

HB 2908 -- LOCAL EARNINGS TAXES

SPONSOR: Merideth

This bill allows the governing body of a county, by order of ordinance, to replace all taxes on real and personal property with an earnings tax. No order or ordinance will become effective until a majority of the qualified voters of the county authorize the governing body of the county to make the replacement (Section 50.1351, RSMo).

The bill specifies a list of entities, organizations, businesses, and types of income that will be exempt under the new county earnings tax (Section 50.1356).

This bill also allows a county to require employers to collect and remit any earnings tax owed to the county and may prescribe penalties for failure to perform such a duty. Employers will be entitled to deduct and retain 1.5% of the total amount collected to compensate the employer for collecting the earnings tax. To facilitate the collection of the county earnings tax, a county may, by order or ordinance, create wage brackets for taxpayers entitled to exemptions. A county can not require a taxpayer to supply copies of his or her State or Federal tax returns (Section 50.1361).