

SENATE BILL NO. 7

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR EIGEL.

5979S.011

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal section 143.011 as enacted by senate bills nos. 153 & 97, one hundred first general assembly, first regular session, and to enact in lieu thereof one new section relating to income taxes, with an effective date.

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

Section A. Section 143.011 as enacted by senate bills
2 nos. 153 & 97, one hundred first general assembly, first regular
3 session, is repealed and one new section enacted in lieu
4 thereof, to be known as section 143.011, to read as follows:

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

6 If the Missouri taxable 7 income is:	The tax is:
8 Not over \$1,000.00 9	1 1/2% of the Missouri taxable income
10 Over \$1,000 but not over 11 \$2,000	\$15 plus 2% of excess over \$1,000
12 Over \$2,000 but not over 13 \$3,000	\$35 plus 2 1/2% of excess over \$2,000

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

14	Over \$3,000 but not over	\$60 plus 3% of excess over
15	\$4,000	\$3,000
16	Over \$4,000 but not over	\$90 plus 3 1/2% of excess over
17	\$5,000	\$4,000
18	Over \$5,000 but not over	\$125 plus 4% of excess over
19	\$6,000	\$5,000
20	Over \$6,000 but not over	\$165 plus 4 1/2% of excess over
21	\$7,000	\$6,000
22	Over \$7,000 but not over	\$210 plus 5% of excess over
23	\$8,000	\$7,000
24	Over \$8,000 but not over	\$260 plus 5 1/2% of excess over
25	\$9,000	\$8,000
26	Over \$9,000	\$315 plus 6% of excess over
27		\$9,000

28 2. [(1) Beginning with the 2017 calendar year, the
29 top rate of tax under subsection 1 of this section may be
30 reduced over a period of years. Each reduction in the top
31 rate of tax shall be by one-tenth of a percent and no more
32 than one reduction shall occur in a calendar year. No more
33 than seven reductions shall be made under this subsection.
34 Reductions in the rate of tax shall take effect on January
35 first of a calendar year and such reduced rates shall
36 continue in effect until the next reduction occurs.

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

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

46 (4) The director of the department of revenue shall,
47 by rule, adjust the tax tables under subsection 1 of this
48 section to effectuate the provisions of this subsection.
49 The bracket for income subject to the top rate of tax shall
50 be eliminated once the top rate of tax has been reduced to
51 five and one-half percent, and the top remaining rate of tax
52 shall apply to all income in excess of the income in the
53 second highest remaining income bracket.

54 (5) Notwithstanding the provisions of subdivision (1)
55 of this subsection to the contrary, there shall be no
56 reduction under this subsection in the 2024 calendar year.
57 However, such reductions shall continue after the 2024
58 calendar year for subsequent calendar years.

59 3. (1) In addition to the rate reductions under
60 subsection 2 of this section, beginning with the 2019
61 calendar year, the top rate of tax under subsection 1 of
62 this section shall be reduced by four-tenths of one
63 percent. Such reduction in the rate of tax shall take
64 effect on January first of the 2019 calendar year.

65 (2) The modification of tax rates under this
66 subsection shall only apply to tax years that begin on or
67 after the date the modification takes effect.

68 (3) The director of the department of revenue shall,
69 by rule, adjust the tax tables under subsection 1 of this
70 section to effectuate the provisions of this subsection.

71 4. (1) In addition to the rate reductions under
72 subsections 2 and 3 of this section, beginning with the 2024
73 calendar year, the top rate of tax under subsection 1 of
74 this section shall be reduced by one-tenth of one percent.

75 (2) The modification of tax rates under this
76 subsection shall apply only to tax years that begin on or
77 after the date the modification takes effect.

78 (3) The director of the department of revenue shall,
79 by rule, adjust the tax tables under subsection 1 of this
80 section to effectuate the provisions of this subsection.]

81 (1) Notwithstanding the provisions of subsection 1 of
82 this section to the contrary, beginning with the 2023
83 calendar year, the top rate of tax pursuant to subsection 1
84 of this section shall be four and seven-tenths percent.

85 (2) The modification of tax rates made pursuant to
86 this subsection shall apply only to tax years that begin on
87 or after January 1, 2023.

88 (3) The director of the department of revenue shall,
89 by rule, adjust the tax table provided in subsection 1 of
90 this section to effectuate the provisions of this
91 subsection. The top remaining rate of tax shall apply to
92 all income in excess of seven thousand dollars, as adjusted
93 pursuant to subsection 3 of this section.

94 3. (1) In addition to the rate reduction under
95 subsection 2 of this section, beginning with the 2024
96 calendar year, the top rate of tax under subsection 1 of
97 this section may be reduced over a period of years. Each
98 reduction in the top rate of tax shall be by one-tenth of a
99 percent and no more than one reduction shall occur in a
100 calendar year. No more than eight reductions shall be made
101 under this subsection. Reductions in the rate of tax shall
102 take effect on January first of a calendar year and such
103 reduced rates shall continue in effect until the next
104 reduction occurs.

105 (2) A reduction in the rate of tax shall only occur if
106 the amount of net general revenue collected in the previous

107 fiscal year exceeds the highest amount of net general
108 revenue collected in any of the three fiscal years prior to
109 such fiscal year by at least one hundred fifty million
110 dollars.

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

114 (4) The director of the department of revenue shall,
115 by rule, adjust the tax tables under subsection 1 of this
116 section to effectuate the provisions of this subsection.
117 The bracket for income subject to the top rate of tax shall
118 be eliminated once the top rate of tax has been reduced
119 below the rate applicable to such bracket, and the top
120 remaining rate of tax shall apply to all income in excess of
121 the income in the second highest remaining income bracket.

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

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

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

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

137 (3) "Net general revenue collected", all revenue
138 deposited into the general revenue fund, less refunds and

139 revenues originally deposited into the general revenue fund
140 but designated by law for a specific distribution or
141 transfer to another state fund;

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

Section B. The repeal and reenactment of section
2 143.011 of this act shall become effective on January 1,
3 2023.

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