

House _____ Amendment NO. _____

Offered By

1 AMEND House Bill No. 2274, Page 1, Section A, Line 2, by inserting after all of said section and
 2 line the following:

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"143.011. 1. For all tax years ending on or before December 31, 2025, a tax is hereby imposed for every taxable year on the Missouri taxable income of every resident. The tax shall be determined by applying the tax table or the rate provided in section 143.021, which is based upon the following rates:

If the Missouri taxable income is:	The tax is:
Not over \$1,000.00	1 1/2% of the Missouri taxable income
Over \$1,000 but not over \$2,000	\$15 plus 2% of excess over \$1,000
Over \$2,000 but not over \$3,000	\$35 plus 2 1/2% of excess over \$2,000
Over \$3,000 but not over \$4,000	\$60 plus 3% of excess over \$3,000
Over \$4,000 but not over \$5,000	\$90 plus 3 1/2% of excess over \$4,000
Over \$5,000 but not over \$6,000	\$125 plus 4% of excess over \$5,000
Over \$6,000 but not over \$7,000	\$165 plus 4 1/2% of excess over \$6,000
Over \$7,000 but not over \$8,000	\$210 plus 5% of excess over \$7,000
Over \$8,000 but not over \$9,000	\$260 plus 5 1/2% of excess over \$8,000
Over \$9,000	\$315 plus 6% of excess over \$9,000

Action Taken _____ Date _____

1 2. (1) Notwithstanding the provisions of subsection 1 of this section to the contrary,
2 beginning with the 2023 calendar year, but ending on December 31, 2024, the top rate of tax
3 pursuant to subsection 1 of this section shall be four and ninety-five hundredths percent.

4 (2) The modification of tax rates made pursuant to this subsection shall apply only to tax
5 years that begin on or after January 1, 2023.

6 (3) The director of the department of revenue shall, by rule, adjust the tax table provided in
7 subsection 1 of this section to effectuate the provisions of this subsection. The top remaining rate of
8 tax shall apply to all income in excess of seven thousand dollars, as adjusted pursuant to subsection
9 5 of this section.

10 3. (1) In addition to the rate reduction under subsection 2 of this section, beginning with the
11 2024 calendar year, but ending on December 31, 2024, the top rate of tax under subsection 1 of this
12 section may be reduced by fifteen hundredths of a percent. A reduction in the rate of tax shall take
13 effect on January first of a calendar year and such reduced rates shall continue in effect until the
14 next reduction occurs.

15 (2) A reduction in the rate of tax shall only occur if the amount of net general revenue
16 collected in the previous fiscal year exceeds the highest amount of net general revenue collected in
17 any of the three fiscal years prior to such fiscal year by at least one hundred seventy-five million
18 dollars.

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

21 (4) The director of the department of revenue shall, by rule, adjust the tax tables under
22 subsection 1 of this section to effectuate the provisions of this subsection.

23 4. ~~[(1) In addition to the rate reductions under subsections 2 and 3 of this section, beginning~~
24 ~~with the calendar year immediately following the calendar year in which a reduction is made~~
25 ~~pursuant to subsection 3 of this section, the top rate of tax under subsection 1 of this section may be~~
26 ~~further reduced over a period of years. Each reduction in the top rate of tax shall be by one-tenth of~~
27 ~~a percent and no more than one reduction shall occur in a calendar year. No more than three~~
28 ~~reductions shall be made under this subsection. Reductions in the rate of tax shall take effect on~~
29 ~~January first of a calendar year and such reduced rates shall continue in effect until the next~~
30 ~~reduction occurs.~~

31 ~~(2) (a) A reduction in the rate of tax shall only occur if:~~

32 ~~a. The amount of net general revenue collected in the previous fiscal year exceeds the~~
33 ~~highest amount of net general revenue collected in any of the three fiscal years prior to such fiscal~~
34 ~~year by at least two hundred million dollars; and~~

35 ~~b. The amount of net general revenue collected in the previous fiscal year exceeds the~~
36 ~~amount of net general revenue collected in the fiscal year five years prior, adjusted annually by the~~
37 ~~percentage increase in inflation over the preceding five fiscal years.~~

~~(b) The amount of net general revenue collected required by subparagraph a. of paragraph (a) of this subdivision in order to make a reduction pursuant to this subsection shall be adjusted annually by the percent increase in inflation beginning with January 2, 2023.~~

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

~~(4) The director of the department of revenue shall, by rule, adjust the tax tables under subsection 1 of this section to effectuate the provisions of this subsection. The bracket for income subject to the top rate of tax shall be eliminated once the top rate of tax has been reduced below the rate applicable to such bracket, and the top remaining rate of tax shall apply to all income in excess of the income in the second highest remaining income bracket.]~~ Beginning January 1, 2025, a tax is hereby imposed for every tax year on the Missouri taxable income of every resident. The tax shall be determined by applying the tax table or the rate provided in section 143.021, which is based upon the following rates:

<u>If the Missouri taxable income is:</u>	<u>The tax is:</u>
<u>Not over \$2,500.00</u>	<u>\$0</u>
<u>Over \$2,500 but not over \$5,000</u>	<u>2 1/2% of excess over \$2,500</u>
<u>Over \$5,000 but not over \$7,500</u>	<u>\$62.50 plus 3 1/2% of excess over \$5,000</u>
<u>Over \$7,500 but not over \$10,000</u>	<u>\$150 plus 4 1/2% of excess over \$7,500</u>
<u>Over \$10,000 but not over \$500,000</u>	<u>\$262.50 plus 4 3/4% of excess over \$10,000</u>
<u>Over \$500,000</u>	<u>\$23,275 plus 5 1/2% of excess over \$500,000</u>

5. (1) Beginning with the 2017 calendar year, the brackets of Missouri taxable income identified in subsection 1 of this section for all tax years ending on or before December 31, 2024, or subsection 4 of this section for all tax years beginning on or after January 1, 2025, shall be adjusted annually by the percent increase in inflation. The director shall publish such brackets annually beginning on or after October 1, 2016. Modifications to the brackets shall take effect on January first of each calendar year and shall apply to tax years beginning on or after the effective date of the new brackets.

(2) Beginning with the 2026 calendar year, the brackets of Missouri taxable income identified in subsection 4 of this section shall be adjusted annually by the percent increase in inflation. The director shall publish such brackets annually beginning on or after October 1, 2025. Modifications to the brackets shall take effect on January first of each calendar year and shall apply to tax years beginning on or after the effective date of the new brackets. For the purposes of this subdivision, the "percent increase in inflation" means the percentage, if any, by which the CPI for

1 the preceding calendar year exceeds the CPI for the year beginning September 1, 2023, and ending
2 August 31, 2024.

3 6. As used in this section, the following terms mean:

4 (1) "CPI", the Consumer Price Index for All Urban Consumers for the United States as
5 reported by the Bureau of Labor Statistics, or its successor index;

6 (2) "CPI for the preceding calendar year", the average of the CPI as of the close of the
7 twelve-month period ending on August thirty-first of such calendar year;

8 (3) "Net general revenue collected", all revenue deposited into the general revenue fund,
9 less refunds and revenues originally deposited into the general revenue fund but designated by law
10 for a specific distribution or transfer to another state fund;

11 (4) "Percent increase in inflation", the percentage, if any, by which the CPI for the preceding
12 calendar year exceeds the CPI for the year beginning September 1, 2014, and ending August 31,
13 2015.

14 143.021. 1. Every resident having a taxable income shall determine his or her tax from the
15 rates provided in section 143.011. For all tax years beginning on or before December 31, 2022,
16 there shall be no tax on a taxable income of less than one hundred dollars.

17 2. (1) Notwithstanding the provisions of subsection 1 of section 143.011 to the contrary, for
18 all tax years beginning on or after January 1, 2023, but on or before December 31, 2024, there shall
19 be no tax on taxable income of less than or equal to one thousand dollars, as adjusted pursuant to
20 subsection 5 of section 143.011.

21 (2) The modifications made pursuant to this subsection shall only apply to tax years that
22 begin on or after January 1, 2023.

23 (3) The director of the department of revenue shall, by rule, adjust the tax table provided in
24 subsection 1 of section 143.011 to effectuate the provisions of this subsection.

25 3. (1) Notwithstanding the provisions of section 143.011 to the contrary, for all tax years
26 beginning on or after January 1, 2025, there shall be no tax on taxable income of less than or equal
27 to two thousand five hundred dollars, as adjusted under subdivision (2) of subsection 5 of section
28 143.011.

29 (2) The modifications made under this subsection shall apply only to tax years that begin on
30 or after January 1, 2025.

31 (3) The director of the department of revenue shall, by rule, adjust the tax table provided
32 under subsection 4 of section 143.011 to effectuate the provisions of this subsection."; and

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