

FIRST REGULAR SESSION

# SENATE JOINT RESOLUTION NO. 21

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR TRENT.

1281S.01I

KRISTINA MARTIN, Secretary

## JOINT RESOLUTION

Submitting to the qualified voters of Missouri, an amendment repealing section 36 of article III of the Constitution of Missouri, and adopting two new sections in lieu thereof relating to use of state revenues.

*Be it resolved by the Senate, the House of Representatives concurring therein:*

That at the next general election to be held in the  
2 state of Missouri, on Tuesday next following the first Monday  
3 in November, 2026, or at a special election to be called by  
4 the governor for that purpose, there is hereby submitted to  
5 the qualified voters of this state, for adoption or  
6 rejection, the following amendment to article III of the  
7 Constitution of the state of Missouri:

Section A. Section 36, article III, Constitution of  
2 Missouri, is repealed and two new sections adopted in lieu  
3 thereof, to be known as sections 36 and 36(a), to read as  
4 follows:

Section 36. **1.** All revenue collected and money  
2 received by the state shall go into the treasury and the  
3 general assembly shall have no power to divert the same or  
4 to permit the withdrawal of money from the treasury, except  
5 in pursuance of appropriations made by law. All  
6 appropriations of money by successive general assemblies  
7 shall be made in the following order:

8 First: For payment of sinking fund and interest  
9 on outstanding obligations of the state.

10 Second: For the purpose of public education.

11 Third: For the payment of the cost of assessing  
12 and collecting the revenue.

13 Fourth: For the payment of the civil lists.

14 Fifth: For the support of eleemosynary and  
15 other state institutions.

16 Sixth: For public health and public welfare.

17 Seventh: For all other state purposes.

18 Eighth: For the expense of the general assembly.

19 **2. The appropriation authority of the general assembly**  
20 **shall be limited as follows:**

21 (1) If the population of the state increased in the  
22 most recent full calendar year by more than one percent from  
23 the calendar year immediately preceding such calendar year,  
24 the general assembly shall have a spending limit equal to  
25 one hundred percent of the most recent year's appropriation  
26 in which no emergency appropriation is made under section 3  
27 of this section plus the percentage of the state population  
28 increase, which shall be applied as the percent of the total  
29 moneys available for appropriation;

30 (2) If the population of the state increased in the  
31 most recent full calendar year by one percent or less from  
32 the calendar year immediately preceding such calendar year,  
33 the general assembly shall have a spending limit equal to  
34 one hundred and one percent of the most recent year's  
35 appropriation in which no emergency appropriation is made  
36 under section 3 of this section;

37 (3) If the population of the state decreased in the  
38 most recent full calendar year, the general assembly shall  
39 have a spending limit equal to one hundred percent of the  
40 most recent year's appropriation in which no emergency

41 appropriation is made under section 3 of this section minus  
42 the percentage of the state population decrease; or

43 (4) The spending limit provided in subdivision (1) to  
44 (3) of this subsection shall be further reduced by the  
45 amount of any deductions, exemptions, credits, and other tax  
46 preferences allowed pursuant to law.

47 3. (1) The spending limitation on the appropriation  
48 authority of the general assembly under subsection 2 of this  
49 section may be raised in the event of a disaster  
50 constituting an emergency if the following conditions are  
51 met:

52 (a) The governor proclaims there to be an emergency  
53 creating a budget need arising from a disaster and requests  
54 the general assembly to approve the emergency and authorize  
55 an emergency appropriation; and

56 (b) The general assembly declares an emergency and  
57 approves the request for an emergency appropriation in  
58 accordance with the specifics of the governor's request by a  
59 two-thirds vote of the members elected to and serving in  
60 each house to meet budget needs due to the disaster.

61 (2) Once the conditions under subdivision (1) of this  
62 subsection are met, the spending limit on the appropriation  
63 authority of the general assembly shall be equal to one  
64 hundred two percent of the previous year's appropriation.  
65 This one hundred two percent limit shall remain in effect  
66 until the governor's emergency declaration is rescinded or  
67 until twelve months have passed since the declaration was  
68 made, whichever occurs first.

Section 36(a). 1. (1) There is hereby established  
2 within the state treasury a fund to be known as the "Tax  
3 Reform Fund", which shall consist of moneys collected under  
4 subsection 2 of this section. Moneys in the fund shall be

5 kept in a singular account to be expended pursuant to  
6 appropriation by the general assembly if the conditions  
7 under subsection 3 of this section are met and used solely  
8 for the purpose of supplementing a full fiscal year  
9 budgetary shortfall as described under subsection 3 of this  
10 section and for no other purpose.

11 (2) The state treasurer shall invest moneys in the  
12 fund in the same manner as other funds are invested. Any  
13 interest and moneys earned on such investments shall be  
14 credited to the fund.

15 (3) Subject to the provisions of subsection 3 of this  
16 section, the unexpended balance in the tax reform fund at  
17 the close of any fiscal year shall remain in the fund.

18 2. (1) For all fiscal years beginning on or after  
19 July 1, 2027, if the amount of net general revenue  
20 collected, as defined under section 27(a) of this article,  
21 exceeds the anticipated general fund revenue expenditures  
22 for a fiscal year by one million dollars or more, each  
23 fiscal year that such surplus is realized, such surplus in  
24 excess of one million dollars shall be deposited into the  
25 tax reform fund.

26 (2) In a subsequent year where a surplus of one  
27 million dollars or more is realized, if the tax reform fund  
28 reaches and maintains a minimum balance that is greater than  
29 or equal to one hundred twenty million dollars, the general  
30 assembly shall authorize by general law a personal income  
31 tax decrease trigger of one-tenth of one percent or  
32 greater. If the balance of the tax reform fund exceeds one  
33 hundred twenty million dollars, the general assembly shall  
34 authorize by general law additional personal income tax  
35 decreases in an amount equal to or greater than one-  
36 twentieth of one percent for every sixty million dollars

37 over one hundred twenty million dollars in the tax reform  
38 fund. There shall be no cap on the number of reductions  
39 authorized under this subdivision and such decreases shall  
40 remain in effect until the personal income tax is reduced to  
41 zero.

42 (3) Upon the reduction and elimination of the personal  
43 income tax, the general assembly shall utilize the tax  
44 reform fund to gradually reduce and eliminate the corporate  
45 income tax.

46 (4) After both personal income taxes and corporate  
47 income taxes have been reduced to zero, the tax reform fund  
48 shall continue to collect revenue and shall be used only to  
49 supplement budget shortfalls as described under subsection 3  
50 of this section following fiscal years where the general  
51 assembly enacted a tax reduction.

52 (5) After personal income tax is reduced to zero, it  
53 shall remain at zero.

54 (6) After corporate income tax is reduced to zero, it  
55 shall remain at zero.

56 (7) The general assembly may appropriate funds to the  
57 credit of the tax reform fund.

58 3. If the state experiences a budgetary shortfall in  
59 the next fiscal year immediately succeeding the  
60 implementation of a personal income tax decrease, the tax  
61 reform fund may be used during the immediately succeeding  
62 appropriation period to supplement areas of necessary  
63 funding in the order of the general assembly's authorized  
64 appropriations priority for the next fiscal year's budget.  
65 The moneys from the fund that may be used for such  
66 supplemental funding shall be in an amount not to exceed the  
67 lesser of that year's budgetary shortfall or sixty million

68 dollars for every one-twentieth of one percent decrease from  
69 the personal income tax from the previous year.

70 4. (1) Subject to the enactment of a personal income  
71 tax decrease trigger by general law as provided under  
72 subdivision (2) of subsection 2 of this section, if the one-  
73 million-dollar surplus trigger under subdivision (2) of  
74 subsection 2 of this section was realized in the previous  
75 fiscal year, the personal income tax decrease trigger shall  
76 be implemented by the department of revenue to take effect  
77 on January first of the calendar year immediately following  
78 the close of the fiscal year in which the one-million-dollar  
79 surplus amount was realized.

80 (2) The department of revenue shall implement an  
81 annual process to review and report future reduction  
82 conditions at the same time and in the same manner as under  
83 chapter 143.

84 5. The general assembly shall enact such laws as may  
85 be necessary to carry out the provisions of this section.

Section B. Pursuant to chapter 116, and other  
2 applicable constitutional provisions and laws of this state  
3 allowing the general assembly to adopt ballot language for  
4 the submission of this joint resolution to the voters of  
5 this state, the official summary statement of this  
6 resolution shall be as follows:

7 "Shall the Missouri Constitution be amended to:

- 8 • Create a "Tax Reform Fund", which would use  
9 excess revenue to reduce and gradually eliminate  
10 Missouri income taxes; and  
11 • Impose an annual spending limit on the  
12 Missouri General Assembly?".

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