

HB 1017 -- Individual Income Taxes

Sponsor: Oxford

Beginning January 1, 2008, upon voter approval, this bill changes the laws regarding the Missouri individual income tax. In its main provisions, the bill:

(1) Eliminates the deduction for federal income taxes paid which is currently capped at \$5,000 for a single taxpayer and \$10,000 for a married couple;

(2) Establishes a refundable tax credit of \$150 per family member including the taxpayer, the taxpayer's spouse, and the taxpayer's dependents based on the taxpayer's Missouri adjusted gross income. A phase-out of the credit is established for incomes between \$30,000 and \$50,000. Taxpayers with incomes greater than \$50,000 are not eligible for the credit; and

(3) Creates new income tax rates and brackets. Currently, the maximum rate is 6% for incomes greater than \$9,000. The new rate maximum will be 9% for taxable incomes greater than \$50,000.