This bill establishes the Broad-Based Tax Relief Act of 2014 that reduces the tax on corporate business income and business income for sole proprietors, partners, and shareholders in S-corporations.

For all tax years beginning on or after January 1, 2014, the amount of business income to tax will be determined by the Office of Administration comparing the Missouri net individual and corporation income tax revenue received in the fiscal year ending on June 30, 2012, to the Missouri net individual and corporation income tax revenues received in the fiscal year ending on June 30 of the tax year before the tax year of determination, excluding any revenues received as the result of any amnesty. If the result of the comparison shows a decrease from the 2012 year, the percentage of business income to be taxed will not change until the time that the comparison shows the revenues to be equal to or increased from 2012. Once the comparison shows the revenues to be equal to or increased, business income will be taxed at 90% for the year following the determination, then each year the comparison shows the revenues to be equal to or increased from 2012, business income will be taxed at 80%, then 70%, then 60%, and then 50% for each subsequent tax year.

For all tax years beginning on or after January 1, 2014, the corporate tax rate will be determined by the Office of Administration comparing the Missouri net individual and corporation income tax revenue received in the fiscal year ending on June 30, 2012, to the Missouri net individual and corporation income tax revenues received in the fiscal year ending on June 30 of the tax year before the tax year of determination, excluding any revenues received as the result of any amnesty. If the result of the comparison shows a decrease from the 2012 year, the corporate tax rate will remain the same until the time that the comparison shows the revenues to be equal to or increased from 2012. Once the comparison shows the revenues to be equal to or increased, the tax rate will be decreased from 6.25% to 5.625% for the year following the determination, then each year the comparison shows the revenues to be equal to or increased from 2012, the tax rate will decrease to 5%; then 4.375%, then 3.75% and finally to 3.125% for each subsequent tax year. Once a decrease occurs in the amount of the tax imposed, the imposed tax amount cannot increase even if the sum of the Missouri net corporation income tax revenues and the Missouri net individual income tax revenues received in any following fiscal year ending on June 30 of any following tax year are less than the sum of the Missouri net corporation income tax revenues and the Missouri net individual income tax revenues.
received in the fiscal year ending on June 30, 2012. For all tax years beginning on or after January 1, 2014, if the average payroll for the tax year of a corporation exceeds 150% of the county average wage in the county in which the corporation is located the tax imposed upon the Missouri taxable income of corporations will be 3.125% of Missouri taxable income with specified exceptions.

Currently, an employer is allowed to file an annual withholding tax return instead of four quarterly returns when the aggregate amount withheld is less than $20 in each of the four preceding quarters. The bill changes the amount to less than $100 in each of the four preceding quarters if the employer is not otherwise required to file a withholding return on a quarterly or monthly basis.

The bill requires a proportional reduction in the financial institutions taxes rate when the corporation income tax rate is reduced.