

SECOND REGULAR SESSION

HOUSE BILL NO. 1703

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE CHRISTENSEN.

4742H.011

JOSEPH ENGLER, Chief Clerk

AN ACT

To repeal section 143.175, RSMo, and to enact in lieu thereof one new section relating to an income tax deduction for certain military pay.

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

Section A. Section 143.175, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 143.175, to read as follows:

143.175. 1. For all tax years beginning on or after January 1, 2020, for purposes of calculating the Missouri taxable income as required under section 143.011, a percentage of the income received by any person as salary or compensation:

(1) In performance of inactive duty for training (IDT) of the National Guard or annual training status (AT) of the National Guard;

(2) In reserve components of the Armed Forces of the United States; ~~[or]~~

(3) For all tax years beginning on or after January 1, 2025, in the form of a bonus from the National Guard or a reserve component of the United States Armed Forces for joining, reenlisting, or for any other reason;

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and to the extent that such income is included in the federal adjusted gross income, may be deducted from the taxpayer's Missouri adjusted gross income to determine such taxpayer's Missouri taxable income. If such person files a combined return with a spouse, a percentage of any military income received while engaging in the performance of National Guard or reserve military duty may be deducted from their Missouri combined adjusted gross income. Such military income shall be deducted as follows:

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.

17 (a) For the tax year beginning on or after January 1, 2020, twenty percent of such
18 military income;

19 (b) For the tax year beginning on or after January 1, 2021, forty percent of such
20 military income;

21 (c) For the tax year beginning on or after January 1, 2022, sixty percent of such
22 income;

23 (d) For the tax year beginning on or after January 1, 2023, eighty percent of such
24 income;

25 (e) For all tax years beginning on January 1, 2024, and thereafter, one hundred
26 percent of such income.

27 2. Notwithstanding the provisions of this section or any other provision of law to the
28 contrary, **for all tax years beginning on or after January 1, 2027**, the deduction authorized
29 by this section shall ~~not~~ apply to compensation received while engaging in civilian federal
30 service, including civil service positions requiring the wearing of military uniform and
31 military affiliation.

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