

House _____ Amendment NO. _____

Offered By

1 AMEND House Bill No. 517, Page 1, In the Title, Line 3, by deleting all of said line and inserting in
2 lieu thereof the words, "imposition of tax on gratuities."; and

3
4 Further amend said bill, page, Section A, Line 2, by inserting after all of said section the following:

5 "143.191. 1. Every employer maintaining an office or transacting any business within this
6 state and making payment of any wages taxable under [sections 143.011 to 143.998] this chapter to a
7 resident or nonresident individual shall deduct and withhold from such wages for each payroll period
8 the amount provided in subsection 3 of this section.

9 2. The term "wages" referred to in subsection 1 of this section means wages as defined by
10 section 3401(a) of the Internal Revenue Code of 1986, as amended. The term "employer" means any
11 person, firm, corporation, association, fiduciary of any kind, or other type of organization for whom
12 an individual performs service as an employee, except that if the person or organization for whom
13 the individual performs service does not have control of the payment of compensation for such
14 service, the term "employer" means the person having control of the payment of the compensation.
15 The term includes the United States, this state, other states, and all agencies, instrumentalities, and
16 subdivisions of any of them.

17 3. (1) The method of determining the amount to be withheld shall be prescribed by
18 regulations of the director of revenue. The prescribed table, percentages, or other method shall
19 result, so far as practicable, in withholding from the employee's wages during each calendar year an
20 amount substantially equivalent to the tax reasonably estimated to be due from the employee under
21 [sections 143.011 to 143.998] this chapter with respect to the amount of such wages included in his
22 Missouri adjusted gross income during the calendar year.

23 (2) The amount to be withheld by an employer with respect to tips received by an employee
24 in the course of the employee's employment shall be calculated based solely on the amount of tips
25 reported by the employee in a written statement furnished to the employer as required by Section
26 6053(a) of the Internal Revenue Code of 1986, as amended, and only to the extent that collection can
27 be made by the employer, at or after the time such statement is furnished and before the close of the
28 calendar year in which the statement is furnished, by deducting the amount of the tax from such
29 employee's wages under the control of the employer, excluding tips and any amounts which the
30 employer is obligated to withhold and remit to the federal government, but including funds turned
31 over by the employee to the employer to be used for Missouri income tax withholding. The
32 employer shall have no Missouri income tax withholding obligation with respect to an employee's
33 under-reported tips.

34 4. For purposes of this section an employee shall be entitled to the same number of personal
35 and dependency withholding exemptions as the number of exemptions to which he is entitled for
36 federal income tax withholding purposes. An employer may rely upon the number of federal

Action Taken _____ Date _____

1 withholding exemptions claimed by the employee, except where the employee provides the
2 employer with a form claiming a different number of withholding exemptions in this state.

3 5. The director of revenue may enter into agreements with the tax departments of other states
4 (which require income tax to be withheld from the payment of wages) so as to govern the amounts to
5 be withheld from the wages of residents of such states under this section. Such agreements may
6 provide for recognition of anticipated tax credits in determining the amounts to be withheld and,
7 under regulations prescribed by the director of revenue, may relieve employers in this state from
8 withholding income tax on wages paid to nonresident employees. The agreements authorized by this
9 subsection are subject to the condition that the tax department of such other states grant similar
10 treatment to residents of this state.

11 6. The director of revenue shall enter into agreements with the Secretary of the Treasury of
12 the United States or with the appropriate secretaries of the respective branches of the Armed Forces
13 of the United States for the withholding, as required by subsections 1 and 2 of this section, of income
14 taxes due the state of Missouri on wages or other payments for service in the armed services of the
15 United States or on payments received as retirement or retainer pay of any member or former
16 member of the Armed Forces entitled to such pay.

17 7. Subject to appropriations for the purpose of implementing this section, the director of
18 revenue shall comply with provisions of the laws of the United States as amended and the regulations
19 promulgated thereto in order that all residents of this state receiving monthly retirement income as a
20 civil service annuitant from the federal government taxable by this state may have withheld monthly
21 from any such moneys, whether pension, annuities or otherwise, an amount for payment of state
22 income taxes as required by state law, but such withholding shall not be less than twenty-five dollars
23 per quarter.

24 8. The provisions of this section shall not apply to out-of-state businesses operating under
25 sections 190.270 to 190.285."; and

26
27 Further amend said bill by amending the title, enacting clause, and intersectional references
28 accordingly.