

SENATE BILL NO. 290

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR MOON.

0236S.01I

KRISTINA MARTIN, Secretary

AN ACT

To repeal section 143.011, RSMo, and to enact in lieu thereof two new sections relating to taxation.

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

Section A. Section 143.011, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 143.011 and 146.200, to read as follows:

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

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

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) Notwithstanding the provisions of subsection 1
 29 of this section to the contrary, beginning with the 2023
 30 calendar year, the top rate of tax pursuant to subsection 1
 31 of this section shall be four and ninety-five hundredths
 32 percent.

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

36 (3) The director of the department of revenue shall,
 37 by rule, adjust the tax table provided in subsection 1 of
 38 this section to effectuate the provisions of this
 39 subsection. The top remaining rate of tax shall apply to
 40 all income in excess of seven thousand dollars, as adjusted
 41 pursuant to subsection 5 of this section.

42 3. (1) In addition to the rate reduction under
 43 subsection 2 of this section, beginning with the 2024
 44 calendar year, the top rate of tax under subsection 1 of
 45 this section may be reduced by fifteen hundredths of a
 46 percent. A reduction in the rate of tax shall take effect

47 on January first of a calendar year and such reduced rates
48 shall continue in effect until the next reduction occurs.

49 (2) A reduction in the rate of tax shall only occur if
50 the amount of net general revenue collected in the previous
51 fiscal year exceeds the highest amount of net general
52 revenue collected in any of the three fiscal years prior to
53 such fiscal year by at least one hundred seventy-five
54 million dollars.

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

58 (4) The director of the department of revenue shall,
59 by rule, adjust the tax tables under subsection 1 of this
60 section to effectuate the provisions of this subsection.

61 4. (1) In addition to the rate reductions under
62 subsections 2 and 3 of this section, beginning with the
63 calendar year immediately following the calendar year in
64 which a reduction is made pursuant to subsection 3 of this
65 section, the top rate of tax under subsection 1 of this
66 section may be further reduced over a period of years. Each
67 reduction in the top rate of tax shall be by one-tenth of a
68 percent and no more than one reduction shall occur in a
69 calendar year. No more than three reductions shall be made
70 under this subsection. Reductions in the rate of tax shall
71 take effect on January first of a calendar year and such
72 reduced rates shall continue in effect until the next
73 reduction occurs.

74 (2) (a) A reduction in the rate of tax shall only
75 occur if:

76 a. The amount of net general revenue collected in the
77 previous fiscal year exceeds the highest amount of net
78 general revenue collected in any of the three fiscal years

79 prior to such fiscal year by at least two hundred million
80 dollars; and

81 b. The amount of net general revenue collected in the
82 previous fiscal year exceeds the amount of net general
83 revenue collected in the fiscal year five years prior,
84 adjusted annually by the percentage increase in inflation
85 over the preceding five fiscal years.

86 (b) The amount of net general revenue collected
87 required by subparagraph a. of paragraph (a) of this
88 subdivision in order to make a reduction pursuant to this
89 subsection shall be adjusted annually by the percent
90 increase in inflation beginning with January 2, 2023.

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

94 (4) The director of the department of revenue shall,
95 by rule, adjust the tax tables under subsection 1 of this
96 section to effectuate the provisions of this subsection.
97 The bracket for income subject to the top rate of tax shall
98 be eliminated once the top rate of tax has been reduced
99 below the rate applicable to such bracket, and the top
100 remaining rate of tax shall apply to all income in excess of
101 the income in the second highest remaining income bracket.

102 **5. (1) In addition to the rate reductions pursuant to**
103 **subsections 2 to 4 of this section, beginning with the 2024**
104 **calendar year, the top rate of tax pursuant to subsection 1**
105 **of this section may be reduced by seventeen-hundredths of**
106 **one percent. Such reduction in the rate of tax shall take**
107 **effect on January first of a calendar year.**

108 **(2) A reduction in the rate of tax under this**
109 **subsection shall only occur if one or more institutions is**

110 subject to the tax imposed on the endowments of institutions
111 of higher education pursuant to section 146.200.

112 (3) The modification of tax rates under this
113 subsection shall only apply to tax years that begin on or
114 after the date the modification takes effect.

115 (4) The director of the department of revenue shall,
116 by rule, adjust the tax tables under subsection 1 of this
117 section to effectuate the provisions of this subsection.

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

126 [6.] 7. As used in this section, the following terms
127 mean:

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

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

134 (3) "Net general revenue collected", all revenue
135 deposited into the general revenue fund, less refunds and
136 revenues originally deposited into the general revenue fund
137 but designated by law for a specific distribution or
138 transfer to another state fund;

139 (4) "Percent increase in inflation", the percentage,
140 if any, by which the CPI for the preceding calendar year

141 exceeds the CPI for the year beginning September 1, 2014,
142 and ending August 31, 2015.

146.200. 1. As used in this section, the following
2 terms shall mean:

3 (1) "Endowment", a permanent fund held by an
4 institution of higher education that:

5 (a) Consists of property, cash, cash equivalents,
6 stocks, bonds, or any other marketable security;

7 (b) Is used for purposes indicated by donors to such
8 fund or for other purposes related to the mission of the
9 institution of higher education; and

10 (c) Attempts to maintain and grow the principal of
11 such fund, while annually disbursing all or part of
12 investment earnings generated by the fund;

13 (2) "Qualifying institution of higher education", an
14 institution of higher education that:

15 (a) Is affiliated with, or provides medical faculty
16 to, any abortion facility, as such term is defined in
17 section 188.015;

18 (b) Offers specific medical residencies or fellowships
19 that offer training in performing or inducing abortions; or

20 (c) Supports in any manner any abortion facility where
21 abortions are performed or induced when not necessary to
22 save the life of the mother.

23 2. For all tax years beginning on or after January 1,
24 2024, a tax is hereby imposed for every tax year on the
25 endowment of a qualifying institution of higher education at
26 a rate of one and nine-tenths percent of the aggregate fair
27 market value of the assets of such endowment. Any
28 institution that becomes a qualifying institution of higher
29 education on or after January 1, 2024, shall remain subject
30 to the tax imposed under this section regardless of whether

31 such institution no longer meets the definition of a
32 qualifying institution of higher education as defined under
33 this section.

34 3. Revenues generated by the tax imposed under this
35 section shall be deposited in the general revenue fund.

36 4. The department of revenue shall promulgate rules to
37 implement the provisions of this section. Any rule or
38 portion of a rule, as that term is defined in section
39 536.010, that is created under the authority delegated in
40 this section shall become effective only if it complies with
41 and is subject to all of the provisions of chapter 536 and,
42 if applicable, section 536.028. This section and chapter
43 536 are nonseverable, and if any of the powers vested with
44 the general assembly under chapter 536 to review, to delay
45 the effective date, or to disapprove and annul a rule are
46 subsequently held unconstitutional, then the grant of
47 rulemaking authority and any rule proposed or adopted after
48 August 28, 2023, shall be invalid and void.

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