

SECOND REGULAR SESSION

# HOUSE BILL NO. 1921

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE MURRAY.

5026H.011

JOSEPH ENGLER, Chief Clerk

## AN ACT

To amend chapter 143, RSMo, by adding thereto one new section relating to an income tax subtraction for labor organization dues.

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

Section A. Chapter 143, RSMo, is amended by adding thereto one new section, to be known as section 143.129, to read as follows:

**143.129. 1. This section shall be known and may be cited as the "Missouri Worker Dues Tax Fairness Act".**

**2. As used in this section, the following terms mean:**

**(1) "Labor organization", the same meaning as such term is defined under section 130.011 and shall include any bona fide labor union, trade union, or employee association recognized under federal or state labor law;**

**(2) "Qualified amount", in a given tax year, the total amount of union dues paid by a taxpayer or withheld from wages on behalf of a taxpayer for the purpose of paying any portion of the taxpayer's union dues to a labor organization of which the taxpayer is a member in the tax year for which the subtraction is applied;**

**(3) "Taxpayer", any individual with an income tax liability and subject to the Missouri income tax imposed under this chapter;**

**(4) "Union dues", regular payments required for membership in a labor organization, including initiation fees and assessments, that are directly related to representation, collective bargaining, contract administration, grievance procedures, or other lawful activities of the labor organization but excluding political contributions,**

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 independent expenditures, or amounts used for lobbying as such term is defined under  
18 section 105.470.

19       3. For all tax years beginning on or after January 1, 2027, there shall be  
20 subtracted from Missouri adjusted gross income, determined under section 143.121, a  
21 maximum of an amount equal to one hundred percent of a taxpayer's qualified amount  
22 of union dues paid in the tax year, but not to exceed the limitation provided under  
23 subsection 4 of this section, to the extent that such amounts are included in the  
24 taxpayer's federal adjusted gross income and not otherwise deducted or excluded from  
25 the taxpayer's federal adjusted gross income in the calculation of Missouri taxable  
26 income.

27       4. The subtraction allowed under this section shall not exceed two thousand  
28 dollars per taxpayer per tax year for individual taxpayers or cumulatively exceed four  
29 thousand dollars per tax year for taxpayers filing combined returns.

30       5. A taxpayer shall maintain documentation of proof of the qualified amount of  
31 union dues paid. The department of revenue may require taxpayers claiming the  
32 subtraction under this section to maintain and submit documentation of such proof,  
33 including pay-stub deductions, canceled checks, or statements issued by the labor  
34 organization.

35       6. The department may promulgate all necessary rules and regulations for the  
36 administration of this section. Any rule or portion of a rule, as that term is defined in  
37 section 536.010, that is created under the authority delegated in this section shall  
38 become effective only if it complies with and is subject to all of the provisions of chapter  
39 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable  
40 and if any of the powers vested with the general assembly pursuant to chapter 536 to  
41 review, to delay the effective date, or to disapprove and annul a rule are subsequently  
42 held unconstitutional, then the grant of rulemaking authority and any rule proposed or  
43 adopted after August 28, 2026, shall be invalid and void.

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