

House _____ Amendment NO. _____

Offered By _____

AMEND House Committee Substitute for Senate Bill No. 365, Page 4, Section 137.280, Line 52, by inserting after all of said section and line the following:

"143.011. 1. For tax years ending before January 1, 2022, 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:
Not over \$1,000.00	1 1/2% of the Missouri taxable income
Over \$1,000 but not over \$2,000	\$15 plus 2% of excess over \$1,000
Over \$2,000 but not over \$3,000	\$35 plus 2 1/2% of excess over \$2,000
Over \$3,000 but not over \$4,000	\$60 plus 3% of excess over \$3,000
Over \$4,000 but not over \$5,000	\$90 plus 3 1/2% of excess over \$4,000
Over \$5,000 but not over \$6,000	\$125 plus 4% of excess over \$5,000
Over \$6,000 but not over \$7,000	\$165 plus 4 1/2% of excess over \$6,000
Over \$7,000 but not over \$8,000	\$210 plus 5% of excess over \$7,000
Over \$8,000 but not over \$9,000	\$260 plus 5 1/2% of excess over \$8,000
Over \$9,000	\$315 plus 6% of excess over \$9,000

2. (1) Beginning with the 2017 calendar year, the top rate of tax under subsection 1 of this section and the rate of tax under subsection 5 of this section may be reduced over a period of years. Each reduction in the ~~top~~ rate of tax shall be by one-tenth of a percent and no more than one reduction shall occur in a calendar year. No more than five reductions shall be made under this subsection. Reductions in the rate of tax shall take effect on January first of a calendar year and such reduced rates shall continue in effect until the next reduction occurs.

(2) A reduction in the rate of tax shall only occur if the amount of net general revenue collected in the previous fiscal year exceeds the highest amount of net general revenue collected in any of the three fiscal years prior to such fiscal year by at least one hundred fifty million dollars.

(3) Any modification of tax rates under this subsection shall only apply to tax years that begin on or after a modification takes effect.

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(4) For tax years ending before January 1, 2022, the director of the department of revenue shall, by rule, adjust the tax tables under subsection 1 of this section to effectuate the provisions of this subsection. The bracket for income subject to the top rate of tax shall be eliminated once the top rate of tax has been reduced to five and one-half percent, and the top remaining rate of tax shall apply to all income in excess of the income in the second highest remaining income bracket.

3. (1) In addition to the rate reductions under subsection 2 of this section, beginning with the 2019 calendar year, and ending immediately after the 2021 calendar year, the top rate of tax under subsection 1 of this section shall be reduced by four-tenths of one percent. Such reduction in the rate of tax shall take effect on January first of the 2019 calendar year.

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

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

4. Beginning with the 2017 calendar year, and ending immediately after the 2021 calendar year, the brackets of Missouri taxable income identified in subsection 1 of this section shall be adjusted annually by the percent increase in inflation. The director shall publish such brackets annually beginning on or after October 1, 2016. Modifications to the brackets shall take effect on January first of each calendar year and shall apply to tax years beginning on or after the effective date of the new brackets.

5. (1) Beginning with the 2022 calendar year, a tax is hereby imposed for every tax year on the Missouri taxable income of every resident at a rate of five and four-tenths percent, or the top rate of tax as in effect on January 1, 2022, whichever is less, subject to the provisions of section 143.021 and subsection 2 of this section.

(2) Any modification of the tax rate under this subsection shall apply only to tax years that begin on or after a modification takes effect.

6. As used in this section, the following terms mean:

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

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

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

(4) "Percent increase in inflation", the percentage, if any, by which the CPI for the preceding calendar year exceeds the CPI for the year beginning September 1, 2014, and ending August 31, 2015.

143.031. 1. A husband and wife who file a joint federal income tax return shall file a combined return. A husband and wife who do not file a joint federal income tax return shall not file a combined return.

2. The Missouri combined taxable income on a combined return shall include all of the income and deductions of the husband and wife. For all tax years ending before January 1, 2022, the Missouri taxable income of each spouse shall be an amount that is the same proportion of their Missouri combined taxable income as the Missouri adjusted gross income of that spouse bears to their Missouri combined adjusted gross income.

3. The tax of each spouse shall be determined by the application of either section 143.021 or section 143.041 depending upon whether such spouse is a resident or nonresident. Their Missouri combined tax shall be the sum of the tax applicable to each spouse."; and

1 Further amend said bill, Page 8, Section 143.121, Line 161, by inserting after all of said section and
2 line the following:
3

4 "143.131. 1. The Missouri standard deduction may be deducted in determining Missouri
5 taxable income of a resident individual unless the taxpayer or his spouse has elected to itemize his
6 deduction as provided in section 143.141.

7 2. (1) For tax years ending before January 1, 2022, the Missouri standard deduction shall be
8 the allowable federal standard deduction.

9 (2) For tax years beginning on or after January 1, 2022, the Missouri standard deduction
10 shall be the allowable federal standard deduction plus four thousand dollars if filing single or
11 married and filing separately, or plus eight thousand dollars if married and filing jointly."; and
12

13 Further amend said bill by amending the title, enacting clause, and intersectional references
14 accordingly.