

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Bill No. 3, Pages 1-3, Section 135.010, Lines 1-86, by striking said
2 section from the bill; and

3
4 Further amend said bill, Pages 3-4, Section 135.025, Lines 1-7, by deleting all of said lines and
5 inserting in lieu thereof the following:

6
7 "135.025. 1. The property taxes accrued and rent constituting property taxes accrued on
8 each return shall be totaled. This total, up to seven hundred fifty dollars in rent constituting
9 property taxes actually paid or eleven hundred dollars in actual property tax paid, shall be used in
10 determining the property tax credit. The director of revenue shall prescribe regulations providing
11 for allocations where part of a claimant's homestead is rented to another or used for nondwelling
12 purposes or where a homestead is owned or rented or used as a dwelling for part of a year."; and

13
14 Further amend said bill, Page 4, section, Lines 18-19, by deleting all of said lines and inserting in
15 lieu thereof the following:

16
17 "3. The director of the department of revenue shall calculate the amount of business income
18 that would have been deducted under section 143.022 for 2017. In fiscal year 2018"; and

19
20 Further amend said bill, Pages 4-5, Section 135.030, Lines 1-37, by striking said section from the
21 bill; and

22
23 Further amend said bill, Page 5, section, Line 37, by inserting after all of said section and line the
24 following:

25
26 "[143.022. 1. As used in this section, "business income" means the income greater than
27 zero arising from transactions in the regular course of all of a taxpayer's trade or business and shall
28 be limited to the Missouri source net profit from the combination of the following:

29 (1) The total combined profit as properly reported to the Internal Revenue Service on each
30 Schedule C, or its successor form, filed; and

31 (2) The total partnership and S corporation income or loss properly reported to the Internal
32 Revenue Service on Part II of Schedule E, or its successor form.

33 2. In addition to all other modifications allowed by law, there shall be subtracted from the
34 federal adjusted gross income of an individual taxpayer a percentage of such individual's business
35 income, to the extent that such amounts are included in federal adjusted gross income when
36 determining such individual's Missouri adjusted gross income.

Action Taken _____ Date _____

1 3. In the case of an S corporation described in section 143.471 or a partnership computing
 2 the deduction allowed under subsection 2 of this section, taxpayers described in subdivision (1) or
 3 (2) of this subsection shall be allowed such deduction apportioned in proportion to their share of
 4 ownership of the business as reported on the taxpayer's Schedule K-1, or its successor form, for the
 5 tax period for which such deduction is being claimed when determining the Missouri adjusted gross
 6 income of:

7 (1) The shareholders of an S corporation as described in section 143.471;

8 (2) The partners in a partnership.

9 4. ~~The percentage to be subtracted under subsection 2 of this section shall be increased over~~
 10 ~~a period of years. Each increase in the percentage shall be by five percent and no more than one~~
 11 ~~increase shall occur in a calendar year. The maximum percentage that may be subtracted is twenty-~~
 12 ~~five percent of business income. Any increase in the percentage that may be subtracted shall take~~
 13 ~~effect on January first of a calendar year and such percentage shall continue in effect until the next~~
 14 ~~percentage increase occurs. An increase shall only apply to tax years that begin on or after the~~
 15 ~~increase takes effect.~~

16 5. ~~An increase in the percentage that may be subtracted under subsection 2 of this section~~
 17 ~~shall only occur if the amount of net general revenue collected in the previous fiscal year exceeds~~
 18 ~~the highest amount of net general revenue collected in any of the three fiscal years prior to such~~
 19 ~~fiscal year by at least one hundred fifty million dollars.~~

20 6. ~~The first year that a taxpayer may make the subtraction under subsection 2 of this section~~
 21 ~~is 2017, provided that the provisions of subsection 5 of this section are met. If the provisions of~~
 22 ~~subsection 5 of this section are met, the percentage that may be subtracted in 2017 is five percent.]"~~
 23 and
 24

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