

HB 913 -- INCOME TAX

SPONSOR: Merideth

Currently, the top rate of income tax is 5.4% and may be reduced to 5.1% by a series of tax cuts of .1% over a period of years with only one reduction occurring per year. A tax reduction at the top rate occurs 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 150 million dollars.

This bill provides that revenue derived from state income tax collections that are delayed as a result of a delayed filing date caused by a national emergency will not be included in any calculation of net general revenue for the purpose of determining whether a reduction in the rate of tax should occur (Section 143.011, RSMo).

Current law allows a taxpayer to deduct from his or her Missouri adjusted gross income a portion of his or her federal income taxes paid. This bill provides that federal income tax credits received under Public Law 116-260 (Consolidated Appropriations Act, 2021) will not be considered when determining the amount of federal income tax liability allowable as a deduction under current law (Section 143.171).

Current law also requires taxpayers who itemize deductions to include any federal income tax refund amounts in his or her Missouri adjusted gross income if such taxpayer previously claimed a deduction for federal income tax liability on his or her Missouri income tax return. This bill provides that any amount of a federal income tax refund attributable to a tax credit received under Public Law 116-260 (Consolidated Appropriations Act, 2021) will not be included in the taxpayer's Missouri adjusted gross income (Section 143.121).

This bill has an emergency clause.