

HJR 174 -- TAXATION

SPONSOR: Patterson

This constitutional amendment provides that, if all revenue triggers established by law to reduce and eliminate the current individual income tax are met and the top individual income tax rate is reduced below 1.4%, no state individual income tax will be imposed beginning January 1, 2031.

The amendment authorizes state and local sales and use taxes to be expanded by legislation to impose taxes on transactions involving any goods or services for the purpose of reducing and eliminating the state resident individual income tax.

Beginning July 1, 2029, this amendment requires any political subdivision that imposes a sales or use tax to adjust one or more of the following to reduce the amount of revenue generated to a level described in the bill:

- (1) Sales or use tax rate;
- (2) Any personal property tax levy;
- (3) Residential real property tax levy; or
- (4) Any earnings tax.

Beginning July 1, 2029, the amendment requires each sales and use tax rate imposed by the Missouri Constitution to be adjusted as specified in the bill. By July 1, 2028, the state auditor must determine such reduced rates that will go into effect January 1, 2029.

This amendment exempts any tax or revenue increase from legislation enacted to reduce and eliminate the state individual income tax within a set time from the requirements of certain limitations provided in the Missouri Constitution.

The resolution provides ballot language for this proposed constitutional amendment.