

FIRST REGULAR SESSION

SENATE JOINT RESOLUTION NO. 31

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR BROWN (26).

1282S.02I

KRISTINA MARTIN, Secretary

JOINT RESOLUTION

Submitting to the qualified voters of Missouri, an amendment repealing sections 20 and 26 of article X of the Constitution of Missouri, and adopting three new sections in lieu thereof relating to taxation.

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 X of the
7 Constitution of the state of Missouri:

Section A. Sections 20 and 26, article X, Constitution of
2 Missouri, are repealed and three new sections adopted in lieu
3 thereof, to be known as sections 20, 20(a), and 26, to read as
4 follows:

Section 20. **1.** No expenses of state government shall
2 be incurred in any fiscal year which exceed the sum of the
3 revenue limit established in sections 18 and 19 of this
4 article plus federal funds and any surplus from a previous
5 fiscal year.

**2. (1) The appropriation authority of the general
7 assembly under Section 36 of Article III of this
8 constitution shall be limited as provided under this**

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

9 subsection. The total amount of moneys available for
10 appropriation each fiscal year shall be limited as follows:

11 (a) If the population of the state increased in the
12 most recent full calendar year by more than one percent from
13 the calendar year immediately preceding such calendar year,
14 the general assembly shall have a spending limit equal to
15 one hundred percent of the most recent year's appropriation
16 in which no appropriation is made under subsection 3 of this
17 section plus the percentage of the state population
18 increase, which shall be applied as the percent of the total
19 moneys available for appropriation;

20 (b) If the population of the state increased in the
21 most recent full calendar year by one percent or less from
22 the calendar year immediately preceding such calendar year,
23 the general assembly shall have a spending limit equal to
24 one hundred and one percent of the most recent year's
25 appropriation in which no appropriation is made under
26 subsection 3 of this section; or

27 (c) If the population of the state decreased in the
28 most recent full calendar year, the general assembly shall
29 have a spending limit equal to one hundred percent of the
30 most recent year's appropriation in which no appropriation
31 is made under subsection 3 of this section minus the
32 percentage of the state population decrease.

33 (2) When calculating the spending limitation on the
34 appropriation authority of the general assembly as provided
35 under this subsection, all deductions, exemptions, credits,
36 and other tax preferences issued in the previous fiscal year
37 shall be included in the calculation of the spending
38 limitation.

39 3. (1) The spending limitation on the appropriation
40 authority of the general assembly under subsection 2 of this
41 section may be raised if the following conditions are met:

42 (a) The governor requests the general assembly to
43 approve and authorize an appropriation; and

44 (b) The general assembly approves the request in
45 accordance with the specifics of the governor's request by a
46 two-thirds vote of the members elected to and serving in
47 each house.

48 (2) Once the conditions under subdivision (1) of this
49 subsection are met, the spending limitation on the
50 appropriation authority of the general assembly shall be
51 equal to one hundred two percent of the previous year's
52 appropriation. This one-hundred-two-percent limit shall
53 remain in effect until the governor's appropriation request
54 is rescinded or until twelve months have passed since the
55 request was made, whichever occurs first.

 Section 20(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 Article IV of
21 this constitution, exceeds the anticipated general fund
22 revenue expenditures for a fiscal year by one million
23 dollars or more, each fiscal year that such surplus is
24 realized, such surplus in excess of one million dollars
25 shall be deposited into the 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 26. [In order to prohibit an increase in the
2 tax burden on the citizens of Missouri, state and local
3 sales and use taxes (or any similar transaction-based tax)
4 shall not be expanded to impose taxes on any service or
5 transaction that was not subject to sales, use or similar
6 transaction-based tax on January 1, 2015.] 1. (1) The
7 total amount of state sales tax imposed by general law,
8 excluding any additional sales tax imposed under this
9 constitution, shall be capped and the rate of sales tax
10 shall be a tax equivalent to three and seven hundred seventy-
11 five thousandths percent, levied and imposed upon all
12 sellers for the privilege of selling tangible personal
13 property or rendering taxable services at retail in this
14 state upon the sales and services that now are or hereafter
15 are listed and set forth in, and except as to the amount of
16 tax, subject to the provisions of and to be collected as
17 provided in the "Sales Tax Law" and subject to the rules and
18 regulations promulgated in connection therewith.

19 (2) The provisions of subdivision (1) of this
20 subsection shall become effective upon the passage by the
21 general assembly and approval by the governor of any bill
22 authorizing the statutory imposition of a state sales or use
23 tax on any service that was not subject to sales, use, or
24 similar transaction-based tax on January 1, 2015. The

25 reduction in the rate of tax under subdivision (1) of this
26 subsection shall take effect on the immediately succeeding
27 January first, following the passage and approval of such
28 bill.

29 2. An additional state sales tax is levied for the
30 rendering of lobbying services in this state. The tax shall
31 be at a rate equivalent to six percent.

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;
11 • Impose an annual spending limit on the
12 Missouri General Assembly;
13 • Cap the statutory state sales tax rate;
14 • Impose a sales tax on lobbying services; and
15 • Repeal the prohibition on certain new sales
16 and use taxes?".

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