

FIRST REGULAR SESSION

HOUSE BILL NO. 1131

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE O'DONNELL.

1825H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal section 143.071, RSMo, and to enact in lieu thereof one new section relating to corporate income tax.

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

Section A. Section 143.071, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 143.071, to read as follows:

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

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

3. For all tax years beginning on or after January 1, 2020, a tax is hereby imposed upon the Missouri taxable income of corporations in an amount equal to four percent of Missouri taxable income.

4. **(1) Beginning with the 2024 calendar year, the rate of tax under subsection 3 of this section may be reduced over a period of years. Each reduction in the rate of tax shall be by one percent and no more than one reduction shall occur in a calendar year. No more than four reductions shall be made under this subsection. A reduction in the rate of tax shall take effect on January first of a calendar year and such reduced rate shall continue in effect until the next reduction occurs.**

(2) A reduction in the rate of tax shall occur only if the amount of net general revenue collected, as defined under section 143.011, in the previous fiscal year exceeds

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.

18 **the highest amount of net general revenue collected in any of the three fiscal years prior**
19 **to such fiscal year by at least one hundred seventy-five million dollars.**

20 **(3) Any modification of tax rates under this subsection shall only apply to tax**
21 **years that begin on or after a modification takes effect.**

22 **(4) The department of revenue shall, by rule, adjust the tax rate under**
23 **subsection 3 of this section to effectuate the provisions of this subsection.**

24 **5.** The provisions of this section shall not apply to out-of-state businesses operating
25 under sections 190.270 to 190.285.

26 **6. (1) Upon the full reduction and elimination of the rate of tax under subsection**
27 **4 of this section, no corporate income tax credits shall be claimed in any future tax years**
28 **where there is no tax imposed upon the Missouri taxable income of corporations.**
29 **Nothing in this subsection shall prevent a corporate taxpayer from claiming a tax credit**
30 **properly claimed and issued before the elimination of the rate of tax under this section**
31 **in a tax year after such elimination.**

32 **(2) Notwithstanding the provisions of section 148.720, the reduction of the tax**
33 **rate and eventual elimination of the Missouri corporate income tax under this section**
34 **shall not apply to, or in any way cause a reduction or elimination of, any tax imposed**
35 **within chapter 148.**

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