

SECOND REGULAR SESSION

HOUSE BILL NO. 2404

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE REHDER.

5168H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 143, RSMo, by adding thereto one new section relating to income tax.

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

Section A. Chapter 143, RSMo, is amended by adding thereto one new section, to be
2 known as section 143.1110, to read as follows:

**143.1110. 1. If a taxpayer receives a deferment of federal taxation of capital gains
2 under 26 U.S.C. Section 1400Z-2, the taxpayer shall be allowed to defer state taxation of
3 such capital gains in the same tax year. The taxpayer shall be liable to the state for any
4 deferred taxation of capital gains in the same year the taxpayer is liable to the federal
5 government for such deferred taxation of capital gains.**

**6 2. If a taxpayer receives a step-up basis in calculating capital gains for federal tax
7 liability under 26 U.S.C. Section 1400Z-2, the taxpayer shall be allowed the same step-up
8 basis in calculating capital gains for state tax liability in the same tax year. If the step-up
9 basis used to calculate capital gains for federal tax liability is revoked, the taxpayer shall
10 be liable to the state for taxes on the amount of such capital gains that no longer receive the
11 step-up basis.**

**12 3. If a taxpayer receives a federal tax exemption for capital gains under 26 U.S.C.
13 Section 1400Z-2, the taxpayer shall be allowed a state tax exemption for such capital gains
14 in the same tax year. If the federal tax exemption is revoked, the taxpayer shall be liable
15 to the state for taxes on such previously exempted capital gains.**

**16 4. The director of revenue may promulgate all necessary rules and regulations for
17 the administration of this section. Any rule or portion of a rule, as that term is defined in
18 section 536.010, that is created under the authority delegated in this section shall become**

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.

19 effective only if it complies with and is subject to all of the provisions of chapter 536 and,
20 if applicable, section 536.028. This section and chapter 536 are nonseverable, and if any
21 of the powers vested with the general assembly pursuant to chapter 536 to review, to delay
22 the effective date, or to disapprove and annul a rule are subsequently held
23 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted
24 after August 28, 2020, shall be invalid and void.

25 **5. Under section 23.253 of the Missouri sunset act:**

26 **(1) The provisions of the new program authorized under this section shall**
27 **automatically sunset on December thirty-first six years after the effective date of this**
28 **section unless reauthorized by an act of the general assembly;**

29 **(2) If the program is reauthorized, the program authorized under this section shall**
30 **automatically sunset on December thirty-first twelve years after the effective date of the**
31 **reauthorization of this section;**

32 **(3) This section shall terminate on September first of the calendar year immediately**
33 **following the calendar year in which the program authorized under this section is sunset;**
34 **and**

35 **(4) Nothing in this subsection shall prevent a taxpayer from claiming a deferment,**
36 **step-up basis, or exemption that accrued before the program was sunset.**

✓