

FIRST REGULAR SESSION

HOUSE BILL NO. 78

96TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES NOLTE (Sponsor), FISHER, ZERR AND ALLEN (Co-sponsors).

0450L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 143, RSMo, by adding thereto one new section relating to an exemption of business income from income tax.

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

Section A. Chapter 143, RSMo, is amended by adding thereto one new section, to be known as section 143.103, to read as follows:

143.103. 1. As used in this section, the following terms mean:

(1) **"Business income", taxable income derived from a taxpayer's transaction of business in this state;**

(2) **"Taxpayer", any individual or corporation subject to the income tax imposed in this chapter.**

2. Notwithstanding any other provision of this chapter to the contrary, for all tax years beginning on or after January 1, 2011, a portion of a taxpayer's business income shall be exempt from taxation under this chapter. The exemption amount shall be equal to the following percentages:

(1) **For the tax year beginning on January 1, 2011, ten percent of the taxpayer's business income;**

(2) **For the tax year beginning on January 1, 2012, twenty percent of the taxpayer's business income;**

(3) **For the tax year beginning on January 1, 2013, thirty percent of the taxpayer's business income;**

(4) **For the tax year beginning on January 1, 2014, forty percent of the taxpayer's business income;**

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.

18 (5) For all tax years beginning on or after January 1, 2015, fifty percent of the
19 taxpayer's business income.

20 3. The department of revenue shall establish the procedure by which the exemption
21 provided in this section may be claimed, and may promulgate rules to implement the
22 provisions of this section. Any rule or portion of a rule, as that term is defined in section
23 536.010, that is created under the authority delegated in this section shall become effective
24 only if it complies with and is subject to all of the provisions of chapter 536 and, if
25 applicable, section 536.028. This section and chapter 536 are nonseverable and if any of
26 the powers vested with the general assembly under chapter 536 to review, to delay the
27 effective date, or to disapprove and annul a rule are subsequently held unconstitutional,
28 then the grant of rulemaking authority and any rule proposed or adopted after August 28,
29 2011, shall be invalid and void.

30 4. Under section 23.253 of the Missouri sunset act:

31 (1) The provisions of the new program authorized under this section shall
32 automatically sunset on December thirty-first six years after the effective date of this
33 section unless reauthorized by an act of the general assembly; and

34 (2) If such program is reauthorized, the program authorized under this section
35 shall automatically sunset on December thirty-first twelve years after the effective date of
36 the reauthorization of this section; and

37 (3) This section shall terminate on September first of the calendar year immediately
38 following the calendar year in which the program authorized under this section is sunset.