

House _____ Amendment NO. _____

Offered By

1 AMEND House Substitute for House Committee Substitute for House Bill No. 356, Page 2, Section
2 143.022, Line 40, by inserting after said section and line the following:

3
4 "143.114. 1. As used in this section, the following terms mean:

5 (1) "Commercial domicile", the principal place from which the trade or business of the
6 taxpayer is directed or managed;

7 (2) "Deduction", an amount subtracted from the taxpayer's Missouri adjusted gross income
8 to determine Missouri taxable income for the tax year in which such deduction is claimed;

9 (3) "Employer securities", the same meaning as defined under Section 409(l) of the Internal
10 Revenue Code of 1986, as amended;

11 (4) "Missouri corporation", a corporation whose commercial domicile is in this state;

12 (5) "Qualified Missouri employee stock ownership plan", an employee stock ownership
13 plan, as defined under Section 4975(e)(7) of the Internal Revenue Code of 1986, as amended, and
14 trust that is established by a Missouri corporation for the benefit of the employees of the
15 corporation;

16 (6) "Taxpayer", an individual, firm, partner in a firm, corporation, partnership, shareholder
17 in an S corporation, or member of a limited liability company subject to the income tax imposed
18 under chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265.

19 2. For all tax years beginning on or after January 1, [~~2017~~] 2023, in addition to all other
20 modifications allowed by law, a taxpayer shall be allowed a deduction from the taxpayer's federal
21 adjusted gross income when determining Missouri adjusted gross income in an amount equal to fifty
22 percent of the net capital gain from the sale or exchange of employer securities of a Missouri
23 corporation to a qualified Missouri employee stock ownership plan if, upon completion of the
24 transaction, the qualified Missouri employee stock ownership plan owns at least thirty percent of all
25 outstanding employer securities issued by the Missouri corporation.

26 3. Whenever an employee leaves a Missouri corporation with a qualified Missouri employee
27 stock ownership plan, the Missouri corporation shall inform the former employee of the deadline for
28 when the former employee shall decide whether they will receive their shares of employer securities
29 or compensation for their shares of employer securities.

Action Taken _____ Date _____

1 4. The department of revenue may promulgate rules and regulations for the administration
2 of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is
3 created under the authority delegated in this section shall become effective only if it complies with
4 and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section
5 and chapter 536 are nonseverable and if any of the powers vested with the general assembly
6 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are
7 subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or
8 adopted after August 28, 2016, shall be invalid and void.

9 ~~[5. Under section 23.253 of the Missouri sunset act:~~

10 ~~(1) The provisions of the new program authorized under this section shall automatically~~
11 ~~sunset on December thirty first, six years after October 14, 2016, unless reauthorized by an act of~~
12 ~~the general assembly;~~

13 ~~(2) If such program is reauthorized, the program authorized under this section shall~~
14 ~~automatically sunset on December thirty first, twelve years after the effective date of the~~
15 ~~reauthorization of this section; and~~

16 ~~(3) This section shall terminate on September first of the calendar year immediately~~
17 ~~following the calendar year in which the program authorized under this section is sunset.]"; and~~

18
19 Further amend said bill by amending the title, enacting clause, and intersectional references
20 accordingly.