

HB 2975 -- INCOME TAX BRACKETS

SPONSOR: Boyko

Beginning January 1, 2027, this bill revises the resident individual state income tax table by changing the tax brackets of the Missouri taxable income and their corresponding tax rates, as specified in the bill.

Beginning in 2028, these brackets of Missouri taxable income must be annually adjusted for inflation using the same measurement and rate used by the Social Security Administration to calculate the percentage increase of the Social Security benefit cost-of-living adjustment. The Director of the Department of Revenue must publish these adjusted brackets each year.

Currently, there are automatic resident individual state income tax rate reductions that reduce the top rate of tax when triggered by reaching certain net general revenue amounts. The bill eliminates these automatic reductions.

This bill provides that, beginning January 1, 2027, there must be no tax on taxable income of less than or equal to \$2000.

Currently, 100% of all income reported as capital gains by certain individuals, 100% of all income reported as capital gains by certain business entities, and a portion of capital gains on the sale or exchange of specie are exempt from Missouri's state income tax.

This bill provides an end date for these exemptions. All income reported as capital gains by certain individuals, all income reported as capital gains by certain business entities, and the portion of capital gains on the sale or exchange of specie previously exempt from state income tax will no longer be exempt from the Missouri state income tax after December 31, 2026.

The bill has a referendum clause.

This bill is similar to HB 2111 (2026).