

House _____ Amendment NO. _____

Offered By

1 AMEND Senate Substitute for Senate Committee Substitute for Senate Bill No. 735, Page 13,
2 Section 143.121, Line 369, by inserting after all of said section and line the following:

3
4 "143.124. 1. Other provisions of law to the contrary notwithstanding, for tax years ending
5 on or before December 31, 2006, the total amount of all annuities, pensions, or retirement
6 allowances above the amount of six thousand dollars annually provided by any law of this state, the
7 United States, or any other state to any person except as provided in subsection 4 of this section,
8 shall be subject to tax pursuant to the provisions of this chapter, in the same manner, to the same
9 extent and under the same conditions as any other taxable income received by the person receiving
10 it. For purposes of this section, "annuity, pension, retirement benefit, or retirement allowance" shall
11 be defined as an annuity, pension or retirement allowance provided by the United States, this state,
12 any other state or any political subdivision or agency or institution of this or any other state. For all
13 tax years beginning on or after January 1, 1998, for purposes of this section, annuity, pension or
14 retirement allowance shall be defined to include 401(k) plans, deferred compensation plans, self-
15 employed retirement plans, also known as Keogh plans, annuities from a defined pension plan and
16 individual retirement arrangements, also known as IRAs, as described in the Internal Revenue Code,
17 but not including Roth IRAs, as well as an annuity, pension or retirement allowance provided by the
18 United States, this state, any other state or any political subdivision or agency or institution of this or
19 any other state. An individual taxpayer shall only be allowed a maximum deduction equal to the
20 amounts provided under this section for each taxpayer on the combined return.

21 2. For the period beginning July 1, 1989, and ending December 31, 1989, there shall be
22 subtracted from Missouri adjusted gross income for that period, determined pursuant to section
23 143.121, the first three thousand dollars of retirement benefits received by each taxpayer:

24 (1) If the taxpayer's filing status is single, head of household or qualifying widow(er) and
25 the taxpayer's Missouri adjusted gross income is less than twelve thousand five hundred dollars; or

26 (2) If the taxpayer's filing status is married filing combined and their combined Missouri
27 adjusted gross income is less than sixteen thousand dollars; or

28 (3) If the taxpayer's filing status is married filing separately and the taxpayer's Missouri
29 adjusted gross income is less than eight thousand dollars.

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1 3. For the tax years beginning on or after January 1, 1990, but ending on or before
2 December 31, 2006, there shall be subtracted from Missouri adjusted gross income, determined
3 pursuant to section 143.121, a maximum of the first six thousand dollars of retirement benefits
4 received by each taxpayer from sources other than privately funded sources, and for tax years
5 beginning on or after January 1, 1998, there shall be subtracted from Missouri adjusted gross
6 income, determined pursuant to section 143.121, a maximum of the first one thousand dollars of any
7 retirement allowance received from any privately funded source for tax years beginning on or after
8 January 1, 1998, but before January 1, 1999, and a maximum of the first three thousand dollars of
9 any retirement allowance received from any privately funded source for tax years beginning on or
10 after January 1, 1999, but before January 1, 2000, and a maximum of the first four thousand dollars
11 of any retirement allowance received from any privately funded source for tax years beginning on or
12 after January 1, 2000, but before January 1, 2001, and a maximum of the first five thousand dollars
13 of any retirement allowance received from any privately funded source for tax years beginning on or
14 after January 1, 2001, but before January 1, 2002, and a maximum of the first six thousand dollars of
15 any retirement allowance received from any privately funded sources for tax years beginning on or
16 after January 1, 2002, but before January 1, 2025, and a maximum of the first twelve thousand
17 dollars of any retirement allowance received from any privately funded sources for tax years
18 beginning on or after January 1, 2025. A taxpayer shall be entitled to the maximum exemption
19 provided by this subsection:

20 (1) If the taxpayer's filing status is single, head of household or qualifying widow(er) and
21 the taxpayer's Missouri adjusted gross income is less than ~~[twenty-five]~~ fifty thousand dollars; or

22 (2) If the taxpayer's filing status is married filing combined and their combined Missouri
23 adjusted gross income is less than ~~[thirty-two]~~ sixty-four thousand dollars; or

24 (3) If the taxpayer's filing status is married filing separately and the taxpayer's Missouri
25 adjusted gross income is less than ~~[sixteen]~~ thirty-two thousand six hundred dollars.

26 4. If a taxpayer's adjusted gross income exceeds the adjusted gross income ceiling for such
27 taxpayer's filing status, as provided in subdivisions (1), (2) and (3) of subsection 3 of this section,
28 such taxpayer shall be entitled to an exemption equal to the greater of zero or the maximum
29 exemption provided in subsection 3 of this section reduced by one dollar for every dollar such
30 taxpayer's income exceeds the ceiling for his or her filing status.

31 5. For purposes of this subsection, the term "maximum Social Security benefit available"
32 shall mean thirty-two thousand five hundred dollars for the tax year beginning on or after January 1,
33 2007, and for each subsequent tax year such amount shall be increased by the percentage increase in
34 the Consumer Price Index for All Urban Consumers, or its successor index, as such index is defined
35 and officially reported by the United States Department of Labor, or its successor agency. For the
36 tax year beginning on or after January 1, 2007, but ending on or before December 31, 2007, there
37 shall be subtracted from Missouri adjusted gross income, determined pursuant to section 143.121, a
38 maximum of an amount equal to the greater of: six thousand dollars in retirement benefits received
39 from sources other than privately funded sources, to the extent such benefits are included in the

1 taxpayer's federal adjusted gross income; or twenty percent of the retirement benefits received from
2 sources other than privately funded sources in the tax year, but not to exceed the maximum Social
3 Security benefit available for such tax year. For the tax year beginning on or after January 1, 2008,
4 but ending on or before December 31, 2008, there shall be subtracted from Missouri adjusted gross
5 income, determined pursuant to section 143.121, a maximum of an amount equal to the greater of:
6 six thousand dollars in retirement benefits received from sources other than privately funded
7 sources, to the extent such benefits are included in the taxpayer's federal adjusted gross income; or
8 thirty-five percent of the retirement benefits received from sources other than privately funded
9 sources in the tax year, but not to exceed the maximum Social Security benefit available for such tax
10 year. For the tax year beginning on or after January 1, 2009, but ending on or before December 31,
11 2009, there shall be subtracted from Missouri adjusted gross income, determined pursuant to section
12 143.121, a maximum of an amount equal to the greater of: six thousand dollars in retirement
13 benefits received from sources other than privately funded sources, to the extent such benefits are
14 included in the taxpayer's federal adjusted gross income; or fifty percent of the retirement benefits
15 received from sources other than privately funded sources in the tax year, but not to exceed the
16 maximum Social Security benefit available for such tax year. For the tax year beginning on or after
17 January 1, 2010, but ending on or before December 31, 2010, there shall be subtracted from
18 Missouri adjusted gross income, determined pursuant to section 143.121, a maximum of an amount
19 equal to the greater of: six thousand dollars in retirement benefits received from sources other than
20 privately funded sources, to the extent such benefits are included in the taxpayer's federal adjusted
21 gross income; or sixty-five percent of the retirement benefits received from sources other than
22 privately funded sources in the tax year, but not to exceed the maximum Social Security benefit
23 available for such tax year. For the tax year beginning on or after January 1, 2011, but ending on or
24 before December 31, 2011, there shall be subtracted from Missouri adjusted gross income,
25 determined pursuant to section 143.121, a maximum of an amount equal to the greater of: six
26 thousand dollars in retirement benefits received from sources other than privately funded sources, to
27 the extent such benefits are included in the taxpayer's federal adjusted gross income; or eighty
28 percent of the retirement benefits received from sources other than privately funded sources in the
29 tax year, but not to exceed the maximum Social Security benefit available for such tax year. For all
30 tax years beginning on or after January 1, 2012, there shall be subtracted from Missouri adjusted
31 gross income, determined pursuant to section 143.121, a maximum of an amount equal to one
32 hundred percent of the retirement benefits received from sources other than privately funded sources
33 in the tax year, but not to exceed the maximum Social Security benefit available for such tax year.
34 For all tax years beginning on or before December 31, 2023, a taxpayer shall be entitled to the
35 maximum exemption provided by this subsection:

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

1 (2) If the taxpayer's filing status is single, head of household, qualifying widow(er), or
2 married filing separately, and the taxpayer's Missouri adjusted gross income is equal to or less than
3 eighty-five thousand dollars.
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5 For all tax years beginning on or after January 1, 2024, a taxpayer shall be entitled to the maximum
6 exemption provided by this subsection regardless of the taxpayer's filing status or the amount of the
7 taxpayer's Missouri adjusted gross income.

8 6. For all tax years beginning on or before December 31, 2023, if a taxpayer's adjusted gross
9 income exceeds the adjusted gross income ceiling for such taxpayer's filing status, as provided in
10 subdivisions (1) and (2) of subsection 5 of this section, such taxpayer shall be entitled to an
11 exemption, less any applicable reduction provided under subsection 7 of this section, equal to the
12 greater of zero or the maximum exemption provided in subsection 5 of this section reduced by one
13 dollar for every dollar such taxpayer's income exceeds the ceiling for his or her filing status.

14 7. For purposes of calculating the subtraction provided in subsection 5 of this section, such
15 subtraction shall be decreased by an amount equal to any Social Security benefit exemption
16 provided under section 143.125.

17 8. For purposes of this section, any Social Security benefits otherwise included in Missouri
18 adjusted gross income shall be subtracted; but Social Security benefits shall not be subtracted for
19 purposes of other computations pursuant to this chapter, and are not to be considered as retirement
20 benefits for purposes of this section.

21 9. The provisions of subdivisions (1) and (2) of subsection 3 of this section shall apply
22 during all tax years in which the federal Internal Revenue Code provides exemption levels for
23 calculation of the taxability of Social Security benefits that are the same as the levels in subdivisions
24 (1) and (2) of subsection 3 of this section. If the exemption levels for the calculation of the
25 taxability of Social Security benefits are adjusted by applicable federal law or regulation, the
26 exemption levels in subdivisions (1) and (2) of subsection 3 of this section shall be accordingly
27 adjusted to the same exemption levels.

28 10. The portion of a taxpayer's lump sum distribution from an annuity or other retirement
29 plan not otherwise included in Missouri adjusted gross income as calculated pursuant to this chapter
30 but subject to taxation under Internal Revenue Code Section 402 shall be taxed in an amount equal
31 to ten percent of the taxpayer's federal liability on such distribution for the same tax year.

32 11. For purposes of this section, retirement benefits received shall not include any
33 withdrawals from qualified retirement plans which are subsequently rolled over into another
34 retirement plan.

35 12. The exemptions provided for in this section shall not affect the calculation of the income
36 to be used to determine the property tax credit provided in sections 135.010 to 135.035.

37 13. The exemptions provided for in this section shall apply to any annuity, pension, or
38 retirement allowance as defined in subsection 1 of this section to the extent that such amounts are
39 included in the taxpayer's federal adjusted gross income and not otherwise deducted from the

1 taxpayer's federal adjusted gross income in the calculation of Missouri taxable income. This
2 subsection shall not apply to any individual who qualifies under federal guidelines to be one
3 hundred percent disabled."; and
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5 Further amend said bill by amending the title, enacting clause, and intersectional references
6 accordingly.