

House _____ Amendment NO. _____

Offered By _____

1 AMEND House Committee Substitute for Senate Substitute No. 2 for Senate Committee Substitute
2 for Senate Bill No. 96, Page 34, Section 143.011, Line 89, by inserting after all of said section and
3 line the following:
4

5 "143.022. 1. As used in this section, "business income" means the income greater than zero
6 arising from transactions in the regular course of all of a taxpayer's trade or business and shall be
7 limited to the Missouri source net profit from the combination of the following:

8 (1) The total combined profit as properly reported to the Internal Revenue Service on each
9 Schedule C, or its successor form, filed; ~~and~~

10 (2) The total partnership and S corporation income or loss properly reported to the Internal
11 Revenue Service on Part II of Schedule E, or its successor form;

12 (3) The total combined profit as properly reported to the Internal Revenue Service on each
13 Schedule F, or its successor form, filed; and

14 (4) The total combined profit as properly reported to the Internal Revenue Service on each
15 Form 4835, or its successor form, filed.

16 2. In addition to all other modifications allowed by law, there shall be subtracted from the
17 federal adjusted gross income of an individual taxpayer a percentage of such individual's business
18 income, to the extent that such amounts are included in federal adjusted gross income when
19 determining such individual's Missouri adjusted gross income and are not otherwise subtracted or
20 deducted in determining such individual's Missouri taxable income.

21 3. In the case of an S corporation described in section 143.471 or a partnership computing
22 the deduction allowed under subsection 2 of this section, taxpayers described in subdivision (1) or
23 (2) of this subsection shall be allowed such deduction apportioned in proportion to their share of
24 ownership of the business as reported on the taxpayer's Schedule K-1, or its successor form, for the
25 tax period for which such deduction is being claimed when determining the Missouri adjusted gross
26 income of:

27 (1) The shareholders of an S corporation as described in section 143.471;

28 (2) The partners in a partnership.

29 4. The percentage to be subtracted under subsection 2 of this section shall be increased over
30 a period of years. Each increase in the percentage shall be by five percent and no more than one

Action Taken _____ Date _____

1 increase shall occur in a calendar year. The maximum percentage that may be subtracted is twenty
2 percent of business income. Any increase in the percentage that may be subtracted shall take effect
3 on January first of a calendar year and such percentage shall continue in effect until the next
4 percentage increase occurs. An increase shall only apply to tax years that begin on or after the
5 increase takes effect.

6 5. An increase in the percentage that may be subtracted under subsection 2 of this section
7 shall only occur if the amount of net general revenue collected in the previous fiscal year exceeds
8 the highest amount of net general revenue collected in any of the three fiscal years prior to such
9 fiscal year by at least one hundred fifty million dollars.

10 6. The first year that a taxpayer may make the subtraction under subsection 2 of this section
11 is 2017, provided that the provisions of subsection 5 of this section are met. If the provisions of
12 subsection 5 of this section are met, the percentage that may be subtracted in 2017 is five percent.";
13 and
14

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