

HB 2744 -- INDIVIDUAL INCOME TAX

SPONSOR: Morgan

For all taxable years beginning on or after January 1, 2018, this bill changes the laws regarding the Missouri individual income tax.

In its main provisions, the bill:

(1) 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. The dollar amount must be increased annually by the same percentage as the increase over the previous year in the federal Consumer Price Index;

(2) 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; and

(3) Establishes a refundable tax credit of \$200 per family member including the taxpayer, the taxpayer's spouse, and the taxpayer's dependents if the taxpayer's federal adjusted gross income is less than \$30,000 or if the taxpayer's filing status is head of household or married filing jointly and his or her federal adjusted gross income is less than \$60,000. A schedule with reduced credit amounts is established for incomes between \$30,000 and \$50,000 for single or married filing separately taxpayers and for incomes between \$60,000 and \$80,000 for married filing combined and head of household taxpayers. A taxpayer with a federal adjusted gross income of greater than the specified amounts is not eligible for the credit.

The bill contains a referendum clause and becomes effective only upon voter approval.

This bill is similar to HB 1238 (2015).