

FIRST REGULAR SESSION

SENATE BILL NO. 344

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR RAZER.

0243S.01I

KRISTINA MARTIN, Secretary

AN ACT

To repeal sections 92.105, 92.111, and 92.115, RSMo, and to enact in lieu thereof three new sections relating to earnings tax.

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

Section A. Sections 92.105, 92.111, and 92.115, RSMo, are
2 repealed and three new sections enacted in lieu thereof, to be
3 known as sections 92.105, 92.111, and 92.115, to read as
4 follows:

92.105. It is the intent of sections 92.105 to 92.125
2 that starting in 2011 voters in any city imposing an
3 earnings tax will decide in local elections to continue the
4 earnings tax. If the majority of local voters vote to
5 continue the earnings tax, it will continue for five years,
6 **or in any city with more than four hundred thousand**
7 **inhabitants and located in more than one county, for ten**
8 **years**, and then will be voted on again. If a majority of
9 voters in any city having an earnings tax vote against
10 continuing the earnings tax, it will be phased out pursuant
11 to section 92.125 in such city over a period of ten years.
12 Further, sections 92.105 to 92.125 prohibit any Missouri
13 city or town that does not, as of November 2, 2010, impose
14 an earnings tax, from imposing such a tax on residents and
15 businesses.

92.111. 1. After December 31, 2011, no city,
2 including any constitutional charter city, shall impose or

3 levy an earnings tax, except a constitutional charter city
4 that imposed or levied an earnings tax on November 2, 2010,
5 may continue to impose the earnings tax if it submits to the
6 voters of such city pursuant to section 92.115 the question
7 whether to continue such earnings tax for a period of five
8 years, **or if such city with more than four hundred thousand**
9 **inhabitants and located in more than one county, for a**
10 **period of ten years,** and a majority of such qualified voters
11 voting thereon approve such question, however, if no such
12 election is held, or if in any election held to continue to
13 impose or levy the earnings tax a majority of such qualified
14 voters voting thereon fail to approve the continuation of
15 the earnings tax, such city shall no longer be authorized to
16 impose or levy such earnings tax except to reduce such tax
17 in the manner provided by section 92.125.

18 2. As used in sections 92.111 to 92.200, unless the
19 context clearly requires otherwise, the term "earnings tax"
20 means a tax on the:

21 (1) Salaries, wages, commissions and other
22 compensation earned by its residents;

23 (2) Salaries, wages, commissions and other
24 compensation earned by nonresidents of the city for work
25 done or services performed or rendered in the city;

26 (3) Net profits of associations, businesses or other
27 activities conducted by residents;

28 (4) Net profits of associations, businesses or other
29 activities conducted in the city by nonresidents;

30 (5) Net profits earned by all corporations as the
31 result of work done or services performed or rendered and
32 business or other activities.

92.115. 1. Any constitutional charter city which as
2 of November 2, 2010, imposed or levied an earnings tax may

3 continue to impose or levy an earnings tax, pursuant to
4 sections 92.111 to 92.200, if it submits to the qualified
5 voters of such city on the next general municipal election
6 date immediately following November 2, 2010, and once every
7 five years thereafter, **or if such city with more than four**
8 **hundred thousand inhabitants and located in more than one**
9 **county, once every ten years thereafter,** the question
10 whether to continue to impose and levy the earnings tax
11 authorized pursuant to sections 92.111 to 92.200, and if a
12 majority of qualified voters voting approve the continuance
13 of the earnings tax at such election.

14 2. (1) The question submitted to the qualified voters
15 in any such city, **except for any city with more than four**
16 **hundred thousand inhabitants and located in more than one**
17 **county,** shall contain the earnings tax percentage imposed
18 and the name of the city submitting the question and shall
19 otherwise contain exactly the following language:

20 Shall the earnings tax of _____ %, imposed by the
21 City of _____, be continued for a period of five
22 (5) years commencing January 1 immediately
23 following the date of this election?

24 ☐ Yes

☐ No

25 (2) The question submitted to the qualified voters in
26 any city with more than four hundred thousand inhabitants
27 and located in more than one county shall contain the
28 earnings tax percentage imposed and the name of the city
29 submitting the question and shall otherwise contain exactly
30 the following language:

31 Shall the earnings tax of _____ %, imposed by the
32 City of _____, be continued for a period of ten

33 (10) years commencing January 1st immediately
34 following the date of this election?

35 ☐ YES ☐ NO

36 3. If the question whether to continue to impose and
37 levy the earnings tax fails to be approved by the majority
38 of qualified voters voting thereon, the earnings tax levied
39 and imposed on November 2, 2010, shall be reduced pursuant
40 to section 92.125 commencing January first of the calendar
41 year following the date of the election held under this
42 section or January first of the calendar year following the
43 calendar year in which such election was authorized under
44 this section but not held by such city.

45 4. No city which has begun reductions of its earnings
46 tax pursuant to section 92.125 may, by ordinance or any
47 other means, with or without voter approval, stop or suspend
48 such reduction.

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