

HB 13 -- INCOME TAX

SPONSOR: Smith (163)

This bill modifies numerous provisions of law relating to income tax.

RESIDENT INDIVIDUAL INCOME TAXES (Section 143.011, RSMo)

Currently, reductions to the top rate of income tax are allowed to reach an eventual rate of 4.8% over a period of years, contingent on meeting certain net general revenue collection triggers. This bill repeals all such scheduled reductions and reduces the top rate of income tax to 4.8% beginning in the 2023 calendar year.

Beginning with the 2024 calendar year, the top rate of tax may be reduced by .1%. No more than one reduction may occur per calendar year with no more than eight reductions in total. Reductions in the rate of tax will take effect on January first of a calendar year and such reduced rates shall continue in effect until the next reduction occurs. A reduction in the rate of tax will occur only 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. The \$150 million threshold will be adjusted for inflation as specified in the bill.

TAXABLE INCOME (Section 143.021)

Currently, the first \$100 of a taxpayer's income from taxation is exempt. For all tax years beginning on or after January 1, 2023, this bill exempts the first \$1,000 of income from taxation.

MISSOURI STANDARD DEDUCTION (Section 143.131)

Beginning January 1, 2023, this bill increases the Missouri standard deduction for every filing status, except married filing combined, to the allowable federal standard deduction plus an additional \$2000, and for the filing status of married filing combined, the allowable federal standard deduction plus an additional \$4000.

This bill has an emergency clause.