

FIRST REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NOS. 64 & 545

95TH GENERAL ASSEMBLY

0337L.03P

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 143.011, 143.021, 143.161, and 143.171, RSMo, and to enact in lieu thereof four new sections relating to income taxation.

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

Section A. Sections 143.011, 143.021, 143.161, and 143.171, RSMo, are repealed and
2 four new sections enacted in lieu thereof, to be known as sections 143.011, 143.021, 143.161,
3 and 143.171, to read as follows:

143.011. **1.** A tax is hereby imposed for every taxable year on the Missouri taxable
2 income of every resident.

2. For all taxable years ending on or before December 31, 2009, the tax shall be
4 determined by applying the tax table or the rate provided in section 143.021, which is based upon
5 the following rates:

6 If the Missouri taxable income is:	The tax is:
7 Not over \$1,000.00	1 1/2% of the Missouri taxable income
8 Over \$1,000 but not over \$2,000	\$15 plus 2% of excess over \$1,000
9 Over \$2,000 but not over \$3,000	\$35 plus 2 1/2% of excess over \$2,000
10 Over \$3,000 but not over \$4,000	\$60 plus 3% of excess over \$3,000
11 Over \$4,000 but not over \$5,000	\$90 plus 3 1/2% of excess over \$4,000
12 Over \$5,000 but not over \$6,000	\$125 plus 4% of excess over \$5,000
13 Over \$6,000 but not over \$7,000	\$165 plus 4 1/2% of excess over \$6,000
14 Over \$7,000 but not over \$8,000	\$210 plus 5% of excess over \$7,000
15 Over \$8,000 but not over \$9,000	\$260 plus 5 1/2% of excess over \$8,000
16 Over \$9,000	\$315 plus 6% of excess over \$9,000

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.

17 **3. For all taxable years beginning on or after January 1, 2010, the tax shall be**
18 **determined by applying the tax table or the rate provided in section 143.021, which is**
19 **based upon the following rates:**

If the Missouri taxable income is:	The tax is:
21 Not over \$1,000.00	1 1/2% of the Missouri taxable income
22 Over \$1,000 but not over \$2,000	\$15 plus 2% of excess over \$1,000
23 Over \$2,000 but not over \$3,000	\$35 plus 2 1/2% of excess over \$2,000
24 Over \$3,000 but not over \$4,000	\$60 plus 3% of excess over \$3,000
25 Over \$4,000 but not over \$5,000	\$90 plus 3 1/2% of excess over \$4,000
26 Over \$5,000 but not over \$6,000	\$125 plus 4% of excess over \$5,000
27 Over \$6,000 but not over \$7,000	\$165 plus 4 1/2% of excess over \$6,000
28 Over \$7,000 but not over \$8,000	\$210 plus 5% of excess over \$7,000
29 Over \$8,000 but not over \$50,000	\$260 plus 5 1/2% of excess over \$8,000
30 Over \$50,000	\$2570 plus 6% of excess over \$50,000

143.021. 1. For all taxable years ending on or before December 31, 2009, every
2 resident having a taxable income of less than nine thousand dollars shall determine his tax from
3 a tax table prescribed by the director of revenue and based upon the rates provided in section
4 143.011. The tax table shall be on the basis of one hundred dollar increments of taxable income
5 below nine thousand dollars. [The tax provided in the table shall be the amount rounded to the
6 nearest whole dollar by applying the rates in section 143.011 to the taxable income at the
7 midpoint of each increment, except there shall be no tax on a taxable income of less than one
8 hundred dollars.] Every resident having a taxable income of nine thousand dollars or more shall
9 determine his tax from the rate provided in section 143.011.

10 **2. For all taxable years beginning on or after January 1, 2010, every resident**
11 **having a taxable income of less than fifty thousand dollars shall determine the tax from a**
12 **tax table prescribed by the director of revenue and based upon the rates provided in**
13 **section 143.011. The tax table shall be on the basis of one hundred dollar increments of**
14 **taxable income below fifty thousand dollars. Every resident having a taxable income of**
15 **fifty thousand dollars or more shall determine the tax from the rate provided in section**
16 **143.011.**

17 **3. The tax provided in the table shall be the amount rounded to the nearest whole**
18 **dollar by applying the rates in section 143.011 to the taxable income at the midpoint of each**
19 **increment, except there shall be no tax on a taxable income of less than one hundred**
20 **dollars.**

143.161. 1. For all taxable years beginning after December 31, 1997, **but ending on or**
2 **before December 31, 2009,** a resident may deduct one thousand two hundred dollars for each

3 dependent for whom such resident is entitled to a dependency exemption deduction for federal
4 income tax purposes. **For all taxable years beginning on or after January 1, 2010, a resident**
5 **may deduct one thousand six hundred dollars for each dependent for whom such resident**
6 **is entitled to a dependency exemption deduction for federal income tax purposes.** In the
7 case of a dependent who has attained sixty-five years of age on or before the last day of the
8 taxable year, if such dependent resides in the taxpayer's home or the dependent's own home or
9 if such dependent does not receive Medicaid or state funding while residing in a facility licensed
10 pursuant to chapter 198, RSMo, the taxpayer may deduct an additional one thousand dollars.

11 2. [For all taxable years beginning before January 1, 1999, a resident who qualifies as
12 an unmarried head of household or as a surviving spouse for federal income tax purposes may
13 deduct an additional eight hundred dollars.] For all taxable years beginning on or after January
14 1, 1999, a resident who qualifies as an unmarried head of household or as a surviving spouse for
15 federal income tax purposes may deduct an additional one thousand four hundred dollars.

143.171. 1. [For all tax years beginning before January 1, 1994, for an individual
2 taxpayer and for all tax years beginning before September 1, 1993, for a corporate taxpayer, the
3 taxpayer shall be allowed a deduction for his federal income tax liability under chapter 1 of the
4 Internal Revenue Code for the same taxable year for which the Missouri return is being filed
5 after reduction for all credits thereon, except the credit for payments of federal estimated tax, the
6 credit for the overpayment of any federal tax, and the credits allowed by the Internal Revenue
7 Code by section 31 (tax withheld on wages), section 27 (tax of foreign country and United States
8 possessions), and section 34 (tax on certain uses of gasoline, special fuels, and lubricating oils).

9 2.] For all tax years beginning on or after January 1, 1994, **but ending on or before**
10 **December 31, 2009**, an individual taxpayer shall be allowed a deduction for his federal income
11 tax liability under chapter 1 of the Internal Revenue Code for the same taxable year for which
12 the Missouri return is being filed, not to exceed five thousand dollars on a single taxpayer's
13 return or ten thousand dollars on a combined return, after reduction for all credits thereon, except
14 the credit for payments of federal estimated tax, the credit for the overpayment of any federal tax,
15 and the credits allowed by the Internal Revenue Code by section 31 (tax withheld on wages),
16 section 27 (tax of foreign country and United States possessions), and section 34 (tax on certain
17 uses of gasoline, special fuels, and lubricating oils). **For all tax years beginning on or after**
18 **January 1, 2010, the deduction limits provided under this subsection shall increase to seven**
19 **thousand five hundred dollars on a single taxpayer's return and fifteen thousand dollars**
20 **on a combined return.**

21 [3.] 2. For all tax years beginning on or after September 1, 1993, a corporate taxpayer
22 shall be allowed a deduction for fifty percent of its federal income tax liability under chapter 1
23 of the Internal Revenue Code for the same taxable year for which the Missouri return is being

24 filed after reduction for all credits thereon, except the credit for payments of federal estimated
25 tax, the credit for the overpayment of any federal tax, and the credits allowed by the Internal
26 Revenue Code by section 31 (tax withheld on wages), section 27 (tax of foreign country and
27 United States possessions), and section 34 (tax on certain uses of gasoline, special fuels and
28 lubricating oils).

29 [4.] **3.** If a federal income tax liability for a tax year prior to the applicability of sections
30 143.011 to 143.996 for which he was not previously entitled to a Missouri deduction is later paid
31 or accrued, he may deduct the federal tax in the later year to the extent it would have been
32 deductible if paid or accrued in the prior year.

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