

FIRST REGULAR SESSION

HOUSE JOINT RESOLUTION NO. 35

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE MAYHEW.

0910H.011

DANA RADEMAN MILLER, Chief Clerk

JOINT RESOLUTION

Submitting to the qualified voters of Missouri an amendment repealing Sections 17, 18, and 18(e) of Article X of the Constitution of Missouri, and adopting three new sections in lieu thereof relating to taxation.

Be it resolved by the House of Representatives, the Senate concurring therein:

That at the next general election to be held in the state of Missouri, on Tuesday next following the first Monday in November, 2024, or at a special election to be called by the governor for that purpose, there is hereby submitted to the qualified voters of this state, for adoption or rejection, the following amendment to Article X of the Constitution of the state of Missouri:

Section A. Sections 17, 18, and 18(e), Article X, Constitution of Missouri, are repealed and three new sections adopted in lieu thereof, to be known as Sections 17, 18, and 18(e), to read as follows:

Section 17. As used in sections 16 through 24 of Article X:

(1) "Total state revenues" includes all general and special revenues, license and fees, excluding federal funds, as defined in the budget message of the governor for fiscal year ~~[1980-1981]~~ **2022-2023**. Total state revenues shall exclude the amount of any **tax** credits ~~[based on actual tax liabilities or the imputed tax components of rental payments, but shall include the amount of any credits not related to actual tax liabilities].~~

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.

7 (2) "Personal income of Missouri" is the total income received by persons in Missouri
8 from all sources, as defined and officially reported by the United States Department of
9 Commerce or its successor agency.

10 (3) "General price level" means the Consumer Price Index for All Urban Consumers
11 for the United States, or its successor publications, as defined and officially reported by the
12 United States Department of Labor, or its successor agency.

Section 18. (a) There is hereby established a limit on the total amount of taxes which
2 may be imposed by the general assembly in any fiscal year on the taxpayers of this state.
3 Effective with fiscal year [~~1981-1982~~] **2023-2024**, and for each fiscal year thereafter, the
4 general assembly shall not impose taxes of any kind which, together with all other revenues
5 of the state, federal funds excluded, exceed the revenue limit established in this section. The
6 revenue limit shall be calculated for each fiscal year and shall be equal to the product of the
7 ratio of total state revenues in fiscal year [~~1980-1981~~] **2022-2023** divided by the personal
8 income of Missouri in calendar year [~~1979~~] **2021** multiplied by the personal income of
9 Missouri in either the calendar year prior to the calendar year in which appropriations for the
10 fiscal year for which the calculation is being made, or the average of personal income of
11 Missouri in the previous three calendar years, whichever is greater.

12 (b) For any fiscal year in the event that total state revenues exceed the revenue limit
13 established in this section by one percent or more, the excess revenues shall be refunded pro
14 rata based on the liability reported on the Missouri state income tax (or its successor tax or
15 taxes) annual returns filed following the close of such fiscal year. If the excess is less than
16 one percent, this excess shall be transferred to the general revenue fund.

17 (c) The revenue limitation established in this section shall not apply to taxes imposed
18 for the payment of principal and interest on bonds, approved by the voters and authorized
19 under the provisions of this constitution.

20 (d) If responsibility for funding a program or programs is transferred from one level
21 of government to another, as a consequence of constitutional amendment, the state revenue
22 and spending limits may be adjusted to accommodate such change, provided that the total
23 revenue authorized for collection by both state and local governments does not exceed that
24 amount which would have been authorized without such change.

Section 18(e). 1. In addition to the revenue limit imposed by section 18 of this article,
2 the general assembly in any fiscal year shall [~~not increase~~] **implement no new** taxes [~~or~~],
3 fees, or tax changes without voter approval that [~~in total produce new annual~~] **increase net**
4 **total state** revenues [~~greater~~] **by more** than either fifty million dollars adjusted annually by
5 the percentage change in the personal income of Missouri for the second previous fiscal year,
6 or one percent of total state revenues for the second fiscal year prior to the general assembly's
7 action, whichever is less. In the event that an individual or series of tax or fee increases

8 exceed the ceiling established in this subsection, the taxes or fees shall be submitted by the
9 general assembly to a public vote starting with the largest increase in the given year, and
10 including all increases in descending order, until the aggregate of the remaining increases and
11 decreases is less than the ceiling provided in this subsection.

12 2. ~~[The term "new annual revenues" means the net increase in annual revenues~~
13 ~~produced by the total of all tax or fee increases enacted by the general assembly in a fiscal~~
14 ~~year, less applicable refunds and less all contemporaneously occurring tax or fee reductions in~~
15 ~~that same fiscal year, and shall not include interest earnings on the proceeds of the tax or fee~~
16 ~~increase.]~~ For purposes of this calculation, "enacted by the general assembly" shall include
17 any and all bills that are truly agreed to and finally passed within that fiscal year, except bills
18 vetoed by the governor and not overridden by the general assembly. Each individual tax or
19 fee increase shall be measured by the ~~[estimated new annual]~~ **net increase in total state**
20 **revenues collected during the first fiscal year that it is fully effective. If any tax or fee**
21 **increase is implemented over multiple fiscal years, the estimated net increase in total**
22 **state revenues collected once fully implemented shall be used in this calculation**
23 **following the first year the increase is fully effective.** The term "increase taxes or fees"
24 means any law or laws passed by the general assembly after the effective date of this section
25 that increase the rate of an existing tax or fee, impose a new tax or fee, or broaden the scope
26 of a tax or fee to include additional class of property, activity, or income, but shall not include
27 the extension of an existing tax or fee which was set to expire.

28 3. In the event of an emergency, the general assembly may increase taxes, licenses or
29 fees for one year beyond the limit in this subsection under the same procedure specified in
30 section 19 of this article.

31 4. Compliance with the limit in this section shall be measured by calculating the
32 aggregate actual new annual revenues produced in the first fiscal year that each individual tax
33 or fee change is fully effective.

34 5. Any taxpayer or statewide elected official may bring an action under the provisions
35 of section 23 of this article to enforce compliance with the provisions of this section. The
36 Missouri supreme court shall have original jurisdiction to hear any challenge brought by any
37 statewide elected official to enforce this section. In such enforcement actions, the court shall
38 invalidate the taxes and fees which should have received a public vote as defined in
39 subsection 1 of this section. The court shall order remedies of the amount of revenue
40 collected in excess of the limit in this subsection as the court finds appropriate in order to
41 allow such excess amounts to be refunded or to reduce taxes and/or fees in the future to offset
42 the excess monies collected.