

FIRST REGULAR SESSION

HOUSE BILL NO. 497

101ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE SCHROER.

1174H.011

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Section A. Section 143.011, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 143.011, to read as follows: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 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

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.

14	Over \$9,000	\$315 plus 6% of excess over \$9,000
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16 2. (1) Beginning with the 2017 calendar year, the top rate of tax under subsection 1 of
 17 this section may be reduced over a period of years. Each reduction in the top rate of tax shall be
 18 by one-tenth of a percent ~~[and no more than one reduction shall occur in a calendar year. No~~
 19 ~~more than five reductions shall be made under this subsection]~~. Reductions in the rate of tax
 20 shall take effect on January first of a calendar year and such reduced rates shall continue in effect
 21 until the next reduction occurs.

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

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

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

33 3. (1) In addition to the rate reductions under subsection 2 of this section, beginning
 34 with the 2019 calendar year, the top rate of tax under subsection 1 of this section shall be reduced
 35 by four-tenths of one percent. Such reduction in the rate of tax shall take effect on January first
 36 of the 2019 calendar year.

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

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

41 4. Beginning with the 2017 calendar year, the brackets of Missouri taxable income
 42 identified in subsection 1 of this section shall be adjusted annually by the percent increase in
 43 inflation. The director shall publish such brackets annually beginning on or after October 1,
 44 2016. Modifications to the brackets shall take effect on January first of each calendar year and
 45 shall apply to tax years beginning on or after the effective date of the new brackets.

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

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

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

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

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

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