

# SENATE BILL NO. 546

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR LEWIS.

1978S.011

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2 repealed and three new sections enacted in lieu thereof, to be  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

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

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] 1st 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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