

# Missouri Revised Statutes

## Chapter 143 Income Tax

- [←Chapter: 142](#)
- [Chapter: 144→](#) August 28, 2015

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### Sections [143.181](#) and [143.471](#) effective date.

[143.005](#). Sections [143.181](#) and [143.471](#) shall apply to taxable years beginning after December 31, 1982.

(L. 1983 H.B. 849 § B)

### Effective date.

[143.009](#). Sections [143.011](#) to [143.996](#) shall become effective on January 1, 1973; but it shall apply only with respect to taxable periods beginning on or after January 1, 1973. The repeal of the provisions of chapter 143 shall become effective January 1, 1973, but it shall not affect any taxable periods beginning before January 1, 1973, in any respect, including, but not limited to, the determination of tax, interest, penalties, procedures, and periods of limitations. Notwithstanding the first and second sentences of this section, section [143.471](#), relating to electing small business corporations, shall apply to such corporations and their shareholders with regard to taxable periods of such corporations ending on or after January 1, 1973. The preceding sentence shall not apply with regard to taxable periods of electing small business corporations beginning before January 1, 1973, if such corporation and all of its shareholders elect to that effect with the director of revenue on or before January 1, 1973. Notwithstanding the first four sentences of this section, a taxpayer who has a fiscal period which includes parts of each of the years 1972 and 1973 may determine his tax and taxable income pursuant to the provisions of sections [143.011](#) to [143.996](#) if he files an election to that effect with the director of revenue on or before the due date (including extensions of time) of his return for the taxable period.

(L. 1972 S.B. 549)

Effective 1-1-73

### Resident individuals--tax rates.

[143.011](#). 1. A tax is hereby imposed for every taxable year on the Missouri taxable income of every resident. The tax shall be determined by applying the tax table or the rate provided in section [143.021](#), which is based upon the following rates:

If the Missouri taxable income is: The tax is:

Not over \$1,000.00 . . . . . 1 1/2% of the Missouri  
taxable income

Over \$1,000 but not over \$2,000 \$15 plus 2% of excess  
over \$1,000

Over \$2,000 but not over \$3,000 \$35 plus 2 1/2% of excess  
over \$2,000

Over \$3,000 but not over \$4,000 \$60 plus 3% of excess  
over \$3,000

Over \$4,000 but not over \$5,000 \$90 plus 3 1/2% of excess  
over \$4,000

Over \$5,000 but not over \$6,000 \$125 plus 4% of excess  
over \$5,000

Over \$6,000 but not over \$7,000 \$165 plus 4 1/2% of  
excess over \$6,000

Over \$7,000 but not over \$8,000 \$210 plus 5% of excess  
over \$7,000

Over \$8,000 but not over \$9,000 \$260 plus 5 1/2% of  
excess over \$8,000

Over \$9,000 . . . . . \$315 plus 6% of excess  
over \$9,000

2. (1) Beginning with the 2017 calendar year, the top rate of tax under subsection 1 of this section may be reduced over a period of years. Each reduction in the top rate of tax shall be by one-tenth of a percent and no more than one reduction shall occur in a calendar year. The top rate of tax shall not be reduced below five and one-half percent. Reductions in the rate of tax shall take effect on January first of a calendar year and such reduced rates shall continue in effect until the next reduction occurs.

(2) A reduction in the rate of tax shall only occur if the amount of net general revenue collected in the previous fiscal year exceeds the highest amount of net general revenue collected in any of the three fiscal years prior to such fiscal year by at least one hundred fifty million dollars.

(3) Any modification of tax rates under this subsection shall only apply to tax years that begin on or after a modification takes effect.

(4) The director of the department of revenue shall, by rule, adjust the tax tables under subsection 1 of this section to effectuate the provisions of this subsection. The bracket for income subject to the top rate of tax shall be eliminated once the top rate of tax has been reduced to five and one-half of a percent.

3. Beginning with the 2017 calendar year, the brackets of Missouri taxable income identified in subsection 1 of this section shall be adjusted annually by the percent increase in inflation. The director shall publish such brackets annually beginning on or after October 1, 2016. Modifications to the brackets shall take effect on January first of each calendar year and shall apply to tax years beginning on or after the effective date of the new brackets.

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

(1) "CPI", the Consumer Price Index for All Urban Consumers for the United States as reported by the Bureau of Labor Statistics, or its successor index;

(2) "CPI for the preceding calendar year", the average of the CPI as of the close of the twelve month period ending on August thirty-first of such calendar year;

(3) "Percent increase in inflation", the percentage, if any, by which the CPI for the preceding calendar year exceeds the CPI for the year beginning September 1, 2014, and ending August 31, 2015.

(L. 1972 S.B. 549, A.L. 2014 S.B. 509 & 496)

\*S.B. 509 & 496 was vetoed 5-01-14. The veto was overridden on 5-06-14.

**Tax determined by rates in Section [143.011](#).**

[143.021](#). Every resident having a taxable income shall determine his or her tax from the rates provided in section [143.011](#). There shall be no tax on a taxable income of less than one hundred dollars.

(L. 1972 S.B. 549, A.L. 2014 S.B. 509 & 496)

\*S.B. 509 & 496 was vetoed 5-01-14. The veto was overridden on 5-06-14.

**Deduction for business income--business income defined--increase in percentage of subtraction, when.**

[143.022](#). 1. As used in this section, "business income" means the income greater than zero arising from transactions in the regular course of all of a taxpayer's trade or business and shall be limited to the Missouri source net profit from the combination of the following:

(1) The total combined profit as properly reported to the Internal Revenue Service on each Schedule C, or its successor form, filed; and

(2) The total partnership and S corporation income or loss properly reported to the Internal Revenue Service on Part II of Schedule E, or its successor form.

2. In addition to all other modifications allowed by law, there shall be subtracted from the federal adjusted gross income of an individual taxpayer a percentage of such individual's business income, to the extent that such amounts are included in federal adjusted gross income when determining such individual's Missouri adjusted gross income.

3. In the case of an S corporation described in section [143.471](#) or a partnership computing the deduction allowed under subsection 2 of this section, taxpayers described in subdivision\*\* (1) or (2) of this subsection shall be allowed such deduction apportioned in proportion to their share of ownership of the business as reported on the taxpayer's Schedule K-1, or its successor form, for the tax period for which such deduction is being claimed when determining the Missouri adjusted gross income of:

(1) The shareholders of an S corporation as described in section [143.471](#);

(2) The partners in a partnership.

4. The percentage to be subtracted under subsection 2 of this section shall be increased over a period of years. Each increase in the percentage shall be by five percent and no more than one increase shall occur in a calendar year. The maximum percentage that may be subtracted is twenty-five percent of business income. Any increase in the percentage that may be subtracted shall take effect on January first of a calendar year and such percentage shall continue in effect until the next percentage increase occurs. An increase shall only apply to tax years that begin on or after the increase takes effect.

5. An increase in the percentage that may be subtracted under subsection 2 of this section shall only occur if the amount of net general revenue collected in the previous fiscal year exceeds the highest amount of net general revenue collected in any of the three fiscal years prior to such fiscal year by at least one hundred fifty million dollars.

6. The first year that a taxpayer may make the subtraction under subsection 2 of this section is 2017, provided that the provisions of subsection 5 of this section are met. If the provisions of subsection 5 of this section are met, the percentage that may be subtracted in 2017 is five percent.

(L. 2014 S.B. 509 & 496)

\*S.B. 509 & 496 was vetoed 5-01-14. The veto was overridden on 5-06-14.

\*\*Word "subdivisions" appears in original rolls.

#### **Combined return of husband and wife.**

[143.031](#). 1. A husband and wife who file a joint federal income tax return shall file a combined return. A husband and wife who do not file a joint federal income tax return shall not file a combined return.

2. The Missouri combined taxable income on a combined return shall include all of the income and deductions of the husband and wife. The Missouri taxable income of each spouse shall be 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.

3. The tax of each spouse shall be determined by the application of either section [143.021](#) or section [143.041](#) depending upon whether such spouse is a resident or nonresident. Their Missouri combined tax shall be the sum of the tax applicable to each spouse.

(L. 1972 S.B. 549)

Effective 1-1-73

#### **Nonresident individual--inapplicable to out-of-state businesses and employees, when.**

[143.041](#). 1. A tax is hereby imposed for every taxable year on the income of every nonresident individual which is derived from sources within this state. The tax shall be that amount which bears the same ratio to the tax applicable to the individual if he would have been a resident as (A) his Missouri nonresident adjusted gross income as determined under section [143.181](#) (Missouri adjusted gross income derived from sources within this state) bears to (B) his Missouri adjusted gross income derived from all sources.

2. The provisions of this section shall not apply to out-of-state businesses or out-of-state employees operating under sections [190.270](#) to [190.285](#).

(L. 1972 S.B. 549, A.L. 2014 H.B. 1190)

#### **Part-year resident.**

[143.051](#). 1. An individual who is a resident for only part of his taxable period shall be treated as a nonresident for purposes of sections [143.011](#) to [143.996](#). His Missouri nonresident adjusted gross income (Missouri adjusted gross income from sources within this state) shall consist of

(1) All items that would have determined his Missouri adjusted gross income if he had a taxable period as a resident consisting solely of the time he was a resident, and

(2) All items that would have determined his Missouri nonresident adjusted gross income if he had a taxable period as a nonresident consisting solely of the time he was not a resident.

2. An individual described in subsection 1 may determine his tax as if he were a resident for the entire taxable period.

(L. 1972 S.B. 549)

Effective 1-1-73

**Fiduciaries.**

[143.061](#). A tax is hereby imposed upon the Missouri taxable income of fiduciaries at the same rates as applicable to resident individuals.

(L. 1972 S.B. 549)

Effective 1-1-73

**Corporations--inapplicable to out-of-state businesses, when.**

[143.071](#). 1. For all tax years beginning before September 1, 1993, a tax is hereby imposed upon the Missouri taxable income of corporations in an amount equal to five percent of Missouri taxable income.

2. For all tax years beginning on or after September 1, 1993, a tax is hereby imposed upon the Missouri taxable income of corporations in an amount equal to six and one-fourth percent of Missouri taxable income.

3. The provisions of this section shall not apply to out-of-state businesses operating under sections [190.270](#) to [190.285](#).

(L. 1972 S.B. 549, A.L. 1993 S.B. 380, A.L. 2014 H.B. 1190)

**Credit for income tax paid to another state.**

[143.081](#). 1. A resident individual, resident estate, and resident trust shall be allowed a credit against the tax otherwise due pursuant to sections [143.005](#) to [143.998](#) for the amount of any income tax imposed for the taxable year by another state of the United States (or a political subdivision thereof) or the District of Columbia on income derived from sources therein and which is also subject to tax pursuant to sections [143.005](#) to [143.998](#). For purposes of this subsection, the phrase "income tax imposed" shall be that amount of tax before any income tax credit allowed by such other state or the District of Columbia if the other state or the District of Columbia authorizes a reciprocal benefit for residents of this state.

2. The credit provided pursuant to this section shall not exceed an amount which bears the same ratio to the tax otherwise due pursuant to sections [143.005](#) to [143.998](#) as the amount of the taxpayer's Missouri adjusted gross income derived from sources in the other taxing jurisdiction bears to the taxpayer's Missouri adjusted gross income derived from all sources. In applying the limitation of the previous sentence to an estate or trust, Missouri taxable income shall be substituted for Missouri adjusted gross income. If the tax of more than one other taxing jurisdiction is imposed on the same item of income, the credit shall not exceed the limitation that would result if the taxes of all the other jurisdictions applicable to the item were deemed to be of a single jurisdiction.

3. For the purposes of this section, in the case of an S corporation, each resident S shareholder shall be considered to have paid a tax imposed on the shareholder in an amount equal to the shareholder's pro rata share of any net income tax paid by the S corporation to a state which does not measure the income of shareholders on an S corporation by reference to the income of the S corporation or where a composite return and composite payments are made in such state on behalf of the S shareholders by the S corporation.

4. For purposes of subsection 3 of this section, in the case of an S corporation that is a bank chartered by a state, the Office of Thrift Supervision\*, or the comptroller of currency, each Missouri resident S shareholder of such out-of-state bank shall qualify for the shareholder's pro rata share of any net tax paid, including a bank franchise tax based on the income of the bank, by such S corporation where bank payment of taxes are made in such state on behalf of the S shareholders by the S bank to the extent of the tax paid.

(L. 1972 S.B. 549, A.L. 1993 S.B. 66 & 20, A.L. 1999 H.B. 701, A.L. 2002 S.B. 895, A.L. 2004 S.B. 1394)

Effective 1-01-05

\*Office of Thrift Supervision, U.S. Department of the Treasury

(2001) Credit does not apply to shareholders of subchapter S corporation which elects to pay other state's taxes as a subchapter C corporation. Hermann v. Director of Revenue, 47 S.W.3d 362 (Mo.banc).

### **Meaning of terms.**

[143.091](#). Any term used in sections [143.011](#) to [143.996](#) shall have the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes, unless a different meaning is clearly required by the provisions of sections [143.011](#) to [143.996](#). Any reference in sections [143.011](#) to [143.996](#) to the laws of the United States shall mean the provisions of the Internal Revenue Code of 1986, and amendments thereto, and other provisions of the laws of the United States relating to federal income taxes, as the same may be or become effective, at any time or from time to time, for the taxable year.

(L. 1972 S.B. 549, A.L. 1989 H.B. 35, et al.)

Effective 1-1-90

### **Definitions.**

[143.101](#). 1. "Resident" means an individual who is domiciled in this state, unless he (1) maintains no permanent place of abode in this state, (2) does maintain a permanent place of abode elsewhere, and (3) spends in the aggregate not more than thirty days of the taxable year in this state; or who is not domiciled in this state but maintains a permanent place of abode in this state and spends in the aggregate more than one hundred eighty-three days of the taxable year in this state.

2. "Nonresident" means an individual who is not a resident of this state.

(L. 1972 S.B. 549)

Effective 1-1-73

### **Corporations.**

[143.105](#). Notwithstanding the provisions of section [143.071](#), to the contrary, a tax is hereby imposed upon the Missouri taxable income of corporations in an amount equal to five percent of Missouri taxable income.

(L. 1993 S.B. 380 §§ B, 1)

(1996) Contingent referendum provision was an unconstitutional delegation of legislative authority, thereby making this section void. Akin v. Director of Revenue, 934 S.W.2d 295 (Mo. banc).

### **Federal income tax deductions.**

[143.106](#). 1. Notwithstanding the provisions of section [143.171](#), to the contrary, a taxpayer shall be allowed a deduction for his federal income tax liability under chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed after reduction for all credits thereon, except the credit for payments of federal estimated tax, the credit for the overpayment of any federal tax, and the credits allowed by the Internal Revenue Code by section 31 (tax withheld on wages), section 27 (tax of foreign country and United States possessions), and section 34 (tax on certain uses of gasoline, special fuels, and lubricating oils).

2. If a federal income tax liability for a tax year prior to the applicability of sections [143.011](#) to [143.996](#) for which he was not previously entitled to a Missouri deduction is later paid or accrued, he may deduct the federal tax in the later year to the extent it would have been deductible if paid or accrued in the prior year.

(L. 1993 S.B. 380 §§ B, 2)

(1996) Contingent referendum provision was an unconstitutional delegation of legislative authority, thereby making this section void. *Akin v. Director of Revenue*, 934 S.W.2d 295 (Mo. banc).

**Effective date of sections [143.105](#) and [143.106](#)--contingency--expiration of other sections.**

[143.107](#). 1. Sections [143.105](#) and [143.106](#) shall become effective only if the question prescribed in subsection 2 of this section is submitted to a statewide vote and a majority of the qualified voters voting on the issue approve such question, and not otherwise.

2. If\* the supreme court of Missouri does not affirm in whole or in part the decision in the case of COMMITTEE FOR EDUCATION EQUALITY, et al., v. STATE OF MISSOURI, et al., No. CV 190-1371CC, and LEE'S SUMMIT SCHOOL DISTRICT R-VII, et al., v. STATE OF MISSOURI, et al., No. CV 190-510CC, a statewide election shall be held on the first regularly scheduled statewide election date after such a ruling at which an election can be held pursuant to chapter 115. At such election the qualified voters of this state shall vote on the question of whether the taxes prescribed in sections [143.105](#) and [143.106](#) shall be applied to all taxable years beginning on or after the date of such election and not otherwise. If the voters approve such question, sections [160.500](#) to 160.538, sections [160.545](#) and 160.550, sections [161.099](#) and [161.610](#), sections [162.203](#) and 162.1010, section [163.023](#), sections [166.275](#) and [166.300](#), section 170.254, section [173.750](#), and sections [178.585](#) and [178.698](#) shall expire thirty days after certification of the results of the election.

(L. 1993 S.B. 380 §§ C, D)

\*Word "in" appears in original rolls.

(1996) Contingent referendum provision was an unconstitutional delegation of legislative authority, thereby making this section void. *Akin v. Director of Revenue*, 934 S.W.2d 295 (Mo. banc).

**Missouri taxable income.**

[143.111](#). The Missouri taxable income of a resident shall be such resident's Missouri adjusted gross income less:

- (1) Either the Missouri standard deduction or the Missouri itemized deduction;
- (2) The Missouri deduction for personal exemptions;
- (3) The Missouri deduction for dependency exemptions;
- (4) The deduction for federal income taxes provided in section [143.171](#); and
- (5) The deduction for a self-employed individual's health insurance costs provided in section [143.113](#).

(L. 1972 S.B. 549, A.L. 1999 H.B. 516)

**Deduction for health insurance costs of self-employed individuals,rules.**

[143.113](#). 1. For all taxable years beginning on or after January 1, 2000, an individual taxpayer who is an employee within the meaning of Section 401(c)(1) of the Internal Revenue Code of 1986, as amended, shall be allowed to subtract from the taxpayer's Missouri adjusted gross income to determine Missouri taxable income an amount equal to the amount which the taxpayer has paid during the taxable year for insurance which constitutes medical care for the taxpayer, the taxpayer's spouse, and dependents to the extent that such amounts qualify as deductible pursuant to Section 162(l) of the Internal Revenue Code of 1986, as amended, for the same taxable year, and shall only be deductible to the extent that such amounts are not deducted on the taxpayer's federal income tax return for that taxable year.

2. The director of the department of revenue shall promulgate rules and regulations to administer the provisions of this section. No rule or portion of a rule promulgated pursuant to the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of chapter 536.

(L. 1999 H.B. 516)

**Health care sharing ministry deduction--rulemaking authority.**

143.118. 1. For all taxable years beginning on or after January 1, 2007, an individual taxpayer shall be allowed to subtract from the taxpayer's Missouri adjusted gross income to determine Missouri taxable income an amount equal to the amount which the taxpayer has paid during the taxable year as a member of a health care sharing ministry as defined in section 376.1750 and shall only be deductible to the extent that such amounts are not deducted on the taxpayer's federal income tax return for that taxable year.

2. The director of the department of revenue shall promulgate rules and regulations to administer the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

(L. 2007 H.B. 818)

**Federal health insurance deduction, state tax credit--rulemaking authority.**

143.119. 1. A self-employed taxpayer, as such term is used in the federal internal revenue code, who is otherwise ineligible for the federal income tax health insurance deduction under Section 162 of the federal internal revenue code shall be entitled to a credit against the tax otherwise due under this chapter, excluding withholding tax imposed by sections 143.191 to 143.265, in an amount equal to the portion of such taxpayer's federal tax liability incurred due to such taxpayer's inclusion of such payments in federal adjusted gross income. The tax credits authorized under this section shall be nontransferable. To the extent tax credit issued under this section exceeds\* a taxpayer's state income tax liability, such excess shall be considered an overpayment of tax and shall be refunded to the taxpayer.

2. The director of the department of revenue shall promulgate rules and regulations to administer the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

(L. 2007 H.B. 818)

\*Word "exceed" appears in original rolls.

**Missouri adjusted gross income.**

143.121. 1. The Missouri adjusted gross income of a resident individual shall be the taxpayer's federal adjusted gross income subject to the modifications in this section.

2. There shall be added to the taxpayer's federal adjusted gross income:

(1) The amount of any federal income tax refund received for a prior year which resulted in a Missouri income tax benefit;

(2) Interest on certain governmental obligations excluded from federal gross income by Section 103 of the Internal Revenue Code. The previous sentence shall not apply to interest on obligations of the state of Missouri or any of its political subdivisions or authorities and shall not apply to the interest described in subdivision (1) of subsection 3 of this section. The amount added pursuant to this subdivision shall be reduced by the amounts applicable to such interest that would have been deductible in computing the taxable income of the taxpayer except only for the application of Section 265 of the Internal Revenue Code. The reduction shall only be made if it is at least five hundred dollars;

(3) The amount of any deduction that is included in the computation of federal taxable income pursuant to Section 168 of the Internal Revenue Code as amended by the Job Creation and Worker Assistance Act of 2002 to the extent the amount deducted relates to property purchased on or after July 1, 2002, but before July 1, 2003, and to the extent the amount deducted exceeds the amount that would have been deductible pursuant to Section 168 of the Internal Revenue Code of 1986 as in effect on January 1, 2002;

(4) The amount of any deduction that is included in the computation of federal taxable income for net operating loss allowed by Section 172 of the Internal Revenue Code of 1986, as amended, other than the deduction allowed by Section 172(b)(1)(G) and Section 172(i) of the Internal Revenue Code of 1986, as amended, for a net operating loss the taxpayer claims in the tax year in which the net operating loss occurred or carries forward for a period of more than twenty years and carries backward for more than two years. Any amount of net operating loss taken against federal taxable income but disallowed for Missouri income tax purposes pursuant to this subdivision after June 18, 2002, may be carried forward and taken against any income on the Missouri income tax return for a period of not more than twenty years from the year of the initial loss; and

(5) For nonresident individuals in all taxable years ending on or after December 31, 2006, the amount of any property taxes paid to another state or a political subdivision of another state for which a deduction was allowed on such nonresident's federal return in the taxable year unless such state, political subdivision of a state, or the District of Columbia allows a subtraction from income for property taxes paid to this state for purposes of calculating income for the income tax for such state, political subdivision of a state, or the District of Columbia.

3. There shall be subtracted from the taxpayer's federal adjusted gross income the following amounts to the extent included in federal adjusted gross income:

(1) Interest or dividends on obligations of the United States and its territories and possessions or of any authority, commission or instrumentality of the United States to the extent exempt from Missouri income taxes pursuant to the laws of the United States. The amount subtracted pursuant to this subdivision shall be reduced by any interest on indebtedness incurred to carry the described obligations or securities and by any expenses incurred in the production of interest or dividend income described in this subdivision. The reduction in the previous sentence shall only apply to the extent that such expenses including amortizable bond premiums are deducted in determining the taxpayer's federal adjusted gross income or included in the taxpayer's Missouri itemized deduction. The reduction shall only be made if the expenses total at least five hundred dollars;

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis to the taxpayer for Missouri income tax purposes than for federal income tax purposes on December 31, 1972, that does not exceed such difference in basis. If a gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to one-half of such portion of the gain;

(3) The amount necessary to prevent the taxation pursuant to this chapter of any annuity or other amount of income or gain which was properly included in income or gain and was taxed pursuant to the laws of Missouri for a taxable year prior to January 1, 1973, to the taxpayer, or to a decedent by reason of whose death the taxpayer acquired the right to receive the income or gain, or to a trust or estate from which the taxpayer received the income or gain;

(4) Accumulation distributions received by a taxpayer as a beneficiary of a trust to the extent that the same are included in federal adjusted gross income;

(5) The amount of any state income tax refund for a prior year which was included in the federal adjusted gross income;

(6) The portion of capital gain specified in section [135.357](#) that would otherwise be included in federal adjusted gross income;

(7) The amount that would have been deducted in the computation of federal taxable income pursuant to Section 168 of the Internal Revenue Code as in effect on January 1, 2002, to the extent that amount relates to property purchased on or after July 1, 2002, but before July 1, 2003, and to the extent that amount exceeds the amount actually deducted pursuant to Section 168 of the Internal Revenue Code as amended by the Job Creation and Worker Assistance Act of 2002;

(8) For all tax years beginning on or after January 1, 2005, the amount of any income received for military service while the taxpayer serves in a combat zone which is included in federal adjusted gross income and not otherwise excluded therefrom. As used in this section, "combat zone" means any area which the President of the United States by Executive Order designates as an area in which Armed Forces of the United States are or have engaged in combat. Service is performed in a combat zone only if performed on or after the date designated by the President by Executive Order as the date of the commencing of combat activities in such zone, and on or before the date designated by the President by Executive Order as the date of the termination of combatant activities in such zone; and

(9) For all tax years ending on or after July 1, 2002, with respect to qualified property that is sold or otherwise disposed of during a taxable year by a taxpayer and for which an additional modification was made under subdivision (3) of subsection 2 of this section, the amount by which additional modification made under subdivision (3) of subsection 2 of this section on qualified property has not been recovered through the additional subtractions provided in subdivision (7) of this subsection.

4. There shall be added to or subtracted from the taxpayer's federal adjusted gross income the taxpayer's share of the Missouri fiduciary adjustment provided in section [143.351](#).

5. There shall be added to or subtracted from the taxpayer's federal adjusted gross income the modifications provided in section [143.411](#).

6. In addition to the modifications to a taxpayer's federal adjusted gross income in this section, to calculate Missouri adjusted gross income there shall be subtracted from the taxpayer's federal adjusted gross income any gain recognized pursuant to Section 1033 of the Internal Revenue Code of 1986, as amended, arising from compulsory or involuntary conversion of property as a result of condemnation or the imminence thereof.

7. (1) As used in this subsection, "qualified health insurance premium" means the amount paid during the tax year by such taxpayer for any insurance policy primarily providing health care coverage for the taxpayer, the taxpayer's spouse, or the taxpayer's dependents.

(2) In addition to the subtractions in subsection 3 of this section, one hundred percent of the amount of qualified health insurance premiums shall be subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid for such premiums is included in federal

taxable income. The taxpayer shall provide the department of revenue with proof of the amount of qualified health insurance premiums paid.

\*8. (1) Beginning January 1, 2014, in addition to the subtractions provided in this section, one hundred percent of the cost incurred by a taxpayer for a home energy audit conducted by an entity certified by the department of natural resources under section [640.153](#) or the implementation of any energy efficiency recommendations made in such an audit shall be subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid for any such activity is included in federal taxable income. The taxpayer shall provide the department of revenue with a summary of any recommendations made in a qualified home energy audit, the name and certification number of the qualified home energy auditor who conducted the audit, and proof of the amount paid for any activities under this subsection for which a deduction is claimed. The taxpayer shall also provide a copy of the summary of any recommendations made in a qualified home energy audit to the department of natural resources.

(2) At no time shall a deduction claimed under this subsection by an individual taxpayer or taxpayers filing combined returns exceed one thousand dollars per year for individual taxpayers or cumulatively exceed two thousand dollars per year for taxpayers filing combined returns.

(3) Any deduction claimed under this subsection shall be claimed for the tax year in which the qualified home energy audit was conducted or in which the implementation of the energy efficiency recommendations occurred. If implementation of the energy efficiency recommendations occurred during more than one year, the deduction may be claimed in more than one year, subject to the limitations provided under subdivision (2) of this subsection.

(4) A deduction shall not be claimed for any otherwise eligible activity under this subsection if such activity qualified for and received any rebate or other incentive through a state-sponsored energy program or through an electric corporation, gas corporation, electric cooperative, or municipally owned utility.

9. The provisions of subsection 8 of this section shall expire on December 31, 2020.

(L. 1972 S.B. 549, A.L. 1977 S.B. 46, A.L. 1986 S.B. 669, et al., A.L. 1989 H.B. 35, et al., A.L. 1990 H.B. 960, A.L. 2002 S.B. 1248, A.L. 2003 S.B. 11, A.L. 2004 S.B. 1394, A.L. 2005 S.B. 252, A.L. 2006 H.B. 1440 and H.B. 1944 § 2, A.L. 2007 H.B. 444, et al. merged with H.B. 818, A.L. 2008 S.B. 748 merged with S.B. 1181, et al., A.L. 2014 S.B. 601)

\*Subsection 8 of this section expires 12-31-20.

**Taxes on annuities, pensions and retirement allowances, subtraction per taxpayer, maximums per year or six-month period.**

[143.123](#). Any six thousand dollar subtraction provided by law for annuities, pensions, and retirement allowances in total per taxpayer, as hereafter provided by subsequent law, shall be implemented in a maximum amount of six thousand dollars per year, or three thousand dollars for a six-month period.

(L. 1989 H.B. 610 § 1)

Effective 6-14-89

**Annuities, pensions, retirement benefits, or retirement allowances provided by state, United States, political subdivisions or any other state, Keogh plans, annuities from defined pension plans and IRAs, amounts subtracted from Missouri adjusted gross income.**

[143.124](#). 1. Other provisions of law to the contrary notwithstanding, for tax years ending on or before December 31, 2006, the total amount of all annuities, pensions, or retirement allowances above the amount of six thousand dollars annually provided by any law of this state, the United States, or any other state to any person except as provided in subsection 4 of this section, shall be

subject to tax pursuant to the provisions of this chapter, in the same manner, to the same extent and under the same conditions as any other taxable income received by the person receiving it. For purposes of this section, "annuity, pension, retirement benefit, or retirement allowance" shall be defined as an annuity, pension or retirement allowance provided by the United States, this state, any other state or any political subdivision or agency or institution of this or any other state. For all tax years beginning on or after January 1, 1998, for purposes of this section, annuity, pension or retirement allowance shall be defined to include 401(k) plans, deferred compensation plans, self-employed retirement plans, also known as Keogh plans, annuities from a defined pension plan and individual retirement arrangements, also known as IRAs, as described in the Internal Revenue Code, but not including Roth IRAs, as well as an annuity, pension or retirement allowance provided by the United States, this state, any other state or any political subdivision or agency or institution of this or any other state. An individual taxpayer shall only be allowed a maximum deduction equal to the amounts provided under this section for each taxpayer on the combined return.

2. For the period beginning July 1, 1989, and ending December 31, 1989, there shall be subtracted from Missouri adjusted gross income for that period, determined pursuant to section [143.121](#), the first three thousand dollars of retirement benefits received by each taxpayer:

(1) If the taxpayer's filing status is single, head of household or qualifying widow(er) and the taxpayer's Missouri adjusted gross income is less than twelve thousand five hundred dollars; or

(2) If the taxpayer's filing status is married filing combined and their combined Missouri adjusted gross income is less than sixteen thousand dollars; or

(3) If the taxpayer's filing status is married filing separately and the taxpayer's Missouri adjusted gross income is less than eight thousand dollars.

3. For the tax years beginning on or after January 1, 1990, but ending on or before December 31, 2006, there shall be subtracted from Missouri adjusted gross income, determined pursuant to section [143.121](#), a maximum of the first six thousand dollars of retirement benefits received by each taxpayer from sources other than privately funded sources, and for tax years beginning on or after January 1, 1998, there shall be subtracted from Missouri adjusted gross income, determined pursuant to section [143.121](#), a maximum of the first one thousand dollars of any retirement allowance received from any privately funded source for tax years beginning on or after January 1, 1998, but before January 1, 1999, and a maximum of the first three thousand dollars of any retirement allowance received from any privately funded source for tax years beginning on or after January 1, 1999, but before January 1, 2000, and a maximum of the first four thousand dollars of any retirement allowance received from any privately funded source for tax years beginning on or after January 1, 2000, but before January 1, 2001, and a maximum of the first five thousand dollars of any retirement allowance received from any privately funded source for tax years beginning on or after January 1, 2001, but before January 1, 2002, and a maximum of the first six thousand dollars of any retirement allowance received from any privately funded sources for tax years beginning on or after January 1, 2002. A taxpayer shall be entitled to the maximum exemption provided by this subsection:

(1) If the taxpayer's filing status is single, head of household or qualifying widow(er) and the taxpayer's Missouri adjusted gross income is less than twenty-five thousand dollars; or

(2) If the taxpayer's filing status is married filing combined and their combined Missouri adjusted gross income is less than thirty-two thousand dollars; or

(3) If the taxpayer's filing status is married filing separately and the taxpayer's Missouri adjusted gross income is less than sixteen thousand dollars.

4. If a taxpayer's adjusted gross income exceeds the adjusted gross income ceiling for such taxpayer's filing status, as provided in subdivisions (1), (2) and (3) of subsection 3 of this section, such taxpayer shall be entitled to an exemption equal to the greater of zero or the maximum

exemption provided in subsection 3 of this section reduced by one dollar for every dollar such taxpayer's income exceeds the ceiling for his or her filing status.

5. For purposes of this subsection, the term "maximum Social Security benefit available" shall mean thirty-two thousand five hundred dollars for the tax year beginning on or after January 1, 2007, and for each subsequent tax year such amount shall be increased by the percentage increase in the Consumer Price Index for All Urban Consumers, or its successor index, as such index is defined and officially reported by the United States Department of Labor, or its successor agency. For the tax year beginning on or after January 1, 2007, but ending on or before December 31, 2007, there shall be subtracted from Missouri adjusted gross income, determined pursuant to section [143.121](#), a maximum of an amount equal to the greater of: six thousand dollars in retirement benefits received from sources other than privately funded sources, to the extent such benefits are included in the taxpayer's federal adjusted gross income; or twenty percent of the retirement benefits received from sources other than privately funded sources in the tax year, but not to exceed the maximum Social Security benefit available for such tax year. For the tax year beginning on or after January 1, 2008, but ending on or before December 31, 2008, there shall be subtracted from Missouri adjusted gross income, determined pursuant to section [143.121](#), a maximum of an amount equal to the greater of: six thousand dollars in retirement benefits received from sources other than privately funded sources, to the extent such benefits are included in the taxpayer's federal adjusted gross income; or thirty-five percent of the retirement benefits received from sources other than privately funded sources in the tax year, but not to exceed the maximum Social Security benefit available for such tax year. For the tax year beginning on or after January 1, 2009, but ending on or before December 31, 2009, there shall be subtracted from Missouri adjusted gross income, determined pursuant to section [143.121](#), a maximum of an amount equal to the greater of: six thousand dollars in retirement benefits received from sources other than privately funded sources, to the extent such benefits are included in the taxpayer's federal adjusted gross income; or fifty percent of the retirement benefits received from sources other than privately funded sources in the tax year, but not to exceed the maximum Social Security benefit available for such tax year. For the tax year beginning on or after January 1, 2010, but ending on or before December 31, 2010, there shall be subtracted from Missouri adjusted gross income, determined pursuant to section [143.121](#), a maximum of an amount equal to the greater of: six thousand dollars in retirement benefits received from sources other than privately funded sources, to the extent such benefits are included in the taxpayer's federal adjusted gross income; or sixty-five percent of the retirement benefits received from sources other than privately funded sources in the tax year, but not to exceed the maximum Social Security benefit available for such tax year. For the tax year beginning on or after January 1, 2011, but ending on or before December 31, 2011, there shall be subtracted from Missouri adjusted gross income, determined pursuant to section [143.121](#), a maximum of an amount equal to the greater of: six thousand dollars in retirement benefits received from sources other than privately funded sources, to the extent such benefits are included in the taxpayer's federal adjusted gross income; or eighty percent of the retirement benefits received from sources other than privately funded sources in the tax year, but not to exceed the maximum Social Security benefit available for such tax year. For all tax years beginning on or after January 1, 2012, there shall be subtracted from Missouri adjusted gross income, determined pursuant to section [143.121](#), a maximum of an amount equal to one hundred percent of the retirement benefits received from sources other than privately funded sources in the tax year, but not to exceed the maximum Social Security benefit available for such tax year. A taxpayer shall be entitled to the maximum exemption provided by this subsection:

(1) If the taxpayer's filing status is married filing combined, and their combined Missouri adjusted gross income is equal to or less than one hundred thousand dollars; or

(2) If the taxpayer's filing status is single, head of household, qualifying widow(er), or married filing separately, and the taxpayer's Missouri adjusted gross income is equal to or less than eighty-five thousand dollars.

6. If a taxpayer's adjusted gross income exceeds the adjusted gross income ceiling for such taxpayer's filing status, as provided in subdivisions (1) and (2) of subsection 5 of this section, such taxpayer shall be entitled to an exemption, less any applicable reduction provided under subsection 7 of this section, equal to the greater of zero or the maximum exemption provided in subsection 5 of this section reduced by one dollar for every dollar such taxpayer's income exceeds the ceiling for his or her filing status.

7. For purposes of calculating the subtraction provided in subsection 5 of this section, such subtraction shall be decreased by an amount equal to any Social Security benefit exemption provided under section [143.125](#).

8. For purposes of this section, any Social Security benefits otherwise included in Missouri adjusted gross income shall be subtracted; but Social Security benefits shall not be subtracted for purposes of other computations pursuant to this chapter, and are not to be considered as retirement benefits for purposes of this section.

9. The provisions of subdivisions (1) and (2) of subsection 3 of this section shall apply during all tax years in which the federal Internal Revenue Code provides exemption levels for calculation of the taxability of Social Security benefits that are the same as the levels in subdivisions (1) and (2) of subsection 3 of this section. If the exemption levels for the calculation of the taxability of Social Security benefits are adjusted by applicable federal law or regulation, the exemption levels in subdivisions (1) and (2) of subsection 3 of this section shall be accordingly adjusted to the same exemption levels.

10. The portion of a taxpayer's lump sum distribution from an annuity or other retirement plan not otherwise included in Missouri adjusted gross income as calculated pursuant to this chapter but subject to taxation under Internal Revenue Code Section 402 shall be taxed in an amount equal to ten percent of the taxpayer's federal liability on such distribution for the same tax year.

11. For purposes of this section, retirement benefits received shall not include any withdrawals from qualified retirement plans which are subsequently rolled over into another retirement plan.

12. The exemptions provided for in this section shall not affect the calculation of the income to be used to determine the property tax credit provided in sections [135.010](#) to [135.035](#).

13. The exemptions provided for in this section shall apply to any annuity, pension, or retirement allowance as defined in subsection 1 of this section to the extent that such amounts are included in the taxpayer's federal adjusted gross income and not otherwise deducted from the taxpayer's federal adjusted gross income in the calculation of Missouri taxable income. This subsection shall not apply to any individual who qualifies under federal guidelines to be one hundred percent disabled.

14. In addition to all other subtractions authorized in this section, for all tax years beginning on or after January 1, 2010, there shall be subtracted from Missouri adjusted gross income, determined under section [143.121](#), any retirement benefits received by any taxpayer as a result of the taxpayer's service in the Armed Forces of the United States, including reserve components and the National Guard of this state, as defined in Sections 101(3) and 109 of Title 32, United States Code, and any other military force organized under the laws of this state, to the extent such benefits are included in the taxpayer's federal adjusted gross income and not otherwise deducted from the taxpayer's federal adjusted gross income in the calculation of Missouri taxable income. Such retirement benefits shall be subtracted as provided in the following schedule:

- (1) For the tax year beginning on January 1, 2010, fifteen percent of such retirement benefits;
- (2) For the tax year beginning on January 1, 2011, thirty percent of such retirement benefits;

(3) For the tax year beginning on January 1, 2012, forty-five percent of such retirement benefits;

(4) For the tax year beginning on January 1, 2013, sixty percent of such retirement benefits;

(5) For the tax year beginning on January 1, 2014, seventy-five percent of such retirement benefits;

(6) For the tax year beginning on January 1, 2015, ninety percent of such retirement benefits;

(7) For tax years beginning on or after January 1, 2016, one hundred percent of such retirement benefits.

(L. 1989 H.B. 674 § 1, A.L. 1997 H.B. 491, A.L. 1999 H.B. 516, A.L. 2003 H.B. 600, A.L. 2007 H.B. 444, et al., A.L. 2009 H.B. 82)

**CROSS REFERENCE:**

Exemptions for retirement benefits, [104.250](#)

**Social Security benefits income tax exemption--amount--rulemaking authority.**

[143.125](#). 1. As used in this section, the following terms mean: (1) "Benefits", any Social Security benefits received by a taxpayer age sixty-two years of age and older, or Social Security disability benefits; (2) "Taxpayer", any resident individual.

2. For the taxable year beginning on or after January 1, 2007, any taxpayer shall be allowed to subtract from the taxpayer's Missouri adjusted gross income to determine Missouri taxable income a maximum of an amount equal to twenty percent of the amount of any benefits received by the taxpayer and that are included in federal adjusted gross income under Section 86 of the Internal Revenue Code of 1986, as amended. For the taxable year beginning on or after January 1, 2008, any taxpayer shall be allowed to subtract from the taxpayer's Missouri adjusted gross income to determine Missouri taxable income a maximum of an amount equal to thirty-five percent of the amount of any benefits received by the taxpayer and that are included in federal adjusted gross income under Section 86 of the Internal Revenue Code of 1986, as amended. For the taxable year beginning on or after January 1, 2009, any taxpayer shall be allowed to subtract from the taxpayer's Missouri adjusted gross income to determine Missouri taxable income a maximum of an amount equal to fifty percent of the amount of any benefits received by the taxpayer and that are included in federal adjusted gross income under Section 86 of the Internal Revenue Code of 1986, as amended. For the taxable year beginning on or after January 1, 2010, any taxpayer shall be allowed to subtract from the taxpayer's Missouri adjusted gross income to determine Missouri taxable income a maximum of an amount equal to sixty-five percent of the amount of any benefits received by the taxpayer and that are included in federal adjusted gross income under Section 86 of the Internal Revenue Code of 1986, as amended. For the taxable year beginning on or after January 1, 2011, any taxpayer shall be allowed to subtract from the taxpayer's Missouri adjusted gross income to determine Missouri taxable income a maximum of an amount equal to eighty percent of the amount of any benefits received by the taxpayer and that are included in federal adjusted gross income under Section 86 of the Internal Revenue Code of 1986, as amended. For all taxable years beginning on or after January 1, 2012, any taxpayer shall be allowed to subtract from the taxpayer's Missouri adjusted gross income to determine Missouri taxable income a maximum of an amount equal to one hundred percent of the amount of any benefits received by the taxpayer and that are included in federal adjusted gross income under Section 86 of the Internal Revenue Code of 1986, as amended. A taxpayer shall be entitled to the maximum exemption provided by this subsection:

(1) If the taxpayer's filing status is married filing combined, and their combined Missouri adjusted gross income is equal to or less than one hundred thousand dollars; or

(2) If the taxpayer's filing status is single, head of household, qualifying widow(er), or married filing separately, and the taxpayer's Missouri adjusted gross income is equal to or less than eighty-five thousand dollars.

3. If a taxpayer's adjusted gross income exceeds the adjusted gross income ceiling for such taxpayer's filing status, as provided in subdivisions (1) and (2) of subsection 2 of this section, such taxpayer shall be entitled to an exemption equal to the greater of zero or the maximum exemption provided in subsection 2 of this section reduced by one dollar for every dollar such taxpayer's income exceeds the ceiling for his or her filing status.

4. The director of the department of revenue may promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section [536.010](#), that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section [536.028](#). This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

(L. 2007 H.B. 444, et al.)

**Deduction for restitution received by victims of National Socialist(Nazi) persecution.**

[143.127](#). 1. For all tax years beginning on or after January 1, 2000, the following amounts received by an individual or returns and payments to an individual shall be subtracted from such individual's federal adjusted gross income, to the extent such amounts, returns or payments are included in such individual's federal adjusted gross income:

(1) Amounts received as reparations or restitution for the loss of liberty or life or damage to health by the victims of National Socialist (Nazi) persecution;

(2) Returns of tangible or intangible property seized, misappropriated or lost as a result of National Socialist (Nazi) actions or policies and any cash values in replacement of such property;

(3) Payments of insurance policies purchased prior to December 31, 1945, by the victims of National Socialist (Nazi) persecution; and

(4) Any accumulated or accrued interest on such amounts, returns or payments.

2. The subtraction of the amounts, returns or payments from an individual's Missouri adjusted gross income shall only apply if such individual was a victim of National Socialist (Nazi) persecution, actions or policies or is the spouse or descendant of a victim of National Socialist (Nazi) persecution, actions or policies, and such individual or family member is the first recipient of such amounts, returns or payments.

3. As used in this section, "National Socialist (Nazi) persecution, actions and policies" means persecution, actions or policies taken by Germany and other countries, or by organizations, institutions and companies within those countries, against the victims of the Nazi Holocaust.

(L. 2000 H.B. 1452)

**Missouri standard deduction, when used, amount.**

[143.131](#). 1. The Missouri standard deduction may be deducted in determining Missouri taxable income of a resident individual unless the taxpayer or his spouse has elected to itemize his deduction as provided in section [143.141](#).

2. The Missouri standard deduction shall be the allowable federal standard deduction.

(L. 1972 S.B. 549, A.L. 1977 S.B. 451, A.L. 1989 H.B. 35, et al.)

Effective 1-1-90

**Itemized deductions, when authorized, how computed.**

143.141. If federal taxable income of a resident individual is determined by itemizing deductions from his federal adjusted gross income, he may elect to deduct his Missouri itemized deduction in lieu of his Missouri standard deduction. The Missouri itemized deduction of a resident individual means the allowable federal itemized deductions which consist of allowable federal deductions other than those allowable in arriving at federal adjusted gross income and other than the federal deductions for personal and dependency exemptions, with the following modifications:

(1) Reduced by the proportional amount thereof representing the tax imposed by sections 143.011 to 143.998;

(2) Reduced by the proportional amount thereof representing any income taxes imposed by another state of the United States or a political subdivision thereof or the District of Columbia;

(3) Increased by the fair market value of a literary, musical, scholarly, or artistic composition contributed to any tax exempt agency or institution which is operated on a not-for-profit basis by any taxpayer whose personal efforts created such composition less the amount deducted from federal adjusted gross income attributable to such contribution. The fair market value of such literary, musical, scholarly or artistic composition shall be determined by written appraisal of the property by a person qualified to make such an appraisal other than the taxpayer, the donee, or any "related taxpayer" within the meaning of such term as defined by sections 267(b) and 1313(c) of the Internal Revenue Code, as amended. The appraisal shall be made within one year of the date of the donation and attached to the taxpayer's income tax return;

(4) Increased to the extent not otherwise deductible, by the taxes for the same taxable year for which the return is being filed that are imposed by the following provisions of the Internal Revenue Code:

(a) Section 3101, relating to the tax on employees under the Federal Insurance Contributions Act;

(b) Sections 3201 and 3211, relating to the taxes on railroad employees and railroad employee representatives under the Railroad Retirement Tax Act;

(c) Section 1401, relating to tax on self-employment income, to the extent that such taxes were not deducted in the computation of the taxpayer's federal adjusted gross income under the Internal Revenue Code of 1986, as amended.

(L. 1972 S.B. 549, A.L. 1977 S.B. 451, A.L. 1984 H.B. 1112, A.L. 1989 H.B. 35, et al., A.L. 1992 H.B. 1155)

Effective 1-1-93

**Provisions of sections 143.131 and 143.141 effective, when.**

143.143. The provisions of sections 143.131 to 143.143 shall apply with respect to all taxable years beginning after December 31, 1976.

(L. 1977 S.B. 451 § A)

**Missouri personal exemptions.**

143.151. For all taxable years beginning before January 1, 1999, a resident shall be allowed a deduction of one thousand two hundred dollars for himself or herself and one thousand two hundred dollars for his or her spouse if he or she is entitled to a deduction for such personal exemptions for federal income tax purposes. For all taxable years beginning on or after January 1, 1999, a resident shall be allowed a deduction of two thousand one hundred dollars for himself or herself and two

thousand one hundred dollars for his or her spouse if he or she is entitled to a deduction for such personal exemptions for federal income tax purposes. For all tax years beginning on or after January 1, 2017, a resident with a Missouri adjusted gross income of less than twenty thousand dollars shall be allowed an additional deduction of five hundred dollars for himself or herself and an additional five hundred dollars for his or her spouse if he or she is entitled to a deduction for such personal exemptions for federal income tax purposes and his or her spouse's Missouri adjusted gross income is less than twenty thousand dollars.

(L. 1972 S.B. 549, A.L. 1999 H.B. 516, A.L. 2014 S.B. 509 & 496)

\*S.B. 509 & 496 was vetoed 5-01-14. The veto was overridden on 5-06-14.

### **Missouri dependency exemptions.**

[143.161](#). 1. For all taxable years beginning after December 31, 1997, a resident may deduct one thousand two hundred dollars for each dependent for whom such resident is entitled to a dependency exemption deduction for federal income tax purposes. In the case of a dependent who has attained sixty-five years of age on or before the last day of the taxable year, if such dependent resides in the taxpayer's home or the dependent's own home or if such dependent does not receive Medicaid or state funding while residing in a facility licensed pursuant to chapter 198, the taxpayer may deduct an additional one thousand dollars.

2. For all taxable years beginning on or after January 1, 1999, a resident who qualifies as an unmarried head of household or as a surviving spouse for federal income tax purposes may deduct an additional one thousand four hundred dollars.

3. For all taxable years beginning on or after January 1, 2015, for each birth for which a certificate of birth resulting in stillbirth has been issued under section [193.165](#), a taxpayer may claim the exemption under subsection 1 of this section only in the taxable year in which the stillbirth occurred, if the child otherwise would have been a member of the taxpayer's household.

(L. 1972 S.B. 549, A.L. 1998 S.B. 675, et al., A.L. 1999 H.B. 516, A.L. 2015 H.B. 517 & 754)

### **Federal income tax deduction, amount, corporate and individual taxpayers.**

[143.171](#). 1. For all tax years beginning on or after January 1, 1994, an individual taxpayer shall be allowed a deduction for his federal income tax liability under Chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed, not to exceed five thousand dollars on a single taxpayer's return or ten thousand dollars on a combined return, after reduction for all credits thereon, except the credit for payments of federal estimated tax, the credit for the overpayment of any federal tax, and the credits allowed by the Internal Revenue Code by Section 31 (tax withheld on wages), Section 27 (tax of foreign country and United States possessions), and Section 34 (tax on certain uses of gasoline, special fuels, and lubricating oils).

2. For all tax years beginning on or after September 1, 1993, a corporate taxpayer shall be allowed a deduction for fifty percent of its federal income tax liability under Chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed after reduction for all credits thereon, except the credit for payments of federal estimated tax, the credit for the overpayment of any federal tax, and the credits allowed by the Internal Revenue Code by Section 31 (tax withheld on wages), Section 27 (tax of foreign country and United States possessions), and Section 34 (tax on certain uses of gasoline, special fuels and lubricating oils).

3. If a federal income tax liability for a tax year prior to the applicability of sections [143.011](#) to [143.996](#) for which he was not previously entitled to a Missouri deduction is later paid or accrued, he may deduct the federal tax in the later year to the extent it would have been deductible if paid or accrued in the prior year.

(L. 1972 S.B. 549, A.L. 1989 H.B. 35, et al., A.L. 1993 S.B. 380, A.L. 2010 H.B. 1516 Revision merged with H.B. 1965)

**Tax deduction for job creation by small businesses, definitions, amount, procedure, sunset date.**

143.173. 1. As used in this section, the following terms mean:

(1) "County average wage", the average wages in each county as determined by the department of economic development for the most recently completed full calendar year. However, if the computed county average wage is above the statewide average wage, the statewide average wage shall be deemed the county average wage for such county for the purpose of this section;

(2) "Deduction", an amount subtracted from the taxpayer's Missouri adjusted gross income to determine Missouri taxable income, or federal taxable income in the case of a corporation, for the tax year in which such deduction is claimed;

(3) "Full-time employee", a position in which the employee is considered full-time by the taxpayer and is required to work an average of at least thirty-five hours per week for a fifty-two week period;

(4) "New job", the number of full-time employees employed by the small business in Missouri on the qualifying date that exceeds the number of full-time employees employed by the small business in Missouri on the same date of the immediately preceding taxable year;

(5) "Qualifying date", any date during the tax year as chosen by the small business;

(6) "Small business", any small business, including any sole proprietorship, partnership, S-corporation, C-corporation, limited liability company, limited liability partnership, or other business entity, consisting of fewer than fifty full- or part-time employees;

(7) "Taxpayer", any small business subject to the income tax imposed in this chapter, including any sole proprietorship, partnership, S-corporation, C-corporation, limited liability company, limited liability partnership, or other business entity.

2. In addition to all deductions listed in this chapter, for all taxable years beginning on or after January 1, 2011, and ending on or before December 31, 2014, a taxpayer shall be allowed a deduction for each new job created by the small business in the taxable year. Tax deductions allowed to any partnership, limited liability company, S-corporation, or other pass-through entity may be allocated to the partners, members, or shareholders of such entity for their direct use in accordance with the provisions of any agreement among such partners, members, or shareholders. The deduction amount shall be as follows:

(1) Ten thousand dollars for each new job created with an annual salary of at least the county average wage; or

(2) Twenty thousand dollars for each new job created with an annual salary of at least the county average wage if the small business offers health insurance and pays at least fifty percent of such insurance premiums.

3. The department of revenue shall establish the procedure by which the deduction provided in this section may be claimed, and may promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly under chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2011, shall be invalid and void.

4. Under section 23.253 of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset on December thirty-first three years after August 28, 2011, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset on December thirty-first three years after the effective date of the reauthorization of this section; and

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset.

(L. 2011 H.B. 45, A.L. 2012 H.B. 1661)

Sunset date 12-31-14

Termination date 9-01-15

**Missouri nonresident adjusted gross income.**

143.181. 1. The Missouri nonresident adjusted gross income shall be that part of the nonresident individual's federal adjusted gross income derived from sources within Missouri, as modified in the same manner as set forth in section 143.121 with respect to resident individuals. It shall be the sum of:

(1) The net amount of items of income, gain, loss, and deduction entering into his or her federal adjusted gross income which are derived from or connected with sources in this state including:

(a) The individual's distributive share of partnership income and deductions determined under section 143.421; and

(b) The individual's share of estate or trust income and deductions determined under section 143.391; and

(c) The individual's pro rata share of S corporation income and deductions determined under subsection 3 of section 143.471; and

(2) The portion of the modifications described in section 143.121 which relate to income derived from sources in this state, including any modifications attributable to him or her as a partner.

2. Items of income, gain, loss, and deduction derived from or connected with sources within this state are those items attributable to:

(1) The ownership or disposition of any interest in real or tangible personal property in this state;

(2) A business, trade, profession, or occupation carried on in this state;

(3) Winnings from a wager placed in a lottery conducted by the state lottery commission, if the proceeds from such wager are required, pursuant to the Internal Revenue Code of 1986, as amended, or regulations adopted thereunder, to be reported by the state lottery commission to the Internal Revenue Service; and

(4) Winnings from any other wager placed in this state or from any wagering transaction, gaming activity, or gambling activity in this state, if the proceeds from such wager, wagering transaction, gaming activity, or gambling activity are required, pursuant to the Internal Revenue Code of 1986, as amended, or regulations adopted thereunder, to be reported by the payer to the Internal Revenue Service.

3. Income from intangible personal property, including annuities, dividends, interest, and gains from the disposition of intangible personal property, shall constitute income derived from sources within this state only to the extent that such income is from:

(1) Property employed in a business, trade, profession, or occupation carried on in this state;

(2) Winnings from a wager placed in a lottery conducted by the state lottery commission, if the proceeds from such wager are required, pursuant to the Internal Revenue Code of 1986, as amended, or regulations adopted thereunder, to be reported by the state lottery commission to the Internal Revenue Service; and

(3) Winnings from any other wager placed in this state or from any wagering transaction, gaming activity, or gambling activity in this state, if the proceeds from such wager, wagering transaction, gaming activity, or gambling activity are required, pursuant to the Internal Revenue Code of 1986, as amended, or regulations adopted thereunder, to be reported by the payer to the Internal Revenue Service.

4. Deductions with respect to capital losses, net long-term capital gains, and net operation losses shall be based solely on income, gains, losses, and deductions derived from sources within this state in the same manner as the corresponding federal deductions under regulations to be prescribed by the director of revenue.

5. If a business, trade, profession, or occupation is carried on partly within and partly without this state, the items of income and deduction derived from or connected with sources within this state shall be determined by apportionment and allocation under regulations to be prescribed by the director of revenue.

6. Compensation paid by the United States for service in the Armed Forces of the United States performed by a nonresident shall not constitute income derived from sources within this state.

(L. 1972 S.B. 549, A.L. 1983 H.B. 849, A.L. 2003 H.B. 600 merged with S.B. 11)

Effective 7-01-03 (H.B. 600)

8-28-03 (S.B. 11)

**Professional athletes and entertainers, state income tax revenues from nonresidents-- transfers to Missouri arts council trust fund, Missouri humanities council trust fund, Missouri state library networking fund, Missouri public television broadcasting corporation special fund and Missouri historic preservation revolving fund.**

143.183. 1. As used in this section, the following terms mean:

(1) "Nonresident entertainer", a person residing or registered as a corporation outside this state who, for compensation, performs any vocal, instrumental, musical, comedy, dramatic, dance or other performance in this state before a live audience and any other person traveling with and performing services on behalf of a nonresident entertainer, including a nonresident entertainer who is paid compensation for providing entertainment as an independent contractor, a partnership that is paid compensation for entertainment provided by nonresident entertainers, a corporation that is paid compensation for entertainment provided by nonresident entertainers, or any other entity that is paid compensation for entertainment provided by nonresident entertainers;

(2) "Nonresident member of a professional athletic team", a professional athletic team member who resides outside this state, including any active player, any player on the disabled list if such player is in uniform on the day of the game at the site of the game, and any other person traveling with and performing services on behalf of a professional athletic team;

(3) "Personal service income" includes exhibition and regular season salaries and wages, guaranteed payments, strike benefits, deferred payments, severance pay, bonuses, and any other

type of compensation paid to the nonresident entertainer or nonresident member of a professional athletic team, but does not include prizes, bonuses or incentive money received from competition in a livestock, equine or rodeo performance, exhibition or show;

(4) "Professional athletic team" includes, but is not limited to, any professional baseball, basketball, football, soccer and hockey team.

2. Any person, venue, or entity who pays compensation to a nonresident entertainer shall deduct and withhold from such compensation as a prepayment of tax an amount equal to two percent of the total compensation if the amount of compensation is in excess of three hundred dollars paid to the nonresident entertainer. For purposes of this section, the term "person, venue, or entity who pays compensation" shall not be construed to include any person, venue, or entity that is exempt from taxation under 26 U.S.C. Section 501(c)(3), as amended, and that pays an amount to the nonresident entertainer for the entertainer's appearance but receives no benefit from the entertainer's appearance other than the entertainer's performance.

3. Any person, venue, or entity required to deduct and withhold tax pursuant to subsection 2 of this section shall, for each calendar quarter, on or before the last day of the month following the close of such calendar quarter, remit the taxes withheld in such form or return as prescribed by the director of revenue and pay over to the director of revenue or to a depository designated by the director of revenue the taxes so required to be deducted and withheld.

4. Any person, venue, or entity subject to this section shall be considered an employer for purposes of section [143.191](#), and shall be subject to all penalties, interest, and additions to tax provided in this chapter for failure to comply with this section.

5. Notwithstanding other provisions of this chapter to the contrary, the commissioner of administration, for all taxable years beginning on or after January 1, 1999, but none after December 31, 2020, shall annually estimate the amount of state income tax revenues collected pursuant to this chapter which are received from nonresident members of professional athletic teams and nonresident entertainers. For fiscal year 2000, and for each subsequent fiscal year for a period of twenty-one years, sixty percent of the annual estimate of taxes generated from the nonresident entertainer and professional athletic team income tax shall be allocated annually to the Missouri arts council trust fund, and shall be transferred, subject to appropriations, from the general revenue fund to the Missouri arts council trust fund established in section [185.100](#) and any amount transferred shall be in addition to such agency's budget base for each fiscal year. The director shall by rule establish the method of determining the portion of personal service income of such persons that is allocable to Missouri.

6. Notwithstanding the provisions of sections [186.050](#) to [186.067](#) to the contrary, the commissioner of administration, for all taxable years beginning on or after January 1, 1999, but for none after December 31, 2020, shall estimate annually the amount of state income tax revenues collected pursuant to this chapter which are received from nonresident members of professional athletic teams and nonresident entertainers. For fiscal year 2000, and for each subsequent fiscal year for a period of twenty-one years, ten percent of the annual estimate of taxes generated from the nonresident entertainer and professional athletic team income tax shall be allocated annually to the Missouri humanities council trust fund, and shall be transferred, subject to appropriations, from the general revenue fund to the Missouri humanities council trust fund established in section [186.055](#) and any amount transferred shall be in addition to such agency's budget base for each fiscal year.

7. Notwithstanding other provisions of section [182.812](#) to the contrary, the commissioner of administration, for all taxable years beginning on or after January 1, 1999, but for none after December 31, 2020, shall estimate annually the amount of state income tax revenues collected pursuant to this chapter which are received from nonresident members of professional athletic teams and nonresident entertainers. For fiscal year 2000, and for each subsequent fiscal year for a period of twenty-one years, ten percent of the annual estimate of taxes generated from the nonresident

entertainer and professional athletic team income tax shall be allocated annually to the Missouri state library networking fund, and shall be transferred, subject to appropriations, from the general revenue fund to the secretary of state for distribution to public libraries for acquisition of library materials as established in section [182.812](#) and any amount transferred shall be in addition to such agency's budget base for each fiscal year.

8. Notwithstanding other provisions of section [185.200](#) to the contrary, the commissioner of administration, for all taxable years beginning on or after January 1, 1999, but for none after December 31, 2020, shall estimate annually the amount of state income tax revenues collected pursuant to this chapter which are received from nonresident members of professional athletic teams and nonresident entertainers. For fiscal year 2000, and for each subsequent fiscal year for a period of twenty-one years, ten percent of the annual estimate of taxes generated from the nonresident entertainer and professional athletic team income tax shall be allocated annually to the Missouri public television broadcasting corporation special fund, and shall be transferred, subject to appropriations, from the general revenue fund to the Missouri public television broadcasting corporation special fund, and any amount transferred shall be in addition to such agency's budget base for each fiscal year; provided, however, that twenty-five percent of such allocation shall be used for grants to public radio stations which were qualified by the corporation for public broadcasting as of November 1, 1996. Such grants shall be distributed to each of such public radio stations in this state after receipt of the station's certification of operating and programming expenses for the prior fiscal year. Certification shall consist of the most recent fiscal year financial statement submitted by a station to the corporation for public broadcasting. The grants shall be divided into two categories, an annual basic service grant and an operating grant. The basic service grant shall be equal to thirty-five percent of the total amount and shall be divided equally among the public radio stations receiving grants. The remaining amount shall be distributed as an operating grant to the stations on the basis of the proportion that the total operating expenses of the individual station in the prior fiscal year bears to the aggregate total of operating expenses for the same fiscal year for all Missouri public radio stations which are receiving grants.

9. Notwithstanding other provisions of section [253.402](#) to the contrary, the commissioner of administration, for all taxable years beginning on or after January 1, 1999, but for none after December 31, 2020, shall estimate annually the amount of state income tax revenues collected pursuant to this chapter which are received from nonresident members of professional athletic teams and nonresident entertainers. For fiscal year 2000, and for each subsequent fiscal year for a period of twenty-one years, ten percent of the annual estimate of taxes generated from the nonresident entertainer and professional athletic team income tax shall be allocated annually to the Missouri department of natural resources Missouri historic preservation revolving fund, and shall be transferred, subject to appropriations, from the general revenue fund to the Missouri department of natural resources Missouri historic preservation revolving fund established in section [253.402](#) and any amount transferred shall be in addition to such agency's budget base for each fiscal year.

10. This section shall not be construed to apply to any person who makes a presentation for professional or technical education purposes or to apply to any presentation that is part of a seminar, conference, convention, school, or similar program format designed to provide professional or technical education.

(L. 1994 S.B. 477, et al., A.L. 1998 S.B. 724, A.L. 2003 S.B. 52, A.L. 2006 S.B. 870, A.L. 2009 H.B. 299, A.L. 2011 H.B. 470 & 429 merged with S.B. 81, A.L. 2014 H.B. 1237)

(2010) Transfer of funds under section is discretionary; requiring a mandatory transfer would violate the appropriations requirement of Article III, Section 36. State ex rel. Kansas City Symphony v. State, 311 S.W.3d 272 (Mo.App. W.D.).

**Employer to withhold tax from wages--armed services, withholding from wages or retirement-- federal civil service retirement, withholding authorized, when--inapplicable to out-of-state businesses, when.**

**143.191.** 1. Every employer maintaining an office or transacting any business within this state and making payment of any wages taxable under this chapter to a resident or nonresident individual shall deduct and withhold from such wages for each payroll period the amount provided in subsection 3 of this section.

2. The term "wages" referred to in subsection 1 of this section means wages as defined by section 3401(a) of the Internal Revenue Code of 1986, as amended. The term "employer" means any person, firm, corporation, association, fiduciary of any kind, or other type of organization for whom an individual performs service as an employee, except that if the person or organization for whom the individual performs service does not have control of the payment of compensation for such service, the term "employer" means the person having control of the payment of the compensation. The term includes the United States, this state, other states, and all agencies, instrumentalities, and subdivisions of any of them.

3. (1) The method of determining the amount to be withheld shall be prescribed by regulations of the director of revenue. The prescribed table, percentages, or other method shall result, so far as practicable, in withholding from the employee's wages during each calendar year an amount substantially equivalent to the tax reasonably estimated to be due from the employee under this chapter with respect to the amount of such wages included in his Missouri adjusted gross income during the calendar year.

(2) The amount to be withheld by an employer with respect to tips received by an employee in the course of the employee's employment shall be calculated based solely upon the amount of tips reported by the employee in a written statement furnished to the employer as required by subsection (a) of Section 6053 of the Internal Revenue Code of 1986, as amended, or, if greater, the amount of tips received by the employer and remitted to the employee. If an employee shares tips, the employer shall withhold only from the employee who actually receives\* the shared tips. The employer's Missouri income tax withholding obligation with respect to an employee's tip income shall be limited to the portion of the employee's wages under the control of the employer against which the employer is required, pursuant to federal law, to withhold federal income taxes on the employee's tips. Such withholding obligation shall be calculated after making reductions for all required federal tax withholding, Missouri income tax withholding on nontip income, and other amounts which have higher legal priority.

4. For purposes of this section an employee shall be entitled to the same number of personal and dependency withholding exemptions as the number of exemptions to which he is entitled for federal income tax withholding purposes. An employer may rely upon the number of federal withholding exemptions claimed by the employee, except where the employee provides the employer with a form claiming a different number of withholding exemptions in this state.

5. The director of revenue may enter into agreements with the tax departments of other states (which require income tax to be withheld from the payment of wages) so as to govern the amounts to be withheld from the wages of residents of such states under this section. Such agreements may provide for recognition of anticipated tax credits in determining the amounts to be withheld and, under regulations prescribed by the director of revenue, may relieve employers in this state from withholding income tax on wages paid to nonresident employees. The agreements authorized by this subsection are subject to the condition that the tax department of such other states grant similar treatment to residents of this state.

6. The director of revenue shall enter into agreements with the Secretary of the Treasury of the United States or with the appropriate secretaries of the respective branches of the Armed Forces of the United States for the withholding, as required by subsections 1 and 2 of this section, of income

taxes due the state of Missouri on wages or other payments for service in the Armed Services of the United States or on payments received as retirement or retainer pay of any member or former member of the Armed Forces entitled to such pay.

7. Subject to appropriations for the purpose of implementing this section, the director of revenue shall comply with provisions of the laws of the United States as amended and the regulations promulgated thereto in order that all residents of this state receiving monthly retirement income as a civil service annuitant from the federal government taxable by this state may have withheld monthly from any such moneys, whether pension, annuities or otherwise, an amount for payment of state income taxes as required by state law, but such withholding shall not be less than twenty-five dollars per quarter.

8. The provisions of this section shall not apply to out-of-state businesses operating under sections [190.270](#) to [190.285](#).

(L. 1972 S.B. 549, A.L. 1988 H.B. 1054, et al., A.L. 1990 H.B. 952, A.L. 1992 H.B. 915, A.L. 1994 S.B. 477, et al., A.L. 2014 H.B. 1190, A.L. 2015 H.B. 517 & 754 merged with S.B. 336)

\*Word "received" appeared in original rolls of S.B. 336, 2015.

#### CROSS REFERENCE:

Duties of employers and employees, withholding forms, [285.300](#)

#### **Information statement for employee.**

[143.201](#). Every employer required to deduct and withhold tax under sections [143.011](#) to [143.996](#) from the wages of an employee shall furnish to each employee in respect to the wages paid by such employer to such employee during the calendar year on or before January thirty-first of the succeeding year, or, if his employment is terminated before the close of such calendar year, within thirty days from the date on which the last payment of wages is made, a written statement in a form prescribed by the director of revenue showing the amount of wages paid by the employer to the employee, the amount if any deducted and withheld as tax, and such other information as the director of revenue shall prescribe.

(L. 1972 S.B. 549)

Effective 1-1-73

#### **Credit for tax withheld.**

[143.211](#). Any amount of tax actually deducted and withheld under sections [143.011](#) to [143.996](#) in any calendar year shall be deemed to have been paid to the director of revenue on behalf of the person from whom withheld. Such person shall be credited with having paid that amount for his taxable year beginning in such calendar year.

(L. 1972 S.B. 549)

Effective 1-1-73

#### **Employer's return and payment of tax withheld.**

[143.221](#). 1. Every employer required to deduct and withhold tax under sections [143.011](#) to [143.996](#) shall, for each calendar quarter, on or before the last day of the month following the close of such calendar quarter, file a withholding return as prescribed by the director of revenue and pay over to the director of revenue or to a depository designated by the director of revenue the taxes so required to be deducted and withheld.

2. Where the aggregate amount required to be deducted and withheld by any employer exceeds fifty dollars for at least two of the preceding twelve months, the director, by regulation, may require a monthly return. The due dates of the monthly return and the monthly payment or deposit

for the first two months of each quarter shall be by the fifteenth day of the succeeding month. The due dates of the monthly return and the monthly payment or deposit for the last month of each quarter shall be by the last day of the succeeding month. The director may increase the amount required for making a monthly employer withholding payment and return to more than fifty dollars or decrease such required amount, however, the decreased amount shall not be less than fifty dollars.

3. Where the aggregate amount required to be deducted and withheld by any employer is less than twenty dollars in each of the four preceding quarters, the employer shall file a withholding return for a calendar year. The director, by regulation, may also allow other employers to file annual returns. The return shall be filed and the taxes if any paid on or before January thirty-first of the succeeding year. The director may increase the amount required for making an annual employer withholding payment and return to more than twenty dollars or decrease such required amount, however, the decreased amount shall not be less than twenty dollars.

4. If the director of revenue finds that the collection of taxes required to be deducted and withheld by an employer may be jeopardized by delay, he may require the employer to pay over the tax or make a return at any time. A lien outstanding with regard to any tax administered by the director shall be a sufficient basis for this action.

(L. 1972 S.B. 549, A.L. 1983 1st Ex. Sess. H.B. 10, A.L. 1985 H.B. 202, A.L. 1998 H.B. 1301)

**Quarter-monthly remittance, when--deemed filed on time,when--quarter-monthly defined--underpayment penalty,exceptions--electronic funds payment system authorized.**

143.225. 1. The director of revenue, by regulation, may require an employer to timely remit the unpaid amount required to be deducted and withheld by section 143.191 at the end of any quarter-monthly period, only if the employer was required to deduct and withhold six thousand dollars or more in each of at least two months during the prior twelve months.

2. The director may increase the monthly requirement to more than six thousand dollars or otherwise narrow the application of the quarter-monthly remittance system authorized by this section. The director may not require the remittance of withheld taxes more often than monthly unless authorized by this section.

3. A remittance shall be timely if mailed as provided in section 143.851 within three banking days after the end of the quarter-monthly period or if received by the director or deposited in a depository designated by the director within four banking days after the end of the quarter-monthly period.

4. The unpaid amount shall be after a reduction for the compensation provided by section 143.261. The unpaid amount at the end of a quarter-monthly period shall not include unpaid amounts for any prior quarter-monthly period.

5. For purposes of this section, "quarter-monthly period" means:

- (1) The first seven days of a calendar month;
- (2) The eighth to fifteenth day of a calendar month;
- (3) The sixteenth to twenty-second day of a calendar month; and
- (4) The portion following the twenty-second day of a calendar month.

6. (1) In the case of an underpayment of any amount required to be paid pursuant to this section, an employer shall be liable for a penalty in lieu of all other penalties, interest or additions to tax imposed by this chapter for violating this section. The penalty shall be five percent of the amount of the underpayment determined under subdivision (2) of this subsection.

(2) The amount of the underpayment shall be the excess of:

- (a) Ninety percent of the unpaid amount at the end of a quarter-monthly period; over
- (b) The amount, if any, of the timely remittance for the quarter-monthly period.

7. (1) The penalty with respect to any quarter-monthly period shall not be imposed if the employer's timely remittance for the quarter-monthly period equals or exceeds one-fourth of the average monthly withholding tax liability of the employer for the preceding calendar year. The month of highest liability and the month of lowest liability shall be excluded in computing the average. This subdivision shall apply only to an employer who had a withholding tax liability for at least six months of the previous calendar year.

(2) The penalty shall not be imposed if the employer establishes that the failure to make a timely remittance of at least ninety percent was due to reasonable cause, and not due to willful neglect.

(3) The penalty shall not be imposed against any employer for the first two months the employer is obligated to make quarter-monthly remittance of withholding taxes.

8. Tax amounts remitted under this section shall be treated as payments on the employer's monthly return required by subsection 2 of section [143.221](#). Tax amounts remitted under this section shall be deemed to have been paid on the last day prescribed for filing the return. The preceding sentence shall apply in computing compensation under section [143.261](#), interest, penalties and additions to tax and for purposes of all sections of chapter 143, except this section.

9. The director of revenue may prescribe the use of an electronic funds payment system for the payment of withholding taxes by any employer subject to the requirement of quarter-monthly remittance as provided in this section.

(L. 1983 1st Ex. Sess. H.B. 10, A.L. 2003 H.B. 600)

Effective 7-01-03

**Employer's and corporate officer's liability for withheld taxes--sale of business, liabilities.**

[143.241](#). 1. Every employer required to deduct and withhold tax under sections [143.011](#) to [143.996](#) is hereby made liable for such tax. For purposes of assessment and collection, any amount required to be withheld and paid over to the director of revenue, and any penalties, interest, and additions to tax with respect thereto, shall be considered the tax of the employer. Any amount of tax actually deducted and withheld under sections [143.011](#) to [143.996](#) shall be a special fund in trust for the director of revenue. No employee shall have any right of action against his employer in respect to any money deducted and withheld from his wages and paid over to the director of revenue in compliance or in good faith compliance with sections [143.011](#) to [143.996](#).

2. Any officer, director, or statutory trustee of any corporation, including administratively dissolved corporations, or foreign corporations that have had their certificate of authority revoked, subject to the provisions of sections [143.191](#) to [143.265](#), who has the direct control, supervision or responsibility for filing returns and making payment of the amount of tax imposed in accordance with sections [143.191](#) to [143.265](#), and who fails to file or pay such return with the director of revenue shall be personally assessed for such amounts, including interest, additions to tax and penalties thereon. This assessment shall be imposed only in the event that the assessment on the corporation is final, and such corporation fails to pay such amounts to the director of revenue. Notice shall be given of the director of revenue's intent to make the assessment against such officers, directors, statutory trustees or employees. The personal liability of such officers, directors, statutory trustees or employees as provided in this section shall survive the administrative dissolution of the corporation or, if a foreign corporation, the revocation of the corporation's certificate of authority.

3. If any employer required to withhold and remit tax under sections [143.191](#) to [143.265](#) or his successors shall sell all or substantially all of his or their business or shall quit the business, such

employer or successor shall file a final return within fifteen days after the date of selling or quitting business.

4. If any employer required to withhold and remit tax under sections [143.191](#) to [143.265](#) or his successors shall contract to sell all or substantially all of his or their business, the seller shall request from the director of revenue a statement or certificate as provided in subsection 6 of this section. The seller shall present such statement or certificate to the purchaser prior to consummation of the sale and secure the purchaser's signature thereon as validation of receipt. Failure to comply with this provision shall result in the seller being liable for an additional penalty equal to twenty-five percent of the seller's delinquency at the time of the sale. The provisions of this section to the contrary notwithstanding, this additional penalty shall be the sole liability of the seller and shall not be a liability of the purchaser.

5. Except as provided in subsections 6, 7, and 8 of this section, all successors, if any, shall be required to withhold an amount of the purchase money sufficient to cover the taxes, interest, additions to tax or penalties due and unpaid until such time as the former owner or predecessor, whether immediate or not, shall produce a receipt from the director of revenue showing that the taxes have been paid, or a certificate stating that no taxes are due. If the purchaser of a business shall fail to withhold the purchase money as required by this section and remit at the time of purchase all amounts so withheld to the director to pay all unpaid taxes, interest, additions to tax and penalties due from the former owner or predecessor, the purchaser shall be personally liable for the payment of the taxes, interest, additions to tax and penalties accrued and unpaid by the former owner of the business.

6. The director of revenue shall, notwithstanding the provisions of section [32.057](#), upon written request, furnish within fifteen days from the receipt of such a request by certified mail, return receipt requested, or such other methods as may be mutually agreed upon, to any owner, successor, secured creditor, purchaser, or in the case of a proposed purchaser, if joined in writing by the owner, a statement showing the amount of taxes, interest, additions to tax or penalties due and owing or a certificate showing that no taxes, interest, additions to tax or penalties are due under this chapter, including the date for the last payment for such taxes, interest, additions to tax or penalties as shown by the records of the director of revenue.

7. A secured creditor who shall enforce a lien against a business subject to the provisions of this chapter shall be entitled to obtain from the director of revenue a statement of employer withholding tax due and the status of the employer withholding tax payments from the director of revenue in accordance with subsection 6 of this section. If the director of revenue does not respond within fifteen days from the date of receipt of such request by the secured creditor seeking to enforce its lien, it shall be conclusively presumed that all such employer withholding tax has been paid as to the secured creditor or any successor of the secured creditor, whether such successor be immediate or not. Nothing in this section shall eliminate the liability of the owner of the business owing employer withholding tax from the liability to pay such employer withholding tax. Any purchaser who acquires the business as a result of an enforcement action by a creditor shall be exempt from the liability set forth in subsection 5 of this section, whether such purchaser be immediate or subsequent thereto.

8. Any such creditor who shall enforce a lien against a business subject to the provisions of this section shall be entitled to be paid the principal sums due, all accrued interest to the date of the payment, and the expenses of enforcing the lien of the secured creditor including attorney's fees. The balance, if any, shall be paid to the creditors having a priority interest thereto under the laws of the state of Missouri or the United States of America. Any balance then remaining, up to the amount of the tax, interest, additions to tax and penalties then due, shall be remitted to the director of revenue as provided by this section. Nothing in this section shall affect the priority of any lien filed by the director of revenue against the former owner or predecessor.

9. Mailing of notices or requests, by first class mail, postage prepaid, certified with return receipt requested, or such other methods as may be mutually agreed upon, shall be prima facie evidence that the party to whom it is addressed received the correspondence, notice or request.

(L. 1972 S.B. 549, A.L. 1990 H.B. 960, A.L. 1991 H.B. 219, A.L. 1994 S.B. 477, et al., A.L. 2004 S.B. 1394)

**Employer's failure to withhold.**

[143.251](#). If an employer fails to deduct and withhold tax as required, and thereafter the tax against which such tax may be credited is paid, the tax so required to be deducted and withheld shall not be collected from the employer. The employer shall not be relieved thereby from liability for any penalties, interest, or additions to tax otherwise applicable in respect to such failure to deduct and withhold.

(L. 1972 S.B. 549)

Effective 1-1-73

**Compensation.**

[143.261](#). For every remittance to the director of revenue made on or before the date the remittance becomes due, the employer, other than the United States and its agencies, the state of Missouri and political subdivisions thereof, may deduct and retain the following percentages of the total amount of tax withheld and paid in each calendar year:

(1) Two percent of five thousand dollars or less;

(2) One percent of amount collected in excess of five thousand dollars and up to and including ten thousand dollars;

(3) One-half percent of amount collected in excess of ten thousand dollars.

(L. 1972 S.B. 549)

Effective 1-1-73

**Retirement income, withholding authorized, when.**

[143.265](#). Every resident receiving retirement income from an entity in this state and provided that such income is taxable by this state may have an amount withheld from such income as a payment of state income tax as required by state law. The entity administering such pension or retirement fund or program shall, upon written application from the recipient of such payments, deduct and withhold from such payments for each payment period an amount designated by the recipient, but such withholding shall not be less than ten dollars per month, and shall forward this amount to the director of revenue as prescribed by section [143.221](#).

(L. 1988 H.B. 1054, et al. § 1)

Effective 1-1-89

**Period for computation of taxable income.**

[143.271](#). 1. For purposes of taxes imposed by sections [143.011](#) to [143.996](#), a taxpayer's taxable year shall be the same as his taxable year for federal income tax purposes.

2. If a taxpayer's taxable year is changed for federal income tax purposes, his taxable year for purposes of the tax imposed by sections [143.011](#) to [143.996](#) shall be similarly changed. If a change in taxable year results in a taxable period of less than twelve months, the deductions allowed by sections [143.011](#) to [143.996](#) shall be prorated under regulations prescribed by the director of revenue.

(L. 1972 S.B. 549)

Effective 1-1-73

**Methods of accounting.**

143.281. 1. For purposes of taxes imposed by sections 143.011 to 143.996, a taxpayer's method of accounting shall be the same as his method of accounting for federal income tax purposes. If no method of accounting has been regularly used by the taxpayer, taxable income for purposes of sections 143.011 to 143.996 shall be computed under such method that in the opinion of the director of revenue fairly reflects income.

2. If a taxpayer's method of accounting is changed for federal income tax purposes, his method of accounting for purposes of sections 143.011 to 143.996 shall similarly be changed.

(L. 1972 S.B. 549)

Effective 1-1-73

**Adjustments.**

143.291. In computing a taxpayer's taxable income for any taxable year under a method of accounting different from the method under which the taxpayer's taxable income for the previous year was computed, there shall be taken into account those adjustments which are determined, under regulations prescribed by the director of revenue, to be necessary solely by reason of the change in order to prevent amounts from being duplicated or omitted.

(L. 1972 S.B. 549)

Effective 1-1-73

**Transitional adjustments.**

143.301. The director of revenue shall prescribe regulations dealing with situations in which the application of sections 143.011 to 143.996 to a taxpayer produces a computation of taxable income under a method of accounting different from the method under which the taxpayer's taxable income for the previous year was computed for Missouri income taxation. The regulations shall provide change of accounting method adjustments over a period not to exceed five years where the adjustments are necessary to prevent substantial amounts from being duplicated or omitted.

(L. 1972 S.B. 549)

Effective 1-1-73

**Missouri taxable income and tax.**

143.311. The Missouri taxable income of an estate or trust shall be computed in the same manner as in the case of an individual except as otherwise provided in sections 143.321 to 143.391. The tax shall be computed on such taxable income at the rates provided in section 143.061 and shall be paid by the fiduciary.

(L. 1972 S.B. 549)

Effective 1-1-73

**Exempt associations, trusts, and organizations.**

143.321. A trust or other unincorporated organization which by reason of its purposes and activities is exempt from federal income tax shall be exempt from the tax imposed by sections 143.011 to 143.996. The preceding sentence shall not apply to unrelated business taxable income and other income on which Chapter 1 of the Internal Revenue Code imposes the federal income tax or any other tax measured by income.

(L. 1972 S.B. 549)

Effective 1-1-73

**Resident estate or trust defined.**

143.331. A "resident estate or trust" means:

- (1) The estate of a decedent who at his or her death was domiciled in this state;
- (2) A trust that:
  - (a) Was created by will of a decedent who at his or her death was domiciled in this state; and
  - (b) Has at least one income beneficiary who, on the last day of the taxable year, was a resident of this state; or
- (3) A trust that:
  - (a) Was created by, or consisting of property of, a person domiciled in this state on the date the trust or portion of the trust became irrevocable; and
  - (b) Has at least one income beneficiary who, on the last day of the taxable year, was a resident of this state.

(L. 1972 S.B. 549, A.L. 2000 S.B. 896)

**Missouri taxable income of resident estate or trust.**

143.341. 1. The Missouri taxable income of a resident estate or trust means its federal taxable income subject to the modifications in this section.

2. There shall be subtracted the amount if any that the federal personal exemption deduction allowable to the estate or trust exceeds its federal taxable income without its personal exemption deduction.

3. There shall be added or subtracted, as the case may be, the modifications described in sections 143.121 and 143.141, and there shall be subtracted the federal income tax deduction provided in section 143.171. These additions and subtractions shall only apply to the extent that they are not determinants of the federal distributable net income of the estate or trust.

4. There shall be added or subtracted, as the case may be, the share of the estate or trust in the fiduciary adjustment determined under section 143.351.

(L. 1972 S.B. 549)

Effective 1-1-73

**Fiduciary adjustment.**

143.351. 1. An adjustment shall be made in determining the Missouri taxable income of a resident estate or trust under section 143.341, or the Missouri adjusted gross income of a resident beneficiary of any estate or trust under section 143.121, subsection 4, in the amount of the share of each in the Missouri fiduciary adjustment as determined in this section.

2. The Missouri fiduciary adjustment shall be the net amount of the modifications described in subsections 2, 3, and 4 of section 143.121 (if the estate or trust is a beneficiary of another estate or trust), subsection 5 of section 143.121, section 143.141, and section 143.171. The net amount of such modification shall not include any modification to the extent such items are not determinants of the federal distributable net income of the estate or trust.

3. (1) The respective shares of an estate or trust and its beneficiaries (including, solely for the purpose of this allocation, nonresident and charitable beneficiaries) in the fiduciary adjustment shall

be in proportion to their respective shares of the sum of federal distributable net income of the estate or trust and the amount paid or required to be paid to a charitable organization to the extent such amount is attributable to income for the current year.

(2) If the estate or trust has no federal distributable net income for the taxable year, the share of each beneficiary in the fiduciary adjustment shall be in proportion to his share of the estate or trust income for such year, under the applicable law or the government instrument, which is required to be distributed currently and any other amounts of such income distributed in such year. Any balance of the fiduciary adjustment shall be allocated to the estate or trust.

(3) The director of revenue may, by regulation, establish such other method or methods of determining to whom the items comprising the fiduciary adjustment shall be attributed, as may be appropriate and equitable. Such method may be used by the fiduciary in his discretion whenever the allocation of the fiduciary adjustment, pursuant to subdivision (1) or (2) of this subsection would result in an inequity which is substantial both in amount and in relation to the amount of the fiduciary adjustment.

(L. 1972 S.B. 549)

Effective 1-1-73

**Credit for income tax paid to another state.**

[143.361](#). A resident estate or trust shall be allowed the credit provided in section [143.081](#) (relating to an income tax imposed by another state).

(L. 1972 S.B. 549)

Effective 1-1-73

**Nonresident estate or trust defined.**

[143.371](#). A "nonresident estate or trust" means an estate or trust which is not a resident estate or trust as defined in section [143.331](#).

(L. 1972 S.B. 549)

Effective 1-1-73

**Missouri taxable income of nonresident estate or trust.**

[143.381](#). 1. The Missouri taxable income of a nonresident estate or trust consists of:

(1) Its share under section [143.391](#) of items of income, gain, loss, and deduction from sources within Missouri which enter into the federal definition of distributable net income;

(2) Increased or reduced by the amount of any items of income, gain, loss, or deduction from sources within Missouri which are recognized for federal income tax purposes but excluded from the federal definition of distributable net income of the estate or trust;

(3) To the extent relating to items within subdivision (2) of this subsection 1, there shall be added or subtracted, as the case may be, the modifications described in sections [143.121](#) and [143.141](#), and there shall be subtracted the federal income tax deduction provided in section [143.171](#). These additions and subtractions shall only apply to the extent that they are not determinants of the federal distributable net income of the estate or trust.

(4) There shall be subtracted a fractional share of the federal personal exemption deduction to which such nonresident estate or trust is entitled the numerator of which shall be the federal distributable net income derived from Missouri sources and the denominator of which shall be the federal distributable net income.

2. The sources of items of income, gain, loss, or deduction shall be determined under regulations prescribed by the director of revenue in accordance with the general rules in section [143.181](#) as if the estate or trust were a nonresident individual.

(L. 1972 S.B. 549)

Effective 1-1-73

**Share of nonresident estate, trust, or beneficiary in income from Missouri sources.**

[143.391](#). 1. The share of a nonresident estate or trust under subdivision (1) of subsection 1 of section [143.381](#) and the share of a nonresident beneficiary of any estate or trust under subsection 1 of section [143.181](#) in estate or trust income, gain, loss, and deduction, from sources within Missouri shall be determined as follows:

(1) There shall be determined the items of income, gain, loss, deduction, and credit derived from sources within Missouri which enter into the definition of federal distributable net income of the estate or trust for the taxable year (including such items from another estate or trust of which the first estate or trust is a beneficiary). Such determination of source shall be made under regulations prescribed by the director of revenue in accordance with the applicable rules of section [143.181](#) as in the case of a nonresident individual.

(2) There shall be added or subtracted, as the case may be, the modifications described in sections [143.121](#) and [143.141](#), and there shall be subtracted the federal income tax deduction provided in section [143.171](#). These additions and subtractions shall only apply to the extent relating to items of income, gain, loss, and deduction derived from sources within Missouri, which enter into the definition of federal distributable net income (including such items from another estate or trust of which the first estate or trust is a beneficiary). No modification shall be made under this subdivision (2) which has the effect of duplicating an item already reflected in federal distributable net income.

(3) (a) The sum of the amounts determined under subdivisions (1) and (2) of subsection 1 of this section shall be allocated among the estate or trust and its beneficiaries (including, solely for the purpose of this allocation, resident and charitable beneficiaries) in proportion to their respective shares of the sum of federal distributable net income of the estate or trust and the amount paid or required to be paid to a charitable organization to the extent such amount is attributable to income for the current year.

(b) The amounts so allocated shall have the same character under this section as for federal income tax purposes. Where an item entering into the computation of such amounts is not characterized for federal income tax purposes, it shall have the same character as if realized directly from the source from which realized by the estate or trust, or incurred in the same manner as incurred by the estate or trust.

2. (1) If the estate or trust has no federal distributable net income for the taxable year, the share of each beneficiary (including, solely for the purpose of this allocation, resident beneficiaries) in the net amount, determined under subdivisions (1) and (2) of subsection 1 of this section, shall be in proportion to his share of the estate or trust income for such year, under the applicable law or the governing instrument, which is required to be distributed currently and any other amounts of such income distributed in such year. Any balance of such net amount shall be allocated to the estate or trust.

(2) The director of revenue may, by regulation, establish such other method or methods of determining the respective shares of the beneficiaries and of the estate or trust in its income derived from sources within Missouri and in the modifications related thereto as may be appropriate and equitable. Such method may be used by the fiduciary in his discretion whenever the allocation of such respective shares under subsection 1 or subdivision (1) of subsection 2 of this section would

result in an inequity which is substantial both in amount and in relation to the total amount of the amount of the modifications referred to in subdivision (2) of subsection 1 of this section.

(L. 1972 S.B. 549)

Effective 1-1-73

### **General treatment of partners and partnerships.**

[143.401](#). A partnership shall not be subject to tax under sections [143.011](#) to [143.996](#). Persons carrying on business as partners shall be liable for the tax under sections [143.011](#) to [143.996](#) only in their separate capacities. The provisions of the Internal Revenue Code relating to partners and partnerships shall apply in determining Missouri taxable income of each partner except, however, for the modifications provided in sections [143.411](#) and [143.421](#).

(L. 1972 S.B. 549)

Effective 1-1-73

### **Resident partner modifications--nonresident partners, compositereturns--withholding required, when, amount.**

[143.411](#). 1. Any modification described in sections [143.121](#) and [143.141](#) which relates to an item of partnership income, gain, loss, or deduction shall be made in accordance with the partner's distributive share, for federal income tax purposes, of the item to which the modification relates. Where a partner's distributive share of any such item is not required to be taken into account separately for federal income tax purposes, the partner's distributive share of such item shall be determined in accordance with his distributive share, for federal income tax purposes, of partnership taxable income or loss generally.

2. Each item of partnership income, gain, loss, or deduction shall have the same character for a partner under sections [143.005](#) to [143.998](#) as it has for federal income tax purposes. Where an item is not characterized for federal income tax purposes, it shall have the same character for a partner as if realized directly from the source from which realized by the partnership or incurred in the same manner as incurred by the partnership.

3. Where a partner's distributive share of an item of partnership income, gain, loss, or deduction is determined for federal income tax purposes by a special provision in the partnership agreement with respect to such item, and the principal purpose of such provision is the avoidance of tax under sections [143.005](#) to [143.998](#), the partner's distributive share of such item and any modification required with respect thereto shall be determined in accordance with his distributive share of the taxable income or loss of the partnership generally (that is, exclusive of those items requiring separate computation under the provisions of Section 702 of the Internal Revenue Code).

4. The director of revenue shall permit partnerships to file composite returns and to make composite payments of tax on behalf of its nonresident partners not otherwise required to file a return. If the nonresident partner's filing requirements result\* solely from one or more interests in any other partnerships or subchapter S corporations, that nonresident partner may be included in the composite return.

5. If a partnership pays or credits amounts to any of its nonresident individual partners on account of their distributive share of the partnership income for a taxable year of the partnership, the partnership shall either timely file with the department of revenue an agreement as provided in subsection 6 of this section or withhold Missouri income tax as provided in subsection 7 of this section. A partnership that timely files an agreement as provided in subsection 6 of this section with respect to a nonresident partner for a taxable year shall be considered to have timely filed such an agreement for each subsequent taxable year. A partnership that does not timely file such an agreement for a taxable year shall not be precluded from timely filing such an agreement for

subsequent taxable years. A partnership is not required to deduct and withhold Missouri income tax for a nonresident partner if:

- (1) The nonresident partner not otherwise required to file a return agrees to have the Missouri income tax due paid as part of the partnership's composite return;
- (2) The nonresident partner not otherwise required to file a return had Missouri assignable federal adjusted gross income from the partnership of less than twelve hundred dollars;
- (3) The partnership is liquidated or terminated;
- (4) Income was generated by a transaction related to termination or liquidation; or
- (5) No cash or other property was distributed in the current and prior taxable year.

6. The agreement referred to in subdivision (1) of subsection 5 of this section is an agreement by a nonresident partner of the partnership to:

- (1) File a return in accordance with the provisions of section [143.481](#) and to make timely payment of all taxes imposed on the partner by this state with respect to income of the partnership; and
- (2) Be subject to personal jurisdiction in this state for purposes of the collection of income taxes, together with related interest and penalties, imposed on the partner by this state with respect to the income of the partnership.

The agreement will be considered timely filed for a taxable year, and for all subsequent taxable years, if it is filed at or before the time the annual return for such taxable year is required to be filed pursuant to section [143.511](#).

7. The amount of Missouri income tax to be withheld is determined by multiplying the partner's distributive share allocable to Missouri that is paid or credited to a nonresident partner during the taxable year by the highest rate used to determine a Missouri income tax liability for an individual, except that the amount of the tax withheld may be determined based on withholding tables provided by the director of revenue if the partner submits a Missouri withholding allowance certificate.

8. A partnership shall be entitled to recover for a partner on whose behalf a tax payment was made pursuant to this section, if such partner has no tax liability.

(L. 1972 S.B. 549, A.L. 1993 S.B. 66 & 20, A.L. 1997 H.B. 655 merged with S.B. 170)

Effective 6-24-97 (H.B. 655)

5-20-97 (S.B. 170)

\*Word "results" appears in original rolls.

### **Nonresident partner--adjusted gross income from Missouri sources.**

[143.421](#). 1. In determining the adjusted gross income of a nonresident partner of any partnership, there shall be included only that part derived from or connected with sources in this state of the partner's distributive share of items of partnership income, gain, loss, and deduction entering into his federal adjusted gross income, as such part is determined under regulations prescribed by the director of revenue in accordance with the general rules in section [143.181](#).

2. In determining the source of a nonresident partner's adjusted gross income, no effect shall be given to a provision in the partnership agreement which:

- (1) Characterizes payments to the partner as being for services or for the use of capital, or allocated to the partner, as income or gain from sources outside this state, a greater proportion of his distributive share of partnership income or gain than the ratio of partnership income or gain from

sources outside this state to partnership income or gain from all sources, except as authorized in subsection 4; or

(2) Allocates to the partner a greater proportion of a partnership item of loss or deduction connected with sources in this state than his proportionate share, for federal income tax purposes, of partnership loss or deduction generally, except as authorized in subsection 5.

3. Any modifications described in subsections 2 and 3 of section [143.121](#), and in section [143.141](#), which relates to an item of partnership income, gain, loss, or deduction, shall be made in accordance with the partner's distributive share, for federal income tax purposes, of the item to which the modification relates, but limited to the portion of such item derived from or connected with sources in this state.

4. The director of revenue may, on application, authorize the use of such other methods of determining a nonresident partner's portion of partnership items derived from or connected with sources in this state, and the modifications related thereto, as may be appropriate and equitable, on such terms and conditions as he may require.

5. A nonresident partner's distributive share of items of income, gain, loss, or deduction shall be determined under subsection 1 of section [143.411](#). The character of partnership items for a nonresident partner shall be determined under subsection 2 of section [143.411](#). The effect of a special provision in a partnership agreement, other than a provision referred to in subsection 2 of this section, having as a principal purpose the avoidance of tax under sections [143.011](#) to [143.996](#), shall be determined under subsection 3 of section [143.411](#).

(L. 1972 S.B. 549)

Effective 1-1-73

#### **Missouri taxable income and tax.**

[143.431](#). 1. The Missouri taxable income of a corporation taxable under sections [143.011](#) to [143.996](#) shall be so much of its federal taxable income for the taxable year, with the modifications specified in subsections 2 to 4 of this section, as is derived from sources within Missouri as provided in section [143.451](#). The tax of a corporation shall be computed on its Missouri taxable income at the rates provided in section [143.071](#).

2. There shall be added to or subtracted from federal taxable income the modifications to adjusted gross income provided in section [143.121](#), with the exception of subdivision (5) of subsection 2 of section [143.121](#), and the applicable modifications to itemized deductions provided in section [143.141](#). There shall be subtracted the federal income tax deduction provided in section [143.171](#). There shall be subtracted, to the extent included in federal taxable income, corporate dividends from sources within Missouri.

3. (1) If an affiliated group of corporations files a consolidated income tax return for the taxable year for federal income tax purposes and fifty percent or more of its income is derived from sources within this state as determined in accordance with section [143.451](#), then it may elect to file a Missouri consolidated income tax return. The federal consolidated taxable income of the electing affiliated group for the taxable year shall be its federal taxable income.

(2) So long as a federal consolidated income tax return is filed, an election made by an affiliated group of corporations to file a Missouri consolidated income tax return may be withdrawn or revoked only upon substantial change in the law or regulations adversely changing tax liability under this chapter, or with permission of the director of revenue upon the showing of good cause for such action. After such a withdrawal or revocation with respect to an affiliated group, it may not file a Missouri consolidated income tax return for five years thereafter, except with the approval of the director of revenue, and subject to such terms and conditions as he may prescribe.

(3) No corporation which is part of an affiliated group of corporations filing a Missouri consolidated income tax return shall be required to file a separate Missouri corporate income tax return for the taxable year.

(4) For each taxable year an affiliated group of corporations filing a federal consolidated income tax return does not file a Missouri consolidated income tax return, for purposes of computing the Missouri income tax, the federal taxable income of each member of the affiliated group shall be determined as if a separate federal income tax return had been filed by each such member.

(5) The director of revenue may prescribe such regulations not inconsistent with the provisions of this chapter as he may deem necessary in order that the tax liability of any affiliated group of corporations making a Missouri consolidated income tax return, and of each corporation in the group, before, during, and after the period of affiliation, may be returned, determined, computed, assessed, collected, and adjusted, in such manner as clearly to reflect the Missouri taxable income derived from sources within this state and in order to prevent avoidance of such tax liability.

4. If a net operating loss deduction is allowed for the taxable year, there shall be added to federal taxable income the amount of the net operating loss modification for each loss year as to which a portion of the net operating loss deduction is attributable. As used in this subsection, the following terms mean: (1) "Loss year", the taxable year in which there occurs a federal net operating loss that is carried back or carried forward in whole or in part to another taxable year; (2) "Net addition modification", for any taxable year, the amount by which the sum of all required additions to federal taxable income provided in this chapter, except for the net operating loss modification, exceeds the combined sum of the amount of all required subtractions from federal taxable income provided in this chapter; (3) "Net operating loss deduction", a net operating loss deduction allowed for federal income tax purposes under Section 172 of the Internal Revenue Code of 1986, as amended, or a net operating loss deduction allowed for Missouri income tax purposes under paragraph (d) of subsection 2 of section [143.121](#), but not including any net operating loss deduction that is allowed for federal income tax purposes but disallowed for Missouri income tax purposes under paragraph (d) of subsection 2 of section [143.121](#); (4) "Net operating loss modification", an amount equal to the lesser of the amount of the net operating loss deduction attributable to that loss year or the amount by which the total net operating loss in the loss year is less than the sum of:

(a) The net addition modification for that loss year; and

(b) The cumulative net operating loss deductions attributable to that loss year allowed for the taxable year and all prior taxable years.

5. For all tax years ending on or after July 1, 2002, federal taxable income may be a positive or negative amount. Subsection 4 of this section shall be effective for all tax years with a net operating loss deduction attributable to a loss year ending on or after July 1, 2002, and the net operating loss modification shall only apply to loss years ending on or after July 1, 2002.

(L. 1972 S.B. 549, A.L. 2004 S.B. 1394, A.L. 2007 H.B. 444, et al.)

(2002) Payments between corporate taxpayers and related companies resulting from exclusive licensing agreements and patents executed outside state did not constitute Missouri source income. *Acme Royalty Company v. Director of Revenue*, 96 S.W.3d 72 (Mo.banc).

#### **Corporation defined--corporate tax inapplicable, when.**

[143.441](#). 1. The term "corporation" means every corporation, association, joint stock company and joint stock association organized, authorized or existing under the laws of this state and includes:

(1) Every corporation, association, joint stock company, and joint stock association organized, authorized, or existing under the laws of this state, and every corporation, association, joint stock company, and joint stock association, licensed to do business in this state, or doing business in this

state, and not organized, authorized, or existing under the laws of this state, or by any receiver in charge of the property of any such corporation, association, joint stock company or joint stock association;

(2) Every railroad corporation or receiver in charge of the property thereof which operates over rails owned or leased by it and every corporation operating any buslines, trucklines, airlines, or other forms of transportation operating over fixed routes owned, leased, or used by it extending from this state to another state or states;

(3) Every corporation, or receiver in charge of the property thereof, which owns or operates a bridge between this and any other state; and

(4) Every corporation, or receiver in charge of the property thereof, which operates a telephone line or lines extending from this state to another state or states or a telegraph line or lines extending from this state to another state or states.

2. The tax on corporations provided in subsection 1 of section [143.431](#) and section [143.071](#) shall not apply to:

(1) A corporation which by reason of its purposes and activities is exempt from federal income tax. The preceding sentence shall not apply to unrelated business taxable income and other income on which chapter 1 of the Internal Revenue Code imposes the federal income tax or any other tax measured by income;

(2) An express company which pays an annual tax on its gross receipts in this state;

(3) An insurance company which is subject to an annual tax on its gross premium receipts in this state;

(4) A Missouri mutual or an extended Missouri mutual insurance company organized under chapter 380; and

(5) Any other corporation that is exempt from Missouri income taxation under the laws of Missouri or the laws of the United States.

(L. 1972 S.B. 549, A.L. 1989 S.B. 228, A.L. 2009 H.B. 577)

**Taxable income to include all income within this state--definitions--intrastate business, report of income,when--deductions, how apportioned.**

[143.451](#). 1. Missouri taxable income of a corporation shall include all income derived from sources within this state.

2. A corporation described in subdivision (1) of subsection 1 of section [143.441](#) shall include in its Missouri taxable income all income from sources within this state, including that from the transaction of business in this state and that from the transaction of business partly done in this state and partly done in another state or states. However:

(1) Where income results from a transaction partially in this state and partially in another state or states, and income and deductions of the portion in the state cannot be segregated, then such portions of income and deductions shall be allocated in this state and the other state or states as will distribute to this state a portion based upon the portion of the transaction in this state and the portion in such other state or states.

(2) The taxpayer may elect to compute the portion of income from all sources in this state in the following manner, or the manner set forth in subdivision (3) of this subsection:

(a) The income from all sources shall be determined as provided, excluding therefrom the figures for the operation of any bridge connecting this state with another state.

(b) The amount of sales which are transactions wholly in this state shall be added to one-half of the amount of sales which are transactions partly within this state and partly without this state, and the amount thus obtained shall be divided by the total sales or in cases where sales do not express the volume of business, the amount of business transacted wholly in this state shall be added to one-half of the amount of business transacted partly in this state and partly outside this state and the amount thus obtained shall be divided by the total amount of business transacted, and the net income shall be multiplied by the fraction thus obtained, to determine the proportion of income to be used to arrive at the amount of Missouri taxable income. The investment or reinvestment of its own funds, or sale of any such investment or reinvestment, shall not be considered as sales or other business transacted for the determination of said fraction.

(c) For the purposes of this subdivision, a transaction involving the sale of tangible property is:

a. "Wholly in this state" if both the seller's shipping point and the purchaser's destination point are in this state;

b. "Partly within this state and partly without this state" if the seller's shipping point is in this state and the purchaser's destination point is outside this state, or the seller's shipping point is outside this state and the purchaser's destination point is in this state;

c. Not "wholly in this state" or not "partly within this state and partly without this state" only if both the seller's shipping point and the purchaser's destination point are outside this state.

(d) For purposes of this subdivision:

a. The purchaser's destination point shall be determined without regard to the FOB point or other conditions of the sale; and

b. The seller's shipping point is determined without regard to the location of the seller's principle office or place of business.

(3) The taxpayer may elect to compute the portion of income from all sources in this state in the following manner:

(a) The income from all sources shall be determined as provided, excluding therefrom the figures for the operation of any bridge connecting this state with another state;

(b) The amount of sales which are transactions in this state shall be divided by the total sales, and the net income shall be multiplied by the fraction thus obtained, to determine the proportion of income to be used to arrive at the amount of Missouri taxable income. The investment or reinvestment of its own funds, or sale of any such investment or reinvestment, shall not be considered as sales or other business transacted for the determination of said fraction;

(c) For the purposes of this subdivision, a transaction involving the sale of tangible property is:

a. "In this state" if the purchaser's destination point is in this state;

b. Not "in this state" if the purchaser's destination point is outside this state;

(d) For purposes of this subdivision, the purchaser's destination point shall be determined without regard to the FOB point or other conditions of the sale and shall not be in this state if the purchaser received the tangible personal property from the seller in this state for delivery to the purchaser's location outside this state;

(e) For the purposes of this subdivision, a transaction involving the sale other than the sale of tangible property is "in this state" if the taxpayer's market for the sales is in this state. The taxpayer's market for sales is in this state:

a. In the case of sale, rental, lease, or license of real property, if and to the extent the property is located in this state;

b. In the case of rental, lease, or license of tangible personal property, if and to the extent the property is located in this state;

c. In the case of sale of a service, if and to the extent the ultimate beneficiary of the service is located in this state and shall not be in this state if the ultimate beneficiary of the service rendered by the taxpayer or the taxpayer's designee is located outside this state; and

d. In the case of intangible property:

(i) That is rented, leased, or licensed, if and to the extent the property is used in this state by the rentee, lessee, or licensee, provided that intangible property utilized in marketing a good or service to a consumer is "used in this state" if that good or service is purchased by a consumer who is in this state. Franchise fees or royalties received for the rent, lease, license, or use of a trade name, trademark, service mark, or franchise system or provides a right to conduct business activity in a specific geographic area are "used in this state" to the extent the franchise location is in this state; and

(ii) That is sold, if and to the extent the property is used in this state, provided that:

i. A contract right, government license, or similar intangible property that authorizes the holder to conduct a business activity in a specific geographic area is "used in this state" if the geographic area includes all or part of this state;

ii. Receipts from intangible property sales that are contingent on the productivity, use, or disposition of the intangible property shall be treated as receipts from the rental, lease, or licensing of such intangible property under item (i) of this subparagraph; and

iii. All other receipts from a sales of intangible property shall be excluded from the numerator and denominator of the sales factor;

(f) If the state or states of assignment under paragraph (e) of this subdivision cannot be determined, the state or states of assignment shall be reasonably approximated;

(g) If the state of assignment cannot be determined under paragraph (e) of this subdivision or reasonably approximated under paragraph (f) of this subdivision, such sales shall be excluded from the denominator of the sales factor;

(h) The director may prescribe such rules and regulations as necessary or appropriate to carry out the purposes of this section.

(4) For purposes of this subsection, the following words shall, unless the context otherwise requires, have the following meaning:

(a) "Administration services" include, but are not limited to, clerical, fund or shareholder accounting, participant record keeping, transfer agency, bookkeeping, data processing, custodial, internal auditing, legal and tax services performed for an investment company;

(b) "Affiliate", the meaning as set forth in 15 U.S.C. Section 80a-2(a)(3)(C), as may be amended from time to time;

(c) "Distribution services" include, but are not limited to, the services of advertising, servicing, marketing, underwriting or selling shares of an investment company, but, in the case of advertising, servicing or marketing shares, only where such service is performed by a person who is, or in the case of a closed end company, was, either engaged in the services of underwriting or selling investment company shares or affiliated with a person that is engaged in the service of underwriting or selling investment company shares. In the case of an open end company, such service of

underwriting or selling shares must be performed pursuant to a contract entered into pursuant to 15 U.S.C. Section 80a-15(b), as from time to time amended;

(d) "Investment company", any person registered under the federal Investment Company Act of 1940, as amended from time to time, (the act) or a company which would be required to register as an investment company under the act except that such person is exempt to such registration pursuant to Section 80a-3(c)(1) of the act;

(e) "Investment funds service corporation" includes any corporation or S corporation doing business in the state which derives more than fifty percent of its gross income in the ordinary course of business from the provision directly or indirectly of management, distribution or administration services to or on behalf of an investment company or from trustees, sponsors and participants of employee benefit plans which have accounts in an investment company. An investment funds service corporation shall include any corporation or S corporation providing management services as an investment advisory firm registered under Section 203 of the Investment Advisors Act of 1940, as amended from time to time, regardless of the percentage of gross revenues consisting of fees from management services provided to or on behalf of an investment company;

(f) "Management services" include but are not limited to, the rendering of investment advice directly or indirectly to an investment company making determinations as to when sales and purchases of securities are to be made on behalf of the investment company, or the selling or purchasing of securities constituting assets of an investment company, and related activities, but only where such activity or activities are performed:

a. Pursuant to a contract with the investment company entered into pursuant to 15 U.S.C. Section 80a-15(a), as from time to time amended;

b. For a person that has entered into such contract with the investment company; or

c. For a person that is affiliated with a person that has entered into such contract with an investment company;

(g) "Qualifying sales", gross income derived from the provision directly or indirectly of management, distribution or administration services to or on behalf of an investment company or from trustees, sponsors and participants of employee benefit plans which have accounts in an investment company. For purposes of this section, "gross income" is defined as that amount of income earned from qualifying sources without deduction of expenses related to the generation of such income;

(h) "Residence", presumptively the fund shareholder's mailing address on the records of the investment company. If, however, the investment company or the investment funds service corporation has actual knowledge that the fund shareholder's primary residence or principal place of business is different than the fund shareholder's mailing address such presumption shall not control. To the extent an investment funds service corporation does not have access to the records of the investment company, the investment funds service corporation may employ reasonable methods to determine the investment company fund shareholder's residence.

(5) Notwithstanding other provisions of law to the contrary, qualifying sales of an investment funds service corporation, or S corporation, shall be considered wholly in this state only to the extent that the fund shareholders of the investment companies, to which the investment funds service corporation, or S corporation, provide services, are resided in this state. Wholly in this state qualifying sales of an investment funds service corporation, or S corporation, shall be determined as follows:

(a) By multiplying the investment funds service corporation's total dollar amount of qualifying sales from services provided to each investment company by a fraction, the numerator of which shall be the average of the number of shares owned by the investment company's fund shareholders

resided in this state at the beginning of and at the end of the investment company's taxable year that ends with or within the investment funds service corporation's taxable year, and the denominator of which shall be the average of the number of shares owned by the investment company's fund shareholders everywhere at the beginning of and at the end of the investment company's taxable year that ends with or within the investment funds service corporation's taxable year;

(b) A separate computation shall be made to determine the wholly in this state qualifying sales from each investment company. The qualifying sales for each investment company shall be multiplied by the respective percentage of each fund, as calculated pursuant to paragraph (a) of this subdivision. The product of this equation shall result in the wholly in this state qualifying sales. The qualifying sales for each investment company which are not wholly in this state will be considered wholly without this state;

(c) To the extent an investment funds service corporation has sales which are not qualifying sales, those nonqualified sales shall be apportioned to this state based on the methodology utilized by the investment funds service corporation without regard to this subdivision.

3. Any corporation described in subdivision (1) of subsection 1 of section [143.441](#) organized in this state or granted a permit to operate in this state for the transportation or care of passengers shall report its gross earnings within the state on intrastate business and shall also report its gross earnings on all interstate business done in this state which report shall be subject to inquiry for the purpose of determining the amount of income to be included in Missouri taxable income. The previous sentence shall not apply to a railroad.

4. A corporation described in subdivision (2) of subsection 1 of section [143.441](#) shall include in its Missouri taxable income all income arising from all sources in this state and all income from each transportation service wholly within this state, from each service where the only lines of such corporation used are those in this state, and such proportion of revenue from each service where the facilities of such corporation in this state and in another state or states are used, as the mileage used over the lines of such corporation in the state shall bear to the total mileage used over the lines of such corporation. The taxpayer may elect to compute the portion of income from all sources within this state in the following manner:

(1) The income from all sources shall be determined as provided;

(2) The amount of investment of such corporation on December thirty-first of each year in this state in fixed transportation facilities, real estate and improvements, plus the value on December thirty-first of each year of any fixed transportation facilities, real estate and improvements in this state leased from any other railroad shall be divided by the sum of the total amount of investment of such corporation on December thirty-first of each year in fixed transportation facilities, real estate and improvements, plus the value on December thirty-first of each year, of any fixed transportation facilities, real estate and improvements leased from any other railroad. Where any fixed transportation facilities, real estate or improvements are leased by more than one railroad, such portion of the value shall be used by each railroad as the rental paid by each shall bear to the rental paid by all lessees. The income shall be multiplied by the fraction thus obtained to determine the proportion to be used to arrive at the amount of Missouri taxable income.

5. A corporation described in subdivision (3) of subsection 1 of section [143.441](#) shall include in its Missouri taxable income one-half of the net income from the operation of a bridge between this and another state. If any such bridge is owned or operated by a railroad corporation or corporations, or by a corporation owning a railroad corporation using such bridge, then the figures for operation of such bridge may be included in the return of such railroad or railroads; or if such bridge is owned or operated by any other corporation which may now or hereafter be required to file an income tax return, one-half of the income or loss to such corporation from such bridge may be included in such return by adding or subtracting same to or from another net income or loss shown by the return.

6. A corporation described in subdivision (4) of subsection 1 of section [143.441](#) shall include in its Missouri taxable income all income arising from all sources within this state. Income shall include revenue from each telephonic or telegraphic service rendered wholly within this state; from each service rendered for which the only facilities of such corporation used are those in this state; and from each service rendered over the facilities of such corporation in this state and in other state or states, such proportion of such revenue as the mileage involved in this state shall bear to the total mileage involved over the lines of said company in all states. The taxpayer may elect to compute the portion of income from all sources within this state in the following manner:

(1) The income from all sources shall be determined as provided;

(2) The amount of investment of such corporation on December thirty-first of each year in this state in telephonic or telegraphic facilities, real estate and improvements thereon, shall be divided by the amount of the total investment of such corporation on December thirty-first of each year in telephonic or telegraphic facilities, real estate and improvements. The income of the taxpayer shall be multiplied by fraction thus obtained to determine the proportion to be used to arrive at the amount of Missouri taxable income.

7. From the income determined in subsections 2, 3, 4, 5 and 6 of this section to be from all sources within this state shall be deducted such of the deductions for expenses in determining Missouri taxable income as were incurred in this state to produce such income and all losses actually sustained in this state in the business of the corporation.

8. If a corporation derives only part of its income from sources within Missouri, its Missouri taxable income shall only reflect the effect of the following listed deductions to the extent applicable to Missouri. The deductions are: (a) its deduction for federal income taxes pursuant to section [143.171](#), and (b) the effect on Missouri taxable income of the deduction for net operating loss allowed by Section 172 of the Internal Revenue Code. The extent applicable to Missouri shall be determined by multiplying the amount that would otherwise affect Missouri taxable income by the ratio for the year of the Missouri taxable income of the corporation for the year divided by the Missouri taxable income for the year as though the corporation had derived all of its income from sources within Missouri. For the purpose of the preceding sentence, Missouri taxable income shall not reflect the listed deductions.

9. Any investment funds service corporation organized as a corporation or S corporation which has any shareholders resided in this state shall be subject to Missouri income tax as provided in this chapter.

10. The provisions of this section do not impact any other apportionment election available to a taxpayer under Missouri statutes.

(L. 1972 S.B. 549, A.L. 1988 H.B. 1335, A.L. 1996 H.B. 1098, A.L. 1997 2d Ex. Sess. S.B. 1, A.L. 2013 H.B. 128, A.L. 2015 S.B. 19)

#### **Elective division of income.**

[143.461](#). 1. A corporation shall elect to determine income applicable to this state by multiplying the total income from all sources by the fraction determined in the manner in section [143.451](#); first, by filing written notice with the director of revenue on or before the due date of the return (including extensions of time) of the taxpayer's election, or, second, by failing to keep its books and records in such manner as to show the income applicable to this state, including gross income and deductions applicable thereto.

2. If the corporation shall keep its books and records so as to show by any other method of allocation between this state and other states involved of income from transactions partially within and partially without this state, including gross income and deductions applicable thereto, and such method shows the income applicable to this state, including gross income and deductions applicable

thereto, then it may, on or before sixty days before the end of any taxable year, petition the director of revenue, in writing, to be permitted in its return required to be filed to apportion to this state according to the method shown by such books or records. If the director of revenue finds that such method does show the income applicable to this state including gross income and the deductions applicable thereto, he shall notify the corporation, at least thirty days prior to the last day on which such corporation's return for that taxable year is to be filed, that it may use that method as long as such method shows the income applicable to this state, including gross income and deductions applicable thereto.

3. The corporation shall cease using such method whenever the director of revenue finds and notifies such corporation on or before ninety days before the end of the taxable year, that such method does not so show. Upon and after such revocation the corporation shall be permitted to petition to use another method of allocation that will show such income including gross income and deductions applicable thereto as though no petition had ever been filed.

4. Failure, after a method has been revoked by the director of revenue, to submit a method which the director of revenue finds will show such income applicable to this state including gross income and deductions applicable thereto, on or before sixty days before the end of any taxable year, or failure to make a return on the basis, which has been approved by the director of revenue on petition of the corporation and which stands unrevoked, shall constitute an election to accept the determination of income applicable to this state by multiplying the total income from all sources by the fraction determined in the manner set forth in section [143.451](#).

(L. 1972 S.B. 549)

Effective 1-1-73

**Small business corporation--composite returns--withholding required,when, how determined--banking S corporation shareholder allowed pro rata share of certain tax credits, when--pro rata share of certain tax credits for S corporations that are associations--prorata share of certain tax credits for S corporations that are credit institutions.**

[143.471](#). 1. An S corporation, as defined by Section 1361 (a)(1) of the Internal Revenue Code, shall not be subject to the taxes imposed by section [143.071](#), or other sections imposing income tax on corporations.

2. A shareholder of an S corporation shall determine such shareholder's S corporation modification and pro rata share, including its character, by applying the following:

(1) Any modification described in sections [143.121](#) and [143.141](#) which relates to an item of S corporation income, gain, loss, or deduction shall be made in accordance with the shareholder's pro rata share, for federal income tax purposes, of the item to which the modification relates. Where a shareholder's pro rata share of any such item is not required to be taken into account separately for federal income tax purposes, the shareholder's pro rata share of such item shall be determined in accordance with his pro rata share, for federal income tax purposes, of S corporation taxable income or loss generally;

(2) Each item of S corporation income, gain, loss, or deduction shall have the same character for a shareholder pursuant to sections [143.005](#) to [143.998](#) as it has for federal income tax purposes. Where an item is not characterized for federal income tax purposes, it shall have the same character for a shareholder as if realized directly from the source from which realized by the S corporation or incurred in the same manner as incurred by the S corporation.

3. A nonresident shareholder of an S corporation shall determine such shareholder's Missouri nonresident adjusted gross income and his or her nonresident shareholder modification by applying the provisions of this subsection. Items shall be determined to be from sources within this state pursuant to regulations of the director of revenue in a manner consistent with the division of income

provisions of section [143.451](#), section [143.461](#), or section [32.200](#) (Multistate Tax Compact). In determining the adjusted gross income of a nonresident shareholder of any S corporation, there shall be included only that part derived from or connected with sources in this state of the shareholder's pro rata share of items of S corporation income, gain, loss or deduction entering into shareholder's federal adjusted gross income, as such part is determined pursuant to regulations prescribed by the director of revenue in accordance with the general rules in section [143.181](#). Any modification described in subsections 2 and 3 of section [143.121](#) and in section [143.141](#), which relates to an item of S corporation income, gain, loss, or deduction shall be made in accordance with the shareholder's pro rata share, for federal income tax purposes, of the item to which the modification relates, but limited to the portion of such item derived from or connected with sources in this state.

4. The director of revenue shall permit S corporations to file composite returns and to make composite payments of tax on behalf of its nonresident shareholders not otherwise required to file a return. If the nonresident shareholder's filing requirements result solely from one or more interests in any other partnerships or subchapter S corporations, that nonresident shareholder may be included in the composite return.

5. If an S corporation pays or credits amounts to any of its nonresident individual shareholders as dividends or as their share of the S corporation's undistributed taxable income for the taxable year, the S corporation shall either timely file with the department of revenue an agreement as provided in subsection 6 of this section or withhold Missouri income tax as provided in subsection 7 of this section. An S corporation that timely files an agreement as provided in subsection 6 of this section with respect to a nonresident shareholder for a taxable year shall be considered to have timely filed such an agreement for each subsequent taxable year. An S corporation that does not timely file such an agreement for a taxable year shall not be precluded from timely filing such an agreement for subsequent taxable years. An S corporation is not required to deduct and withhold Missouri income tax for a nonresident shareholder if:

(1) The nonresident shareholder not otherwise required to file a return agrees to have the Missouri income tax due paid as part of the S corporation's composite return;

(2) The nonresident shareholder not otherwise required to file a return had Missouri assignable federal adjusted gross income from the S corporation of less than twelve hundred dollars;

(3) The S corporation is liquidated or terminated;

(4) Income was generated by a transaction related to termination or liquidation; or

(5) No cash or other property was distributed in the current and prior taxable year.

6. The agreement referred to in subdivision (1) of subsection 5 of this section is an agreement of a nonresident shareholder of the S corporation to:

(1) File a return in accordance with the provisions of section [143.481](#) and to make timely payment of all taxes imposed on the shareholder by this state with respect to income of the S corporation; and

(2) Be subject to personal jurisdiction in this state for purposes of the collection of income taxes, together with related interest and penalties, imposed on the shareholder by this state with respect to the income of the S corporation.

The agreement will be considered timely filed for a taxable year, and for all subsequent taxable years, if it is filed at or before the time the annual return for such taxable year is required to be filed pursuant to section [143.511](#).

7. The amount of Missouri income tax to be withheld is determined by multiplying the amount of dividends or undistributed income allocable to Missouri that is paid or credited to a nonresident

shareholder during the taxable year by the highest rate used to determine a Missouri income tax liability for an individual, except that the amount of the tax withheld may be determined based on withholding tables provided by the director of revenue if the shareholder submits a Missouri withholding allowance certificate.

8. An S corporation shall be entitled to recover for a shareholder on whose behalf a tax payment was made pursuant to this section, if such shareholder has no tax liability.

9. With respect to S corporations that are banks or bank holding companies, a pro rata share of the tax credit for the tax payable pursuant to chapter 148 shall be allowed against each S corporation shareholders' state income tax as follows, provided the bank otherwise complies with section [148.112](#):

(1) The credit allowed by this subsection shall be equal to the bank tax calculated pursuant to chapter 148 based on bank income in 1999 and after, on a bank that makes an election pursuant to 26 U.S.C. Section 1362, and such credit shall be allocated to the qualifying shareholder according to stock ownership, determined by multiplying a fraction, where the numerator is the shareholder's stock, and the denominator is the total stock issued by such bank or bank holding company;

(2) The tax credit authorized in this subsection shall be permitted only to the shareholders that qualify as S corporation shareholders, provided the stock at all times during the taxable period qualifies as S corporation stock as defined in 26 U.S.C. Section 1361, and such stock is held by the shareholder during the taxable period. The credit created by this section on a yearly basis is available to each qualifying shareholder, including shareholders filing joint returns. A bank holding company is not allowed this credit, except that, such credit shall flow through to such bank holding company's qualified shareholders, and be allocated to such shareholders under the same conditions; and

(3) In the event such shareholder cannot use all or part of the tax credit in the taxable period of receipt, such shareholder may carry forward such tax credit for a period of the lesser of five years or until used, provided such credits are used as soon as the taxpayer has Missouri taxable income.

10. With respect to S corporations that are associations, a pro rata share of the tax credit for the tax payable under chapter 148 shall be allowed against each S corporation shareholders' state income tax as follows, provided the association otherwise complies with section [148.655](#):

(1) The credit allowed by this subsection shall be equal to the savings and loan association tax calculated under chapter 148 based on the computations provided in section [148.630](#) on an association that makes an election under 26 U.S.C. Section 1362, and such credit shall be allocated to the qualifying shareholder according to stock ownership, determined by multiplying a fraction, where the numerator is the shareholder's stock, and the denominator is the total stock issued by the association;

(2) The tax credit authorized in this subsection shall be permitted only to the shareholders that qualify as S corporation shareholders, provided the stock at all times during the taxable period qualifies as S corporation stock as defined in 26 U.S.C. Section 1361, and such stock is held by the shareholder during the taxable period. The credit created by this section on a yearly basis is available to each qualifying shareholder, including shareholders filing joint returns. A savings and loan association holding company is not allowed this credit, except that, such credit shall flow through to such savings and loan association holding company's qualified shareholders, and be allocated to such shareholders under the same conditions; and

(3) In the event such shareholder cannot use all or part of the tax credit in the taxable period of receipt, such shareholder may carry forward such tax credit for a period of the lesser of five years or until used, provided such credits are used as soon as the taxpayer has Missouri taxable income.

11. With respect to S corporations that are credit institutions, a pro rata share of the tax credit for the tax payable under chapter 148 shall be allowed against each S corporation shareholders' state income tax as follows, provided the credit institution otherwise complies with section [148.657](#):

(1) The credit allowed by this subsection shall be equal to the credit institution tax calculated under chapter 148 based on the computations provided in section [148.150](#) on a credit institution that makes an election under 26 U.S.C. Section 1362, and such credit shall be allocated to the qualifying shareholder according to stock ownership, determined by multiplying a fraction, where the numerator is the shareholder's stock, and the denominator is the total stock issued by such credit institution;

(2) The tax credit authorized in this subsection shall be permitted only to the shareholders that qualify as S corporation shareholders, provided the stock at all times during the taxable period qualifies as S corporation stock as defined in 26 U.S.C. Section 1361, and such stock is held by the shareholder during the taxable period. The credit created by this section on a yearly basis is available to each qualifying shareholder, including shareholders filing joint returns. A credit institution holding company is not allowed this credit, except that, such credit shall flow through to such credit institution holding company's qualified shareholders, and be allocated to such shareholders under the same conditions; and

(3) In the event such shareholder cannot use all or part of the tax credit in the taxable period of receipt, such shareholder may carry forward such tax credit for a period of the lesser of five years or until used, provided such credits are used as soon as the taxpayer has Missouri taxable income.

(L. 1972 S.B. 549, A.L. 1983 H.B. 849, A.L. 1989 H.B. 35, et al., A.L. 1993 S.B. 66 & 20, A.L. 1997 H.B. 655 merged with S.B. 170, A.L. 1999 S.B. 386, A.L. 2006 S.B. 892)

#### **Persons required to make returns of income.**

[143.481](#). An income tax return with respect to the tax imposed by sections [143.011](#) to [143.996](#) shall be made by the following:

(1) Every resident individual who has a Missouri adjusted gross income of one thousand two hundred dollars or more, or a greater amount as prescribed by the director of revenue and who is required to file a federal income tax return;

(2) Every nonresident individual who has a Missouri nonresident adjusted gross income (Missouri adjusted gross income derived from sources within this state) of six hundred dollars or more, or a greater amount as prescribed by the director of revenue and who is required to file a federal income tax return;

(3) Every resident estate or trust which is required to file a federal income tax return;

(4) Every nonresident estate which has gross income of six hundred dollars or more for the taxable year from sources within this state;

(5) Every nonresident trust which for the taxable year has from sources within this state, either:

(a) Any taxable income; or

(b) Gross income of six hundred dollars or more regardless of the amount of taxable income;

(6) Every corporation which:

(a) Is not an exempt corporation described in subsection 2 of section [143.441](#);

(b) Is required to file a federal income tax return; and

(c) Has gross income from sources within this state of one hundred dollars or more.

(L. 1972 S.B. 549, A.L. 2003 S.B. 293)

**Returns by husband and wife.**

[143.491](#). 1. A combined return shall be filed by a husband and wife who file a joint federal return even though one of them has neither income nor deductions. The tax liability of the two taxpayers shall be separate and not joint and several.

2. Separate returns shall be filed by a husband and wife who do not file a joint federal return.

(L. 1972 S.B. 549)

Effective 1-1-73

**Returns by fiduciary and partnership.**

[143.501](#). 1. An income tax return for any deceased individual shall be made and filed by his executor, administrator, or other person charged with the care of his property. A final return of a decedent shall be due when it would have been due if the decedent had not died.

2. An income tax return for an individual who is unable to make a return by reason of minority or other disability shall be made and filed by his duly authorized agent, his guardian or other person charged with the care of his person or property.

3. The income tax return of an estate or trust shall be made and filed by the fiduciary thereof.

4. If two or more fiduciaries are acting jointly, the return may be made by any one of them.

5. An income tax return for a partnership shall be filed in accordance with the provisions of section [143.581](#).

(L. 1972 S.B. 549)

Effective 1-1-73

**Time and place for filing returns and paying tax, exception.**

[143.511](#). Income tax returns required by sections [143.011](#) to [143.996](#) shall be filed on or before the fifteenth day of the fourth month following the close of the taxpayer's taxable year except where the taxpayer is an exempt organization. Exempt organizations shall have the same due date as set by the Internal Revenue Code of 1986, as amended. A person required to make and file a return under sections [143.011](#) to [143.996](#) shall, without assessment, notice, or demand, pay any tax due thereon to the director of revenue on or before the date fixed for filing such return (determined without regard to any extension of time for filing the return). The director of revenue shall prescribe by regulation the place for filing any return, declaration, statement, or other document required pursuant to this chapter and for the payment of any tax.

(L. 1972 S.B. 549, A.L. 1994 S.B. 477, et al.)

Effective 12-31-94, and shall apply to all tax periods beginning on or after 1-1-95 (S.B. 477 § C, 1994)

**Declarations of estimated tax.**

[143.521](#). 1. Every resident and nonresident individual shall make a declaration of estimated tax for the taxable year, in such form as the director of revenue may prescribe if the Missouri estimated tax can reasonably be expected to be at least one hundred dollars. The director may increase the amount required for making a declaration of estimated tax to more than one hundred dollars or decrease such required amount, however, the decreased amount shall not be less than one hundred dollars.

2. Every corporation doing business in this state shall make a declaration of its estimated tax for the taxable year, in such form as the director of revenue may prescribe, if its Missouri estimated tax can reasonably be expected to be at least two hundred fifty dollars. The director may increase

the amount required for making a declaration of estimated tax to more than two hundred fifty dollars or decrease such required amount, however, the decreased amount shall not be less than two hundred fifty dollars.

3. The term "Missouri estimated tax" means the amount which the taxpayer estimates to be the income tax under sections [143.011](#) to [143.996](#) for the taxable year less the amount which the taxpayer estimates to be the sum of any credits allowable, including tax withheld.

4. If they are eligible to file a joint declaration for federal tax purposes, a husband and wife may make a combined declaration of estimated tax as if they were one taxpayer, in which case the liability with respect to the estimated tax shall be joint and several. If a combined declaration is made, the estimated tax for such year may be treated as the estimated tax of either husband or wife, or may be divided between them, as they may elect on a combined return or on their separate returns.

5. An individual or corporation may amend a declaration under regulations prescribed by the director of revenue.

6. If on or before January thirty-first (on or before March first in the case of a farmer referred to in subsection 2 of section [143.531](#)) of the succeeding taxable year an individual files a return for the taxable year for which the declaration is required, and pays in full the amount shown on the return as payable, such return:

(1) Shall be considered as his declaration if no declaration was required to be filed during the taxable year, but is otherwise required to be filed on or before January fifteenth; or

(2) Shall be considered as the amendment permitted by subsection 5 to be filed on or before January fifteenth if the tax shown on the return is greater than the estimated tax shown in a declaration previously made.

7. An individual or corporation having a taxable year of less than twelve months shall make a declaration in accordance with regulations of the director of revenue.

8. The declaration of estimated tax for an individual under a disability shall be made and filed in the manner provided in section [143.501](#) for an income tax return.

(L. 1972 S.B. 549, A.L. 1988 H.B. 1054, et al., A.L. 1998 H.B. 1301)

#### **Time for filing declaration of estimated tax.**

[143.531](#). 1. A declaration of estimated tax, other than by a farmer, shall be filed on or before April fifteenth of the taxable year, except that if the requirements of section [143.521](#) are first met:

(1) After April first and before June second of the taxable year, the declaration shall be filed on or before June fifteenth, or

(2) After June first and before September second of the taxable year, the declaration shall be filed on or before September fifteenth, or

(3) After September first of the taxable year, the declaration shall be filed on or before January fifteenth of the succeeding year by an individual or shall be filed on or before December fifteenth of the taxable year by a corporation.

2. A declaration of estimated tax required by section [143.521](#) from an individual having an estimated Missouri gross income from farming for the taxable year which is at least two-thirds of his total estimated Missouri gross income taxable in this state for the taxable year, may be filed at any time on or before January fifteenth of the succeeding taxable year, in lieu of the time otherwise prescribed.

(L. 1972 S.B. 549, A.L. 1989 H.B. 35, et al.)

Effective 1-1-90

**Payments of estimated tax.**

[143.541](#). 1. The estimated tax with respect to which a declaration is required under sections [143.011](#) to [143.996](#) shall be paid as follows:

(1) If the declaration is filed on or before April fifteenth of the taxable year, the estimated tax shall be paid in four equal installments. The first installment shall be paid at the time of the filing of the declaration, the second and third on June fifteenth and September fifteenth, respectively, of the taxable year, and the fourth on January fifteenth of the succeeding taxable year.

(2) If the declaration is filed after April fifteenth and not after June fifteenth of the taxable year, and is not required to be filed on or before April fifteenth of the taxable year, the estimated tax shall be paid in three equal installments. The first installment shall be paid at the time of the filing of the declaration, the second on September fifteenth, of the taxable year, and the third on January fifteenth of the succeeding taxable year.

(3) If the declaration is filed after June fifteenth and not after September fifteenth of the taxable year, and is not required to be filed on or before June fifteenth of the taxable year, the estimated tax shall be paid in two equal installments. The first installment shall be paid at the time of the filing of the declaration, and the second on January fifteenth of the succeeding taxable year.

(4) If the declaration is filed after September fifteenth of the taxable year and is not required to be filed on or before September fifteenth of the taxable year, the estimated tax shall be paid in full at the time of the filing of the declaration.

(5) If the declaration is filed after the time prescribed in section [143.531](#) (including cases in which an extension of time for filing the declaration has been granted), subdivisions (2), (3), and (4) of this subsection shall not apply, and there shall be paid at the time of such filing all installments of estimated tax which would have been payable on or before such time if the declaration had been filed within the time prescribed in section [143.531](#), and the remaining installments shall be paid at the time at which and in the amounts in which they would have been payable if the declaration had been so filed.

(6) In applying subdivisions (1), (2), and (3) of this subsection to a corporation, installments indicated as being due on January fifteenth of the succeeding year shall be paid on or before December fifteenth of the taxable year.

2. If an individual referred to in subsection 2 of section [143.531](#) (relating to income from farming) makes a declaration of estimated tax after September fifteenth of the taxable year and on or before January fifteenth of the succeeding taxable year, the estimated tax shall be paid in full at the time of the filing of the declaration.

3. If any amendment of a declaration is filed, the remaining installments, if any, shall be ratably increased or decreased, as the case may be, to reflect the increase or decrease in the estimated tax by reason of such amendment, and if any amendment is made after September fifteenth of the taxable year, any increase in the estimated tax by reason thereof shall be paid at the time of making such amendment.

4. The application of this section to taxable years of less than twelve months shall be in accordance with regulations prescribed by the director of revenue.

5. In the application of this section, section [143.521](#) and section [143.531](#) to the case of a taxable year beginning on any date other than January first, there shall be substituted, for the months specified in this section, the months which correspond thereto.

6. At the election of the individual, any installment of the estimated tax may be paid prior to the date prescribed for its payment.

7. Payment of the estimated income tax, or any installment thereof, shall be considered payment on account of the income tax imposed under sections [143.011](#) to [143.996](#) for the taxable year.

(L. 1972 S.B. 549)

Effective 1-1-73

#### **Extension of time for filing and payment.**

[143.551](#). 1. The director of revenue may grant a reasonable extension of time for payment of tax or estimated tax or any installment thereof, or for filing any return, declaration, statement, or other document required in sections [143.011](#) to [143.996](#) on such terms and conditions as he may require. Except for a taxpayer who is outside the United States, no such extension for filing any return, declaration, statement, or document, shall exceed six months.

2. If a taxpayer has been granted an extension of time for filing his or its federal income tax return, the filing of a copy of the extension or the form relating to an automatic extension with the director of revenue shall automatically extend the due date of the income tax return required by sections [143.011](#) to [143.996](#).

3. If a taxpayer has been granted an extension of time for paying his or its federal income tax, the filing of a copy of the extension with the director of revenue shall automatically extend the time for the payment of the tax required by sections [143.011](#) to [143.996](#).

4. If the time for filing a return is extended under subsection 2, but the time for payment is not extended under subsection 3, the taxpayer shall pay, on or before the date prescribed for the filing of the return (determined without regard to any extensions of time for such filing), the amount properly estimated as his or its tax for the taxable year.

(L. 1972 S.B. 549)

Effective 1-1-73

#### **Signing of returns and other documents.**

[143.561](#). 1. Any return, declaration, statement, or other document required to be made pursuant to sections [143.011](#) to [143.966](#) shall be signed in accordance with regulations or instructions prescribed by the director of revenue. The fact that an individual's name is signed to a return, declaration, statement or other document shall be prima facie evidence that the return, declaration, statement, or other document was signed by him.

2. The making or filing of any return, declaration, statement or other document or copy thereof required to be made or filed pursuant to sections [143.011](#) to [143.996](#), including a copy of a federal return, shall constitute a certification by the person making or filing such return, declaration, statement or other document or copy thereof that the statements contained therein are true and that any copy filed is a true copy.

3. The director of revenue may by regulations require that a person preparing a return or other document for another person indicate thereon whether it is based on all information of which he has knowledge.

(L. 1972 S.B. 549)

Effective 1-1-73

#### **Requirements--returns, notices, records, and statements.**

[143.571](#). The director of revenue may prescribe regulations as to the keeping of records, the content and form of returns and statements, and the filing of copies of federal income returns and determinations. The director of revenue may require any person, by regulation or notice served on

such person, to make such returns, render such statements, or keep such records as the director of revenue may deem sufficient to show whether or not such person is liable under sections [143.011](#) to [143.996](#) for tax or for the collection of tax.

(L. 1972 S.B. 549)

Effective 1-1-73

#### **Partnership returns.**

[143.581](#). Every partnership having a resident partner or having any income derived from sources in this state, determined in accordance with the applicable rules of section [143.181](#) as in the case of a nonresident individual, shall make a return for the taxable year setting forth all items of income, gain, loss, and deduction, and the names and addresses of the individuals whether residents or nonresidents who would be entitled to share in the net income if distributed and the amount of the distributed share of each individual and such other pertinent information as the director of revenue may prescribe by regulations and instructions. Such return shall be filed on or before the fifteenth day of the fourth month following the close of each taxable year. For purposes of this section, "taxable year" means a year or period which would be a taxable year of the partnership if it were subject to tax under sections [143.011](#) to [143.996](#).

(L. 1972 S.B. 549)

Effective 1-1-73

#### **Information returns.**

[143.591](#). The director of revenue may prescribe regulations and instructions requiring returns of information to be made and filed on or before February twenty-eighth of each year by any person making payment or crediting in any calendar year the amounts of one thousand two hundred dollars or more (one hundred dollars or more in the case of interest or dividends) to any person who may be subject to the tax imposed under sections [143.011](#) to [143.996](#). Such returns may be required of any person, including lessees or mortgagors of real or personal property, fiduciaries, employers, and all officers and employees of this state, or of any municipal corporation or political subdivision of this state, having the control, receipt, custody, disposal or payment of dividends, interest, rents, salaries, wages, premiums, annuities, compensations, remunerations, emoluments or other fixed or determinable gains, profits, or income, except interest coupons payable to bearer. A duplicate of the statement as to tax withheld on wages, required to be furnished by an employer to an employee, shall constitute the return of information required to be made under this section with respect to such wages. Such return shall not be required unless the person is required to file a return or report containing the same or similar information to the United States Internal Revenue Service.

(L. 1972 S.B. 549)

Effective 1-1-73

#### **Report of change in federal taxable income.**

[143.601](#). If the amount of a taxpayer's federal taxable income reported on his federal income tax return for any taxable year is changed or corrected by the United States Internal Revenue Service or other competent authority, or as the result of a renegotiation of a contract or subcontract with the United States, the taxpayer shall report such change or correction in federal taxable income within ninety days after the final determination of such change, correction, or renegotiation, or as otherwise required by the director of revenue. Each such report shall state whether and wherein the determination is believed to be erroneous. Any taxpayer filing an amended federal income tax return shall also file within ninety days thereafter an amended return under sections [143.011](#) to [143.996](#), and shall give such information as the director of revenue may require. If a taxpayer does not file a federal income tax return under sections [143.011](#) to [143.996](#), then

(1) For purposes of the first sentence of this section, he shall be deemed to have filed a return indicating no taxable income, and

(2) For purposes of the third sentence of this section, his initial federal income tax return shall be deemed to be an amended return.

The director of revenue may by regulation prescribe such exceptions to the requirements of this section as he deems appropriate.

(L. 1972 S.B. 549)

Effective 1-1-73

#### **Examination of return.**

143.611. 1. As soon as practical after the return is filed, the director of revenue shall examine it to determine the correct amount of tax. If the director of revenue finds that the amount of tax shown on the return is less than the correct amount, he shall notify the taxpayer of the amount of the deficiency proposed to be assessed. If the director of revenue finds that the tax paid is more than the correct amount, he shall credit the overpayment against any taxes due under sections 143.011 to 143.996 from the taxpayer and refund the difference. No deficiency shall be proposed and no refund shall be made pursuant to this or any section of sections 143.011 to 143.996 unless the amount exceeds one dollar.

2. If the taxpayer fails to file an income tax return, the director of revenue shall estimate the taxpayer's taxable income and the tax thereon from any available information and notify the taxpayer of the amount proposed to be assessed as in the case of a deficiency.

3. The notice required by subsections 1 and 2 of this section, hereafter referred to as a notice of deficiency, shall set forth the reason for the proposed assessment. The notice of deficiency shall be mailed by certified or registered mail to the taxpayer at his last known address. In the case of a combined return, the notice of deficiency may be a single combined notice except that if the director of revenue is notified by either spouse that separate residences have been established he shall mail notices to each spouse. If the taxpayer is deceased, is under a legal disability, or, in the case of a corporation, has terminated its existence, a notice of deficiency may be mailed to his last known address unless the director of revenue has received notice of the existence and address of a person to receive notices with respect to such taxpayer.

(L. 1972 S.B. 549)

Effective 1-1-73

#### **Assessment final if no protest.**

143.621. Sixty days after the date on which it was mailed (one hundred fifty days if the taxpayer is outside the United States), a notice of deficiency shall constitute a final assessment of the amount of tax specified together with interest, additions to tax, and penalties except only for such amounts as to which the taxpayer has filed a protest with the director of revenue.

(L. 1972 S.B. 549, A.L. 1983 1st Ex. Sess. H.B. 10)

Effective 1-1-84

#### **Protest by taxpayer, effect of--request for informal hearing--payment under protest, written statement required, content--receipt of deposit, duties of director--request for return of deposit, when, effect.**

143.631. 1. Within sixty days (one hundred fifty days if the taxpayer is outside the United States) after the mailing of a notice of deficiency, the taxpayer may file with the director of revenue a

written protest against the proposed assessment in which he shall set forth the grounds on which the protest is based. If a protest is filed, the director of revenue shall reconsider the proposed deficiency.

2. A taxpayer's protest may include a request for an informal hearing with the director. If such a request is made, an informal hearing shall be heard. The informal hearing shall be a forum for discussion of the merits of the proposed assessment. The parties shall also consider the possibility of negotiating a settlement of the contested tax liability.

3. If a taxpayer has filed a timely protest under subsection 1 of this section, the taxpayer may, at any time before an assessment has become final, make a deposit with the director of revenue of any part or all of the tax, interest, additions to tax or penalties proposed in the notice of deficiency. The deposit shall be accompanied by a written statement setting forth:

(1) The identification of the tax and the tax period to which the deposit applies;

(2) The amount of tax, interest, additions to tax or penalties to which the deposit is to be applied by the director; and

(3) Such other identifying information as the director of revenue may by regulation provide.

4. Upon receipt of a timely deposit under subsection 2 of this section, the director of revenue shall issue a receipt to the taxpayer acknowledging receipt of the deposit, and confirming the amount of tax, interest, additions to tax and penalty to which the deposit has been applied. All such deposits shall be deposited in the general revenue fund of the state as payments of tax, interest, additions to tax and penalty, as the case may be. The director of revenue shall refuse the tender of any deposit which does not satisfy the requirements of this section, and shall return such payment to the taxpayer.

5. A taxpayer which had made a deposit under this section which has been accepted by the director of revenue may at any time before an assessment has become final or an action has been filed in the circuit court of Cole County under subsection 5 of section [143.841](#), request in writing that the director of revenue return the deposit to the taxpayer. The director of revenue shall return such deposit without interest if a written request is made. The taxpayer's request for return of a deposit shall not be treated under this chapter as a claim for refund for purposes of section [143.821](#).

6. The payment under protest provision provided by this section shall only apply to taxes imposed by this chapter and shall not be incorporated by reference to apply to taxes imposed by other chapters.

(L. 1972 S.B. 549, A.L. 1978 S.B. 661, A.L. 1983 1st Ex. Sess. H.B. 10, A.L. 1988 H.B. 1335, A.L. 1996 H.B. 1098)

#### **Notice of determination after protest.**

[143.641](#). Notice of the director of revenue's determination shall be mailed to the taxpayer by certified or registered mail and such notice shall set forth briefly the director of revenue's findings of fact and the basis of decision in each case decided in whole or in part adversely to the taxpayer.

(L. 1972 S.B. 549)

Effective 1-1-73

#### **Action of director of revenue final--review.**

[143.651](#). The action of the director of revenue on the taxpayer's protest is final upon the expiration of thirty days from the date when he mails notice of his action to the taxpayer unless within this period the taxpayer seeks review of the director of revenue's determination by the administrative hearing commission.

(L. 1972 S.B. 549, A.L. 1978 S.B. 661)

**Burden of proof on taxpayer, exceptions.**

[143.661](#). In any proceeding before the director of revenue or on appeal under sections [143.011](#) to [143.996](#) the burden of proof shall be on the taxpayer except for the following issues, as to which the burden of proof shall be on the director of revenue:

(1) Whether the taxpayer has been guilty of fraud with attempt to evade tax;

(2) Whether the petitioner is liable as the transferee of property of a taxpayer (but not to show that the taxpayer was liable for the tax); and

(3) Whether the taxpayer is liable for any increase in a deficiency where such increase is asserted initially after the notice of deficiency was mailed and a protest under section [143.631](#) filed, unless such increase in deficiency is the result of a change or correction of federal taxable income required to be reported under section [143.601](#), and of which change or correction the director of revenue had no notice or knowledge at the time he mailed the notice of deficiency.

(L. 1972 S.B. 549, A.L. 1978 S.B. 661)

**Evidence of related federal determination admissible, when.**

[143.671](#). Evidence of a federal determination relating to issues raised in a proceeding under section [143.631](#) shall be admissible, under rules established by the administrative hearing commission.

(L. 1972 S.B. 549, A.L. 1978 S.B. 661)

**Mathematical error.**

[143.681](#). In the event that the amount of tax is understated on the taxpayer's return due to a mathematical error, the director of revenue shall notify the taxpayer that an amount of tax in excess of that shown on the return is due and has been assessed. Such a notice of additional tax due shall not be considered a notice of deficiency nor shall the taxpayer have any right to file a protest under section [143.631](#).

(L. 1972 S.B. 549)

Effective 1-1-73

**Waiver of restriction.**

[143.691](#). The taxpayer at any time, whether or not a notice of deficiency has been issued, shall have the right to waive the restrictions on assessment and collection of the whole or any part of the deficiency. This waiver may only be made by a signed notice that refers to the right to file a protest and is filed with the director of revenue.

(L. 1972 S.B. 549)

Effective 1-1-73

**Assessment of tax.**

[143.701](#). 1. The amount of tax which is shown to be due on the return (including revisions for mathematical errors) shall be deemed to be assessed on the date of filing of the return including any amended returns showing an increase of tax. In the case of a return properly filed without the computation of the tax, the tax computed by the director of revenue shall be deemed to be assessed on the date when payment is due. If a notice of deficiency has been mailed, the amount of the deficiency shall be deemed to be assessed on the date provided in section [143.621](#) if no protest is filed; or, if a protest is filed, then upon the date when the determination of the administrative hearing commission becomes final. If an amended return or report filed pursuant to section [143.601](#) concedes the accuracy of a federal change or correction, any deficiency in tax under sections [143.011](#) to [143.996](#) resulting therefrom shall be deemed to be assessed on the date of filing such

report or amended return and such assessment shall be timely notwithstanding any other provisions of sections [143.011](#) to [143.996](#). Any amount paid as a tax or in respect of a tax, other than amounts withheld at the source or paid as estimated income tax, shall be deemed to be assessed upon the date of receipt of payment, notwithstanding any other provision of sections [143.011](#) to [143.996](#).

2. If the mode or time for the assessment of any tax under sections [143.011](#) to [143.996](#), including interest, additions to tax, and penalties is not otherwise provided for, the director of revenue may establish the same by regulation.

3. The director of revenue may, at any time within the period prescribed for assessment, make a supplemental assessment, subject to the provisions of section [143.611](#) where applicable, whenever it is found that any assessment is imperfect or incomplete in any material aspect.

(L. 1972 S.B. 549, A.L. 1978 S.B. 661)

#### **Limitations on assessment.**

[143.711](#). 1. Except as otherwise provided in this section and section [143.721](#), a notice of deficiency shall be mailed to the taxpayer within three years after the return was filed. No deficiency shall be assessed or collected with respect to the year for which the return was filed unless the notice is mailed within the three-year period or the period otherwise fixed.

2. If a taxpayer other than a corporation omits from his return an amount of income that is properly includable in his Missouri adjusted gross income and which is in excess of twenty-five percent of the amount of the Missouri adjusted gross income stated in his return, a notice of deficiency may be mailed to the taxpayer within six years after the return was filed. If a taxpayer corporation omits from its return an amount of income that is properly includable in its gross income from all sources within this state which is in excess of twenty-five percent of the amount of gross income stated in its return from all sources within this state, a notice of deficiency may be mailed to the taxpayer within six years after the return was filed. For purposes of this subsection, in determining the amount omitted there shall not be taken into account any amount which is omitted in the return if such amount is disclosed in the return, or in a statement attached to the return, in a manner adequate to apprise the director of revenue of the nature and amount of such item.

3. If no return is filed or a false and fraudulent return is filed with intent to evade the tax imposed by sections [143.011](#) to [143.996](#), a notice of deficiency may be mailed to the taxpayer at any time.

4. If a taxpayer fails to comply with the requirement of section [143.601](#) by not reporting a change or correction increasing his federal taxable income or by not filing an amended return, a notice of deficiency may be mailed to the taxpayer within one year after the director of revenue shall become aware of such determination. A notice under this subsection shall be limited to the effects on Missouri taxable income of:

(1) The issues on which the federal determination is based, and

(2) Any change in the amount of his federal income tax deduction under the provisions of subsection 1 of section [143.171](#).

5. If the taxpayer shall pursuant to section [143.601](#) report a change or correction or file an amended return increasing his federal taxable income or report a change or correction which is treated in the same manner as if it were a deficiency for federal income tax purposes, the assessment (if not deemed to have been made upon the filing of the report or amended return) may be made at any time within one year after such report or amended return was filed. A notice under this subsection shall be limited in the manner provided in subsection 4 of this section.

6. Where, before the expiration of the time prescribed in this section for the assessment of a deficiency, both the director of revenue and the taxpayer shall have consented in writing to its

assessment after such time, the deficiency may be assessed at any time prior to the expiration of period agreed upon. The period so agreed may be extended by subsequent agreement in writing made before the expiration of the period previously agreed upon.

7. For purposes of this section a return filed before the last day prescribed by law or by regulation promulgated pursuant to law for the filing thereof shall be deemed to be filed on such last day. If a return for any period ending with or within a calendar year is filed before April fifteenth of the succeeding calendar year, such return shall be deemed to be filed on April fifteenth of such succeeding calendar year.

(L. 1972 S.B. 549)

Effective 1-1-73

#### **Recovery of erroneous refund.**

[143.721](#). An erroneous refund shall be considered an underpayment of tax on the date made, and an assessment of a deficiency arising out of an erroneous refund may be made at any time within two years from the making of the refund, except that the assessment may be made within five years from the making of the refund if any part of the refund was induced by fraud or the misrepresentation of a material fact.

(L. 1972 S.B. 549)

Effective 1-1-73

#### **Interest on underpayments.**

[143.731](#). 1. If any amount of tax imposed by sections [143.011](#) to [143.996](#), including tax withheld by an employer, is not paid on or before the last date prescribed for payment, interest on such amount at the rate determined by section [32.065](#) shall be paid for the period from such last date to date paid. No interest shall be imposed if the amount due is less than one dollar nor shall this section apply to any failure to pay estimated income tax under section [143.541](#).

2. For purposes of this section, the last date prescribed for the payment of tax shall be determined without regard to any extension of time.

3. If the taxpayer has filed a waiver of restrictions on the assessment of a deficiency and if notice and demand by the director of revenue for payment of such deficiency is not made within thirty days after the filing of such waiver, interest shall not be imposed on such deficiency for the period beginning immediately after such thirtieth day and ending with the date of notice and demand.

4. Interest prescribed under this section on any tax, including tax withheld by an employer, shall be paid on notice and demand and shall be assessed, collected, and paid in the same manner as taxes. Any reference in sections [143.011](#) to [143.996](#) to the tax imposed by sections [143.011](#) to [143.996](#) shall be deemed also to refer to interest imposed by this section on such tax.

5. Interest shall be imposed under this section in respect to any penalty or addition to tax only if such penalty or addition to tax is not paid within ten days of the notice and demand therefor, and in such case interest shall be imposed only for the period from the date of the notice and demand to the date of payment.

6. If notice and demand is made for the payment of any amount due under sections [143.011](#) to [143.996](#) and if such amount is paid within ten days after the date of such notice and demand, interest under this section on the amount so paid shall not be imposed for the period after the date of such notice and demand.

7. If any portion of a tax is satisfied by credit of an overpayment, then no interest shall be imposed under this section on the portion of the tax so satisfied for any period during which, if the credit had not been made, interest would have been allowable with respect to such overpayment.

8. If any portion of a tax finally determined to be due is satisfied by a deposit under subsection 2 of section [143.631](#), then no interest shall be imposed under this section on the portion of the tax so satisfied for the period from the date the director of revenue received and accepted the deposit.

9. Any portion of the tax imposed by sections [143.011](#) to [143.996](#) or any interest, penalty, or addition to tax which has been erroneously refunded and which is recoverable by the director of revenue shall bear interest at the rate determined by section [32.065](#) from the date of payment of the refund.

10. Interest prescribed under this section may be assessed and collected at any time during the period within which the tax, penalty, or addition to tax to which such interest relates may be assessed and collected respectively.

(L. 1972 S.B. 549, A.L. 1982 H.B. 1351, et al., A.L. 1988 H.B. 1335)

#### **Failure to file tax returns.**

[143.741](#). 1. In case of failure to file any return required under sections [143.011](#) to [143.996](#) on the date prescribed therefor (determined with regard to any extension of time for filing), unless it is shown that such failure is due to reasonable cause and not due to willful neglect, there shall be added to the amount required to be shown as tax on such return five percent of the amount of such tax if the failure is not for more than one month, with an additional five percent for each additional month or fraction thereof during which such failure continues, not exceeding twenty-five percent in the aggregate. For purposes of this section, the amount of tax required to be shown on the return shall be reduced by the amount of any part of the tax which is paid on or before the date prescribed for payment of the tax and by the amount of any credit against the tax which may be claimed upon the return.

2. In case of each failure to file a statement of payment to another person required under the authority of sections [143.011](#) to [143.996](#) including the duplicate statement of tax withheld on wages on the date prescribed therefor (determined with regard to any extension of time for filing), unless it is shown that such failure is due to reasonable cause and not to willful neglect, there shall be paid upon notice and demand by the director of revenue and in same manner as tax, by the person so failing to file a statement, a penalty of two dollars for each statement not so filed, but the total amount imposed on the delinquent person for all such failures during any calendar year shall not exceed one thousand dollars.

(L. 1972 S.B. 549)

Effective 1-1-73

#### **Failure to pay tax.**

[143.751](#). 1. If any part of a deficiency is due to negligence or intentional disregard of rules and regulations (but without intent to defraud) there shall be added to the tax an amount equal to five percent of the deficiency. The director shall apprise the taxpayer of the factual basis for the finding of negligence, or the specific rules or regulations disregarded, at the time the director issues a proposed assessment. Rules and regulations which have been determined to be inconsistent with the laws of this state, by either the courts of this state or the administrative hearing commission, may not be cited as the basis for an addition to tax under this section.

2. If any part of a deficiency is due to fraud, there shall be added to the tax an amount equal to fifty percent of the deficiency. This amount shall be in lieu of any amount determined under subsection 1 of this section.

3. If any employer, without intent to evade or defeat any tax imposed by sections [143.011](#) to [143.996](#) or the payment thereof, shall fail to make a return and pay a tax withheld by him at the time required by or under the provisions of sections [143.011](#) to [143.996](#), such employer shall be liable for such taxes and shall pay the same together with interest thereon and the addition to tax provided in

subsection 1 of this section, and such interest and addition to tax shall not be charged to or collected from the employee by the employer. The director of revenue shall have the same rights and powers for the collection of such tax, interest, and addition to tax against such employer as are now prescribed by sections [143.011](#) to [143.996](#) for the collection of tax against an individual taxpayer.

4. Any person required to collect, truthfully account for, and pay over the tax imposed by sections [143.011](#) to [143.996](#) who willfully fails to collect such tax or truthfully account for and pay over such tax or willfully attempts in any manner to evade or defeat the tax or the payment thereof, shall, in addition to other penalties provided by law, be liable to a penalty equal to the total amount of the tax evaded, or not collected, or not accounted for and paid over. No addition to tax under subsections 1 and 2 of this section shall be imposed for any offense to which this subsection applies.

5. Any person who with fraudulent intent shall fail to pay, or to deduct or withhold and pay, any tax, or to make, render, sign, or certify any return, or to supply any information within the time required by or under sections [143.011](#) to [143.996](#), shall be liable to a penalty of not more than one thousand dollars, in addition to any other amounts required under sections [143.011](#) to [143.996](#), to be imposed, assessed and collected by the director of revenue.

6. For purposes of subsections 4 and 5 of this section, the term "persons" includes an individual, corporation, or partnership, or an officer or employee of any corporation (including a dissolved corporation), or a member or employee of any partnership, who, as such officer, employee, or member, is under a duty to perform the act in respect of which the violation occurs.

(L. 1972 S.B. 549, A.L. 1998 H.B. 1301)

#### **Failure to pay estimated income tax.**

[143.761](#). 1. In the case of any underpayment of estimated tax by an individual or a corporation, except as provided in subsection 4 of this section, there shall be added to the tax for the taxable year an amount determined at the rate determined by section [32.065](#) upon the amount of the underpayment (determined under subsection 2 of this section) for the period of the underpayment (determined under subsection 3 of this section).

2. For purposes of subsection 1 of this section, the amount of the underpayment shall be the excess of:

(1) The amount of the installment which would be required to be paid if the estimated tax were equal to ninety percent in the case of a corporation or of an individual (sixty-six and two-thirds percent in the case of a farmer described in subsection 2 of section [143.531](#)) of the tax shown on the return for the taxable year, or, if no return was filed, of the tax for such year; over

(2) The amount, if any, of the installment paid on or before the last date prescribed for such payment.

3. The period of the underpayment shall run from the date the installment was required to be paid to whichever of the following dates is the earlier:

(1) The fifteenth day of the fourth month following the close of the taxable year; or

(2) With respect to any portion of the underpayment, the date on which such portion is paid. For purposes of this subdivision, a payment of estimated tax on any installment date shall be considered a payment of any previous underpayment only to the extent such payment exceeds the amount of the installment determined under subdivision (1) of subsection 2 of this section for such installment date.

4. Notwithstanding the provisions of the preceding subsections, the addition to the tax with respect to any underpayment of any installment shall not be imposed if the total amount of all payments of estimated tax made on or before the last date prescribed for the payment of such

installment equals or exceeds the amount which would have been required to be paid on or before such date if the estimated tax were whichever of the following is the least:

(1) The tax shown on the return of the individual or corporation for the preceding taxable year, if a return showing a liability for tax was filed for the preceding year and such preceding year was a taxable year of twelve months;

(2) An amount equal to ninety percent (sixty-six and two-thirds percent in the case of a farmer described in subsection 2 of section [143.531](#)) of the tax of an individual or of a corporation for the taxable year computed by placing on an annualized basis the taxable income for the months in the taxable year ending before the month in which the installment is required to be paid;

(3) An amount equal to ninety percent of the tax of an individual or corporation computed, at the rates applicable to the taxable year, on the basis of the actual taxable income for the months in the taxable year ending before the month in which the installment is required to be paid as if such months constituted the taxable year;

(4) An amount equal to the tax of an individual or corporation computed, at the rates applicable to the taxable year, on the basis of the taxpayer's status with respect to the Missouri deductions for personal and dependency exemptions for the taxable year, but otherwise on the basis of the facts shown on his return for, and the law applicable to, the preceding taxable year;

(5) For corporations, an amount equal to ninety percent of the tax for the taxable year computed by placing on an annualized basis the taxable income:

(a) For the first three months of the taxable year, in the case of an installment required to be paid in the fourth month;

(b) For the first three months or for the first five months of the taxable year, in the case of the installment required to be paid in the sixth month;

(c) For the first six months or for the first eight months of the taxable year, in the case of the installment required to be paid in the ninth month; and

(d) For the first nine months or for the first eleven months of the taxable year, in the case of the installment required to be paid in the twelfth month of the taxable year. For purposes of this subdivision, the taxable income shall be placed on an annualized basis by multiplying by twelve the taxable income referred to and dividing the resulting amount by the number of months in the taxable year (3, 5, 6, 8, 9 or 11, as the case may be).

5. For purposes of applying this section:

(1) The estimated tax shall be computed without any reduction for the amount which the individual estimates as his credit under section [143.211](#) for tax withheld; and

(2) The amount of the credit allowed under section [143.211](#) for the taxable year shall be deemed a payment of estimated tax, and an equal part of such amount shall be deemed paid on each installment date for such taxable year, unless the taxpayer establishes the dates on which all amounts were actually withheld, in which case the amounts so withheld shall be deemed payments of estimated tax on the dates on which such amounts were actually withheld.

6. Subdivisions (1) and (4) of subsection 4 of this section shall not apply to a large corporation. "Large corporation" means that the corporation (or any predecessor corporation) in any of the three preceding taxable years had a federal taxable income of at least one million dollars and had a Missouri taxable income of at least one hundred thousand dollars.

(L. 1972 S.B. 549, A.L. 1982 H.B. 1351, et al., A.L. 1983 1st Ex. Sess. H.B. 10, A.L. 1988 H.B. 1054, et al.)

Effective 1-1-89

**Additions treated as tax.**

143.771. The additions to tax and penalties provided by sections 143.011 to 143.996 shall be paid upon notice and demand and shall be assessed, collected, and paid in the same manner as taxes and any reference in sections 143.011 to 143.996 to income tax or the tax imposed by sections 143.011 to 143.996 shall be deemed also to refer to additions to the tax, and penalties provided by this section. For purposes of the deficiency procedures provided in section 143.611, this subsection shall not apply to:

- (1) Any addition to tax under subsection 1 of section 143.741 except as to that portion attributable to a deficiency;
- (2) Any addition to tax for failure to pay estimated tax as provided in section 143.761;
- (3) Any additional penalty under subsection 5 of section 143.751.

(L. 1972 S.B. 549)

Effective 1-1-73

**Penalty for filing incomplete or misleading return--procedure.**

143.773. 1. A penalty of not more than five hundred dollars shall be imposed on any individual who files what purports to be an income tax return of the tax imposed under sections 143.011 to 143.996, but which:

- (1) Does not contain information on which the substantial correctness of the self-assessment may be judged; or
- (2) Contains information that on its face indicates that the self-assessment is substantially incorrect; and
- (3) The conduct referred to in subdivision (1) or (2) is intentional and due to a position which is frivolous or a desire (which appears on the purported return) to delay or impede the administration of Missouri tax laws; and
- (4) The individual has not filed a proper tax return within ninety days (one hundred fifty days if taxpayer is outside the United States) after the date on which notice that the individual's original return otherwise violated subdivisions (1) or (2) and (3) of this subsection was mailed by the director of revenue.

2. The penalty imposed by subsection 1 shall be in addition to any other penalty provided by law.

3. The director of revenue shall, upon expiration of the time period specified in subdivision (4) of subsection 1, notify the taxpayer by certified mail of the assessment of penalty under the provisions of this section. The imposition of the penalty is final upon the expiration of thirty days from the date when the director of revenue mails notice to the taxpayer unless within this period the taxpayer seeks review of the assessment by the administrative hearing commission. The notice of assessment shall inform the taxpayer of his right of review. The provisions of section 143.661, to the contrary notwithstanding, in any proceeding before the administrative hearing commission or on appeal for a review of the assessment of the penalty imposed pursuant to this section, the burden of proof shall be on the director of revenue. Notice of the penalty provisions of this section shall be printed upon all Missouri state income tax return forms in a prominent place beginning January 1, 1985.

(L. 1984 H.B. 1229 § 1)

**Authority to make credits or refunds--authority to make setoffs for debts owed to state agencies.**

[143.781](#). 1. The director of revenue within the applicable period of limitations may credit an overpayment of income tax and interest on such overpayment against any liability in respect of any tax imposed by the tax laws of this state on the person who made the overpayment, and the balance shall be refunded if it exceeds one dollar. Overpayments shall be determined by taking into account any deposit made by a taxpayer under section [143.631](#), except a deposit which has been returned to a taxpayer pursuant to a written request. Unless directed otherwise by a taxpayer, the director of revenue may credit all or part of the overpayment of a taxpayer on a joint or combined return against the amount of tax due from his spouse.

2. If the amount allowable as a credit for tax withheld from the taxpayer exceeds his tax to which the credit relates, the excess shall be considered an overpayment.

3. If there has been an overpayment of tax required to be deducted and withheld under section [143.191](#), refund shall be made to the employer only to the extent that the amount of the overpayment was not deducted and withheld by the employer.

4. The director of revenue may prescribe regulations providing for the crediting against the estimated income tax for any taxable year of the amount determined to be an overpayment of the income tax for a preceding taxable year.

5. If any amount of income tax is assessed or collected after the expiration of the period of limitations properly applicable thereto, such amount shall be considered an overpayment.

6. The provisions of sections [143.781](#) to [143.841](#) to the contrary notwithstanding, a refund, or any portion thereof, shall be transferred to the state agency to set off a debt due and owing to the state agency as provided in sections [143.782](#) to [143.788](#). When any action is taken pursuant to sections [143.782](#) to [143.788](#), the provisions of sections [143.782](#) to [143.788](#) shall govern all aspects of any rights and entitlement to refunds covered by such action. If there is a final determination that the taxpayer is entitled to receive all or part of the setoff pursuant to the provisions of sections [143.782](#) to [143.788](#), the amount to which the taxpayer is entitled shall bear interest as provided in section [143.811](#), beginning sixty days after such setoff.

(L. 1972 S.B. 549, A.L. 1982 H.B. 946, A.L. 1984 H.B. 1275, A.L. 1988 H.B. 1335, A.L. 1993 H.B. 874)

Effective 7-1-93

**Definitions.**

[143.782](#). As used in sections [143.782](#) to [143.788](#), unless the context clearly requires otherwise, the following terms shall mean and include:

(1) "Court", the supreme court, court of appeals, or any circuit court of the state;

(2) "Debt", any sum due and legally owed to any state agency which has accrued through contract, subrogation, tort, or operation of law regardless of whether there is an outstanding judgment for that sum, court costs as defined in section [488.010](#), fines and fees owed, or any support obligation which is being enforced by the family support division on behalf of a person who is receiving support enforcement services pursuant to section [454.425](#), or any claim for unpaid health care services which is being enforced by the department of health and senior services on behalf of a hospital or health care provider under section [143.790](#);

(3) "Debtor", any individual, sole proprietorship, partnership, corporation or other legal entity owing a debt;

(4) "Department", the department of revenue of the state of Missouri;

(5) "Refund", the Missouri income tax refund which the department determines to be due any taxpayer pursuant to the provisions of this chapter. The amount of a refund shall not include any senior citizens property tax credit provided by sections [135.010](#) to [135.035](#) unless such refund is being offset for a delinquency or debt relating to individual income tax or a property tax credit; and

(6) "State agency", any department, division, board, commission, office, or other agency of the state of Missouri, including public community college districts and housing authorities as defined in section [99.020](#).

(L. 1982 H.B. 946 § 1, A.L. 1984 H.B. 1275, A.L. 1996 H.B. 1237, A.L. 2003 H.B. 600, A.L. 2004 S.B. 1394, A.L. 2007 H.B. 818 merged with S.B. 162, A.L. 2014 H.B. 1299 Revision)

**Debt requirement, exception--revenue department's priority--setoff in addition to other remedies.**

[143.783](#). 1. Any state agency may submit to the department any debt in excess of twenty-five dollars for collection through setoff, under the procedure established by sections [143.782](#) to [143.788](#), except in cases where such collection would result in a loss of federal funds or federal assistance.

2. Upon request of any state agency, the department shall set off any refund, as defined in section [143.782](#), against the sum certified by that state agency as provided in sections [143.782](#) to [143.788](#) provided that the department shall not be required to set off any refund if the cost of the determination of the refund exceeds the amount of the refund.

3. The department has priority, pursuant to section [143.781](#), over every other state agency for collection by setoff under sections [143.782](#) to [143.788](#).

4. The collection remedy authorized by sections [143.782](#) to [143.788](#) is in addition to and not in substitution for any other remedy available by law.

(L. 1982 H.B. 946 §§ 2, 3, 7, A.L. 1984 H.B. 1275)

**CROSS REFERENCE:**

Child support, income tax setoff, Chap. 454

**Debt owed to state agency, setoff procedure--contesting setoff, taxpayer's rights, how waived--joint returns only one taxpayer liable for setoff, procedure--deposit of funds--reciprocal agreements with other state.**

[143.784](#). 1. Within the time frame specified by the department, a state agency seeking to collect a debt through setoff shall supply the information necessary to identify each debtor whose refund is sought to be set off and certify the amount of the debt or debts owed by each such debtor.

2. If a debtor identified by a state agency is determined by the department to be entitled to a refund of at least twenty-five dollars, the department shall notify the state agency that a refund has been set off on behalf of the agency and shall certify the amount of such setoff, which shall not exceed the amount of the claimed debt certified. When the refund owed exceeds the claimed debt, the department shall send the excess amount to the debtor within a reasonable time after such excess is determined.

3. The department shall notify by certified mail the taxpayer whose refund is sought to be set off that such setoff will be made. Such notice shall clearly set forth the name of the debtor, the manner in which the debt arose, the amount of the claimed debt and the intention to set off the refund against the debt, the amount of the refund in excess of the claimed debt, the taxpayer's opportunity to give written application for a hearing to contest the setoff within thirty days of the date of receipt of the notice, the name and mailing address of the state agency to which the application for a hearing must be sent, the fact that the application for hearing must state any defense which the debtor

claims to the setoff, and the fact that failure to apply for such a hearing, in writing, within the thirty-day period will be deemed a waiver of the opportunity to contest the setoff and will cause the setoff to be applied toward the debt. If the application for hearing alleges a defense to the nature or amount of the claim upon which the setoff is based which requires an evidentiary hearing, the state agency shall promptly conduct such hearing in accordance with the provisions of chapter 536. Failure of the debtor to make application for a hearing shall cause the setoff to be applied toward the debt. If the debt is based on a court or administrative order, the debtor shall be entitled to assert only those defenses which arose subsequent to such court or administrative order, and no issue may be raised at the hearing which has previously been litigated. In the case of a joint or combined return, the notice shall also state the name of the nonobligated taxpayer named in the return, if any, against whom no debt is claimed, the fact that a debt is not claimed against such taxpayer, the fact that such taxpayer is entitled to receive a refund if it is due him regardless of the debt asserted against his spouse. In order to obtain a refund due him such taxpayer must apply, in writing, for an apportionment of the refund with the state agency named in the notice within thirty days of the date of receipt of the notice, unless, in anticipation of the setoff of his spouse's refund, such nonobligated taxpayer provided the department of revenue with a request for apportionment of the anticipated refund which was filed at the same time the original tax return was filed, in which case the department of revenue shall determine the apportionment of the refund and forward the determination of apportionment and the nonobligated taxpayer's portion of the refund to the nonobligated taxpayer within fifteen working days of the transfer of the obligated taxpayer's portion of the refund to the agency requesting such setoff. Unless a request for apportionment of the anticipated refund was provided to the department of revenue as provided in this section, within ninety days after the filing of such taxpayer's application for apportionment of the refund with the state agency named in the notice a determination of apportionment shall be mailed to the nonobligated taxpayer by the appropriate state agency. The apportionment of the refund shall be final upon the expiration of thirty days from the date on which the determination of apportionment is mailed to the nonobligated taxpayer unless, within such thirty-day period, the nonobligated taxpayer applies in writing for a hearing with the state agency named in the determination of apportionment.

4. Upon receipt of funds transferred from the department pursuant to subsection 2 of this section, the state agency shall deposit such funds in the state treasury, to be held in an escrow account, which is hereby established, until a final determination of the validity of the debt. Interest earned on those funds shall be credited to the escrow account.

5. The provisions of sections [143.781](#) to [143.841](#) and any other provisions of law to the contrary notwithstanding, the director of revenue shall have the authority to promulgate rules to enter into reciprocal agreements with any other state which extends a like comity to this state, to set off any refund, as defined in section [143.782](#), due to any individual taxpayer by this state or any other state which extends a like comity to this state, and who upon final determination is identified as a debtor, as defined in section [143.782](#), by a state agency of this state or any other state extending a like comity.

(L. 1982 H.B. 946 § 4, A.L. 1984 H.B. 1275, A.L. 1993 H.B. 874, A.L. 1994 S.B. 494)

#### **Hearing before agency requesting setoff to determine validity of claim, when--appeal.**

[143.785](#). 1. If the state agency receives written application for a hearing contesting the setoff or the claim upon which the setoff is based, which application raises a factual issue which has not previously been litigated, the state agency shall grant a hearing to the taxpayer on the issues raised by the application, according to the procedures established under the provisions of chapter 536. If the sum asserted as due and owing is not correct, an adjustment to the claimed sum shall be made.

2. The hearing required by subsection 1 of this section shall be in lieu of a hearing before the department of revenue, and the department shall not grant a hearing to determine the validity of the claimed sum or the propriety of the setoff.

3. If no factual issue has been raised by an application for a hearing contesting a setoff or the claim upon which the setoff is based, or the only issues raised have been previously litigated, the state agency may enter its order without there being an evidentiary hearing, and such order shall be a final decision entitled to judicial review as provided in sections [536.100](#) to [536.140](#).

4. Appeals from actions taken at the hearing allowed under this section shall be in accordance with the provisions of chapter 536.

(L. 1982 H.B. 946 § 5, A.L. 1984 H.B. 1275)

**Setoff finalization procedure--refund deemed granted, when--excess over setoff paid to taxpayer--interest on escrow account deposited.**

[143.786](#). 1. Upon final determination of the amount of the debt due and owing by means provided by section [143.785](#) or by the taxpayer's default through failure to comply with section [143.784](#) mandating timely request for review, the state agency shall credit the debtor's account, and shall notify the debtor and the state treasurer in writing of the finalization of the setoff. Such notice shall include a final accounting of the refund which was set off, including the amount of the refund to which the debtor was entitled prior to setoff, the amount of the debt due and owing, the amount of the refund in excess of the debt which has been returned to the debtor by the department pursuant to section [143.784](#), and the amount of the setoff pursuant to section [143.784](#) in excess of the debt determined to be due and owing at a hearing held pursuant to section [143.785](#), if such a hearing was held. At such time, the state agency shall refund to the debtor the amount of the claimed debt originally certified and set off by the department in excess of the amount of debt finally found to be due and owing, including interest thereon as provided in section [143.781](#), and the state agency shall transfer the remaining balance to the appropriate fund or funds. All interest accumulated in the escrow account in excess of the maximum amount that could be required for debtor refunds shall be transferred monthly to the general revenue fund.

2. When the setoff authorized by sections [143.782](#) to [143.788](#) is exercised, the refund against which such setoff is applied shall be deemed granted.

(L. 1982 H.B. 946 §§ 6, 10, A.L. 1984 H.B. 1275, A.L. 1993 H.B. 874)

Effective 7-1-93

**Director's duties, forms--rules and regulations, procedure.**

[143.787](#). The director of revenue may prescribe the form and contents of any forms or other documents required by sections [143.782](#) to [143.788](#). The director of revenue shall have the authority to promulgate rules pursuant to this section and chapter 536 in order to carry out the provisions of sections [143.782](#) to [143.788](#). No rule or portion of a rule promulgated under the authority of sections [143.782](#) to [143.788](#) shall become effective unless it has been promulgated pursuant to the provisions of section [536.024](#).

(L. 1982 H.B. 946 § 8, A.L. 1993 S.B. 52, A.L. 1995 S.B. 3)

**Confidential information, disclosure by department, when, exception--limitation on use, violation, penalties.**

[143.788](#). 1. The provisions of section [32.057](#) and any other confidentiality statute of this state to the contrary notwithstanding, the department may provide any state agency submitting a claim for setoff and collection under sections [143.782](#) to [143.788](#) all information necessary to accomplish and carry out the provisions of sections [143.782](#) to [143.788](#), but shall not provide any state agency with any information whose disclosure is prohibited by Section 6103(d) of the Internal Revenue Code.

2. The information obtained by a state agency from the department of revenue in accordance with the provisions of sections [143.782](#) to [143.788](#) shall retain its confidentiality and shall only be used by another state agency in the pursuit of its debt collection duties and practices; and any

employee or prior employee of any state agency who unlawfully discloses any such information for any other purpose, except as otherwise specifically authorized by law, shall be subject to the same penalties specified by section [32.057](#) for unauthorized disclosure of confidential information by an agent or employee of the department of revenue.

(L. 1982 H.B. 946 § 9)

Effective 3-16-82

**Unpaid health care services to hospitals or health care providers, claim may be made on debtor's tax refund--remainder to be debt of department of health and senior services.**

[143.790](#). 1. Any hospital or health care provider who has provided health care services to an individual who was not covered by a health insurance policy or was not eligible to receive benefits under the state's medical assistance program of needy persons, Title XIX, P.L. 89-97, 1965 amendments to the federal Social Security Act, 42 U.S.C. Section 301, et seq., under chapter 208 and the health insurance for uninsured children under sections [208.631](#) to [208.657](#) at the time such health care services were administered, and such person has failed to pay for such services for a period greater than ninety days, may submit a claim to the director of the department of health and senior services for the unpaid health care services. The director of the department of health and senior services shall review such claim. If the claim appears meritorious on its face, the claim for the unpaid medical services shall constitute a debt of the department of health and senior services for purposes of sections [143.782](#) to [143.788](#), and the director may certify the debt to the department of revenue in order to set off the debtor's income tax refund. Once the debt has been certified, the director of the department of health and senior services shall submit the debt to the department of revenue under the setoff procedure established under section [143.783](#).

2. At the time of certification, the director of the department of health and senior services shall supply any information necessary to identify each debtor whose refund is sought to be set off pursuant to section [143.784](#) and certify the amount of the debt or debts owed by each such debtor.

3. If a debtor identified by the director of the department of health and senior services is determined by the department of revenue to be entitled to a refund, the department of revenue shall notify the department of health and senior services that a refund has been set off on behalf of the department of health and senior services for purposes of this section and shall certify the amount of such setoff, which shall not exceed the amount of the claimed debt certified. When the refund owed exceeds the claimed debt, the department shall send the excess amount to the debtor within a reasonable time after such excess is determined.

4. The department of revenue shall notify the debtor by certified mail the taxpayer whose refund is sought to be set off that such setoff will be made. The notice shall contain the provisions contained in subsection 3 of section [143.784](#), including the opportunity for a hearing to contest the setoff provided therein, and shall otherwise substantially comply with the provisions of subsection 3 of section [143.784](#).

5. Once a debt has been set off and finally determined under the applicable provisions of sections [143.782](#) to [143.788](#), and the department of health and senior services has received the funds transferred from the department of revenue, the department of health and senior services shall settle with each hospital or health care provider for the amounts that the department of revenue set off for such party. At the time of each settlement, each hospital or health care provider shall be charged for administration expenses which shall not exceed twenty percent of the collected amount.

6. Lottery prize payouts made under section [313.321](#) shall also be subject to the setoff procedures established in this section and any rules and regulations promulgated thereto.

7. The director of the department of revenue shall have priority to offset any delinquent tax owed to the state of Missouri. Any remaining refund shall be offset to pay a state agency debt or to

meet a child support obligation that is enforced by the family support division on behalf of a person who is receiving support enforcement services under section [454.425](#).

8. The director of the department of revenue and the director of the department of health and senior services shall promulgate rules and regulations necessary to administer the provisions of this section. Any rule or portion of a rule, as that term is defined in section [536.010](#), that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section [536.028](#). This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

(L. 2007 H.B. 818, A.L. 2014 H.B. 1299 Revision)

#### **Abatements.**

[143.791](#). The director of revenue is authorized to abate the unpaid portion of the assessment of any tax or any liability in respect thereof, which

- (1) Is excessive in amount, or
- (2) Is assessed after the expiration of the period of limitations properly applicable thereto, or
- (3) Is erroneously or illegally assessed.

(L. 1972 S.B. 549)

Effective 1-1-73

#### **Limitations on credit or refund.**

[143.801](#). 1. A claim for credit or refund of an overpayment of any tax imposed by sections [143.011](#) to [143.996](#) shall be filed by the taxpayer within three years from the time the return was filed or two years from the time the tax was paid, whichever of such periods expires the later; or if no return was filed by the taxpayer, within two years from the time the tax was paid. No credit or refund shall be allowed or made after the expiration of the period of limitation prescribed in this subsection for the filing of a claim for credit or refund, unless a claim for credit or refund is filed by the taxpayer within such period.

2. If the claim is filed by the taxpayer during the three-year period prescribed in subsection 1 of this section, the amount of the credit or refund shall not exceed the portion of the tax paid within the three years immediately preceding the filing of the claim plus the period of any extension of time for filing the return. If the claim is not filed within such three-year period, but is filed within the two-year period, the amount of the credit or refund shall not exceed the portion of the tax paid during the two years immediately preceding the filing of the claim. If no claim is filed, the credit or refund shall not exceed the amount which would be allowable under either of the preceding sentences, as the case may be, if a claim was filed on the date the credit or refund is allowed.

3. If pursuant to subsection 6 of section [143.711](#) an agreement for an extension of the period for assessment of income taxes is made within the period prescribed in subsection 1 of this section for the filing of a claim for credit or refund, the period for filing a claim for credit or for making a credit or refund if no claim is filed, shall not expire prior to six months after the expiration of the period within which an assessment may be made pursuant to the agreement or any extension thereof. The amount of such credit or refund shall not exceed the portion of the tax paid after the execution of the agreement and before the filing of the claim or the making of the credit or refund, as the case may be, plus the portion of the tax paid within the period which would be applicable under subsection 1 of this section if a claim had been filed on the date the agreement was executed.

4. If a taxpayer is required by section [143.601](#) to report a change or correction in federal taxable income reported on his federal income tax return, or to report a change or correction which is treated in the same manner as if it were an overpayment for federal income tax purposes, an amended return or a claim for credit or refund of any resulting overpayment of tax shall be filed by the taxpayer within one year from the time the notice of such change or correction or such amended return was required to be filed with the director of revenue. If the report or amended return required by section [143.601](#) is not filed within the ninety-day period therein specified, interest on any resulting refund or credit shall cease to accrue after such ninetieth day. The amount of such credit or refund shall not exceed the amount of the reduction in tax attributable to:

(1) The issues on which such federal change or correction or the items amended on the taxpayer's amended federal income tax return are based, and

(2) Any change in the amount of the taxpayer's federal income tax deduction under the provisions of subsection 1 of section [143.171](#). No effect shall be given in the preceding sentence to any federal change or correction or to any item on an amended return unless it is timely under the applicable federal period of limitations.

The time and amount provisions of this subsection shall be in lieu of any other provisions of this section. This subsection shall not affect the time within which or the amount for which a claim for credit or refund may be filed apart from this subsection.

5. If the claim for credit or refund relates to an overpayment of tax on account of the deductibility by the taxpayer of a debt as a debt which became worthless or a loss from worthlessness of a security or the effect that the deductibility of a debt or of a loss has on the application to the taxpayer of a carryover, the claim may be made, under regulations prescribed by the director of revenue within seven years from the date prescribed by law for filing the return for the year with respect to which the claim is made.

6. If the claim for credit or refund relates to an overpayment attributable to a net operating loss carryback or a capital loss carryback, in lieu of the three-year period of limitations prescribed in subsection 1 of this section, the period shall be that period which ends with the expiration of the fifteenth day of the fortieth month (or the thirty-ninth month, in the case of a corporation) following the end of the taxable year of the net operating loss or net capital loss which results in such carryback, or the period prescribed in subsection 3 of this section in respect of such taxable year, whichever expires later. In the case of such a claim, the amount of the credit or refund may exceed the portion of the tax paid within the period provided in subsections 2, 3 and 4 of this section, whichever is applicable, to the extent of the amount of the overpayment attributable to such carryback.

7. (1) No period of limitations provided in subsections 1 to 6 of this section shall apply if a taxpayer amends, or the federal Internal Revenue Service or its successor agency changes, the taxpayer's federal income tax return for the same tax period and:

(a) Such amendment or change occurs after any period of limitations provided in subsections 1 to 6 of this section has expired;

(b) Such amendment or change reveals that the taxpayer is eligible to claim a credit or refund of an overpayment of any tax imposed under this chapter; and

(c) A period of limitations provided in subsections 1 to 6 of this section prohibits the taxpayer from claiming such credit or refund.

(2) If the taxpayer files a claim for such credit or refund, the claim shall be filed in the manner provided in this chapter and shall be filed within one year from the time the taxpayer amends or the federal Internal Revenue Service changes the taxpayer's federal income tax return.

(L. 1972 S.B. 549, A.L. 2015 H.B. 517 & 754)

**Interest on overpayment.**

143.811. 1. Under regulations prescribed by the director of revenue, interest shall be allowed and paid at the rate determined by section 32.065 on any overpayment in respect of the tax imposed by sections 143.011 to 143.996; except that, where the overpayment resulted from the filing of an amendment of the tax by the taxpayer after the last day prescribed for the filing of the return, interest shall be allowed and paid at the rate of six percent per annum. With respect to the part of an overpayment attributable to a deposit made pursuant to subsection 2 of section 143.631, interest shall be paid thereon at the rate in section 32.065 from the date of the deposit to the date of refund. No interest shall be allowed or paid if the amount thereof is less than one dollar.

2. For purposes of this section:

(1) Any return filed before the last day prescribed for the filing thereof shall be considered as filed on such last day determined without regard to any extension of time granted the taxpayer;

(2) Any tax paid by the taxpayer before the last day prescribed for its payment, any income tax withheld from the taxpayer during any calendar year, and any amount paid by the taxpayer as estimated income tax for a taxable year shall be deemed to have been paid by him on the fifteenth day of the fourth month following the close of his taxable year to which such amount constitutes a credit or payment.

3. For purposes of this section with respect to any withholding tax:

(1) If a return for any period ending with or within a calendar year is filed before April fifteenth of the succeeding calendar year, such return shall be considered filed April fifteenth of such succeeding calendar year; and

(2) If a tax with respect to remuneration paid during any period ending with or within a calendar year is paid before April fifteenth of the succeeding calendar year, such tax shall be considered paid on April fifteenth of such succeeding calendar year.

4. If any overpayment of tax imposed by sections 143.061 and 143.071 is refunded within four months after the last date prescribed (or permitted by extension of time) for filing the return of such tax or within four months after the return was filed, whichever is later, no interest shall be allowed under this section on overpayment.

5. If any overpayment of tax imposed by sections 143.011 and 143.041 is refunded within forty-five days after the date the return or claim is filed, no interest shall be allowed under this section on overpayment.

6. Any overpayment resulting from a carryback, including a net operating loss and a corporate capital loss, shall be deemed not to have been made prior to the close of the taxable year in which the loss arises.

7. Any overpayment resulting from a carryback of a tax credit, including but not limited to the tax credits provided in sections 253.557 and 348.432, shall be deemed not to have been made prior to the close of the taxable year in which the tax credit was authorized.

(L. 1972 S.B. 549, A.L. 1982 H.B. 1351, et al., A.L. 1988 H.B. 1335, A.L. 2002 S.B. 1248, A.L. 2010 H.B. 1408 & 1514, A.L. 2014 H.B. 1298 Revision, A.L. 2015 H.B. 517 & 754)

**Refund claim.**

143.821. Every claim for refund shall be filed with the director of revenue in writing and shall state the specific grounds upon which it is founded. A taxpayer which has made a deposit under subsection 2 of section 143.631 and has received a determination of the director of revenue pursuant to section 143.641 shall be deemed for purposes of this chapter to have filed a claim for

refund of an amount not greater than the deposit, on such grounds as were set forth in the taxpayer's protest filed under subsection 1 of section [143.631](#).

(L. 1972 S.B. 549, A.L. 1978 S.B. 661, A.L. 1988 H.B. 1335)

**Notice of director's action.**

[143.831](#). The director of revenue shall mail notice of his action on the claim for refund within one hundred twenty days of the mailing of such claim. The action denying a claim for refund is final upon the expiration of sixty days from the date when he mails notice of his action to the taxpayer, except only for such amounts as to which the taxpayer has filed a protest with the director of revenue.

(L. 1972 S.B. 549, A.L. 1978 S.B. 661, A.L. 1983 1st Ex. Sess. H.B. 10)

Effective 1-1-84

**Protest of denied claim.**

[143.841](#). 1. Within sixty days after denial of the claim, the taxpayer may file with the director of revenue a written protest against such denial setting forth the grounds on which the protest is based. If a protest is filed, the director of revenue shall reconsider the denial.

2. Within ninety days after the filing of a protest, notice of the director of revenue's determination shall be mailed to the taxpayer by certified or registered mail and such notice shall set forth briefly the director of revenue's findings of fact and the basis of decision in each case decided in whole or in part adversely to the taxpayer.

3. The action of the director of revenue on the taxpayer's protest is final upon the expiration of thirty days from the date when he mails notice of his action to the taxpayer unless within this period the taxpayer seeks review of the director of revenue's determination by the administrative hearing commission.

4. The administrative hearing commission shall hold all hearings under this section in the county in which the taxpayer resides, or if a corporation, in the county of its principal place of business in this state.

5. A taxpayer which has made a deposit with the director of revenue under subsection 2 of section [143.631](#), in lieu of seeking review by the administrative hearing commission of a determination by the director of revenue under section [143.641](#) or subsection 2 of section [143.841](#), may, within the time permitted for filing an action in the administrative hearing commission seeking review of such action of the director of revenue, bring an action against the director of revenue by filing a petition for recovery of an overpayment in the circuit court of Cole County. Trial of the action in the circuit court shall be in the manner prescribed for nonjury civil proceedings, and, after determination of the issues, the court shall make such orders as may be just and equitable to refund to the taxpayer all or any part of the taxes paid for the tax periods at issue, with interest as prescribed in section [143.811](#). The director of revenue may be represented by legal counsel from the department of revenue in such proceedings. Either party to the proceedings may appeal the determination of the circuit court.

(L. 1972 S.B. 549, A.L. 1978 S.B. 661, A.L. 1983 1st Ex. Sess. H.B. 10, A.L. 1988 H.B. 1335)

**Timely mailing.**

[143.851](#). If any return, claim, statement, notice, petition, or other document required to be filed within a prescribed period or on or before a prescribed date under the authority of any provisions of sections [143.011](#) to [143.996](#) is, after such period or such date, delivered by United States mail to the director of revenue, or the officer or person therein with which or with whom such document is required to be filed, the date of the United States postmark stamped on the envelope shall be deemed to be the date of delivery. This section shall apply only if the postmark date falls within the

prescribed period or on or before the prescribed date for the filing of such document, determined with regard to any extension granted for such filing, and only if such document was deposited in the mail postage prepaid, properly addressed to the office, officer, or person with which or with whom the document is required to be filed. If any document is sent by United States registered mail, such registration shall be prima facie evidence that such document was delivered to the person to which or to whom it is addressed. To the extent that the director of revenue shall prescribe by regulation, certified mail may be used in lieu of registered mail under this section. This section shall apply in the case of postmarks not made by the United States post office only if and to the extent provided by regulations of the director of revenue. When the last day prescribed under the authority of sections [143.011](#) to [143.996](#), including any extension of time, for performing any act falls on a Saturday, a Sunday, or a legal holiday in this state, the performance of such act shall be considered timely if it is performed on the next succeeding day which is not a Saturday, Sunday, or legal holiday. The provisions of this section applicable to the timely filing of a document shall also apply to any payment required to be made under any provisions of sections [143.011](#) to [143.996](#).

(L. 1972 S.B. 549)

Effective 1-1-73

### **Collection procedures.**

[143.861](#). 1. The tax imposed by sections [143.011](#) to [143.996](#) shall be collected by the director of revenue, and he may establish the mode or time for the collection of any amount due under sections [143.011](#) to [143.996](#) if not otherwise specified. The director of revenue shall, on request, give a receipt for any amount collected under sections [143.011](#) to [143.996](#). The director of revenue may authorize banks or trust companies to receive and give a receipt for any tax imposed under sections [143.011](#) to [143.996](#), in such manner, at such times, and under such conditions as he may prescribe; provided, all banks and trust companies authorized to receive and receipt for deposits of federal withholding of income tax shall be authorized by the director of revenue to receive and receipt for any tax under sections [143.011](#) to [143.996](#). The director of revenue shall prescribe the manner, times, and conditions under which the receipt of tax by such banks and trust companies is to be treated as a payment of tax.

2. The director of revenue shall as soon as practicable give notice to each person liable for any amount of tax, addition to tax, additional amount, penalty, or interest, which has been assessed but remains unpaid, stating the amount and demanding within ten days of the date of the notice and demand payment thereof. Such notice shall be left at the dwelling place or usual place of business of such person or shall be sent by mail to such person's last known address.

3. If the amount stated in the notice provided in subsection 2 of this section remains unpaid, the director of revenue shall certify the name of any person from whom any tax under sections [143.011](#) to [143.996](#) shall be due to the attorney general. Suit shall be instituted in any court of competent jurisdiction by the attorney general, or by the prosecuting attorney of the county at the direction of the attorney general, in the name of the state, to recover such tax and enforce the lien therefor in the same manner as provided by law in civil actions. In such action, the certificate of the director of revenue showing the amount due shall be prima facie, but not conclusive, evidence of the amount due and the compliance with all provisions of sections [143.011](#) to [143.996](#) relating to the assessment of the tax.

(L. 1972 S.B. 549)

Effective 1-1-73

### **Income tax claim of other states.**

[143.871](#). 1. The courts of this state shall recognize and enforce liabilities for income taxes lawfully imposed by any other state which extends a like comity to this state, and the duly authorized officer of any such state may sue for the collection of such a tax in the courts of this state. A

certificate by the secretary of state of such other state that an officer suing for the collection of such a tax is duly authorized to collect the tax shall be conclusive proof of such authority. For the purposes of this section, the word "taxes" shall include additions to tax, interest, and penalties, and liability for such taxes, additions to tax, interest, and penalties shall be recognized and enforced by the courts of this state to the same extent that the laws of such other states permit the enforcement in its courts of liability for such taxes, additions to tax, interest, and penalties due to this state under sections [143.011](#) to [143.996](#).

2. For the purposes of this section, the term "any other state" shall mean only another state of the United States or a political subdivision thereof or the District of Columbia. The courts of this state shall not entertain any action for the enforcement or collection of income taxes imposed by any foreign sovereign state or political subdivision thereof.

(L. 1972 S.B. 549)

Effective 1-1-73

### **Transferees.**

[143.881](#). 1. The liability at law or in equity, of a transferee of property of a taxpayer for any tax, addition to tax, penalty, or interest due under sections [143.011](#) to [143.996](#), shall be assessed, paid and collected in the same manner and subject to the same provisions and limitations as in the case of the tax to which the liability relates except as hereinafter provided in this section. The term "transferee" includes donee, heir, legatee, devisee, and distributee.

2. In the case of the liability of an initial transferee, the period of limitation for assessment of any liability expires one year after the expiration of period of limitation against the transferor; in the case of the liability \*of a transferee\* of a transferee, it expires one year after the expiration of the period of limitation against the preceding transferee, but not more than three years after the expiration of the period of limitation for assessment against the original transferor.

3. If before the expiration of the time provided in this section for the assessment of the liability the director of revenue and the transferee have consented in writing to its assessment after such time, the liability may be assessed at any time prior to the expiration of the period agreed upon or an extension thereof. For the purpose of determining the period of limitation on credit or refund to the transferee of overpayments of tax made by the transferor of which the transferee is legally entitled to credit or refund, such agreement and any extension thereof shall be deemed an agreement or extension referred to in subsection 3 of section [143.801](#). If the agreement is executed after the expiration of the period of limitation for assessment against the taxpayer with reference to whom the liability of such transferee arises, then in applying the limitations under subsection 2 of section [143.801](#) on the amount of the credit or refund, the periods specified in subsection 1 of section [143.801](#) shall be increased by the period from the date of such expiration to the date of the agreement.

4. If any person is deceased, the period of limitation for assessment against such person shall be the period that would be in effect had death not occurred.

(L. 1972 S.B. 549)

Effective 1-1-73

\*...\* This language appears in original rolls twice.

### **Jeopardy assessments.**

[143.891](#). 1. If the director of revenue finds that the assessment or the collection of a tax or a deficiency for any year, current or past, will be jeopardized in whole or in part by delay, he may mail or issue notice of his finding to the taxpayer, together with a demand for immediate payment of the tax or the deficiency declared to be in jeopardy, including additions to tax, interest, and penalties.

2. In the case of a tax for a current period, the director of revenue shall declare the taxable period of the taxpayer immediately terminated and his notice and demand for a return and immediate payment of the tax shall relate to the period declared terminated, including therein income accrued and deductions incurred up to the date of termination if not otherwise properly includable or deductible in respect of the period.

3. A jeopardy assessment is immediately due and payable, and proceedings for collection may be commenced at once. The taxpayer, however, may stay collection and prevent the jeopardy assessment from becoming final by filing, within ten days after the date of mailing or issuing the notice of jeopardy assessment, a request for reassessment, accompanied by a bond or other security in the amount of the assessment including additions to tax, penalties, and interest as to which the stay of collection is sought. If a request for reassessment, accompanied by a bond or other security in the appropriate amount, is not filed within the ten-day period, the assessment becomes final.

4. If a request for reassessment, accompanied by a bond or other security, is filed within a ten-day period, the director of revenue shall reconsider the assessment. The director of revenue's action on the request for reassessment becomes final upon the expiration of thirty days from the date when he mails notice of his action to the taxpayer, unless within that thirty-day period the taxpayer files an application to seek review of the director of revenue's determination by the administrative hearing commission.

5. The director of revenue may abate the jeopardy assessment if he finds that jeopardy does not exist.

(L. 1972 S.B. 549, A.L. 1978 S.B. 661)

#### **Bankruptcy or receivership, claims for deficiency.**

[143.901](#). 1. Upon the adjudication of bankruptcy of any taxpayer in any bankruptcy proceeding or the appointment of a receiver for any taxpayer in any receivership proceeding before any court of the United States or any state or territory or of the District of Columbia, any deficiency (together with additions to tax and interest provided by law) determined by the director of revenue may be immediately assessed.

2. Claims for the deficiency and such additions to tax and interest may be presented, for adjudication in accordance with law, to the court before which the bankruptcy or receivership proceeding is pending despite the pendency of a protest before the administrative hearing commission under section [143.651](#). No protest against a proposed assessment shall be filed after the adjudication of bankruptcy or appointment of the receiver.

(L. 1972 S.B. 549, A.L. 1978 S.B. 661)

#### **Liens on property, notice to taxpayer, duration--effect--improperly filed liens, notice to director, contents--release of lien, procedure--fees--duties of director.**

[143.902](#). 1. In any case in which any assessment of tax, interest, additions to tax or penalty imposed under sections [143.005](#) to [143.998](#) has been made and has become final, the director of revenue may file for record in the recorder's office of any county in which the taxpayer owing such tax, interest, additions to tax or penalty resides, owns property or has a place of business, a certificate of lien specifying the amount of the tax, interest, additions to tax or penalty due and the name of the taxpayer liable for the same. Included in the notice of deficiency, the director shall notify the taxpayer of the department's intent to file prior to the filing of such certificate. Such notification shall contain a summary of the taxpayer's right to protest or contest such proposed deficiency. The director shall within twenty days after filing such certificate notify the taxpayer by first class mail postage prepaid.

(1) The lien shall arise on the date such assessment becomes final and shall be continuing and shall attach to real or personal property or interest in real or personal property owned by the taxpayer or acquired in any manner by the taxpayer after the filing of the certificate of lien. Unless sooner released or discharged, the lien shall expire ten years after the certificate of lien was filed, unless within such ten-year period, the certificate of lien has been refiled by the director of revenue with the recorder. Unless sooner released or discharged, a timely refiled certificate of lien shall be treated as if filed on the date of filing of the original certificate of lien, and shall expire ten years after the refiling. A certificate of lien may not be refiled more than one time.

(2) If any taxpayer fails to pay any tax, interest, additions to tax or penalties imposed by this chapter when due and the assessment for which has become final, the director may file for record in the office of the clerk of the circuit court of any county in which the taxpayer resides, or has a place of business, or owns property, the certificate of lien specifying the amount of the tax, interest, additions to tax and penalties due and the name of the liable taxpayer. The clerk of the circuit court shall file such certificate and enter it in the record of the circuit court for judgments and decrees under the procedure prescribed for filing transcripts of judgments. If the taxpayer does not reside, have a place of business or own property in the state of Missouri, the director may file for record a certificate of delinquency in the office of the clerk of the circuit court of Cole County. From the time of the filing of the certificate of lien or certificate of delinquency with the clerk of the circuit court, the amount of the tax, interest, additions to tax and penalties specified therein shall have the full force and effect of a default judgment of the circuit court until satisfied. Execution shall issue at the request of the director of revenue or his agent as is provided in the case of other judgments. No exemption shall be allowed from the levy of an execution issued for any delinquent tax, interest, additions to tax or penalties due under the provisions of sections [143.191](#) to [143.265](#). No bond shall be required of the director of revenue, his agent or of the sheriff before making the levy.

(3) The remedies in this subsection are cumulative and in addition to other collection methods given the director of revenue. No action taken shall be construed as an election on the part of the state or any of its officers to pursue any remedy or action hereunder to the exclusion of any other remedy or action for which provision is made.

(4) If any certificate of lien has been erroneously or improvidently filed, the taxpayer or any other person affected by the lien may notify the director of revenue. The taxpayer or other affected person shall provide the director with the reasons the filing of the certificate of lien is erroneous or improvident as to such person (including that the affected person's name or other identification is similar to the taxpayer's) and a list of creditors with current addresses who are affected by the department's action. Upon receipt of the creditor list, reasons and verification of the erroneous or improvident filing, the director shall release the lien as to the taxpayer or the affected person, as necessary, and notify all creditors, stating the certificate of lien was filed erroneously or improvidently. If the certificate of lien was erroneously or improvidently filed the director shall forthwith make a determination in writing which shall become a public record in the same place the certificate of lien is noted under subsection 5 of this section that the same be expunged from the record and give written notice thereof, duly certified, by certified mail to the recorder of deeds in the county where the same is recorded and upon receipt by the recorder of deeds of the certification the recorder shall immediately cause such record to be expunged. The director shall take whatever steps are necessary to ensure the lien is expunged. The director shall pay a three-dollar fee charged by the recorder when an erroneously or improvidently filed lien is expunged.

2. The lien imposed under subsection 1 of this section may be wholly or partly released by filing for record in the office of the county recorder a release thereof executed by the director of revenue upon payment of the tax, interest, additions to tax and penalties or upon receipt by the director of revenue of security sufficient to secure payment thereof, or by final judgment holding such certificate of lien to have been erroneously or improvidently imposed.

3. The director may release any part of the property subject to the lien by filing with the county recorder a copy of the original lien document and an affidavit containing a legal description of the property, and stating that the property is to be released from the lien. The county recorder shall note the partial release in the same manner as provided in section [443.090](#). The release of any specific property shall not affect in any manner other property subject to lien.

4. Each county recorder shall receive a fee of three dollars which shall be charged for the filing of each certificate of lien and a fee of one dollar and fifty cents for each release of lien filed for record. Such amounts shall be paid to the county recorder from funds appropriated to the department of revenue for that purpose. The county recorder shall be reimbursed by presenting a statement, showing the number of certificates and releases filed, to the department of revenue each calendar quarter. The department of revenue is authorized to collect an additional penalty from each taxpayer equal to the cost of filing a certificate of lien or release of lien with respect to such taxpayer.

5. The director of revenue shall establish and maintain records for all certificates of lien filed under this section. The director shall also maintain records of all releases of lien filed under this section. The provisions of section [32.057](#) to the contrary notwithstanding, the records prepared by the director under this section, to the extent such information is or may be on file with the recorder, shall be open to public inspection. Such records established and maintained by the director shall not be the official record and are not conclusive evidence of any liability of any taxpayer to this state.

6. If any action is taken by the director under the provisions of this chapter; including, but not limited to, section [143.791](#), to alter or abate any assessment upon which a judgment has been filed under the provisions of subsection 1 of this section, the director is authorized to file a modification or satisfaction of such judgment.

(L. 1988 H.B. 1335, A.L. 1992 H.B. 1155)

**Unexpected court or administrative hearing decision shall apply only after most recently ended tax period imposed by chapters 143 and 144--unexpected, defined.**

[143.903](#). 1. Any provision of law to the contrary notwithstanding, an unexpected decision by or order of a court of competent jurisdiction or the administrative hearing commission shall only apply after the most recently ended tax period of the particular class of persons subject to such tax imposed by chapters 143 and 144 and any credit, refund or additional assessment shall be only for periods after the most recently ended tax period of such persons.

2. The provisions of this section shall apply only to final decisions by or orders of a court of competent jurisdiction or the administrative hearing commission which are rendered after October 1, 1990, and which are determined by the court or the administrative hearing commission rendering the decision, or subsequently by a lower court or the administrative hearing commission, to be unexpected. For the purposes of this section the term "unexpected" shall mean that a reasonable person would not have expected the decision or order based on prior law, previous policy or regulation of the department of revenue.

(L. 1990 H.B. 960 § 2)

Effective 10-1-90

**Attempt to evade or defeat tax, penalty.**

[143.911](#). Any person who willfully attempts in any manner to evade or defeat any tax imposed by sections [143.011](#) to [143.996](#) or the payment thereof shall, in addition to other penalties provided by law, and upon conviction thereof, be fined not more than ten thousand dollars, or be imprisoned in the county jail for not more than one year or by not less than two nor more than five years in the state penitentiary or by both fine and imprisonment together with the cost of prosecution.

(L. 1972 S.B. 549, A.L. 1974 H.B. 1286)

**Failure to collect or pay over tax, penalty.**

[143.921](#). Any person required under sections [143.011](#) to [143.996](#) to collect, truthfully account for, and pay over any tax imposed by sections [143.011](#) to [143.996](#) who willfully with intent to defraud fails to collect or truthfully account for and pay over such tax shall, in addition to other penalties provided by law, and upon conviction thereof, be fined not more than ten thousand dollars, or be imprisoned in the county jail for not more than one year or by not less than two nor more than five years in the state penitentiary or by both fine and imprisonment together with the cost of prosecution.

(L. 1972 S.B. 549, A.L. 1974 H.B. 1286)

**Failure to file return, supply information, pay tax, penalty.**

[143.931](#). Any person required under sections [143.011](#) to [143.996](#) to pay any tax, or required by sections [143.011](#) to [143.996](#) to make a return (other than a return of estimated tax), keep any records, or supply any information, who willfully with intent to defraud fails to pay such tax, make such return, keep such records, or supply such information, at the time or times required by law, shall, in addition to other penalties provided by law, and upon conviction thereof, be fined not more than ten thousand dollars, or be imprisoned in the county jail for not more than one year or by not less than two nor more than five years in the state penitentiary or by both fine and imprisonment together with the cost of prosecution.

(L. 1972 S.B. 549, A.L. 1974 H.B. 1286)

**False statements, penalty.**

[143.941](#). Any person who willfully makes and subscribes any returns, statement, or other document, which contains or is verified by a written declaration that it is made under the penalties of perjury, and which he does not believe to be true and correct as to every material matter; or willfully aids or procures the preparation or presentation in a matter arising under the provisions of sections [143.011](#) to [143.996](#) of a return, affidavit, claim, or other document which is fraudulent or is false as to any material shall, and upon conviction thereof, be fined not more than ten thousand dollars, or be imprisoned in the county jail for not more than one year or by not less than two nor more than five years in the state penitentiary or by both fine and imprisonment together with the cost of prosecution.

(L. 1972 S.B. 549, A.L. 1974 H.B. 1286)

**Prior conviction, effect of.**

[143.946](#). If any person convicted of an offense, or of the attempt to commit an offense under sections [143.911](#), [143.921](#), [143.931](#), or [143.941](#) is charged thereafter with having committed or having attempted to commit a subsequent offense under such sections, and is convicted, he shall be punished by imprisonment by the department of corrections and human resources for a term of not less than five nor more than ten years. If the prior conviction is appealed, then this section shall not apply until after the judgment is affirmed or the appeal is dismissed.

(L. 1972 S.B. 549, A.L. 1974 H.B. 1286)

**Limitations.**

[143.951](#). Any prosecution under sections [143.011](#) to [143.996](#) shall be instituted within three years after the commission of the offense, provided that if such offense is the failure to do an act required by or under the provisions of sections [143.011](#) to [143.996](#) to be done by a certain date, a prosecution for such offense may be commenced not later than four years after such date. Any prosecution under sections [143.011](#) to [143.996](#) may be conducted in any county where the person or corporation to whose liability the proceeding relates resides or has a place of business or in any county where any element of the offense occurred.

(L. 1972 S.B. 549)

Effective 1-1-73

### **Rules and regulations.**

[143.961](#). 1. The director of revenue shall administer and enforce the tax imposed by sections [143.011](#) to [143.996](#) and he is authorized to make such rules and regulations and to require such facts and information to be reported, as he may deem necessary to enforce the provisions of sections [143.011](#) to [143.996](#). The director of revenue may for enforcement and administrative purposes establish temporary or permanent branch offices.

2. The rules and regulations prescribed by the director of revenue shall follow as nearly as practicable the rules and regulations of the Secretary of the Treasury of the United States or his delegate regarding income taxation. Such construction of sections [143.011](#) to [143.996](#) will further their purposes to simplify the preparation of income tax returns, aid in their interpretation through use of federal precedents, and improve their enforcement.

(L. 1972 S.B. 549)

Effective 1-1-73

### **Returns and forms.**

[143.971](#). 1. The director of revenue may prescribe the form and contents of any return or other document required to be filed under the provisions of sections [143.011](#) to [143.996](#).

2. The director of revenue for the purpose of ascertaining the correctness of any return, or for the purpose of making an estimate of taxable income of any person, shall have power to examine or to cause to have examined, by any agent or representative designated by him for that purpose, any books, papers, records, or memoranda bearing upon the matters required to be included in the return, and may require the attendance of the person rendering the return or any officer or employee of such person, or the attendance of any other person having knowledge in the premises, and may take testimony and require proof material for his information, with power to administer oaths to such person or persons.

3. Reports and returns required to be filed under sections [143.011](#) to [143.996](#) shall be preserved for four years and thereafter until the director of revenue orders them to be destroyed.

(L. 1972 S.B. 549)

Effective 1-1-73

### **Closing agreements.**

[143.986](#). 1. The director of revenue, or any person authorized in writing by him, is authorized to enter into an agreement with any person relating to the liability of such person in respect to the tax imposed by sections [143.011](#) to [143.996](#) for any taxable period.

2. Any such agreement shall be final and conclusive and, except upon a showing of fraud or malfeasance, or misrepresentation of a material fact:

(1) The case shall not be reopened as to matters agreed upon or the agreement modified by any officer, employee, or agent of this state, and

(2) In any suit, action, or proceeding under such agreement, or any determination, assessment, collection, payment, abatement, refund, or credit made in accordance therewith, shall not be annulled, modified, set aside, or disregarded.

(L. 1972 S.B. 549)

Effective 1-1-73

### **Armed Forces relief provision.**

[143.991](#). 1. The period of service in the Armed Forces of the United States in a combat zone plus any period of continuous hospitalization outside this state attributable to such service plus the next one hundred eighty days shall be disregarded in determining, under regulations to be promulgated by the director of revenue, whether any act required by sections [143.011](#) to [143.996](#) was performed by a taxpayer within the time prescribed therefor.

2. In the case of any individual who dies during an induction period while in active service as a member of the Armed Forces of the United States, if such death occurred while the individual was serving in a combat zone or as a result of wounds, disease, or injury incurred while so serving, the tax imposed by sections [143.011](#) to [143.996](#) shall not apply with respect to the taxable year in which falls the date of his death, or with respect to any prior taxable year ending on or after the first day he so served in a combat zone.

(L. 1972 S.B. 549)

Effective 1-1-73

#### **Prohibition of legislator representation.**

[143.996](#). No member of the general assembly shall represent a client for a fee in negotiations or discussions with the department of revenue for an adjustment or revision of the client's alleged or actual tax liability.

(L. 1972 S.B. 549)

Effective 1-1-73

#### **Income excluded by statute or rule held invalid by supreme court,no deficiency to be charged.**

[143.997](#). Any provision of law to the contrary notwithstanding, where a statute or a rule promulgated by the director has excluded any income from the computation of tax imposed under this chapter and is thereafter held by a final decision of the Missouri supreme court to be invalid, the director shall not be entitled to serve a notice of deficiency of taxes which result from such court decision for any period occurring prior to the date of the court's mandate or the implementation of regulations interpreting such court decision, whichever is later.

(L. 1990 H.B. 1554 § 1)

Effective 6-12-90

#### **Tax return to contain number assigned by director to schooldistrict.**

[143.998](#). Every person filing an individual income tax return form under this chapter shall place in the space provided on said form the number assigned by the department of revenue to the school district of which the person filing is a resident.

(L. 1977 H.B. 131 § 2)

#### **Exclusion of employer contributions to individual medicalaccounts--requirements for eligibility of exclusion--rules,procedure.**

[143.999](#). 1. Employer contributions to an individual medical account which are used to pay for health care expenses of the employee in accordance with this section shall be exempt from state income tax under this chapter, to the extent such contributions are not excluded from gross income under 26 U.S.C. 105 and 26 U.S.C. 106 and regulations promulgated thereunder. In order to qualify for such an exemption from taxation under this chapter, such contributions shall be made in accordance with health care coverage arrangements which contain at a minimum the following components:

(1) The employer shall annually determine a contribution level to be expended for coverage of an insured person and any dependents, which shall be in lieu of any standard indemnity or health insurance provided under a health insurance benefit package which is established by the department of insurance, financial institutions and professional registration. Such a benefit package may be offered as an individual or group policy or other insurance arrangement by an insurer, health maintenance organization, health services corporation, or as a self-funded employer plan. A percentage of the employer's designated contribution level as established by rule and regulation of the department of insurance, financial institutions and professional registration shall be used by the insurer, health maintenance organization, health services corporation, or as a self-funded employer plan to purchase or provide a policy or plan of major medical health care benefits for the insured person and any dependents. The remainder of the employer's contribution level not used to provide major medical coverage shall be used to fund an individual medical account. Funds in the account shall be used by the insured person or his dependents, if any, to pay for that portion of bona fide medical and health care expenses not covered by the policy or plan of major medical health insurance coverage, including any deductible, co-payment, or coinsurance requirements established by regulation of the department of insurance, financial institutions and professional registration to discourage unnecessary use of health care services. Funds in the individual medical account shall be spent for no other purpose except as otherwise provided by this section;

(2) Any amount in the insured's individual medical account that is unspent at the end of the year shall remain in the account. The director of the department of insurance, financial institutions and professional registration shall by rule and regulation establish a balance for the account which, if exceeded, shall allow the insured to withdraw any moneys in excess of such balance. Any moneys so withdrawn from the account and interest earned on such moneys shall be subject to state income taxation;

(3) The amount in an individual medical account shall not be subject to state income taxation while it remains in the account. Any amount spent from the individual medical account on medical and health care expenses and interest accrued on such amount shall be totally exempt from state income taxation;

(4) The insurer, health maintenance organization, health services corporation, or employer which sponsors or provides health insurance coverage as authorized by this section shall administer the account on behalf of the insured person and any dependents.

2. As used in this section, bona fide medical and health care expenses shall be those medical and health procedures as defined by regulation of the department of insurance, financial institutions and professional registration. Such regulations shall be developed in consultation with the department of health and senior services.

3. The director of the department of insurance, financial institutions and professional registration shall promulgate such rules and regulations as may be necessary to implement the provisions of this section and section 374.126\*. No rule or portion of a rule promulgated under the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of section [536.024](#).

(L. 1993 H.B. 564 § 18, A.L. 1995 S.B. 3)

\*Section 374.126 was repealed by S.B. 732 § A, 1994.

#### **Funding--income tax refund, designating authorized amount,when--contributions.**

[143.1000](#). 1. In each tax year beginning on or after January 1, 1983, each individual or corporation entitled to a tax refund in an amount sufficient to make a designation under this section may designate that two dollars or any amount in excess of two dollars on a single return, and four dollars or any amount in excess of four dollars on a combined return, of the refund due be credited to the children's trust fund. The contribution designation authorized by this section shall be clearly

and unambiguously printed on the first page of each income tax return form provided by this state. If any individual or corporation which is not entitled to a tax refund in an amount sufficient to make a designation under this section wishes to make a contribution to the children's trust fund, such individual or corporation may, by separate check, draft, or other negotiable instrument, send in with the payment of taxes, or may send in separately, that amount, clearly designated for the children's trust fund, the individual or corporation wishes to contribute and the department of revenue shall forward such amount to the state treasurer for deposit to the children's trust fund as provided in subsection 2 of this section.

2. The director of revenue shall transfer at least monthly all contributions designated by individuals under this section to the state treasurer for deposit to the children's trust fund.

3. The director of revenue shall transfer at least monthly all contributions designated by corporations under this section, less an amount sufficient to cover the cost of collection and handling by the department of revenue, to the state treasurer for deposit to the children's trust fund.

4. A contribution designated under this section shall only be transferred and deposited in the children's trust fund after all other claims against the refund from which such contribution is to be made have been satisfied.

(L. 1983 H.B. 550 § 5, A.L. 1986 S.B. 688)

Transferred 2004; formerly 210.174

CROSS REFERENCE:

Children's trust fund, [210.170](#) to [210.173](#)

**Beginning January 1, 2017--Taxpayers, individuals or corporations may designate tax refund as contribution to veterans' trust fund--amount--procedure--director of revenue's duties--collection costs allowed--list of contributors--confidentiality, violation, penalty--exception.**

[143.1001](#). 1. In each tax year beginning on or after January 1, 1990, each individual or corporation entitled to a tax refund in an amount sufficient to make a designation under this section may designate that two dollars or any amount in excess of two dollars on a single return, and four dollars or any amount in excess of four dollars on a combined return, of the refund due be credited to the veterans' trust fund. The contribution designation authorized by this section shall be clearly and unambiguously printed on each income tax return form provided by this state. If any individual or corporation which is not entitled to a tax refund in an amount sufficient to make a designation under this section wishes to make a contribution to the veterans' trust fund, such individual or corporation may, by separate check, draft, or other negotiable instrument, send in with the payment of taxes, or may send in separately, that amount, clearly designated for the veterans' trust fund, the individual or corporation wishes to contribute and the department of revenue shall forward such amount to the state treasurer for deposit to the veterans' trust fund as provided in subsection 2 of this section.

2. The director of revenue shall transfer at least monthly all contributions designated by individuals under this section to the state treasurer for deposit to the veterans' trust fund.

3. The director of revenue shall transfer at least monthly all contributions designated by corporations under this section, less an amount sufficient to cover the cost of collection and handling by the department of revenue, to the state treasurer for deposit to the veterans' trust fund.

4. A contribution designated under this section shall only be transferred and deposited in the veterans' trust fund after all other claims against the refund from which such contribution is to be made have been satisfied.

5. Notwithstanding any other law to the contrary, the names and addresses of individuals or corporations who designate a contribution to this fund may be supplied to the veterans' commission, for the purpose of sending an acknowledgment and written appreciation to those individuals and

corporations. Under no circumstances shall the names and addresses be used for any purpose other than that expressed in this subsection. Release or use of the names and addresses for any other purpose is a class D felony.

(L. 1989 H.B. 850, A.L. 1991 H.B. 99, A.L. 2014 S.B. 491)

Effective 1-01-17

Transferred 2004; formerly 42.140

CROSS REFERENCE:

Veterans' trust fund, [42.135](#)

**Until December 31, 2016--Taxpayers, individuals or corporations may designate tax refund as contribution to veterans' trust fund--amount--procedure--director of revenue's duties--collection costs allowed--list of contributors--confidentiality, violation, penalty--exception.**

[143.1001](#). 1. In each tax year beginning on or after January 1, 1990, each individual or corporation entitled to a tax refund in an amount sufficient to make a designation under this section may designate that two dollars or any amount in excess of two dollars on a single return, and four dollars or any amount in excess of four dollars on a combined return, of the refund due be credited to the veterans' trust fund. The contribution designation authorized by this section shall be clearly and unambiguously printed on each income tax return form provided by this state. If any individual or corporation which is not entitled to a tax refund in an amount sufficient to make a designation under this section wishes to make a contribution to the veterans' trust fund, such individual or corporation may, by separate check, draft, or other negotiable instrument, send in with the payment of taxes, or may send in separately, that amount, clearly designated for the veterans' trust fund, the individual or corporation wishes to contribute and the department of revenue shall forward such amount to the state treasurer for deposit to the veterans' trust fund as provided in subsection 2 of this section.

2. The director of revenue shall transfer at least monthly all contributions designated by individuals under this section to the state treasurer for deposit to the veterans' trust fund.

3. The director of revenue shall transfer at least monthly all contributions designated by corporations under this section, less an amount sufficient to cover the cost of collection and handling by the department of revenue, to the state treasurer for deposit to the veterans' trust fund.

4. A contribution designated under this section shall only be transferred and deposited in the veterans' trust fund after all other claims against the refund from which such contribution is to be made have been satisfied.

5. Notwithstanding any other law to the contrary, the names and addresses of individuals or corporations who designate a contribution to this fund may be supplied to the veterans' commission, for the purpose of sending an acknowledgment and written appreciation to those individuals and corporations. Under no circumstances shall the names and addresses be used for any purpose other than that expressed in this subsection. Release or use of the names and addresses for any other purpose is a class C felony.

(L. 1989 H.B. 850, A.L. 1991 H.B. 99)

Transferred 2004; formerly 42.140

\*This section was amended by S.B. 491, 2014, effective 1-01-17. Due to the delayed effective date, both versions of this section are printed here.

CROSS REFERENCE:

Veterans' trust fund, [42.135](#)

**Tax refund credited to home delivered meals trust fund--contributions accepted--director of revenue to transfer contributions, trust fund created--state treasurer to administer fund.**

143.1002. 1. In each tax year beginning on or after January 1, 1993, each individual or corporation entitled to a tax refund in an amount sufficient to make a designation pursuant to this section may designate that two dollars or any amount in excess of two dollars on a single return, and four dollars or any amount in excess of four dollars on a combined return, of the refund due be credited to the elderly home-delivered meals trust fund, established in subsection 3 of this section. The contribution designation authorized by this section shall be clearly and unambiguously printed on each income tax return form provided by this state. If any individual or corporation which is not entitled to a tax refund in an amount sufficient to make a designation pursuant to this section wishes to make a contribution to the department of health and senior services elderly home-delivered meals trust fund, such individual or corporation may, by separate check, draft, or other negotiable instrument, send in with the payment of taxes, or may send in separately, that amount, clearly designated for the department of health and senior services elderly home-delivered meals trust fund, the individual or corporation wishes to contribute and the department of revenue shall forward such amount to the state treasurer for deposit to the fund as provided in subsection 2 of this section.

2. The director of revenue shall transfer at least monthly all contributions designated by individuals or corporations pursuant to this section, less an amount not to exceed five percent of such transferred contributions which is sufficient to cover the cost of collection and handling by the department of revenue, to the state treasurer for deposit in the state treasury to the credit of the elderly home-delivered meals trust fund. A contribution designated pursuant to this section shall only be transferred and deposited in the elderly home-delivered meals trust fund after all other claims against the refund from which such contribution is to be made have been satisfied.

3. There is hereby established in the state treasury the "Elderly Home-Delivered Meals Trust Fund", which shall consist of all moneys deposited in the fund pursuant to subsection 2 of this section. The state treasurer shall administer the fund, and the moneys in the fund shall be used solely, upon appropriation, by the department of health and senior services for assistance in preparing and transporting meals to elderly persons in this state through a program designed to meet such purposes. These funds shall be transferred by the department to the area agencies on aging using the same formula as used for distribution of federal Older Americans Act moneys and moneys from the general revenue fund. Notwithstanding the provisions of section 33.080 to the contrary, moneys in the elderly home-delivered meals trust fund at the end of any biennium shall not be transferred to the credit of the general revenue fund.

(L. 1992 S.B. 573 & 634 § 9, A.L. 1998 H.B. 1476 merged with S.B. 793, A.L. 2003 S.B. 556 & 311, A.L. 2014 H.B. 1299 Revision)

Transferred 2004; formerly 660.078

**Beginning January 1, 2017--Tax refund may be credited to National Guard trust fund--director's duties--penalty for release of information.**

143.1003. 1. In each tax year beginning on or after January 1, 1999, each individual or corporation entitled to a tax refund in an amount sufficient to make a designation pursuant to this section may designate that two dollars or any amount in excess of two dollars on a single return and four dollars or any amount in excess of four dollars on a combined return, of the refund due be credited to the Missouri National Guard trust fund. The contribution designation authorized by this section shall be clearly and unambiguously printed on each income tax return form provided by this state. If any individual or corporation which is not entitled to a tax refund in an amount sufficient to make a designation pursuant to this section wishes to make a contribution to the Missouri National Guard trust fund, such individual or corporation may, by separate check, draft or other negotiable instrument, send in with the payment of taxes, or may send in separately, that amount, clearly designated for the Missouri National Guard trust fund, the individual or corporation wishes to

contribute and the department of revenue shall forward such amount to the state treasurer for deposit to the Missouri National Guard trust fund as provided in subsection 2 of this section.

2. The director of revenue shall transfer at least monthly all contributions designated by individuals pursuant to this section to the state treasurer for deposit in the Missouri National Guard trust fund.

3. A contribution designated pursuant to this section shall only be transferred and deposited in the Missouri National Guard trust fund after all other claims against the refund from which such contribution is to be made have been satisfied.

4. Notwithstanding any other law to the contrary, the names and addresses of individuals or corporations who designate a contribution to this fund may be supplied to the office of the adjutant general, for the purpose of sending an acknowledgment and written appreciation to those individuals and corporations. Under no circumstances shall the names and addresses be used for any purpose other than that expressed in this subsection. Release or use of the names and addresses for any other purpose is a class D felony.

5. Moneys to be credited to the Missouri National Guard trust fund pursuant to subsection 1 of this section shall be placed in a subaccount and shall be used solely for the purpose authorized in section [41.958](#).

(L. 1998 H.B. 1519 & 1165, A.L. 2014 S.B. 491)

Effective 1-01-17

Transferred 2004; formerly 41.215

CROSS REFERENCE:

Missouri National Guard trust fund, [41.214](#)

**Until December 31, 2016--Tax refund may be credited to National Guard trust fund--director's duties--penalty for release of information.**

[143.1003](#). 1. In each tax year beginning on or after January 1, 1999, each individual or corporation entitled to a tax refund in an amount sufficient to make a designation pursuant to this section may designate that two dollars or any amount in excess of two dollars on a single return and four dollars or any amount in excess of four dollars on a combined return, of the refund due be credited to the Missouri National Guard trust fund. The contribution designation authorized by this section shall be clearly and unambiguously printed on each income tax return form provided by this state. If any individual or corporation which is not entitled to a tax refund in an amount sufficient to make a designation pursuant to this section wishes to make a contribution to the Missouri National Guard trust fund, such individual or corporation may, by separate check, draft or other negotiable instrument, send in with the payment of taxes, or may send in separately, that amount, clearly designated for the Missouri National Guard trust fund, the individual or corporation wishes to contribute and the department of revenue shall forward such amount to the state treasurer for deposit to the Missouri National Guard trust fund as provided in subsection 2 of this section.

2. The director of revenue shall transfer at least monthly all contributions designated by individuals pursuant to this section to the state treasurer for deposit in the Missouri National Guard trust fund.

3. A contribution designated pursuant to this section shall only be transferred and deposited in the Missouri National Guard trust fund after all other claims against the refund from which such contribution is to be made have been satisfied.

4. Notwithstanding any other law to the contrary, the names and addresses of individuals or corporations who designate a contribution to this fund may be supplied to the office of the adjutant

general, for the purpose of sending an acknowledgment and written appreciation to those individuals and corporations. Under no circumstances shall the names and addresses be used for any purpose other than that expressed in this subsection. Any person who releases or uses any of the names and addresses for any other purpose is guilty of a class C felony.

5. Moneys to be credited to the Missouri National Guard trust fund pursuant to subsection 1 of this section shall be placed in a subaccount and shall be used solely for the purpose authorized in section [41.958](#).

(L. 1998 H.B. 1519 & 1165)

Transferred 2004; formerly 41.215

\*This section was amended by S.B. 491, 2014, effective 1-01-17. Due to the delayed effective date, both versions of this section are printed here.

CROSS REFERENCE:

Missouri National Guard trust fund, [41.214](#)

**Tax refund may be designated to the Missouri military family relief fund.**

[143.1004](#). 1. In each taxable year beginning on or after January 1, 2005, each individual or corporation entitled to a tax refund in an amount sufficient to make a designation under this section may designate that one dollar or any amount in excess of one dollar on a single return, and two dollars or any amount in excess of two dollars on a combined return, of the refund due be credited to the Missouri military family relief fund. The contribution designation authorized by this section shall be clearly and unambiguously printed on the first page of each income tax return form provided by this state. If any individual or corporation that is not entitled to a tax refund in an amount sufficient to make a designation under this section wishes to make a contribution to the Missouri military family relief fund, such individual or corporation may, by separate check, draft, or other negotiable instrument, send in with the payment of taxes, or may send in separately, that amount, clearly designated for the Missouri military family relief fund, the individual or corporation wishes to contribute. The department of revenue shall deposit such amount to the Missouri military family relief fund as provided in subsection 2 of this section.

2. The director of revenue shall deposit at least monthly all contributions designated by individuals under this section to the state treasurer for deposit to the Missouri military family relief fund. The fund shall be administered by a sergeant major of the Missouri National Guard, a sergeant major of a reserve component or its equivalent, and a representative of the Missouri veterans commission.

3. The director of revenue shall deposit at least monthly all contributions designated by the corporations under this section, less an amount sufficient to cover the cost of collection, handling, and administration by the department of revenue during fiscal year 2006, to the Missouri military family relief fund, not to exceed seventy thousand dollars.

4. A contribution designated under this section shall only be deposited in the Missouri military family relief fund after all other claims against the refund from which such contribution is to be made have been satisfied.

5. Moneys deposited in the Missouri military family relief fund shall be distributed by the adjutant general in accordance with the provisions of sections [41.216](#) and [41.218](#).

6. The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund.

(L. 2005 H.B. 437 § 143.822, A.L. 2006 S.B. 1060, A.L. 2010 H.B. 1524& 2260, A.L. 2011 H.B. 149)

CROSS REFERENCE:

Missouri military family relief fund, [41.218](#)

**Income tax refunds, designation of a portion of to certain charitable organizations--transfer of contributions, procedure.**

[143.1005](#). 1. For all tax years beginning on or after January 1, 2004, each individual or corporation entitled to a tax refund in an amount sufficient to make an irrevocable designation under this section may designate that an amount not less than one dollar but not more than two hundred dollars, on a single or a combined return, of the refund due be credited to the American Cancer Society, Heartland Division, Inc., fund, the ALS Lou Gehrig's Disease fund, the American Lung Association of Missouri fund, the Muscular Dystrophy Association fund, the Arthritis Foundation fund, the American Diabetes Association Gateway Area fund, the American Heart Association fund, the March of Dimes fund, or the National Multiple Sclerosis Society fund established in this section. The director of revenue shall establish a method that allows the contribution designations authorized by this section to be combined into two contribution designation boxes clearly and unambiguously printed on the first page of each income tax return form provided by this state. The method may allow for a separate instruction list for the tax return that lists each authorized contribution designation together with the designation provided in section [143.1020](#). Any organization to be listed on the income tax return form under this section shall have qualified as a 501(c)(3) organization as defined by the Internal Revenue Code of 1986, as amended, for at least five years, shall be a statewide organization, shall have the cure of a chronic illness as its primary purpose, and shall submit to the director of revenue an application fee of one thousand dollars, and the fee shall be deposited in the designated fund. If any individual or corporation which is not entitled to a tax refund in an amount sufficient to make a designation under this section wishes to make an irrevocable contribution to the funds established in this section, such individual or corporation may, by separate check, draft, or other negotiable instrument, send in with the payment of taxes, or may send in separately, that amount, clearly designated for which funds the individual or corporation wishes to contribute, and the department of revenue shall forward such amount to the state treasurer for deposit to the designated funds as provided in this section.

2. Moneys accruing to and deposited in the designated funds shall not be part of total state revenues as defined in Sections 17 and 18, Article X, Constitution of Missouri, and the expenditure of such revenues shall not be an expense of state government under Section 20, Article X, Constitution of Missouri.

3. The director of revenue shall transfer at least monthly all contributions designated by individuals under this section to the state treasurer for deposit to the designated funds.

4. The director of revenue shall transfer at least monthly all contributions designated by corporations under this section, less one percent of the amount in each fund at the time of the transfer for the cost of collection and handling by the department of revenue, to be deposited in the state's general revenue fund, to the state treasurer for deposit to the designated funds. The amount transferred annually to the department of revenue for the cost of collection and handling shall not exceed one hundred thousand dollars.

5. A contribution designated under this section shall only be transferred and deposited in the designated funds after all other claims against the refund from which such contribution is to be made have been satisfied.

6. (1) There is hereby created in the state treasury the "American Cancer Society, Heartland Division, Inc., Fund", which shall consist of money collected under this section. The state treasurer shall be custodian of the fund and shall approve disbursements from the fund in accordance with this section and sections [30.170](#) and [30.180](#).

(2) There is hereby created in the state treasury the "ALS Lou Gehrig's Disease Fund", which shall consist of money collected under this section. The state treasurer shall be custodian of the fund and shall approve disbursements from the fund in accordance with this section and sections [30.170](#) and [30.180](#).

(3) There is hereby created in the state treasury the "American Lung Association of Missouri Fund", which shall consist of money collected under this section. The state treasurer shall be custodian of the fund and shall approve disbursements from the fund in accordance with this section and sections [30.170](#) and [30.180](#).

(4) There is hereby created in the state treasury the "Muscular Dystrophy Association Fund", which shall consist of money collected under this section. The state treasurer shall be custodian of the fund and shall approve disbursements from the fund in accordance with this section and sections [30.170](#) and [30.180](#).

(5) There is hereby created in the state treasury the "Arthritis Foundation Fund", which shall consist of money collected under this section. The state treasurer shall be custodian of the fund and shall approve disbursements from the fund in accordance with this section and sections [30.170](#) and [30.180](#).

(6) There is hereby created in the state treasury the "National Multiple Sclerosis Society Fund", which shall consist of money collected under this section. The state treasurer shall be custodian of the fund and shall approve disbursements from the fund in accordance with this section and sections [30.170](#) and [30.180](#).

(7) There is hereby created in the state treasury the "American Diabetes Association Gateway Area Fund", which shall consist of money collected under this section. The state treasurer shall be custodian of the fund and shall approve disbursements from the fund in accordance with this section and sections [30.170](#) and [30.180](#).

(8) There is hereby created in the state treasury the "American Heart Association Fund", which shall consist of money collected under this section. The state treasurer shall be custodian of the fund and shall approve disbursements from the fund in accordance with this section and sections [30.170](#) and [30.180](#).

(9) There is hereby created in the state treasury the "March of Dimes Fund", which shall consist of money collected under this section. The state treasurer shall be custodian of the fund and shall approve disbursements from the fund in accordance with this section and sections [30.170](#) and [30.180](#).

7. All moneys collected, transferred, and disbursed under this section shall stand appropriated, and any moneys remaining in the funds established in this section at the end of the biennium shall not revert to the credit of the general revenue fund.

8. The state treasurer shall invest moneys in the funds established in this section in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the funds.

9. The director of the department of revenue shall establish a procedure by which the moneys deposited in the funds shall be distributed semiannually to the American Cancer Society, Heartland Division, Inc., the Amyotrophic Lateral Sclerosis Association, and the American Lung Association of Missouri, the Muscular Dystrophy Association, the Arthritis Foundation, the American Diabetes Association Gateway Area, the National Multiple Sclerosis Society, the American Heart Association, and the March of Dimes.

10. Any organization receiving moneys under this section shall expend such moneys solely for the support of residents of this state.

11. Any organization receiving funds under this section shall report to the director of revenue annually, on forms prescribed by the director, detailing how the funds were expended. The director shall compile such information and provide a report to the general assembly in each year such expenditures are made.

12. The director of revenue is authorized to promulgate rules and regulations necessary to administer and enforce this section. Any rule or portion of a rule, as that term is defined in section [536.010](#), that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section [536.028](#). This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2004, shall be invalid and void.

13. If an organization that has the cure of sickle cell anemia as its primary purpose is formed that meets the requirements of this section, such organization shall be included on the income tax form in accordance with the provisions of this section and there shall be created in the state treasury a fund with the name of the organization. The fund shall consist of money collected under this section. The state treasurer shall be custodian of the fund and shall approve disbursements from the fund in accordance with this section and sections [30.170](#) and [30.180](#).

(L. 2004 H.B. 1290 § 143.605, A.L. 2006 S.B. 1060)

#### **Childhood lead testing fund--refund donation designation.**

[143.1006](#). 1. In each taxable year beginning on or after January 1, 2005, each individual or corporation entitled to a tax refund in an amount sufficient to make a designation under this section may designate that one dollar or any amount in excess of one dollar on a single return, and two dollars or any amount in excess of two dollars on a combined return, of the refund due be credited to the childhood lead testing fund created in section [701.345](#). The contribution designation authorized by this section shall be clearly and unambiguously printed on the first page of each income tax return form provided by this state. If any individual or corporation that is not entitled to a tax refund in an amount sufficient to make a designation under this section wishes to make a contribution to the childhood lead testing fund, such individual or corporation may, by separate check, draft, or other negotiable instrument, send in with the payment of taxes, or may send in separately, that amount, clearly designated for the childhood lead testing fund, the individual or corporation wishes to contribute. The department of revenue shall forward such amount to the state treasurer for deposit to the childhood lead testing fund as provided in subsection 2 of this section.

2. The director of revenue shall transfer at least monthly all contributions designated by individuals under this section to the state treasurer for deposit to the childhood lead testing fund.

3. The director of revenue shall transfer at least monthly all contributions designated by the corporations under this section, less an amount sufficient to cover the cost of collection and handling by the department of revenue, to the state treasurer for deposit to the childhood lead testing fund.

4. A contribution designated under this section shall only be transferred and deposited in the childhood lead testing fund after all other claims against the refund from which such contribution is to be made have been satisfied.

(L. 2005 S.B. 95 § 143.603)

CROSS REFERENCE:

Childhood lead testing fund, [701.345](#)

**Missouri public health services fund, tax refund may be designated--director of revenue duties.**

[143.1007](#). 1. For all tax years beginning on or after January 1, 2006, each individual or corporation entitled to a tax refund in an amount sufficient to make an irrevocable designation under this section may designate that any amount, on a single or a combined return, of the refund due be credited to the Missouri public health services fund\* established in section [192.900](#). The director of revenue shall establish a method that allows the contribution designations authorized by this section to be indicated on the first page of each income tax return form provided by this state. The method may allow for a separate instruction list for the tax return that lists each authorized contribution designation. If any individual or corporation which is not entitled to a tax refund in an amount sufficient to make a designation under this section wishes to make a contribution to the fund, such individual or corporation may, by separate check, draft, or other negotiable instrument, send in with the payment of taxes, or may send in separately, that amount, clearly designated for the fund, and the department of revenue shall forward such amount to the state treasurer for deposit to the designated fund as provided in this section.

2. The director of revenue shall transfer at least monthly all contributions designated by individuals under this section to the state treasurer for deposit to the designated fund.

3. The director of revenue shall transfer at least monthly all contributions designated by corporations under this section, less one percent of the amount in the fund at the time of the transfer for the cost of collection and handling by the department of revenue, to be deposited in the state's general revenue fund, to the state treasurer for deposit to the designated fund.

4. A contribution designated under this section shall only be transferred and deposited in the designated fund after all other claims against the refund from which such contribution is to be made have been satisfied.

5. The moneys transferred and deposited under this section shall be administered by the department of health and senior services, and shall be used solely for the following purposes:

(1) To provide information on cervical cancer, early detection, testing, and prevention to the public and health care providers in this state;

(2) To collect statistical information on cervical cancer, including but not limited to age, ethnicity, region, and socioeconomic status of women in this state; and

(3) To provide services and funding for early detection, testing, and prevention of cervical cancer.

6. Not more than twenty percent of the moneys collected under this section shall be used for the costs of administering this section. Not more than thirty percent of the moneys collected under this section shall be used for the purposes listed in subdivision (1) of subsection 5 of this section. Not more than fifty percent of the moneys collected under this section shall be used for the purposes listed in subdivision (3) of subsection 5 of this section.

7. The directors of revenue and the department of health and senior services are authorized to promulgate rules and regulations necessary to administer and enforce this section. Any rule or portion of a rule, as that term is defined in section [536.010](#), that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section [536.028](#). This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2006, shall be invalid and void.

8. The director of the department of health and senior services shall determine no later than January 31, 2010, whether moneys sufficient to carry out the provisions of this section have been transferred and deposited under this section. Upon a determination that insufficient moneys have

been transferred and deposited under this section, this section shall expire on February 1, 2010, and any moneys remaining in the fund established in this section shall be used solely for existing cancer programs administered by the department of health and senior services. The director shall notify the revisor of statutes upon such determination that this section has expired.

(L. 2006 H.B. 1440)

Contingent expiration date, see subsection 8.

\*Words "public services health fund" appear in original rolls.

CROSS REFERENCE:

Missouri public health services fund, [192.900](#)

**After-school retreat reading and assessment grant program fund, taxrefund contribution may be designated--director's duties--sunsetprovision.**

[143.1008](#). 1. In each taxable year beginning on or after January 1, 2008, each individual or corporation entitled to a tax refund in an amount sufficient to make a designation under this section may designate that one dollar or any amount in excess of one dollar on a single return, and two dollars or any amount in excess of two dollars on a combined return, of the refund due be credited to the after-school retreat reading and assessment grant program fund. The contribution designation authorized by this section shall be clearly and unambiguously printed on the first page of each income tax return form provided by this state. If any individual or corporation that is not entitled to a tax refund in an amount sufficient to make a designation under this section wishes to make a contribution to the after-school retreat reading and assessment grant program fund, such individual or corporation may, by separate check, draft, or other negotiable instrument, send in with the payment of taxes, or may send in separately, that amount, clearly designated for the after-school retreat reading and assessment grant program fund, the individual or corporation wishes to contribute. The department of revenue shall deposit such amount to the after-school retreat reading and assessment grant program fund as provided in subsection 2 of this section.

2. The director of revenue shall deposit at least monthly all contributions designated by individuals under this section to the state treasurer for deposit to the after-school retreat reading and assessment grant program fund. The fund shall be administered by the department of elementary and secondary education with moneys in the fund distributed as provided under section [167.680](#).

3. The director of revenue shall deposit at least monthly all contributions designated by the corporations under this section, less an amount sufficient to cover the cost of collection, handling, and administration by the department of revenue during fiscal year 2008, to the after-school retreat reading and assessment grant program fund.

4. A contribution designated under this section shall only be deposited in the after-school retreat reading and assessment grant program fund after all other claims against the refund from which such contribution is to be made have been satisfied.

5. Moneys deposited in the after-school retreat reading and assessment grant program fund shall be distributed by the department of elementary and secondary education in accordance with the provisions of this section and section [167.680](#).

6. The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund.

7. Pursuant to section [23.253](#) of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset six years after August 28, 2007, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset twelve years after the effective date of the reauthorization of this section; and

(3) This section shall terminate on December thirty-first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset.

(L. 2007 H.B. 444, et al.)

Sunset date 8-28-13

Termination date 12-31-14

CROSS REFERENCE:

After-school retreat reading and assessment grant program fund, [167.680](#)

**Breast cancer awareness trust fund, designation of tax refund permitted--director's duties--sunset provision.**

[143.1009](#). 1. In each taxable year beginning on or after January 1, 2008, each individual or corporation entitled to a tax refund in an amount sufficient to make a designation under this section may designate that one dollar or any amount in excess of one dollar on a single return, and two dollars or any amount in excess of two dollars on a combined return, of the refund due be credited to the breast cancer awareness trust fund, hereinafter referred to as the trust fund. If any individual or corporation that is not entitled to a tax refund in an amount sufficient to make a designation under this section wishes to make a contribution to the trust fund, such individual or corporation may, by separate check, draft, or other negotiable instrument, send in with the payment of taxes, or may send in separately, that amount, clearly designated for the breast cancer awareness trust fund, the individual or corporation wishes to contribute. The department of revenue shall deposit such amount to the trust fund as provided in subsections 2 and 3 of this section. All moneys credited to the trust fund shall be considered nonstate funds under the provisions of Article IV, Section 15 of the Missouri Constitution.

2. The director of revenue shall deposit at least monthly all contributions designated by individuals under this section to the state treasurer for deposit to the trust fund.

3. The director of revenue shall deposit at least monthly all contributions designated by the corporations under this section, less an amount sufficient to cover the costs of collection and handling by the department of revenue, to the state treasury for deposit to the trust fund.

4. A contribution designated under this section shall only be deposited in the trust fund after all other claims against the refund from which such contribution is to be made have been satisfied.

5. All moneys transferred to the trust fund shall be distributed by the director of revenue at times the director deems appropriate to the department of health and senior services. Such funds shall be used solely for the purpose of providing breast cancer services. Notwithstanding the provisions of section [33.080](#) to the contrary, moneys in the trust fund at the end of any biennium shall not be transferred to the credit of the general revenue fund.

6. There is hereby created in the state treasury the "Breast Cancer Awareness Trust Fund", which shall consist of money collected under this section. The state treasurer shall be custodian of the fund. In accordance with sections [30.170](#) and [30.180](#), the state treasurer may approve disbursements.

7. Under section [23.253](#) of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset six years after August 28, 2008, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset twelve years after the effective date of the reauthorization of this section; and

(3) This section shall terminate on December thirty-first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset.

(L. 2008 S.B. 1105, A.L. 2012 H.B. 1807, et al.)

Sunset date 8-28-14

Termination date 12-31-15

**American Red Cross trust fund, refund donation to--fundcreated--director's duties--sunset provision.**

143.1013. 1. For all taxable years beginning on or after January 1, 2011, each individual or corporation entitled to a tax refund in an amount sufficient to make a designation under this section may designate that one dollar or any amount in excess of one dollar on a single return, and two dollars or any amount in excess of two dollars on a combined return, of the refund due be credited to the American Red Cross trust fund. If any individual or corporation that is not entitled to a tax refund in an amount sufficient to make a designation under this section wishes to make a contribution to the fund, such individual or corporation may, by separate check, draft, or other negotiable instrument, send in with the payment of taxes, or may send in separately, that amount the individual or corporation wishes to contribute. Such amounts shall be clearly designated for the fund.

2. There is hereby created in the state treasury the "American Red Cross Trust Fund", which shall consist of money collected under this section. The state treasurer shall be custodian of the fund. In accordance with sections 30.170 and 30.180, the state treasurer may approve disbursements. The fund shall be a dedicated fund and, upon appropriation, money in the fund shall be used solely for the administration of this section. Notwithstanding the provisions of section 33.080 to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund. The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund. All moneys credited to the trust fund shall be considered nonstate funds under Section 15, Article IV, Constitution of Missouri. The treasurer shall distribute all moneys deposited in the fund at times the treasurer deems appropriate to the American Red Cross.

3. The director of revenue shall deposit at least monthly all contributions designated by individuals under this section to the state treasurer for deposit to the fund. The director of revenue shall deposit at least monthly all contributions designated by the corporations under this section, less an amount sufficient to cover the costs of collection and handling by the department of revenue, to the state treasury for deposit to the fund. A contribution designated under this section shall only be deposited in the fund after all other claims against the refund from which such contribution is to be made have been satisfied.

4. Under section 23.253 of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset on December thirty-first six years after August 28, 2011, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset on December thirty-first twelve years after the effective date of the reauthorization of this section; and

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset.

(L. 2011 H.B. 631)

Sunset date 12-31-17

Termination date 9-01-18

**Puppy protection trust fund, refund donation to--fund created, use of moneys--director's duties--sunset provision.**

[143.1014](#). 1. For all taxable years beginning on or after January 1, 2011, each individual or corporation entitled to a tax refund in an amount sufficient to make a designation under this section may designate that one dollar or any amount in excess of one dollar on a single return, and two dollars or any amount in excess of two dollars on a combined return, of the refund due be credited to the puppy protection trust fund. If any individual or corporation that is not entitled to a tax refund in an amount sufficient to make a designation under this section wishes to make a contribution to the fund, such individual or corporation may, by separate check, draft, or other negotiable instrument, send in with the payment of taxes, or may send in separately, that amount the individual or corporation wishes to contribute. Such amounts shall be clearly designated for the fund.

2. There is hereby created in the state treasury the "Puppy Protection Trust Fund", which shall consist of money collected under this section. The state treasurer shall be custodian of the fund. In accordance with sections [30.170](#) and [30.180](#), the state treasurer may approve disbursements. The fund shall be a dedicated fund and, upon appropriation, money in the fund shall be used solely for the state department of agriculture's administration of section [273.345](#). Notwithstanding the provisions of section [33.080](#) to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund. The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund. All moneys credited to the trust fund shall be considered nonstate funds under Section 15, Article IV, Constitution of Missouri. The treasurer shall distribute all moneys deposited in the fund at times the treasurer deems appropriate to the department of agriculture.

3. The director of revenue shall deposit at least monthly all contributions designated by individuals under this section to the state treasurer for deposit to the fund. The director of revenue shall deposit at least monthly all contributions designated by the corporations under this section, less an amount sufficient to cover the costs of collection and handling by the department of revenue, to the state treasury for deposit to the fund. A contribution designated under this section shall only be deposited in the fund after all other claims against the refund from which such contribution is to be made have been satisfied.

4. Under section [23.253](#) of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset on December thirty-first six years after August 28, 2011, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset on December thirty-first twelve years after the effective date of the reauthorization of this section; and

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset.

(L. 2011 S.B. 356)

Sunset date 12-31-17

Termination date 9-01-18

**Foster care and adoptive parents recruitment and retention fund,refund donation to--director's duties--sunset provision.**

[143.1015](#). 1. In each taxable year beginning on or after January 1, 2011, each individual or corporation entitled to a tax refund in an amount sufficient to make a designation under this section may designate that one dollar or any amount in excess of one dollar on a single return, and two dollars or any amount in excess of two dollars on a combined return, of the refund due be credited to the foster care and adoptive parents recruitment and retention fund as established under section [453.600](#), hereinafter referred to as the fund. If any individual or corporation that is not entitled to a tax refund in an amount sufficient to make a designation under this section wishes to make a contribution to the fund, such individual or corporation may, by separate check, draft, or other negotiable instrument, send in with the payment of taxes, or may send in separately, that amount, clearly designated for the foster care and adoptive parents recruitment and retention fund, the individual or corporation wishes to contribute. The department of revenue shall deposit such amount to the fund as provided in subsections 2 and 3 of this section. All moneys credited to the fund shall be considered nonstate funds under the provisions of Article IV, Section 15 of the Missouri Constitution.

2. The director of revenue shall deposit at least monthly all contributions designated by individuals under this section to the state treasurer for deposit to the fund.

3. The director of revenue shall deposit at least monthly all contributions designated by corporations under this section, less an amount sufficient to cover the costs of collection and handling by the department of revenue, to the state treasury for deposit to the fund.

4. A contribution designated under this section shall only be deposited in the fund after all other claims against the refund from which such contribution is to be made have been satisfied.

5. Moneys deposited in the fund shall be distributed by the department of social services in accordance with the provisions of this section and section [453.600](#).

6. Under section [23.253](#) of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset six years after August 28, 2011, unless reauthorized by an act of the general assembly; and (2) If such program is reauthorized, the program authorized under this section shall automatically sunset twelve years after the effective date of the reauthorization of this section; and (3) This section shall terminate on December thirty-first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset.

(L. 2011 H.B. 431 merged with H.B. 604)

Sunset date 8-28-17

Termination date 12-31-18

**Organ Donor Program fund, designation of refund permitted--director's duties--sunset provision.**

[143.1016](#). 1. For all tax years beginning on or after January 1, 2011, each individual or corporation entitled to a tax refund in an amount sufficient to make a designation under this section may designate that two dollars or any amount in excess of two dollars on a single return, and four dollars or any amount in excess of four dollars on a combined return, of the refund due be credited to the organ donor program fund established in section [194.297](#). The contribution designation authorized by this section shall be clearly and unambiguously printed on each income tax return form provided by this state. If any individual that is not entitled to a tax refund in an amount sufficient to make a designation under this section wishes to make a contribution to the organ donor program fund, such individual may, by separate check, draft, or other negotiable instrument, send in with the payment of taxes, or may send in separately, clearly designated for the organ donor program fund,

the amount the individual wishes to contribute. The department of revenue shall deposit such amount to the organ donor program fund as provided in subsection 2 of this section.

2. The director of revenue shall transfer at least monthly all contributions designated by individuals under this section, less an amount sufficient to cover the cost of collecting and handling by the department of revenue which shall not exceed five percent of the transferred contributions, to the state treasurer for deposit in the state treasury to the credit of the organ donor program fund. A contribution designated under this section shall only be transferred and deposited in the organ donor program fund after all other claims against the refund from which such contribution is to be made have been satisfied.

3. All moneys transferred to the fund shall be distributed as provided in this section and sections [194.297](#) and [194.299](#).

4. Under section [23.253](#) of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset on December thirty-first six years after August 28, 2011, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset on December thirty-first twelve years after the effective date of the reauthorization of this section; and

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset.

(L. 2011 H.B. 151 merged with S.B. 226)

Sunset date 12-31-17

Termination date 9-01-18

**Developmental disabilities waiting list equity trust fund, refunddonation to--fund created--director's duties--sunset provision.**

[143.1017](#). 1. For all taxable years beginning on or after January 1, 2011, each individual or corporation entitled to a tax refund in an amount sufficient to make a designation under this section may designate that one dollar or any amount in excess of one dollar on a single return, and two dollars or any amount in excess of two dollars on a combined return, of the refund due be credited to the developmental disabilities waiting list equity trust fund. If any individual or corporation that is not entitled to a tax refund in an amount sufficient to make a designation under this section wishes to make a contribution to the fund, such individual or corporation may, by separate check, draft, or other negotiable instrument, send in with the payment of taxes, or may send in separately, that amount the individual or corporation wishes to contribute. Such amounts shall be clearly designated for the fund.

2. There is hereby created in the state treasury the "Developmental Disabilities Waiting List Equity Trust Fund", which shall consist of money collected under this section. The state treasurer shall be custodian of the fund. In accordance with sections [30.170](#) and [30.180](#), the state treasurer may approve disbursements. The fund shall be a dedicated fund and, upon appropriation, money in the fund shall be used solely for the administration of this section and for providing community services and support to people with developmental disabilities and such person's families who are on the developmental disabilities waiting list and are eligible for but not receiving services. Notwithstanding the provisions of section [33.080](#) to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund. The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund. All moneys credited

to the trust fund shall be considered nonstate funds under Section 15, Article IV, Constitution of Missouri. The treasurer shall distribute all moneys deposited in the fund at times the treasurer deems appropriate to the department of mental health. The moneys in the developmental disabilities waiting list equity trust fund established in this subsection shall not be appropriated in lieu of general state revenues.

3. The director of revenue shall deposit at least monthly all contributions designated by individuals under this section to the state treasurer for deposit to the fund. The director of revenue shall deposit at least monthly all contributions designated by the corporations under this section, less an amount sufficient to cover the costs of collection and handling by the department of revenue, to the state treasury for deposit to the fund. A contribution designated under this section shall only be deposited in the fund after all other claims against the refund from which such contribution is to be made have been satisfied.

4. Under section [23.253](#) of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset on December thirty-first six years after August 28, 2011, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset on December thirty-first twelve years after the effective date of the reauthorization of this section; and

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset.

(L. 2011 H.B. 631)

Sunset date 12-31-17

Termination date 9-01-18

**Designation of state tax refund to general revenue--transfer of contributions.**

[143.1020](#). 1. For each taxable year beginning on or after January 1, 2003, each individual or corporation entitled to a tax refund may designate that all or part of the refund due be credited to the state general revenue fund. The contribution designation authorized by this section shall be clearly and unambiguously printed on the first page of each income tax return form provided by this state. If any individual or corporation which is not entitled to a tax refund wishes to make a contribution to the state general revenue fund, such individual or corporation may, by separate check, draft, or other negotiable instrument, send in with the payment of taxes, or may send in separately, that amount, clearly designated for the state general revenue fund, the individual or corporation wishes to contribute and the department of revenue shall forward such amount to the state treasurer for deposit to the state general revenue fund as provided in subsection 2 of this section.

2. The director of revenue shall transfer at least monthly all contributions designated by individuals or corporations pursuant to this section to the state treasurer for deposit to the state general revenue fund.

(L. 2003 H.B. 600)

Effective 7-01-03

CROSS REFERENCE:

General revenue fund, [33.543](#)

**Workers memorial fund, tax refund contribution may be designated--director's duties.**

[143.1025](#). 1. In each tax year beginning on or after January 1, 2003, each individual or corporation entitled to a tax refund in an amount sufficient to make a designation under this section may designate that one dollar or any amount in excess of one dollar on a single return, and two dollars or any amount in excess of two dollars on a combined return, of the refund due be credited to the workers memorial fund. The contribution designation authorized by this section shall be clearly and unambiguously printed on the first page of each income tax return form provided by this state. If any individual or corporation which is not entitled to a tax refund in an amount sufficient to make a designation under this section wishes to make a contribution to the workers memorial fund, such individual or corporation may, by separate check, draft, or other negotiable instrument, send in with the payment of taxes, or may send in separately, that amount, clearly designated for the workers memorial fund, the individual or corporation wishes to contribute and the department of revenue shall forward such amount to the state treasurer for deposit to the workers memorial fund as provided in subsection 2 of this section.

2. The director of revenue shall transfer at least monthly all contributions designated by individuals under this section to the state treasurer for deposit to the workers memorial fund.

3. The director of revenue shall transfer at least monthly all contributions designated by corporations under this section, less an amount sufficient to cover the cost of collection and handling by the department of revenue, to the state treasurer for deposit to the workers memorial fund.

4. A contribution designated under this section shall only be transferred and deposited in the workers memorial fund after all other claims against the refund from which such contribution is to be made have been satisfied.

(L. 2003 S.B. 248, et al. § 3)

CROSS REFERENCE:

Workers memorial fund, [8.900](#)

**Sahara's law--pediatric cancer research donation--fund created--sunsetprovision.**

[143.1026](#). 1. This section shall be known and may be cited as "Sahara's Law".

2. For all taxable years beginning on or after January 1, 2013, each individual or corporation entitled to a tax refund in an amount sufficient to make a designation under this section may designate that one dollar or any amount in excess of one dollar on a single return, and two dollars or any amount in excess of two dollars on a combined return, of the refund due be credited to the pediatric cancer research trust fund. If any individual or corporation that is not entitled to a tax refund in an amount sufficient to make a designation under this section wishes to make a contribution to the fund, such individual or corporation may, by separate check, draft, or other negotiable instrument, send in with the payment of taxes, or may send in separately, that amount the individual or corporation wishes to contribute. Such amounts shall be clearly designated for the fund.

3. There is hereby created in the state treasury the "Pediatric Cancer Research Trust Fund", which shall consist of money collected under this section. The state treasurer shall be custodian of the fund. In accordance with sections [30.170](#) and [30.180](#), the state treasurer may approve disbursements. The fund shall be a dedicated fund and, upon appropriation, money in the fund shall be used solely for the administration of this section. Notwithstanding the provisions of section [33.080](#) to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund. The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund. All moneys credited to the trust fund shall be considered nonstate funds under Section 15, Article IV, Constitution of Missouri. The treasurer shall distribute all moneys deposited in the fund at times the treasurer deems appropriate to CureSearch for Children's Cancer.

4. The director of revenue shall deposit at least monthly all contributions designated by individuals under this section to the state treasurer for deposit to the fund. The director of revenue shall deposit at least monthly all contributions designated by the corporations under this section, less an amount sufficient to cover the costs of collection and handling by the department of revenue, to the state treasury for deposit to the fund. A contribution designated under this section shall only be deposited in the fund after all other claims against the refund from which such contribution is to be made have been satisfied.

5. Under section [23.253](#) of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset on December thirty-first six years after August 28, 2013, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset on December thirty-first twelve years after the effective date of the reauthorization of this section; and

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset. The termination of the program as described in this subsection shall not be construed to preclude any taxpayer who claims any benefit under any program that is sunset under this subsection from claiming such benefit for all allowable activities related to such claim that were completed before the program was sunset, or to eliminate any responsibility of the administering agency to verify the continued eligibility of projects receiving tax credits and to enforce other requirements of law that applied before the program was sunset.

(L. 2013 S.B. 35)

Sunset date 12-31-19

Termination date 9-01-20

**Missouri National Guard Foundation Fund, tax refund contribution maybe designated--fund created--director's duties.**

[143.1027](#). 1. For all taxable years beginning on or after January 1, 2014, each individual or corporation entitled to a tax refund in an amount sufficient to make a designation under this section may designate that one dollar or any amount in excess of one dollar on a single return, and two dollars or any amount in excess of two dollars on a combined return, of the refund due be credited to the Missouri National Guard Foundation fund. If any individual or corporation that is not entitled to a tax refund in an amount sufficient to make a designation under this section wishes to make a contribution to the fund, such individual or corporation may, by separate check, draft, or other negotiable instrument, send in with the payment of taxes, or may send in separately, that amount the individual or corporation wishes to contribute. Such amounts shall be clearly designated for the fund.

2. There is hereby created in the state treasury the "Missouri National Guard Foundation Fund", which shall consist of money collected under this section. The state treasurer shall be custodian of the fund. In accordance with sections [30.170](#) and [30.180](#), the state treasurer may approve disbursements. The fund shall be a dedicated fund and, upon appropriation, money in the fund shall be used solely for the administration of this section. Notwithstanding the provisions of section [33.080](#) to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund. The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund. The treasurer shall distribute all moneys deposited in the fund at least monthly to the Missouri National Guard Foundation.

3. The director of revenue shall deposit at least monthly all contributions designated by individuals under this section to the state treasurer for deposit to the fund. The director of revenue shall deposit at least monthly all contributions designated by the corporations under this section, less an amount sufficient to cover the costs of collection and handling by the department of revenue, to the state treasury for deposit to the fund. A contribution designated under this section shall only be deposited in the fund after all other claims against the refund from which such contribution is to be made have been satisfied.

4. Under section [23.253](#) of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset on December thirty-first six years after August 28, 2014, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset on December thirty-first twelve years after the effective date of the reauthorization of this section; and

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset.

(L. 2014 H.B. 1710)

Sunset date 12-31-20

Termination date 9-01-21



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