

HB 100 -- TAX REDUCTION

SPONSOR: Davidson

Beginning January 1, 2026, a flat rate of 4% personal income tax is imposed on the income of every Missouri resident.

Upon the adoption of a Constitutional amendment creating a Tax Reform Fund, beginning 2027, the flat rate of 4% may be reduced in the following manner:

(1) If the amount of net general revenue collected in the previous fiscal year exceeds anticipated revenue expenditures by at least \$1 million, and the minimum balance in the Tax Reform Fund is at least \$120 million at the close of the fiscal year, the amount of the reduction will be calculated as follows:

(a) For the first \$120 million in the Fund: 1/10 of 1%;

(b) For each additional \$60 million in the Fund: 1/20 of 1%.

All reductions to the 4% flat tax rate will take effect on January 1st of the immediately succeeding calendar year, and the reduction will continue in effect until the next reduction occurs. This bill also repeals all previous triggered rate reductions in statute related to personal income tax.

Beginning January 1, 2026, there will be no tax on income of less than or equal to \$1,000.

Beginning January 1, 2026, there will be no federal income tax deduction for any individual or corporate taxpayers.

This bill is similar to HB 2919 (2024) and HB 1252 (2023) .