

FIRST REGULAR SESSION
HOUSE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 133
102ND GENERAL ASSEMBLY

0457H.10F

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 135.010, 135.025, 135.030, 142.822, 143.071, 143.125, and 143.161, RSMo, and to enact in lieu thereof seven new sections relating to taxation.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 135.010, 135.025, 135.030, 142.822, 143.071, 143.125, and
2 143.161, RSMo, are repealed and seven new sections enacted in lieu thereof, to be known as
3 sections 135.010, 135.025, 135.030, 142.822, 143.071, 143.125, and 143.161, to read as
4 follows:

135.010. As used in sections 135.010 to 135.030 the following words and terms
2 mean:

3 (1) "Claimant", a person or persons claiming a credit under sections 135.010 to
4 135.030. If the persons are eligible to file a joint federal income tax return and reside at the
5 same address at any time during the taxable year, then the credit may only be allowed if
6 claimed on a combined Missouri income tax return or a combined claim return reporting their
7 combined incomes and property taxes. A claimant shall not be allowed a property tax credit
8 unless the claimant or spouse has attained the age of sixty-five on or before the last day of the
9 calendar year and the claimant or spouse was a resident of Missouri for the entire year, or the
10 claimant or spouse is a veteran of any branch of the Armed Forces of the United States or this
11 state who became one hundred percent disabled as a result of such service, or the claimant or
12 spouse is disabled as defined in subdivision (2) of this section, and such claimant or spouse
13 provides proof of such disability in such form and manner, and at such times, as the director

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 of revenue may require, or if the claimant has reached the age of sixty on or before the last
15 day of the calendar year and such claimant received surviving spouse Social Security benefits
16 during the calendar year and the claimant provides proof, as required by the director of
17 revenue, that the claimant received surviving spouse Social Security benefits during the
18 calendar year for which the credit will be claimed. A claimant shall not be allowed a property
19 tax credit if the claimant filed a valid claim for a credit under section 137.106 in the year
20 following the year for which the property tax credit is claimed. The residency requirement
21 shall be deemed to have been fulfilled for the purpose of determining the eligibility of a
22 surviving spouse for a property tax credit if a person of the age of sixty-five years or older
23 who would have otherwise met the requirements for a property tax credit dies before the last
24 day of the calendar year. The residency requirement shall also be deemed to have been
25 fulfilled for the purpose of determining the eligibility of a claimant who would have
26 otherwise met the requirements for a property tax credit but who dies before the last day of
27 the calendar year;

28 (2) "Disabled", the inability to engage in any substantial gainful activity by reason of
29 any medically determinable physical or mental impairment which can be expected to result in
30 death or which has lasted or can be expected to last for a continuous period of not less than
31 twelve months. A claimant shall not be required to be gainfully employed prior to such
32 disability to qualify for a property tax credit;

33 (3) "Gross rent", amount paid by a claimant to a landlord for the rental, at arm's
34 length, of a homestead during the calendar year, exclusive of charges for health and personal
35 care services and food furnished as part of the rental agreement, whether or not expressly set
36 out in the rental agreement. If the director of revenue determines that the landlord and tenant
37 have not dealt at arm's length, and that the gross rent is excessive, then he shall determine the
38 gross rent based upon a reasonable amount of rent. Gross rent shall be deemed to be paid
39 only if actually paid prior to the date a return is filed. The director of revenue may prescribe
40 regulations requiring a return of information by a landlord receiving rent, certifying for a
41 calendar year the amount of gross rent received from a tenant claiming a property tax credit
42 and shall, by regulation, provide a method for certification by the claimant of the amount of
43 gross rent paid for any calendar year for which a claim is made. The regulations authorized
44 by this subdivision may require a landlord or a tenant or both to provide data relating to health
45 and personal care services and to food. Neither a landlord nor a tenant may be required to
46 provide data relating to utilities, furniture, home furnishings or appliances;

47 (4) "Homestead", the dwelling in Missouri owned or rented by the claimant and not to
48 exceed five acres of land surrounding it as is reasonably necessary for use of the dwelling as a
49 home. It may consist of part of a multidwelling or multipurpose building and part of the land
50 upon which it is built. "Owned" includes a vendee in possession under a land contract and

51 one or more tenants by the entireties, joint tenants, or tenants in common and includes a
52 claimant actually in possession if he was the immediate former owner of record, if a lineal
53 descendant is presently the owner of record, and if the claimant actually pays all taxes upon
54 the property. It may include a mobile home;

55 (5) "Income", Missouri adjusted gross income as defined in section 143.121 less two
56 thousand dollars **for all calendar years ending on or before December 31, 2023**, or in the
57 case of a homestead owned and occupied, for the entire year, by the claimant, less four
58 thousand dollars as an exemption for the claimant's spouse residing at the same address~~[-]~~ **for**
59 **all calendar years ending on or before December 31, 2023, or for all calendar years**
60 **beginning on or after January 1, 2024, less two thousand eight hundred dollars, or in the**
61 **case of a homestead owned and occupied, for the entire year, by the claimant, less five**
62 **thousand eight hundred dollars, as an exemption for the claimant's spouse residing at**
63 **the same address;** and increased, where necessary, to reflect the following:

64 (a) Social Security, railroad retirement, and veterans payments and benefits unless the
65 claimant is a one hundred percent service-connected, disabled veteran or a spouse of a one
66 hundred percent service-connected, disabled veteran. The one hundred percent service-
67 connected disabled veteran shall not be required to list veterans payments and benefits;

68 (b) The total amount of all other public and private pensions and annuities;

69 (c) Public relief, public assistance, and unemployment benefits received in cash, other
70 than benefits received under this chapter;

71 (d) No deduction being allowed for losses not incurred in a trade or business;

72 (e) Interest on the obligations of the United States, any state, or any of their
73 subdivisions and instrumentalities;

74 (6) "Property taxes accrued", property taxes paid, exclusive of special assessments,
75 penalties, interest, and charges for service levied on a claimant's homestead in any calendar
76 year. Property taxes shall qualify for the credit only if actually paid prior to the date a return
77 is filed. The director of revenue shall require a tax receipt or other proof of property tax
78 payment. If a homestead is owned only partially by claimant, then "property taxes accrued" is
79 that part of property taxes levied on the homestead which was actually paid by the claimant.
80 For purposes of this subdivision, property taxes are "levied" when the tax roll is delivered to
81 the director of revenue for collection. If a claimant owns a homestead part of the preceding
82 calendar year and rents it or a different homestead for part of the same year, "property taxes
83 accrued" means only taxes levied on the homestead both owned and occupied by the
84 claimant, multiplied by the percentage of twelve months that such property was owned and
85 occupied as the homestead of the claimant during the year. When a claimant owns and
86 occupies two or more different homesteads in the same calendar year, property taxes accrued
87 shall be the sum of taxes allocable to those several properties occupied by the claimant as a

88 homestead for the year. If a homestead is an integral part of a larger unit such as a farm, or
89 multipurpose or multidwelling building, property taxes accrued shall be that percentage of the
90 total property taxes accrued as the value of the homestead is of the total value. For purposes
91 of this subdivision "unit" refers to the parcel of property covered by a single tax statement of
92 which the homestead is a part;

93 (7) "Rent constituting property taxes accrued", twenty percent of the gross rent paid
94 by a claimant and spouse in the calendar year.

135.025. The property taxes accrued and rent constituting property taxes accrued on
2 each return shall be totaled. This total, up to seven hundred fifty dollars in rent constituting
3 property taxes actually paid or eleven hundred dollars in actual property tax paid, shall be
4 used in determining the property tax credit **for all calendar years ending on or before**
5 **December 31, 2023. For all calendar years beginning on or after January 1, 2024, this**
6 **total, up to one thousand fifty-five dollars in rent constituting property taxes actually**
7 **paid or one thousand five hundred fifty dollars in actual property tax paid, shall be used**
8 **in determining the property tax credit. Beginning January 1, 2025, the property tax**
9 **credit totals under this section shall be increased annually for inflation based on the**
10 **Consumer Price Index for All Urban Consumers for the Midwest Region, as defined**
11 **and officially recorded by the United States Department of Labor or its successor. The**
12 director of revenue shall prescribe regulations providing for allocations where part of a
13 claimant's homestead is rented to another or used for nondwelling purposes or where a
14 homestead is owned or rented or used as a dwelling for part of a year.

135.030. 1. As used in this section:

2 (1) The term "maximum upper limit" shall, for each calendar year after December 31,
3 1997, but before calendar year 2008, be the sum of twenty-five thousand dollars. For all
4 calendar years beginning on or after January 1, 2008, **but ending on or before December 31,**
5 **2023,** the maximum upper limit shall be the sum of twenty-seven thousand five hundred
6 dollars. In the case of a homestead owned and occupied for the entire year by the claimant,
7 **for all calendar years ending on or before December 31, 2023,** the maximum upper limit
8 shall be the sum of thirty thousand dollars. **For all calendar years beginning on or after**
9 **January 1, 2024, the maximum upper limit shall be the sum of thirty eight thousand two**
10 **hundred dollars and in the case of a homestead owned and occupied for the entire year**
11 **by the claimant, the maximum upper limit shall be the sum of forty-two thousand two**
12 **hundred dollars. Beginning January 1, 2025, the maximum upper limits shall be**
13 **increased annually for inflation based on the Consumer Price Index for All Urban**
14 **Consumers for the Midwest Region, as defined and officially recorded by the United**
15 **States Department of Labor or its successor;**

16 (2) The term "minimum base" shall, for each calendar year after December 31, 1997,
 17 but before calendar year 2008, be the sum of thirteen thousand dollars. For all calendar years
 18 beginning on or after January 1, 2008, the minimum base shall be the sum of fourteen
 19 thousand three hundred dollars.

20 2. (1) If the income on a return is equal to or less than the maximum upper limit for
 21 the calendar year for which the return is filed, the property tax credit shall be determined from
 22 a table of credits based upon the amount by which the total property tax described in section
 23 135.025 exceeds the percent of income in the following list:

If the income on the return is:	The percent is:
Not over the minimum base	0 percent with credit not to exceed \$1,100 in actual property tax or rent equivalent paid up to \$750
Over the minimum base but not over the maximum upper limit	1/16 percent accumulative per \$300 from 0 percent to 4 percent.

30 (2) The director of revenue shall prescribe a table based upon ~~[the preceding~~
 31 ~~sentences]~~ **subdivision (1) of this subsection.** The property tax shall be in increments of
 32 twenty-five dollars and the income in increments of three hundred dollars. The credit shall be
 33 the amount rounded to the nearest whole dollar computed on the basis of the property tax and
 34 income at the midpoints of each increment. As used in this subsection, the term
 35 "accumulative" means an increase by continuous or repeated application of the percent to the
 36 income increment at each three hundred dollar level.

37 3. (1) **For all calendar years beginning on or after January 1, 2024, if the income**
 38 **on a return is equal to or less than the maximum upper limit for the calendar year for**
 39 **which the return is filed, the property tax credit shall be determined from a table of**
 40 **credits based upon the amount by which the total property tax described in section**
 41 **135.025 exceeds the percent of income in the following list:**

If the income on the return is:	The percent is:
Not over the minimum base	0 percent with credit not to exceed \$1,550 in actual property tax or rent equivalent paid up to \$1,055, as adjusted for inflation.
Over the minimum base but not over the maximum upper limit	1/16 percent accumulative per \$495 from 0 percent to 4 percent.

51 **(2) The director of revenue shall prescribe a table based upon subdivision (1) of**
52 **this subsection. The property tax shall be in increments of twenty-five dollars and the**
53 **income in increments of four hundred ninety-five dollars. The credit shall be the**
54 **amount rounded to the nearest whole dollar computed on the basis of the property tax**
55 **and income at the midpoints of each increment. As used in this subsection, the term**
56 **"accumulative" means an increase by continuous or repeated application of the percent**
57 **to the income increment at each four hundred ninety-five dollar level.**

58 **4.** Notwithstanding subsection 4 of section 32.057, the department of revenue or any
59 duly authorized employee or agent shall determine whether any taxpayer filing a report or
60 return with the department of revenue who has not applied for the credit allowed pursuant to
61 section 135.020 may qualify for the credit, and shall notify any qualified claimant of the
62 claimant's potential eligibility, where the department determines such potential eligibility
63 exists.

142.822. 1. **(1)** Motor fuel used for purposes of propelling motor vehicles on
2 highways shall be exempt from the fuel tax collected under subsection 3 of section 142.803,
3 and an exemption and refund may be claimed by the taxpayer if the tax has been paid and no
4 refund has been previously issued, provided that the taxpayer applies for the exemption and
5 refund as specified in this section. The exemption and refund shall be issued on a fiscal year
6 basis, **based on motor fuel tax paid and collected through the end of fiscal year 2023**, to
7 each person who pays the fuel tax collected under subsection 3 of section 142.803 and who
8 claims an exemption and refund in accordance with this section, and shall apply so that the
9 fuel taxpayer has no liability for the tax collected in that fiscal year under subsection 3 of
10 section 142.803.

11 **(2) Beginning in fiscal year 2024, exemptions and refunds issued under this**
12 **section shall be based on the tax year. Any fuel taxes collected under subsection 3 of**
13 **section 142.803 from July 1, 2023, to December 31, 2023, shall be reported under the**
14 **provisions of subsection 3 of this section. Any fuel taxes collected under subsection 3 of**
15 **section 142.803 from January 1, 2024, to December 31, 2024, and each tax year**
16 **thereafter, shall be reported under the provisions of subsection 3 of this section.**
17 **Exemptions and refunds shall be issued to persons who pay the fuel tax collected under**
18 **subsection 3 of section 142.803 and who claim an exemption and refund in accordance**
19 **with this section and shall apply so that the fuel taxpayer has no liability for the tax**
20 **collected in the corresponding tax year under subsection 3 of section 142.803.**

21 **2.** To claim an exemption and refund in accordance with **subdivision (2) of**
22 **subsection 1 of this section**, a person shall present to the director a statement containing a
23 written verification that the claim is made under penalty of perjury and that states the total
24 fuel tax paid in the applicable fiscal year for each vehicle for which the exemption and refund

25 is claimed. The claim shall ~~[not be transferred or assigned, and shall]~~ be filed on or after July
26 first, but not later than September thirtieth, following the fiscal year for which the exemption
27 and refund is claimed. The claim statement may be submitted electronically, and shall at a
28 minimum include the following information:

29 (1) ~~[Vehicle identification number of the motor vehicle into which the motor fuel was~~
30 ~~delivered;~~

31 ~~(2) Date of sale;~~

32 ~~(3)]~~ Name and address of purchaser;

33 ~~[(4) Name and address of seller;~~

34 ~~(5)]~~ (2) Number of gallons purchased; and

35 ~~[(6)]~~ (3) Number of gallons purchased and charged Missouri fuel tax, as a separate
36 item.

37 3. (1) **To claim an exemption and refund in accordance with subdivision (2) of**
38 **subsection 1 of this section, a person shall submit his or her total number of gallons**
39 **purchased during the tax year for which the exemption and refund is claimed and**
40 **multiply such number by the amount of tax paid per gallon on the purchase of fuel in**
41 **the state of Missouri. The resultant product shall be the amount refunded to the person**
42 **making the claim. The claim for an exemption and refund may be submitted on a claim**
43 **form provided by the department of revenue.**

44 (2) **Claimants shall certify under penalty of perjury that the information**
45 **submitted to the department of revenue is a true and accurate representation of the**
46 **numbers required in this subsection.**

47 (3) **All such claims shall be subject to audit by the director and his or her agents**
48 **or appointees to examine all bills, records, receipts, or any other detailed information**
49 **the claimant may have used to prepare and substantiate a claim under this subsection.**

50 4. Every person shall maintain and keep records supporting the claim statement filed
51 with the department of revenue for a period of three years to substantiate all claims for
52 exemption and refund of the motor fuel tax, together with invoices, original sales receipts
53 marked paid by the seller, bills of lading, and other pertinent records and paper as may be
54 required by the director for reasonable administration of this chapter.

55 ~~[4.]~~ 5. The director may make any investigation necessary before issuing an
56 exemption and refund under this section, and may investigate an exemption and refund under
57 this section after it has been issued and within the time frame for making adjustments to the
58 tax pursuant to this chapter.

59 ~~[5-]~~ 6. If an exemption and refund is not issued within forty-five days of an accurate
60 and complete filing, as required by this chapter, the director shall pay interest at the rate

61 provided in section 32.065 accruing after the expiration of the forty-five-day period until the
62 date the exemption and refund is issued.

63 ~~[6.]~~ 7. The exemption and refund specified in this section shall be available only with
64 regard to motor fuel delivered into a motor vehicle with a gross weight, as defined in section
65 301.010, of twenty-six thousand pounds or less.

66 ~~[7.]~~ 8. The director shall promulgate rules as necessary to implement the provisions of
67 this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is
68 created under the authority delegated in this section shall become effective only if it complies
69 with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028.
70 This section and chapter 536 are nonseverable and if any of the powers vested with the
71 general assembly pursuant to chapter 536 to review, to delay the effective date, or to
72 disapprove and annul a rule are subsequently held unconstitutional, then the grant of
73 rulemaking authority and any rule proposed or adopted after August 28, 2021, shall be invalid
74 and void.

143.071. 1. For all tax years beginning before September 1, 1993, a tax is hereby
2 imposed upon the Missouri taxable income of corporations in an amount equal to five percent
3 of Missouri taxable income.

4 2. For all tax years beginning on or after September 1, 1993, and ending on or before
5 December 31, 2019, a tax is hereby imposed upon the Missouri taxable income of
6 corporations in an amount equal to six and one-fourth percent of Missouri taxable income.

7 3. For all tax years beginning on or after January 1, 2020, **but on or before**
8 **December 31, 2023**, a tax is hereby imposed upon the Missouri taxable income of
9 corporations in an amount equal to four percent of Missouri taxable income.

10 4. **For all tax years beginning on or after January 1, 2024, a tax is hereby**
11 **imposed upon the Missouri taxable income of corporations in an amount equal to two**
12 **percent of Missouri taxable income.**

13 5. **In addition to the rate reduction under subsection 4 of this section, beginning**
14 **with the 2026 calendar year, the rate of tax imposed under subsection 4 of this section**
15 **may be reduced from two percent to one percent as follows:**

16 (1) **In a fiscal year after the 2024 fiscal year, if the amount of net corporate**
17 **income tax revenue collected in the immediately preceding fiscal year exceeds the**
18 **amount of net corporate income tax revenue collected in the 2024 fiscal year by at least**
19 **fifty million dollars, the rate shall be reduced from two percent to one percent as**
20 **provided under this subsection;**

21 (2) **The reduction in the rate of tax shall take effect on January first of the**
22 **calendar year following the close of the previous fiscal year that caused the rate**

23 reduction as described in subdivision (1) of this subsection. The reduced rate shall
24 continue in effect for all subsequent tax years; and

25 (3) The modification of the tax rate under this subsection shall apply only to tax
26 years that begin on or after a modification takes effect.

27 6. In addition to the rate reductions under subsections 4 and 5 of this section, the
28 rate of tax imposed under subsection 5 of this section may be reduced from one percent
29 to zero as follows:

30 (1) Beginning with the calendar year immediately following the calendar year in
31 which a rate reduction is made under subsection 5 of this section, if the amount of net
32 general revenue collected, as defined under section 143.011, in the immediately
33 preceding fiscal year exceeds the amount of net general revenue collected in the fiscal
34 year in which the reduction under subsection 5 of this section was implemented by at
35 least two hundred fifty million dollars, the rate shall be reduced as provided under this
36 subsection and no income tax shall be imposed on the income of corporations under this
37 section;

38 (2) The reduction of the rate of tax shall take effect on January first of the
39 calendar year following the close of the previous fiscal year that caused the rate
40 reduction as described in subdivision (1) of this subsection. The reduced rate shall
41 continue in effect for all subsequent tax years; and

42 (3) The modification of the tax rate under this subsection shall only apply to tax
43 years that begin on or after a modification takes effect.

44 7. The provisions of this section shall not apply to out-of-state businesses operating
45 under sections 190.270 to 190.285.

46 8. Upon the full reduction and elimination of the tax under subsections 4, 5, and
47 6 of this section, no corporate income tax credits shall be claimed in any tax years where
48 there is no tax imposed upon the Missouri taxable income of corporations. Nothing in
49 this subsection shall prevent a corporate taxpayer from redeeming a refundable tax
50 credit properly claimed and issued before the elimination of the rate of tax under this
51 section in a tax year after such elimination.

52 9. The provisions of this section shall apply as set forth under section 148.720.

53 10. For the purposes of this section, the term "net corporate income tax revenue
54 collected" shall mean all revenue collected from the tax imposed under this section and
55 deposited into the general revenue fund, less refunds and revenues originally deposited
56 into the general revenue fund but designated by law for a specific distribution or
57 transfer to another state fund.

143.125. 1. As used in this section, the following terms mean:

2 (1) "Benefits"[:

3 **(a) On or before December 31, 2023,** any Social Security benefits received by a
4 taxpayer age sixty-two years of age and older, or Social Security disability benefits;

5 **(b) On or after January 1, 2024, any Social Security benefits received by a**
6 **taxpayer, regardless of age, including retirement, disability, survivors, and supplemental**
7 **benefits;**

8 (2) "Taxpayer", any resident individual.

9 2. For the taxable year beginning on or after January 1, 2007, any taxpayer shall be
10 allowed to subtract from the taxpayer's Missouri adjusted gross income to determine Missouri
11 taxable income a maximum of an amount equal to twenty percent of the amount of any
12 benefits received by the taxpayer and that are included in federal adjusted gross income under
13 Section 86 of the Internal Revenue Code of 1986, as amended. For the taxable year beginning
14 on or after January 1, 2008, any taxpayer shall be allowed to subtract from the taxpayer's
15 Missouri adjusted gross income to determine Missouri taxable income a maximum of an
16 amount equal to thirty-five percent of the amount of any benefits received by the taxpayer and
17 that are included in federal adjusted gross income under Section 86 of the Internal Revenue
18 Code of 1986, as amended. For the taxable year beginning on or after January 1, 2009, any
19 taxpayer shall be allowed to subtract from the taxpayer's Missouri adjusted gross income to
20 determine Missouri taxable income a maximum of an amount equal to fifty percent of the
21 amount of any benefits received by the taxpayer and that are included in federal adjusted
22 gross income under Section 86 of the Internal Revenue Code of 1986, as amended. For the
23 taxable year beginning on or after January 1, 2010, any taxpayer shall be allowed to subtract
24 from the taxpayer's Missouri adjusted gross income to determine Missouri taxable income a
25 maximum of an amount equal to sixty-five percent of the amount of any benefits received by
26 the taxpayer and that are included in federal adjusted gross income under Section 86 of the
27 Internal Revenue Code of 1986, as amended. For the taxable year beginning on or after
28 January 1, 2011, any taxpayer shall be allowed to subtract from the taxpayer's Missouri
29 adjusted gross income to determine Missouri taxable income a maximum of an amount equal
30 to eighty percent of the amount of any benefits received by the taxpayer and that are included
31 in federal adjusted gross income under Section 86 of the Internal Revenue Code of 1986, as
32 amended. For all taxable years beginning on or after January 1, 2012, any taxpayer shall be
33 allowed to subtract from the taxpayer's Missouri adjusted gross income to determine Missouri
34 taxable income a maximum of an amount equal to one hundred percent of the amount of any
35 benefits received by the taxpayer and that are included in federal adjusted gross income under
36 Section 86 of the Internal Revenue Code of 1986, as amended. **For all tax years ending on**
37 **or before December 31, 2023,** a taxpayer shall be entitled to the maximum exemption
38 provided by this subsection:

39 (1) If the taxpayer's filing status is married filing combined, and their combined
40 Missouri adjusted gross income is equal to or less than one hundred thousand dollars; or

41 (2) If the taxpayer's filing status is single, head of household, qualifying widow(er),
42 or married filing separately, and the taxpayer's Missouri adjusted gross income is equal to or
43 less than eighty-five thousand dollars.

44

45 **For all tax years beginning on or after January 1, 2024, a taxpayer shall be entitled to**
46 **the maximum exemption provided by this subsection regardless of the taxpayer's filing**
47 **status or the amount of the taxpayer's Missouri adjusted gross income.**

48 3. **For all tax years ending on or before December 31, 2023**, if a taxpayer's
49 adjusted gross income exceeds the adjusted gross income ceiling for such taxpayer's filing
50 status, as provided in subdivisions (1) and (2) of subsection 2 of this section, such taxpayer
51 shall be entitled to an exemption equal to the greater of zero or the maximum exemption
52 provided in subsection 2 of this section reduced by one dollar for every dollar such taxpayer's
53 income exceeds the ceiling for his or her filing status.

54 4. The director of the department of revenue may promulgate rules to implement the
55 provisions of this section. Any rule or portion of a rule, as that term is defined in section
56 536.010, that is created under the authority delegated in this section shall become effective
57 only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable,
58 section 536.028. This section and chapter 536 are nonseverable and if any of the powers
59 vested with the general assembly pursuant to chapter 536 to review, to delay the effective
60 date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant
61 of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be
62 invalid and void.

143.161. 1. For all taxable years beginning after December 31, 1997, a resident may
2 deduct one thousand two hundred dollars for each dependent for whom such resident is
3 entitled to a dependency exemption deduction for federal income tax purposes, provided that
4 the exemption amount as defined under 26 U.S.C. Section 151 is not zero. In the case of a
5 dependent who has attained sixty-five years of age on or before the last day of the taxable
6 year, if such dependent resides in the taxpayer's home or the dependent's own home or if such
7 dependent does not receive Medicaid or state funding while residing in a facility licensed
8 pursuant to chapter 198, the taxpayer may deduct an additional one thousand dollars.

9 2. For all taxable years beginning on or after January 1, 1999, a resident who qualifies
10 as an unmarried head of household or as a surviving spouse for federal income tax purposes
11 may deduct an additional one thousand four hundred dollars.

12 3. For all taxable years beginning on or after January 1, 2015, for each birth for which
13 a certificate of birth resulting in stillbirth has been issued under section 193.165, a taxpayer

14 may claim the exemption under subsection 1 of this section only in the taxable year in which
15 the stillbirth occurred, if the child otherwise would have been a member of the taxpayer's
16 household.

17 **4. (1) In addition to the exemptions provided for pursuant to subsections 1 to 3**
18 **of this section, for all tax years beginning on or after January 1, 2024, a taxpayer may**
19 **deduct two thousand four hundred dollars for each child to which a taxpayer gives birth**
20 **during the tax year and for which the taxpayer is entitled to a dependency exemption for**
21 **federal income tax purposes, regardless of whether the exemption amount as defined**
22 **under 26 U.S.C. Section 151 is zero.**

23 **(2) A deduction authorized pursuant to this subsection shall only be made**
24 **during the tax year in which the taxpayer gives birth to a child for which the taxpayer is**
25 **entitled to the deduction provided in subdivision (1) of this subsection and shall only be**
26 **made for the child to which the taxpayer gives birth during the tax year.**

27 **(3) A taxpayer shall not be eligible to claim a deduction pursuant to this**
28 **subsection and subsection 1 or 3 of this section for the same child.**

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