

FIRST REGULAR SESSION

SENATE BILL NO. 25

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR MOON.

1037S.01H

KRISTINA MARTIN, Secretary

AN ACT

To repeal sections 143.121 and 408.010, RSMo, and to enact in lieu thereof two new sections relating to the sole purpose of regulating the treatment and use of gold and silver.

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

Section A. Sections 143.121 and 408.010, RSMo, are
2 repealed and two new sections enacted in lieu thereof, to be
3 known as sections 143.121 and 408.010, to read as follows:

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

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

6 (1) The amount of any federal income tax refund
7 received for a prior year which resulted in a Missouri
8 income tax benefit. The amount added pursuant to this
9 subdivision shall not include any amount of a federal income
10 tax refund attributable to a tax credit reducing a
11 taxpayer's federal tax liability pursuant to Public Law 116-
12 136 or 116-260, enacted by the 116th United States Congress,
13 for the tax year beginning on or after January 1, 2020, and
14 ending on or before December 31, 2020, and deducted from
15 Missouri adjusted gross income pursuant to section 143.171.
16 The amount added under this subdivision shall also not
17 include any amount of a federal income tax refund
18 attributable to a tax credit reducing a taxpayer's federal

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

19 tax liability under any other federal law that provides
20 direct economic impact payments to taxpayers to mitigate
21 financial challenges related to the COVID-19 pandemic, and
22 deducted from Missouri adjusted gross income under section
23 143.171;

24 (2) Interest on certain governmental obligations
25 excluded from federal gross income by 26 U.S.C. Section 103
26 of the Internal Revenue Code, as amended. The previous
27 sentence shall not apply to interest on obligations of the
28 state of Missouri or any of its political subdivisions or
29 authorities and shall not apply to the interest described in
30 subdivision (1) of subsection 3 of this section. The amount
31 added pursuant to this subdivision shall be reduced by the
32 amounts applicable to such interest that would have been
33 deductible in computing the taxable income of the taxpayer
34 except only for the application of 26 U.S.C. Section 265 of
35 the Internal Revenue Code, as amended. The reduction shall
36 only be made if it is at least five hundred dollars;

37 (3) The amount of any deduction that is included in
38 the computation of federal taxable income pursuant to 26
39 U.S.C. Section 168 of the Internal Revenue Code as amended
40 by the Job Creation and Worker Assistance Act of 2002 to the
41 extent the amount deducted relates to property purchased on
42 or after July 1, 2002, but before July 1, 2003, and to the
43 extent the amount deducted exceeds the amount that would
44 have been deductible pursuant to 26 U.S.C. Section 168 of
45 the Internal Revenue Code of 1986 as in effect on January 1,
46 2002;

47 (4) The amount of any deduction that is included in
48 the computation of federal taxable income for net operating
49 loss allowed by 26 U.S.C. Section 172 of the Internal
50 Revenue Code of 1986, as amended, other than the deduction

51 allowed by 26 U.S.C. Section 172(b)(1)(G) and 26 U.S.C.
52 Section 172(i) of the Internal Revenue Code of 1986, as
53 amended, for a net operating loss the taxpayer claims in the
54 tax year in which the net operating loss occurred or carries
55 forward for a period of more than twenty years and carries
56 backward for more than two years. Any amount of net
57 operating loss taken against federal taxable income but
58 disallowed for Missouri income tax purposes pursuant to this
59 subdivision after June 18, 2002, may be carried forward and
60 taken against any income on the Missouri income tax return
61 for a period of not more than twenty years from the year of
62 the initial loss; and

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

74 (6) For all tax years beginning on or after January 1,
75 2018, any interest expense paid or accrued in a previous
76 taxable year, but allowed as a deduction under 26 U.S.C.
77 Section 163, as amended, in the current taxable year by
78 reason of the carryforward of disallowed business interest
79 provisions of 26 U.S.C. Section 163(j), as amended. For the
80 purposes of this subdivision, an interest expense is
81 considered paid or accrued only in the first taxable year
82 the deduction would have been allowable under 26 U.S.C.

83 Section 163, as amended, if the limitation under 26 U.S.C.
84 Section 163(j), as amended, did not exist.

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

88 (1) Interest received on deposits held at a federal
89 reserve bank or interest or dividends on obligations of the
90 United States and its territories and possessions or of any
91 authority, commission or instrumentality of the United
92 States to the extent exempt from Missouri income taxes
93 pursuant to the laws of the United States. The amount
94 subtracted pursuant to this subdivision shall be reduced by
95 any interest on indebtedness incurred to carry the described
96 obligations or securities and by any expenses incurred in
97 the production of interest or dividend income described in
98 this subdivision. The reduction in the previous sentence
99 shall only apply to the extent that such expenses including
100 amortizable bond premiums are deducted in determining the
101 taxpayer's federal adjusted gross income or included in the
102 taxpayer's Missouri itemized deduction. The reduction shall
103 only be made if the expenses total at least five hundred
104 dollars;

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

113 (3) The amount necessary to prevent the taxation
114 pursuant to this chapter of any annuity or other amount of

115 income or gain which was properly included in income or gain
116 and was taxed pursuant to the laws of Missouri for a taxable
117 year prior to January 1, 1973, to the taxpayer, or to a
118 decedent by reason of whose death the taxpayer acquired the
119 right to receive the income or gain, or to a trust or estate
120 from which the taxpayer received the income or gain;

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

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

127 (6) The portion of capital gain specified in section
128 135.357 that would otherwise be included in federal adjusted
129 gross income;

130 (7) The amount that would have been deducted in the
131 computation of federal taxable income pursuant to 26 U.S.C.
132 Section 168 of the Internal Revenue Code as in effect on
133 January 1, 2002, to the extent that amount relates to
134 property purchased on or after July 1, 2002, but before July
135 1, 2003, and to the extent that amount exceeds the amount
136 actually deducted pursuant to 26 U.S.C. Section 168 of the
137 Internal Revenue Code as amended by the Job Creation and
138 Worker Assistance Act of 2002;

139 (8) For all tax years beginning on or after January 1,
140 2005, the amount of any income received for military service
141 while the taxpayer serves in a combat zone which is included
142 in federal adjusted gross income and not otherwise excluded
143 therefrom. As used in this section, "combat zone" means any
144 area which the President of the United States by Executive
145 Order designates as an area in which Armed Forces of the
146 United States are or have engaged in combat. Service is

147 performed in a combat zone only if performed on or after the
148 date designated by the President by Executive Order as the
149 date of the commencing of combat activities in such zone,
150 and on or before the date designated by the President by
151 Executive Order as the date of the termination of combatant
152 activities in such zone;

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

162 (10) For all tax years beginning on or after January
163 1, 2014, the amount of any income received as payment from
164 any program which provides compensation to agricultural
165 producers who have suffered a loss as the result of a
166 disaster or emergency, including the:

- 167 (a) Livestock Forage Disaster Program;
- 168 (b) Livestock Indemnity Program;
- 169 (c) Emergency Assistance for Livestock, Honeybees, and
170 Farm-Raised Fish;
- 171 (d) Emergency Conservation Program;
- 172 (e) Noninsured Crop Disaster Assistance Program;
- 173 (f) Pasture, Rangeland, Forage Pilot Insurance Program;
- 174 (g) Annual Forage Pilot Program;
- 175 (h) Livestock Risk Protection Insurance Plan;
- 176 (i) Livestock Gross Margin Insurance Plan;

177 (11) For all tax years beginning on or after January
178 1, 2018, any interest expense paid or accrued in the current

179 taxable year, but not deducted as a result of the limitation
180 imposed under 26 U.S.C. Section 163(j), as amended. For the
181 purposes of this subdivision, an interest expense is
182 considered paid or accrued only in the first taxable year
183 the deduction would have been allowable under 26 U.S.C.
184 Section 163, as amended, if the limitation under 26 U.S.C.
185 Section 163(j), as amended, did not exist;

186 (12) One hundred percent of any retirement benefits
187 received by any taxpayer as a result of the taxpayer's
188 service in the Armed Forces of the United States, including
189 reserve components and the National Guard of this state, as
190 defined in 32 U.S.C. Sections 101(3) and 109, and any other
191 military force organized under the laws of this state; [and]

192 (13) For all tax years beginning on or after January
193 1, 2022, one hundred percent of any federal, state, or local
194 grant moneys received by the taxpayer if the grant money was
195 disbursed for the express purpose of providing or expanding
196 access to broadband internet to areas of the state deemed to
197 be lacking such access; **and**

198 **(14) For all tax years beginning on or after January**
199 **1, 2026, the portion of capital gain on the sale or exchange**
200 **of specie, as that term is defined in section 408.010, that**
201 **are otherwise included in the taxpayer's federal adjusted**
202 **gross income.**

203 4. There shall be added to or subtracted from the
204 taxpayer's federal adjusted gross income the taxpayer's
205 share of the Missouri fiduciary adjustment provided in
206 section 143.351.

207 5. There shall be added to or subtracted from the
208 taxpayer's federal adjusted gross income the modifications
209 provided in section 143.411.

210 6. In addition to the modifications to a taxpayer's
211 federal adjusted gross income in this section, to calculate
212 Missouri adjusted gross income there shall be subtracted
213 from the taxpayer's federal adjusted gross income any gain
214 recognized pursuant to 26 U.S.C. Section 1033 of the
215 Internal Revenue Code of 1986, as amended, arising from
216 compulsory or involuntary conversion of property as a result
217 of condemnation or the imminence thereof.

218 7. (1) As used in this subsection, "qualified health
219 insurance premium" means the amount paid during the tax year
220 by such taxpayer for any insurance policy primarily
221 providing health care coverage for the taxpayer, the
222 taxpayer's spouse, or the taxpayer's dependents.

223 (2) In addition to the subtractions in subsection 3 of
224 this section, one hundred percent of the amount of qualified
225 health insurance premiums shall be subtracted from the
226 taxpayer's federal adjusted gross income to the extent the
227 amount paid for such premiums is included in federal taxable
228 income. The taxpayer shall provide the department of
229 revenue with proof of the amount of qualified health
230 insurance premiums paid.

231 8. (1) Beginning January 1, 2014, in addition to the
232 subtractions provided in this section, one hundred percent
233 of the cost incurred by a taxpayer for a home energy audit
234 conducted by an entity certified by the department of
235 natural resources under section 640.153 or the
236 implementation of any energy efficiency recommendations made
237 in such an audit shall be subtracted from the taxpayer's
238 federal adjusted gross income to the extent the amount paid
239 for any such activity is included in federal taxable
240 income. The taxpayer shall provide the department of
241 revenue with a summary of any recommendations made in a

242 qualified home energy audit, the name and certification
243 number of the qualified home energy auditor who conducted
244 the audit, and proof of the amount paid for any activities
245 under this subsection for which a deduction is claimed. The
246 taxpayer shall also provide a copy of the summary of any
247 recommendations made in a qualified home energy audit to the
248 department of natural resources.

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

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

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

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

270 10. (1) As used in this subsection, the following
271 terms mean:

272 (a) "Beginning farmer", a taxpayer who:

273 a. Has filed at least one but not more than ten
274 Internal Revenue Service Schedule F (Form 1040) Profit or
275 Loss From Farming forms since turning eighteen years of age;

276 b. Is approved for a beginning farmer loan through the
277 USDA Farm Service Agency Beginning Farmer direct or
278 guaranteed loan program;

279 c. Has a farming operation that is determined by the
280 department of agriculture to be new production agriculture
281 but is the principal operator of a farm and has substantial
282 farming knowledge; or

283 d. Has been determined by the department of
284 agriculture to be a qualified family member;

285 (b) "Farm owner", an individual who owns farmland and
286 disposes of or relinquishes use of all or some portion of
287 such farmland as follows:

288 a. A sale to a beginning farmer;

289 b. A lease or rental agreement not exceeding ten years
290 with a beginning farmer; or

291 c. A crop-share arrangement not exceeding ten years
292 with a beginning farmer;

293 (c) "Qualified family member", an individual who is
294 related to a farm owner within the fourth degree by blood,
295 marriage, or adoption and who is purchasing or leasing or is
296 in a crop-share arrangement for land from all or a portion
297 of such farm owner's farming operation.

298 (2) (a) In addition to all other subtractions
299 authorized in this section, a taxpayer who is a farm owner
300 who sells all or a portion of such farmland to a beginning
301 farmer may subtract from such taxpayer's Missouri adjusted
302 gross income an amount to the extent included in federal
303 adjusted gross income as provided in this subdivision.

304 (b) Subject to the limitations in paragraph (c) of
305 this subdivision, the amount that may be subtracted shall be
306 equal to the portion of capital gains received from the sale
307 of such farmland that such taxpayer receives in the tax year
308 for which such taxpayer subtracts such capital gain.

309 (c) A taxpayer may subtract the following amounts and
310 percentages per tax year in total capital gains received
311 from the sale of such farmland under this subdivision:

312 a. For the first two million dollars received, one
313 hundred percent;

314 b. For the next one million dollars received, eighty
315 percent;

316 c. For the next one million dollars received, sixty
317 percent;

318 d. For the next one million dollars received, forty
319 percent; and

320 e. For the next one million dollars received, twenty
321 percent.

322 (d) The department of revenue shall prepare an annual
323 report reviewing the costs and benefits and containing
324 statistical information regarding the subtraction of capital
325 gains authorized under this subdivision for the previous tax
326 year including, but not limited to, the total amount of all
327 capital gains subtracted and the number of taxpayers
328 subtracting such capital gains. Such report shall be
329 submitted before February first of each year to the
330 committee on agriculture policy of the Missouri house of
331 representatives and the committee on agriculture, food
332 production and outdoor resources of the Missouri senate, or
333 the successor committees.

334 (3) (a) In addition to all other subtractions
335 authorized in this section, a taxpayer who is a farm owner

336 who enters a lease or rental agreement for all or a portion
337 of such farmland with a beginning farmer may subtract from
338 such taxpayer's Missouri adjusted gross income an amount to
339 the extent included in federal adjusted gross income as
340 provided in this subdivision.

341 (b) Subject to the limitation in paragraph (c) of this
342 subdivision, the amount that may be subtracted shall be
343 equal to the portion of cash rent income received from the
344 lease or rental of such farmland that such taxpayer receives
345 in the tax year for which such taxpayer subtracts such
346 income.

347 (c) No taxpayer shall subtract more than twenty-five
348 thousand dollars per tax year in total cash rent income
349 received from the lease or rental of such farmland under
350 this subdivision.

351 (4) (a) In addition to all other subtractions
352 authorized in this section, a taxpayer who is a farm owner
353 who enters a crop-share arrangement on all or a portion of
354 such farmland with a beginning farmer may subtract from such
355 taxpayer's Missouri adjusted gross income an amount to the
356 extent included in federal adjusted gross income as provided
357 in this subdivision.

358 (b) Subject to the limitation in paragraph (c) of this
359 subdivision, the amount that may be subtracted shall be
360 equal to the portion of income received from the crop-share
361 arrangement on such farmland that such taxpayer receives in
362 the tax year for which such taxpayer subtracts such income.

363 (c) No taxpayer shall subtract more than twenty-five
364 thousand dollars per tax year in total income received from
365 the lease or rental of such farmland under this subdivision.

366 (5) The department of agriculture shall, by rule,
367 establish a process to verify that a taxpayer is a beginning

368 farmer for purposes of this section and shall provide
369 verification to the beginning farmer and farm seller of such
370 farmer's and seller's certification and qualification for
371 the exemption provided in this subsection.

408.010. [The silver coins of the United States are

2 hereby declared a] 1. **This section shall be known and may**
3 **be cited as the "Constitutional Money Act".**

4 2. **Specie legal tender and electronic currency shall**
5 **be accepted as** legal tender[, at their par value, fixed by
6 the laws of the United States, and shall be receivable in]
7 **for** payment of all **public** debts[, public or private,]
8 hereafter contracted in the state of Missouri[; provided,
9 however, that no person shall have the right to pay, upon
10 any one debt, dimes and half dimes to an amount exceeding
11 ten dollars, or of twenty and twenty-five cent pieces
12 exceeding twenty dollars] **and may be accepted as payment for**
13 **all private debts hereafter contracted in the state of**
14 **Missouri, in the discretion of the receiving entity.**

15 3. **The director of the department of revenue shall**
16 **promulgate rules on the methods of acceptance of specie**
17 **legal tender as payment for any debt, tax, fee, or**
18 **obligation owed. Costs incurred in the course of**
19 **verification of the weight and purity of any specie legal**
20 **tender or electronic currency during any such transaction**
21 **shall be borne by the receiving entity. Any rule or portion**
22 **of a rule, as that term is defined in section 536.010, that**
23 **is created under the authority delegated in this subsection**
24 **shall become effective only if it complies with and is**
25 **subject to all of the provisions of chapter 536 and, if**
26 **applicable, section 536.028. This subsection and chapter**
27 **536 are nonseverable and if any of the powers vested with**
28 **the general assembly pursuant to chapter 536 to review, to**

29 delay the effective date, or to disapprove and annul a rule
30 are subsequently held unconstitutional, then the grant of
31 rulemaking authority and any rule proposed or adopted after
32 August 28, 2025, shall be invalid and void.

33 4. Except as expressly provided by contract, no person
34 or entity shall be required to use specie legal tender or
35 electronic currency in the payment of any debt and nothing
36 in this section shall prohibit the use of federal reserve
37 notes in the payment of any debt.

38 5. Any entity doing business in this state may, if
39 requested by an employee, pay compensation to such employee,
40 in full or in part, in the dollar equivalent specie legal
41 tender either in physical or in electronic transfer form.
42 Any entity choosing to compensate its employees in specie
43 legal tender shall be responsible for verifying the weight
44 and purity of any physical specie legal tender before
45 compensating employees.

46 6. Under no circumstance shall the state of Missouri
47 or any department, agency, court, political subdivision, or
48 instrumentality thereof:

49 (1) Seize from any person any specie legal tender or
50 electronic currency that is owned by such person, except as
51 otherwise provided in section 513.607. Any person whose
52 specie legal tender or electronic currency is seized in
53 violation of this subdivision shall have a cause of action
54 in a court of competent jurisdiction, with any successful
55 such action resulting in the award of attorney's fees;

56 (2) Enforce or attempt to enforce any federal acts,
57 laws, executive orders, administrative orders, rules,
58 regulations, statutes, or ordinances infringing on the right
59 of a person to keep and use specie legal tender and
60 electronic currency as provided in this section;

61 (3) Restrict in any way the ability of a person or
62 financial institution to acquire specie legal tender or
63 electronic currency or use specie legal tender or electronic
64 currency in transactions; or

65 (4) Enact any law discriminating or favoring one means
66 of legal tender in the course of a transaction over another
67 means of legal tender.

68 7. For purposes of this section, the following terms
69 mean:

70 (1) "Bullion", refined precious metal, limited to gold
71 and silver only, in any shape or form, with uniform content
72 and purity, including, but not limited to, coins, rounds,
73 bars, ingots, and any other products, that are:

74 (a) Stamped or imprinted with the weight and purity of
75 the precious metal that it contains; and

76 (b) Valued primarily based on its metal content and
77 not on its form and function;

78 (2) "Electronic currency", a representation of actual
79 gold and silver, specie, and bullion held in an account,
80 which may be transferred by electronic instruction. Such
81 representation shall reflect the exact unit of physical
82 specie or gold and silver bullion in the account in its
83 fractional troy ounce measurement as provided in this
84 section;

85 (3) "Legal tender", a recognized medium of exchange
86 for the payment of debts, public charges, taxes, or dues
87 that is:

88 (a) Authorized by the United States Congress pursuant
89 to Article I, Section 8 of the United States Constitution; or

90 (b) Authorized by Missouri law pursuant to Article I,
91 Section 10 of the United States Constitution;

92 (4) "Precious metal", gold or silver;

93 (5) "Specie", bullion fabricated into products of
94 uniform shape, size, design, content, weight, and purity
95 that are suitable for or customarily used as currency, as a
96 medium of exchange, or as the medium for purchase, sale,
97 storage, transfer, or delivery of precious metals in retail
98 or wholesale transactions;

99 (6) "Specie legal tender", includes any of the
100 following:

101 (a) Specie coin issued by the federal government at
102 any time; and

103 (b) Any other specie, provided such specie does not
104 contain any insignia, symbols, or other recognizable logos
105 of the Nazi Party.

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