

FIRST REGULAR SESSION

# HOUSE JOINT RESOLUTION NO. 50

103RD GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE CHAPPELL.

1728H.011

JOSEPH ENGLER, Chief Clerk

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## JOINT RESOLUTION

Submitting to the qualified voters of Missouri an amendment repealing Section 4(d) of Article X of the Constitution of Missouri, and adopting one new section in lieu thereof relating to taxation.

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*Be it resolved by the House of Representatives, the Senate concurring therein:*

That at the next general election to be held in the state of Missouri, on Tuesday next  
2 following the first Monday in November, 2026, or at a special election to be called by the  
3 governor for that purpose, there is hereby submitted to the qualified voters of this state, for  
4 adoption or rejection, the following amendment to Article X of the Constitution of the state of  
5 Missouri:

Section A. Section 4(d), Article X, Constitution of Missouri, is repealed and one new  
2 section adopted in lieu thereof, to be known as Section 4(d), to read as follows:

Section 4(d). **1.** In enacting any law imposing a tax on or measured by income, the  
2 general assembly may define income by reference to provisions of the laws of the United  
3 States as they may be or become effective at any time or from time to time, whether  
4 retrospective or prospective in their operation. The general assembly shall in any such law set  
5 the rate or rates of such tax. The general assembly may in so defining income make  
6 exceptions, additions, or modifications to any provisions of the laws of the United States so  
7 referred to and for retrospective exceptions or modifications to those provisions which are  
8 retrospective.

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.

9           **2. (1) For all tax years beginning on or after January 1, 2028, no tax shall be**  
10 **imposed upon any income derived from any source within this state, and all revenues**  
11 **lost as a result of the prohibition on the taxation of income under this section shall be**  
12 **replaced by the levy and imposition of a tax upon all sales, use, or consumption of all**  
13 **new tangible personal property, rental property, or taxable services in this state, except**  
14 **for such property sold to the federal government or purchased to be a component part**  
15 **or ingredient of the new tangible personal property to be sold at retail.**

16           **(2) No tax shall be imposed under this subsection on any taxable property or**  
17 **service purchased for a business purpose in a trade or business, including agriculture,**  
18 **or purchased for an investment purpose and held exclusively for an investment purpose.**  
19 **For the purposes of this subdivision, the following terms mean:**

20           **(a) "Purchased for a business purpose in a trade or business", purchased by a**  
21 **person engaged in a trade or business and used in that trade or business for resale, to**  
22 **produce, provide, render, or sell taxable property or services, or in furtherance of other**  
23 **bona fide business purposes;**

24           **(b) "Purchased for an investment purpose", property purchased exclusively for**  
25 **purposes of appreciation or the production of income.**

26           **3. The rate of the tax levied and imposed under subdivision (1) of subsection 2 of**  
27 **this section shall be five and eleven-hundredths percent. The general assembly may**  
28 **enact one adjustment, subject to the limitation on total state revenues as provided under**  
29 **section 18 of this article, after the imposition of such tax if the revenue lost as a result of**  
30 **the prohibition on the taxation of income is greater than or less than the revenue**  
31 **received from the tax imposed in this section. Such adjustment shall be calculated to**  
32 **ensure that the amount of revenue received is substantially equal to the amount of**  
33 **revenue lost under this section. Local political subdivisions shall recalculate local tax**  
34 **rates, including local tax revenue to be deposited in the school district trust fund,**  
35 **affected by this section to produce the same or substantially similar revenue as collected**  
36 **in the immediately previous fiscal year. The general assembly may provide by law for**  
37 **determining the scope of taxable services and for otherwise implementing the provisions**  
38 **of this section. Exemptions from such tax may be provided by law upon an affirmative**  
39 **vote of at least two-thirds of the elected members of both chambers and approval by the**  
40 **governor.**

41           **4. Notwithstanding the provisions of Sections 43(a) and 47(a) of Article IV of this**  
42 **Constitution, the rates of tax levied and imposed under those sections shall undergo a**  
43 **one-time calculation, taking into account any adjustment in the tax base. This**  
44 **recalculation shall determine the new rates that will produce an amount of revenue for**  
45 **the fiscal year of recalculation substantially equal to the amount actually received in the**

46 year of recalculation under the prior rate described in sections 43(a) and 47(a) article IV  
47 of this constitution. These new tax rates shall be recalculated in this same manner if the  
48 rate of tax levied under this section be readjusted.

49 5. The taxes that are replaced under this section are as follows:

50 (1) Withholding taxes and individual and corporate income taxes;

51 (2) Corporation franchise and bank franchise taxes; and

52 (3) All existing state sales and use taxes.

53 6. (1) The department of revenue shall determine a method for providing an  
54 annual sales tax rebate for each duly registered qualified family of this state. The sales  
55 tax rebate shall be distributed at least annually to each qualified family. The amount of  
56 the sales tax rebate shall be determined annually and be equal to the product of the rate  
57 of sales tax established under this section and the appropriate annual poverty guidelines  
58 updated periodically in the Federal Register by the United States Department of Health  
59 and Human Services under the authority of 42 U.S.C. 9902(2), as amended.

60 (2) For the purposes of this subsection, the term "qualified family" shall mean  
61 one or more family members, including a spouse, child, stepchild, grandchild, parent,  
62 grandparent, brother, sister, or any such relations of the spouse of the family member,  
63 sharing a common residence.

64 7. The department of revenue shall promulgate rules as otherwise provided by  
65 law to implement the provisions of this section.

66 8. The revisor of statutes shall prepare and submit to the committee on  
67 legislative research a proposed bill repealing those provisions of law that are deemed  
68 unenforceable or unnecessary under the provisions of this section.

Section B. Pursuant to chapter 116, and other applicable constitutional provisions and  
2 laws of this state allowing the general assembly to adopt ballot language for the submission of  
3 this joint resolution to the voters of this state, the official summary statement of this  
4 resolution shall be as follows:

5 "Should the Missouri Constitution be amended to eliminate individual and corporate  
6 income tax and state sales and use tax, enact a single, revenue-neutral sales tax on new  
7 purchases of goods and services with an exemption for certain property, and provide qualified  
8 families a sales tax rebate on state sales tax paid?"

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