

# SENATE AMENDMENT NO. \_\_\_\_\_

Offered by \_\_\_\_\_ of \_\_\_\_\_

Amend SS/SCS/Senate Bill No. 968, Page 6, Section 44.032, Line 149,

2 by inserting after all of said line the following:

3 "130.029. 1. Nothing herein contained shall be  
4 construed to prohibit any corporation organized under any  
5 general or special law of this state, or any other state or  
6 by an act of the Congress of the United States or any labor  
7 organization, cooperative association or mutual association  
8 from making any contributions or expenditures, provided:

9 (1) That the board of directors of any corporation by  
10 resolution has authorized contributions or expenditures, or  
11 by resolution has authorized a designated officer to make  
12 such contributions or expenditures; or

13 (2) That the members of any labor organization,  
14 cooperative association or mutual association have  
15 authorized contributions or expenditures by a majority vote  
16 of the members present at a duly called meeting of any such  
17 labor organization, cooperative association or mutual  
18 association or by such vote has authorized a designated  
19 officer to make such contributions or expenditures.

20 2. No provision of this section shall be construed to  
21 authorize contributions or expenditures otherwise prohibited  
22 by, or to change any necessary percentage of vote otherwise  
23 required by, the articles of incorporation or association or  
24 bylaws of such labor organization, corporation, cooperative  
25 or mutual association.

26           3. Authority to make contributions or expenditures as  
27 authorized by this section shall be adopted by general or  
28 specific resolution. This resolution shall state the total  
29 amount of contributions or expenditures authorized, the  
30 purposes of such contributions or expenditures and the time  
31 period within which such authority shall exist.

32           4. (1) Any limited liability company that is duly  
33 registered pursuant to chapter 347 and that has not elected  
34 to be classified as a corporation under the federal tax code  
35 may make contributions to any committee if the limited  
36 liability company has:

37           (a) Been in existence for at least one year prior to  
38 such contribution; and

39           (b) Submitted to the Missouri ethics commission a form  
40 indicating that the limited liability company is a  
41 legitimate business with a legitimate business interest and  
42 is not created for the sole purpose of making campaign  
43 contributions.

44           (2) The Missouri ethics commission shall develop a  
45 form for limited liability companies to use for purposes of  
46 paragraph (b) of subdivision (1) of this subsection. The  
47 commission shall post all forms submitted pursuant to this  
48 subdivision on its website on a public page in a searchable  
49 format.

50           143.081. 1. A resident individual, resident estate,  
51 and resident trust shall be allowed a credit against the tax  
52 otherwise due pursuant to sections 143.005 to 143.998 for  
53 the amount of any income tax imposed for the taxable year by  
54 another state of the United States (or a political  
55 subdivision thereof) or the District of Columbia on income  
56 derived from sources therein and which is also subject to  
57 tax pursuant to sections 143.005 to 143.998. For purposes  
58 of this subsection, the phrase "income tax imposed" shall be

59 that amount of tax before any income tax credit allowed by  
60 such other state or the District of Columbia if the other  
61 state or the District of Columbia authorizes a reciprocal  
62 benefit for residents of this state.

63 2. The credit provided pursuant to this section shall  
64 not exceed an amount which bears the same ratio to the tax  
65 otherwise due pursuant to sections 143.005 to 143.998 as the  
66 amount of the taxpayer's Missouri adjusted gross income  
67 derived from sources in the other taxing jurisdiction bears  
68 to the taxpayer's Missouri adjusted gross income derived  
69 from all sources. In applying the limitation of the  
70 previous sentence to an estate or trust, Missouri taxable  
71 income shall be substituted for Missouri adjusted gross  
72 income. If the tax of more than one other taxing  
73 jurisdiction is imposed on the same item of income, the  
74 credit shall not exceed the limitation that would result if  
75 the taxes of all the other jurisdictions applicable to the  
76 item were deemed to be of a single jurisdiction.

77 3. (1) For the purposes of this section, in the case  
78 of an S corporation, each resident S shareholder shall be  
79 considered to have paid a tax imposed on the shareholder in  
80 an amount equal to the shareholder's pro rata share of any  
81 net income tax paid by the S corporation to a state which  
82 does not measure the income of shareholders on an S  
83 corporation by reference to the income of the S corporation  
84 or where a composite return and composite payments are made  
85 in such state on behalf of the S shareholders by the S  
86 corporation.

87 (2) A resident S shareholder shall be eligible for a  
88 credit issued pursuant to this section in an amount equal to  
89 the shareholder's pro rata share of any income tax imposed  
90 pursuant to chapter 143 on income derived from sources in  
91 another state of the United States, or a political

92 subdivision thereof, or the District of Columbia, and which  
93 is subject to tax pursuant to chapter 143 but is not subject  
94 to tax in such other jurisdiction.

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

105 143.436. 1. This section shall be known and may be  
106 cited as the "SALT Parity Act".

107 2. For the purposes of this section, the following  
108 terms shall mean:

109 (1) "Affected business entity", any partnership or S  
110 corporation that elects to be subject to tax pursuant to  
111 subsection 10 of this section;

112 (2) "Direct member", a member that holds an interest  
113 directly in an affected business entity;

114 (3) "Indirect member", a member that itself holds an  
115 interest, through a direct or indirect member that is a  
116 partnership or an S corporation, in an affected business  
117 entity;

118 (4) "Member":

119 (a) A shareholder of an S corporation;

120 (b) A partner in a general partnership, a limited  
121 partnership, or a limited liability partnership; or

122 (c) A member of a limited liability company that is  
123 treated as a partnership or S corporation for federal income  
124 tax purposes;

125 (5) "Partnership", the same meaning as provided in 26  
126 U.S.C. Section 7701(a)(2). The term "partnership" shall  
127 include a limited liability company that is treated as a  
128 partnership for federal income tax purposes;

129 (6) "S corporation", a corporation or limited  
130 liability company that is treated as an S corporation for  
131 federal income tax purposes;

132 (7) "Tax year", the tax year of a partnership or S  
133 corporation for federal income tax purposes.

134 3. (1) Notwithstanding any provision of law to the  
135 contrary, a tax is hereby imposed on each affected business  
136 entity that is a partnership and that is doing business in  
137 this state. Such affected business entity shall, at the  
138 time that the affected business entity's return is due, pay  
139 a tax in an amount equal to the sum of the separately and  
140 nonseparately computed items, as described in 26 U.S.C.  
141 Section 702(a), of the affected business entity, to the  
142 extent derived from or connected with sources within this  
143 state, as determined pursuant to section 143.455, decreased  
144 by the deduction allowed under 26 U.S.C. Section 199A  
145 computed as if such deduction was allowed to be taken by the  
146 affected business entity for federal tax purposes, and  
147 increased or decreased by any modification made pursuant to  
148 section 143.471 that relates to an item of the affected  
149 business entity's income, gain, loss, or deduction, to the  
150 extent derived from or connected with sources within this  
151 state, as determined pursuant to section 143.455, with such  
152 sum multiplied by the highest rate of tax used to determine  
153 a Missouri income tax liability for an individual pursuant  
154 to section 143.011. An affected entity paying the tax  
155 pursuant to this subsection shall include with the payment  
156 of such taxes each report provided to a member pursuant to  
157 subsection 7 of this section.

158           (2) If the amount calculated pursuant to subdivision  
159 (1) of this section results in a net loss, such net loss may  
160 be carried forward to succeeding tax years for which the  
161 affected business entity elects to be subject to tax  
162 pursuant to subsection 11 of this section until fully used.

163           4. (1) Notwithstanding any provision of law to the  
164 contrary, a tax is hereby imposed on each affected business  
165 entity that is an S corporation and that is doing business  
166 in this state. Such affected business entity shall, at the  
167 time that the affected business entity's return is due, pay  
168 a tax in an amount equal to the sum of the separately and  
169 nonseparately computed items, as described in 26 U.S.C.  
170 Section 1366, of the affected business entity, to the extent  
171 derived from or connected with sources within this state, as  
172 determined pursuant to section 143.455, decreased by the  
173 deduction allowed under 26 U.S.C. Section 199A computed as  
174 if such deduction was allowed to be taken by the affected  
175 business entity for federal tax purposes, and increased or  
176 decreased by any modification made pursuant to section  
177 143.471 that relates to an item of the affected business  
178 entity's income, gain, loss, or deduction, to the extent  
179 derived from or connected with sources within this state, as  
180 determined pursuant to section 143.455, with such sum  
181 multiplied by the highest rate of tax used to determine a  
182 Missouri income tax liability for an individual pursuant to  
183 section 143.011. An affected entity paying the tax pursuant  
184 to this subsection shall include with the payment of such  
185 taxes each report provided to a member pursuant to  
186 subsection 7 of this section.

187           (2) If the amount calculated pursuant to subdivision  
188 (1) of this section results in a net loss, such net loss may  
189 be carried forward to succeeding tax years for which the

190 affected business entity elects to be subject to tax  
191 pursuant to subsection 11 of this section until fully used.

192 5. If an affected business entity is a direct or  
193 indirect member of another affected business entity, the  
194 member affected business entity shall, when calculating its  
195 net income or loss pursuant to subsections 3 or 4 of this  
196 section, subtract its distributive share of income or add  
197 its distributive share of loss from the affected business  
198 entity in which it is a direct or indirect member to the  
199 extent that the income or loss was derived from or connected  
200 with sources within this state, as determined pursuant to  
201 section 143.455.

202 6. A nonresident individual who is a member shall not  
203 be required to file an income tax return pursuant to this  
204 chapter for a tax year if, for such tax year, the only  
205 source of income derived from or connected with sources  
206 within the state for such member, or the member and the  
207 member's spouse if a joint federal income tax return is or  
208 shall be filed, is from one or more affected business  
209 entities and such affected business entity or entities file  
210 and pay the tax due under this section.

211 7. Each partnership and S corporation shall report to  
212 each of its members, for each tax year, such member's direct  
213 pro rata share of the tax imposed pursuant to this section  
214 on such partnership or S corporation if it is an affected  
215 business entity and its indirect pro rata share of the tax  
216 imposed on any affected business entity in which such  
217 affected business entity is a direct or indirect member.

218 8. (1) Each member that is subject to the tax imposed  
219 pursuant to section 143.011 shall be entitled to a credit  
220 against the tax imposed pursuant to section 143.011. Such  
221 credit shall be in an amount equal to such member's direct  
222 and indirect pro rata share of the tax paid pursuant to this

223 section by any affected business entity of which such member  
224 is directly or indirectly a member.

225 (2) If the amount of the credit authorized by this  
226 subsection exceeds such member's tax liability for the tax  
227 imposed pursuant to section 143.011, the excess amount shall  
228 not be refunded but may be carried forward to each  
229 succeeding tax year until such credit is fully taken.

230 9. (1) Each member that is subject to the tax imposed  
231 pursuant to section 143.011 as a resident or part-year  
232 resident of this state shall be entitled to a credit against  
233 the tax imposed pursuant to section 143.011 for such  
234 member's direct and indirect pro rata share of taxes paid to  
235 another state of the United States or to the District of  
236 Columbia, on income of any partnership or S corporation of  
237 which such person is a member that is derived therefrom,  
238 provided the taxes paid to another state of the United  
239 States or to the District of Columbia results from a tax  
240 that the director of revenue determines is substantially  
241 similar to the tax imposed pursuant to this section. Any  
242 such credit shall be calculated in a manner to be prescribed  
243 by the director of revenue, provided such calculation is  
244 consistent with the provisions of this section, and further  
245 provided that the limitations provided in subsection 2 of  
246 section 143.081 shall apply to the credit authorized by this  
247 subsection.

248 (2) If the amount of the credit authorized by this  
249 subsection exceeds such member's tax liability for the tax  
250 imposed pursuant to section 143.011, the excess amount shall  
251 not be refunded and shall not be carried forward.

252 10. (1) Each corporation that is subject to the tax  
253 imposed pursuant to section 143.071 and that is a member  
254 shall be entitled to a credit against the tax imposed  
255 pursuant to section 143.071. Such credit shall be in an

256 amount equal to such corporation's direct and indirect pro  
257 rata share of the tax paid pursuant to this section by any  
258 affected business entity of which such corporation is  
259 directly or indirectly a member. Such credit shall be  
260 applied after all other credits.

261 (2) If the amount of the credit authorized by this  
262 subsection exceeds such corporation's tax liability for the  
263 tax imposed pursuant to section 143.071, the excess amount  
264 shall not be refunded but may be carried forward to each  
265 succeeding tax year until such credit is fully taken.

266 11. A partnership or an S corporation may elect to  
267 become an affected business entity that is required to pay  
268 the tax pursuant to this section in any tax year. A  
269 separate election shall be made for each taxable year. Such  
270 election shall be made on such form and in such manner as  
271 the director of revenue may prescribe by rule. An election  
272 made pursuant to this subsection shall be signed by:

273 (1) Each member of the electing entity who is a member  
274 at the time the election is filed; or

275 (2) Any officer, manager, or member of the electing  
276 entity who is authorized to make the election and who  
277 attests to having such authorization under penalty of  
278 perjury.

279 12. The provisions of sections 143.425 and 143.601  
280 shall apply to any modifications made to an affected  
281 business entity's federal return, and such affected business  
282 entity shall pay any resulting underpayment of tax to the  
283 extent not already paid pursuant to section 143.425.

284 13. (1) With respect to an action required or  
285 permitted to be taken by an affected business entity  
286 pursuant to this section, a proceeding under section 143.631  
287 for reconsideration by the director of revenue, an appeal to  
288 the administrative hearing commission, or a review by the

289 judiciary with respect to such action, the affected business  
290 entity shall designate an affected business entity  
291 representative for the tax year, and such affected business  
292 entity representative shall have the sole authority to act  
293 on behalf of the affected business entity, and the affected  
294 business entity's members shall be bound by those actions.

295 (2) The department of revenue may establish reasonable  
296 qualifications and procedures for designating a person to be  
297 the affected business entity representative.

298 (3) The affected business entity representative shall  
299 be considered an authorized representative of the affected  
300 business entity and its members under section 32.057 for the  
301 purposes of compliance with this section, or participating  
302 in a proceeding described in subdivision (1) of this  
303 subsection.

304 14. The provisions of this section shall only apply to  
305 tax years ending on or after December 31, 2022.

306 15. The department of revenue may promulgate rules to  
307 implement the provisions of this section. Any rule or  
308 portion of a rule, as that term is defined in section  
309 536.010, that is created under the authority delegated in  
310 this section shall become effective only if it complies with  
311 and is subject to all of the provisions of chapter 536 and,  
312 if applicable, section 536.028. This section and chapter  
313 536 are nonseverable and if any of the powers vested with  
314 the general assembly pursuant to chapter 536 to review, to  
315 delay the effective date, or to disapprove and annul a rule  
316 are subsequently held unconstitutional, then the grant of  
317 rulemaking authority and any rule proposed or adopted after  
318 August 28, 2022, shall be invalid and void."; and

319 Further amend the title and enacting clause accordingly.