [one-tenth of a percent]  
 23 **one thousandth** and no more than one reduction shall occur in a calendar year. No more than  
 24 [five] **two** reductions shall be made under this subsection. Reductions in the [rate of tax] **value**  
 25 **of the variable "C"** shall take effect on January first of a calendar year and such [reduced rates]  
 26 **reductions** shall continue in effect until the next reduction occurs.

27 (2) A reduction in the [rate of tax] **value of the variable "C"** shall only occur if the  
 28 amount of net general revenue collected in the previous fiscal year exceeds the highest amount  
 29 of net general revenue collected in any of the three fiscal years prior to such fiscal year by at least  
 30 one hundred fifty million dollars.

31 (3) Any modification of ~~[tax rates]~~ **the value of the variable "C"** under this subsection  
32 shall only apply to tax years that begin on or after a modification takes effect.

33 ~~[(4) The director of the department of revenue shall, by rule, adjust the tax tables under~~  
34 ~~subsection 1 of this section to effectuate the provisions of this subsection. The bracket for~~  
35 ~~income subject to the top rate of tax shall be eliminated once the top rate of tax has been reduced~~  
36 ~~to five and one-half percent, and the top remaining rate of tax shall apply to all income in excess~~  
37 ~~of the income in the second highest remaining income bracket.~~

38 ~~3. (1) In addition to the rate reductions under subsection 2 of this section, beginning~~  
39 ~~with the 2019 calendar year, the top rate of tax under subsection 1 of this section shall be reduced~~  
40 ~~by four-tenths of one percent. Such reduction in the rate of tax shall take effect on January first~~  
41 ~~of the 2019 calendar year.~~

42 ~~(2) The modification of tax rates under this subsection shall only apply to tax years that~~  
43 ~~begin on or after the date the modification takes effect.~~

44 ~~(3) The director of the department of revenue shall, by rule, adjust the tax tables under~~  
45 ~~subsection 1 of this section to effectuate the provisions of this subsection.~~

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

51 ~~5. As used in this section, the following terms mean:~~

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

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

56 ~~(3) "Net general revenue collected", all revenue deposited into the general revenue fund,~~  
57 ~~less refunds and revenues originally deposited into the general revenue fund but designated by~~  
58 ~~law for a specific distribution or transfer to another state fund;~~

59 ~~(4) "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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