

SECOND REGULAR SESSION

HOUSE BILL NO. 1904

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE SHIELDS.

4527H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 92.105, 92.111, and 92.115, RSMo, and to enact in lieu thereof three new sections relating to earnings tax.

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

Section A. Sections 92.105, 92.111, and 92.115, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 92.105, 92.111, and 92.115, to read as follows:

92.105. It is the intent of sections 92.105 to 92.125 that starting in 2011 voters in any city imposing an earnings tax will decide in local elections to continue the earnings tax. If the majority of local voters vote to continue the earnings tax, it will continue for five years, **or in any home rule city with more than four hundred thousand inhabitants and located in more than one county, for ten years**, and then will be voted on again. If a majority of voters in any city having an earnings tax vote against continuing the earnings tax, it will be phased out pursuant to section 92.125 in such city over a period of ten years. Further, sections 92.105 to 92.125 prohibit any Missouri city or town that does not, as of November 2, 2010, impose an earnings tax, from imposing such a tax on residents and businesses.

92.111. 1. After December 31, 2011, no city, including any constitutional charter city, shall impose or levy an earnings tax, except a constitutional charter city that imposed or levied an earnings tax on November 2, 2010, may continue to impose the earnings tax if it submits to the voters of such city pursuant to section 92.115 the question whether to continue such earnings tax for a period of five years, **or if such city is a home rule city with more than four hundred thousand inhabitants and located in more than one county, for a period of ten years**, and a majority of such qualified voters voting thereon approve such question, however, if no such

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.

8 election is held, or if in any election held to continue to impose or levy the earnings tax a
 9 majority of such qualified voters voting thereon fail to approve the continuation of the earnings
 10 tax, such city shall no longer be authorized to impose or levy such earnings tax except to reduce
 11 such tax in the manner provided by section 92.125.

12 2. As used in sections 92.111 to 92.200, unless the context clearly requires otherwise,
 13 the term "earnings tax" means a tax on the:

14 (1) Salaries, wages, commissions and other compensation earned by its residents;

15 (2) Salaries, wages, commissions and other compensation earned by nonresidents of the
 16 city for work done or services performed or rendered in the city;

17 (3) Net profits of associations, businesses or other activities conducted by residents;

18 (4) Net profits of associations, businesses or other activities conducted in the city by
 19 nonresidents;

20 (5) Net profits earned by all corporations as the result of work done or services
 21 performed or rendered and business or other activities.

92.115. 1. Any constitutional charter city which as of November 2, 2010, imposed or
 2 levied an earnings tax may continue to impose or levy an earnings tax, pursuant to sections
 3 92.111 to 92.200, if it submits to the qualified voters of such city on the next general municipal
 4 election date immediately following November 2, 2010, and once every five years thereafter, **or**
 5 **if such city is a home rule city with more than four hundred thousand inhabitants and**
 6 **located in more than one county, once every ten years thereafter**, the question whether to
 7 continue to impose and levy the earnings tax authorized pursuant to sections 92.111 to 92.200,
 8 and if a majority of qualified voters voting approve the continuance of the earnings tax at such
 9 election.

10 2. (1) The question submitted to the qualified voters in any such city, **except for any**
 11 **home rule city with more than four hundred thousand inhabitants and located in more**
 12 **than one county**, shall contain the earnings tax percentage imposed and the name of the city
 13 submitting the question and shall otherwise contain exactly the following language:

14

15 Shall the earnings tax of _____ %, imposed by the City of _____, be continued
 16 for a period of five (5) years commencing January 1 immediately following the
 17 date of this election?

18 Yes No

19

20 (2) **The question submitted to the qualified voters in any home rule city with more**
 21 **than four hundred thousand inhabitants and located in more than one county shall contain**

22 **the earnings tax percentage imposed and the name of the city submitting the question and**
23 **shall otherwise contain exactly the following language:**

24

25 **Shall the earnings tax of _____ %, imposed by the City of _____, be**
26 **continued for a period of ten (10) years commencing January 1 immediately**
27 **following the date of this election?**

28 **Yes** **No**

29

30 3. If the question whether to continue to impose and levy the earnings tax fails to be
31 approved by the majority of qualified voters voting thereon, the earnings tax levied and imposed
32 on November 2, 2010, shall be reduced pursuant to section 92.125 commencing January first of
33 the calendar year following the date of the election held under this section or January first of the
34 calendar year following the calendar year in which such election was authorized under this
35 section but not held by such city.

36 4. No city which has begun reductions of its earnings tax pursuant to section 92.125 may,
37 by ordinance or any other means, with or without voter approval, stop or suspend such reduction.

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