

FIRST REGULAR SESSION

[PERFECTED]

SENATE COMMITTEE SUBSTITUTE FOR

# SENATE BILL NO. 163

103RD GENERAL ASSEMBLY

1248S.03P

KRISTINA MARTIN, Secretary

## AN ACT

To repeal section 143.175, RSMo, and to enact in lieu thereof one new section relating to an income tax deduction for certain National Guard duties.

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

Section A. Section 143.175, RSMo, is repealed and one new  
2 section enacted in lieu thereof, to be known as section 143.175,  
3 to read as follows:

143.175. 1. For all tax years beginning on or after  
2 January 1, 2020, for purposes of calculating the Missouri  
3 taxable income as required under section 143.011, a  
4 percentage of the income received by any person as salary or  
5 compensation:

6 (1) In performance of inactive duty for training (IDT)  
7 of the National Guard or annual training status (AT) of the  
8 National Guard;

9 (2) In reserve components of the Armed Forces of the  
10 United States; **[or]**

11 (3) For all tax years beginning on or after January 1,  
12 2025, in the form of a bonus from the National Guard or a  
13 reserve component of the United States Armed Forces for  
14 joining, reenlisting, or for any other reason; **or**

15 (4) **For all tax years beginning on or after January 1,**  
16 **2026, in performance of state-funded military orders of the**

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

17 **National Guard, commonly known as state active duty (SAD) or**  
18 **state emergency duty (SED);**

19 and to the extent that such income is included in the  
20 federal adjusted gross income, may be deducted from the  
21 taxpayer's Missouri adjusted gross income to determine such  
22 taxpayer's Missouri taxable income. If such person files a  
23 combined return with a spouse, a percentage of any military  
24 income received while engaging in the performance of  
25 National Guard or reserve military duty may be deducted from  
26 their Missouri combined adjusted gross income. Such  
27 military income shall be deducted as follows:

28 (a) For the tax year beginning on or after January 1,  
29 2020, twenty percent of such military income;

30 (b) For the tax year beginning on or after January 1,  
31 2021, forty percent of such military income;

32 (c) For the tax year beginning on or after January 1,  
33 2022, sixty percent of such income;

34 (d) For the tax year beginning on or after January 1,  
35 2023, eighty percent of such income;

36 (e) For all tax years beginning on January 1, 2024,  
37 and thereafter, one hundred percent of such income.

38 2. Notwithstanding the provisions of this section or  
39 any other provision of law to the contrary, the deduction  
40 authorized by this section shall not apply to compensation  
41 received while engaging in civilian federal service,  
42 including civil service positions requiring the wearing of  
43 military uniform and military affiliation.

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