

SECOND REGULAR SESSION

# HOUSE BILL NO. 1713

102ND GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE SCHNELTING.

2950H.011

DANA RADEMAN MILLER, Chief Clerk

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## AN ACT

To repeal sections 143.174 and 143.175, RSMo, and to enact in lieu thereof two new sections relating to a tax deduction for members of the armed forces.

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

Section A. Sections 143.174 and 143.175, RSMo, are repealed and two new sections  
2 enacted in lieu thereof, to be known as sections 143.174 and 143.175, to read as follows:

143.174. For all tax years beginning on or after January 1, 2016, for purposes of  
2 calculating the Missouri taxable income as required under section 143.011, one hundred  
3 percent of the income received by any person as salary or compensation in any form as a  
4 member of the active duty component of the Armed Forces of the United States, and to the  
5 extent that such income is included in the federal adjusted gross income, may be deducted  
6 from the taxpayer's Missouri adjusted gross income to determine such taxpayer's Missouri  
7 taxable income. If such person files a combined return with a spouse, any military income  
8 received while engaging in the performance of active duty may be deducted from their  
9 Missouri combined adjusted gross income. **For the purposes of this section, "salary or  
10 compensation" shall include any signing bonus.**

143.175. 1. For all tax years beginning on or after January 1, 2020, for purposes of  
2 calculating the Missouri taxable income as required under section 143.011, a percentage of  
3 the income received by any person as salary or compensation:

4 (1) In performance of inactive duty for training (IDT) of the National Guard or annual  
5 training status (AT) of the National Guard; ~~[or]~~

6 (2) In reserve components of the Armed Forces of the United States; **or**

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           **(3) For all tax years beginning on or after January 1, 2025, in the form of a**  
8 **bonus from the National Guard or a reserve component of the United States Armed**  
9 **Forces for joining, reenlisting, or for any other reason;**

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11 and to the extent that such income is included in the federal adjusted gross income, may be  
12 deducted from the taxpayer's Missouri adjusted gross income to determine such taxpayer's  
13 Missouri taxable income. If such person files a combined return with a spouse, a percentage  
14 of any military income received while engaging in the performance of National Guard or  
15 reserve military duty may be deducted from their Missouri combined adjusted gross income.  
16 Such military income shall be deducted as follows:

17           (a) For the tax year beginning on or after January 1, 2020, twenty percent of such  
18 military income;

19           (b) For the tax year beginning on or after January 1, 2021, forty percent of such  
20 military income;

21           (c) For the tax year beginning on or after January 1, 2022, sixty percent of such  
22 income;

23           (d) For the tax year beginning on or after January 1, 2023, eighty percent of such  
24 income;

25           (e) For all tax years beginning on January 1, 2024, and thereafter, one hundred  
26 percent of such income.

27           2. Notwithstanding the provisions of this section or any other provision of law to the  
28 contrary, the deduction authorized by this section shall not apply to compensation received  
29 while engaging in civilian federal service, including civil service positions requiring the  
30 wearing of military uniform and military affiliation.

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