

SECOND REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NOS. 2464 & 2460**  
102ND GENERAL ASSEMBLY

4812H.05C

DANA RADEMAN MILLER, Chief Clerk

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**AN ACT**

To repeal section 92.130, RSMo, and to enact in lieu thereof one new section relating to income exempt from earnings tax.

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

Section A. Section 92.130, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 92.130, to read as follows:

- 92.130. 1. The income received by any
- (1) Labor, agricultural or horticultural organizations;
  - (2) Mutual savings bank not having a capital stock represented by shares;
  - (3) Fraternal-beneficiary society, order or association, operating under the lodge system or for the exclusive benefit of the members of a fraternity itself operating under the lodge system, and providing for the payment of life, sick, accident or other benefits to the members of such society, order, or association or their dependents;
  - (4) Domestic building and loan associations and credit unions without capital stock organized and operated for mutual purposes and without profit;
  - (5) Cemetery company owned and operated exclusively for the benefit of its members, unless said cemetery is operated for profit;
  - (6) Corporation or association organized and operated exclusively for religious, charitable, scientific or educational purposes, no part of the net income of which inures to the benefit of any private stockholder or individual;
  - (7) Business league, chamber of commerce or board of trade not organized for profit and no part of the net income of which inures to the benefit of any private stockholder or individual;

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           (8) Civic league or organization not organized for profit but operated exclusively for  
19 the promotion of social welfare;

20           (9) Club organized and operated exclusively for pleasure, recreation and other  
21 non-profitable purposes, no part of the net income of which inures to the benefit of any private  
22 stockholder or member;

23           (10) Farmers or other mutual hail, cyclone or fire insurance company, mutual ditch or  
24 irrigation company, mutual or cooperative telephone company, or like organization, the  
25 income of which consists solely of assessments, dues and fees collected from members for the  
26 sole purpose of meeting its expenses;

27           (11) Farmers, fruit growers or like association, organized and operated as a sales  
28 agent for the purpose of marketing the products of its members and turning back to them the  
29 proceeds of sales, less the necessary selling expenses, on the basis of the quantity of produce  
30 furnished by them;

31           (12) Corporation or association organized for the exclusive purpose of holding title to  
32 property, collecting income therefrom, and turning over the entire amount thereof, less  
33 expenses, to an organization which itself is exempt from the tax imposed by chapter 143;

34           (13) Federal land banks and national farm loan associations, as provided in section 26  
35 of an act of congress approved July 17, 1916, entitled "An act to provide capital for  
36 agricultural development, to create standard forms of investment based upon farm mortgage,  
37 to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to  
38 create government depositaries and financial agents for the United States, and for other  
39 purposes";

40           (14) Joint stock land banks as to income derived from bonds or debentures or other  
41 joint stock land banks or any federal land bank belonging to such joint stock land bank;

42           (15) Express companies which now pay an annual tax on their gross receipts in this  
43 state and insurance companies which pay an annual tax on their gross premium receipts in this  
44 state;

45           (16) Trusts created by an employer and employees as part of a stock bonus, pension  
46 or profit-sharing plan, for the exclusive benefit of employees, to which contributions are  
47 made by such employer or employees, or both, for the purpose of distributing to such  
48 employees the earnings and principal of the fund accumulated by the trust in accordance with  
49 such plan, or a trust consisting solely of one or more restricted retirement funds created for  
50 one or more self-employed persons as part of a retirement plan for the exclusive benefit of  
51 such self-employed person or persons, to which contributions are made by such self-  
52 employed person or persons, for the purpose of distributing to such self-employed person or  
53 persons the earnings and principal of the fund accumulated by the trust in accordance with  
54 such plan and the amount actually distributed, or made available to any distributee; **or**

55           **(17) In any city not within a county, all citizens who are low-income taxpayers as**  
56 **to any income received as salaries, wages, commissions, and other compensation. The**  
57 **term "low-income taxpayer" shall mean any individual who has an income at or below**  
58 **thirty thousand five hundred dollars;** shall not be taxable under any tax ordinance enacted  
59 pursuant to the provisions of sections 92.110 to 92.200.

60           2. The following income shall be exempt, regardless of who receives it, from such  
61 tax:

62           (1) The proceeds of life insurance policies paid to the individual beneficiaries upon  
63 the death of the insured;

64           (2) The amount received by the insured as a return of premium or premiums paid by  
65 him under life insurance or endowment contracts, either during the term or at the maturity of  
66 the term mentioned in the contract or upon the surrender of the contract;

67           (3) Any amount received under workers' compensation acts, as compensation for  
68 personal injuries or sickness, plus the amount of any damages received whether by suit or  
69 agreement on account of such injuries or sickness, or through the war risk insurance act or  
70 any law for the benefit or relief of injured or disabled members of the military or naval forces  
71 of the United States;

72           (4) The value of property acquired by gift, bequest, devise or descent, but the income  
73 from such property shall be included as income;

74           (5) Interest upon the obligations of this state or of any political subdivision thereof, or  
75 upon the obligations of the United States or its possessions;

76           (6) Any income derived from any public utility performing functions of national  
77 government or those incident to the state or any political subdivision thereof, or from the  
78 exercise of any essential government function accruing to any state, territory or the District of  
79 Columbia; provided, that whenever any state, territory or the District of Columbia, or any  
80 political subdivision of a state or territory has, prior to the passage of chapter 143, entered in  
81 good faith into a contract with any person or corporation the object and purpose of which is to  
82 acquire, construct, operate or maintain a public utility, no tax shall be levied under the  
83 provisions of chapter 143 upon the income derived from the operation of such public utility,  
84 so far as the payment thereof will impose a loss or burden upon such state, territory or the  
85 District of Columbia, or a political subdivision of this state; but this provision is not intended  
86 to confer upon such person or corporation any financial gain or exemption or to relieve such  
87 person or corporation from the payment of a tax as provided for in chapter 143 upon the part  
88 or portion of said income to which such person or corporation shall be entitled under such  
89 contract.

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