

FIRST REGULAR SESSION

HOUSE BILL NO. 814

95TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES EMERY (Sponsor), NIEVES, SCHAAF, BIVINS, RUESTMAN, JONES (89), PARKINSON, SCHAD, BURLISON, KOENIG, WILSON (119), FISHER (125), FLANIGAN, DETHROW, DAVIS, SMITH (14), ALLEN, KRAUS, RUZICKA, STEVENSON, GUEST, ICET, KELLY, MUNZLINGER, McNARY, SCHOELLER, COOPER, WASSON, PARSON, WELLS, MEINERS AND BRUNS (Co-sponsors).

0893L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 144, RSMo, by adding thereto one new section relating to the Fair Tax Act of 2009, with a referendum clause.

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

Section A. Chapter 144, RSMo, is amended by adding thereto one new section, to be known as section 144.001, to read as follows:

144.001. 1. This section shall be known and may be cited as the "Fair Tax Act of 2009".

2. For all taxable years beginning on or after January 1, 2011, no tax shall be imposed upon any income derived from any source within this state, and all revenues lost as a result of the prohibition on the taxation of income under this section shall be replaced by the levy and imposition of a tax upon all use or consumption of taxable property or services in this state. The rate of such tax shall be five and eleven one-hundredths percent. The general assembly may enact one adjustment after the imposition of such tax if the revenue lost as a result of the prohibition on the taxation of income is greater than or less than the revenue received from the tax imposed in this section. Such adjustment shall be calculated to ensure that the amount of revenue received is equal to the amount of revenue lost under this section.

3. The taxes that shall be replaced under this section are as follows:

(1) Withholding taxes and individual and corporate income taxation;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

- 15 **(2) Corporation franchise and bank franchise taxes;**
16 **(3) All tax exemptions and deductions related to income and sales taxes;**
17 **(4) The estate tax;**
18 **(5) All other state taxes on any source of income.**

19 **4. The department of revenue shall determine a method for providing a monthly**
20 **sales tax rebate for each qualified family. The sales tax rebate shall be distributed to each**
21 **qualified family on or before the first business day of the month for which the sales tax**
22 **rebate is being provided. The amount of the sales tax rebate shall be determined annually**
23 **and be equal to the product of the rate of sales tax established under this section and one-**
24 **twelfth of the annual poverty guidelines updated periodically in the Federal Register by**
25 **the U.S. Department of Health and Human Services under the authority of 42 U.S.C.**
26 **9902(2), as amended.**

27 **5. The department of revenue shall promulgate rules to implement the provisions**
28 **of this section. Any rule or portion of a rule, as that term is defined in section 536.010,**
29 **RSMo, that is created under the authority delegated in this section shall become effective**
30 **only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and,**
31 **if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are**
32 **nonseverable and if any of the powers vested with the general assembly under chapter 536,**
33 **RSMo, to review, to delay the effective date, or to disapprove and annul a rule are**
34 **subsequently held unconstitutional, then the grant of rulemaking authority and any rule**
35 **proposed or adopted after August 28, 2009, shall be invalid and void.**

Section B. Section A of this act is hereby submitted to the qualified voters of this state
2 for approval or rejection at an election which is hereby ordered and which shall be held and
3 conducted on the Tuesday immediately following the first Monday in November, 2009, or at a
4 special election to be called by the governor for that purpose, pursuant to the laws and
5 constitutional provisions of this state applicable to general elections and the submission of
6 referendum measures by initiative petition, and it shall become effective when approved by a
7 majority of the votes cast thereon at such election and not otherwise.

Section C. The official ballot title for section A of this act submitted under section B of
2 this act shall read as follows:

3 "Shall Missouri Statutes be amended to eliminate individual and corporate income tax
4 and estate tax, and to enact a single, revenue-neutral sales tax of five and eleven one-hundredths
5 percent on new purchases of goods and services, and to exempt property purchased for business
6 or investment from the sales tax, and to provide each family with a monthly sales tax rebate?"

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