

HB 798 -- INCOME TAX

SPONSOR: Warwick

Currently, the top rate of income tax may be reduced over a period of years if certain triggers are met.

Beginning January 1, 2026, a flat rate of 4.7% will be imposed on all taxable income of Missouri residents, or the top rate of tax in effect January 1, 2026, whichever is less. Modifications to the flat rate apply only to tax years that begin on or after a modification takes effect. This bill also removes all tax deduction triggers, and removes all existing taxable income brackets.

Currently, the Missouri combined taxable income on a combined return must include all of the income and deductions of the husband and wife, and Missouri taxable income of each spouse is an amount that is the same proportion of their Missouri combined taxable income as the Missouri adjusted gross income of that spouse bears to their Missouri combined adjusted gross income.

Beginning January 1, 2026, there will be one column for the calculation of total Missouri combined adjusted gross income on a Missouri income tax return.

Beginning January 1, 2026, this bill increases the Missouri standard deduction to the allowable federal standard deduction plus \$4000.

This bill also repeals the Missouri Working Family Tax Credit Act.