

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for Senate Bill No. 871, Page 1, Section A, Line 3, by
2 inserting after all of said section and line the following:

3
4 "Section 143.225. 1. The director of revenue, by regulation, may require an employer to
5 timely remit the unpaid amount required to be deducted and withheld by section 143.191 at the end
6 of any quarter-monthly period, only if the employer was required to deduct and withhold six
7 thousand dollars or more in each of at least two months during the prior twelve months.

8 2. The director may increase the monthly requirement to more than six thousand dollars or
9 otherwise narrow the application of the quarter-monthly remittance system authorized by this
10 section. The director may not require the remittance of withheld taxes more often than monthly
11 unless authorized by this section.

12 3. A remittance shall be timely if mailed as provided in section 143.851 within three
13 banking days after the end of the quarter-monthly period or if received by the director or deposited
14 in a depository designated by the director within four banking days after the end of the quarter-
15 monthly period.

16 4. ~~[The unpaid amount shall be after a reduction for the compensation provided by section~~
17 ~~143.261.]~~ The unpaid amount at the end of a quarter-monthly period shall not include unpaid
18 amounts for any prior quarter-monthly period.

19 5. For purposes of this section, "quarter-monthly period" means:

- 20 (1) The first seven days of a calendar month;
21 (2) The eighth to fifteenth day of a calendar month;
22 (3) The sixteenth to twenty-second day of a calendar month; and
23 (4) The portion following the twenty-second day of a calendar month.

24 6. (1) In the case of an underpayment of any amount required to be paid pursuant to this
25 section, an employer shall be liable for a penalty in lieu of all other penalties, interest or additions to
26 tax imposed by this chapter for violating this section. The penalty shall be five percent of the
27 amount of the underpayment determined under subdivision (2) of this subsection.

28 (2) The amount of the underpayment shall be the excess of:

- 29 (a) Ninety percent of the unpaid amount at the end of a quarter-monthly period; over
30 (b) The amount, if any, of the timely remittance for the quarter-monthly period.

31 7. (1) The penalty with respect to any quarter-monthly period shall not be imposed if the
32 employer's timely remittance for the quarter-monthly period equals or exceeds one-fourth of the
33 average monthly withholding tax liability of the employer for the preceding calendar year. The
34 month of highest liability and the month of lowest liability shall be excluded in computing the
35 average. This subdivision shall apply only to an employer who had a withholding tax liability for at
36 least six months of the previous calendar year.

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1 (2) The penalty shall not be imposed if the employer establishes that the failure to make a
2 timely remittance of at least ninety percent was due to reasonable cause, and not due to willful
3 neglect.

4 (3) The penalty shall not be imposed against any employer for the first two months the
5 employer is obligated to make quarter-monthly remittance of withholding taxes.

6 8. Tax amounts remitted under this section shall be treated as payments on the employer's
7 monthly return required by subsection 2 of section 143.221. Tax amounts remitted under this
8 section shall be deemed to have been paid on the last day prescribed for filing the return. The
9 preceding sentence shall apply in computing compensation under section 143.261, interest, penalties
10 and additions to tax and for purposes of all sections of chapter 143, except this section.

11 9. The director of revenue may prescribe the use of an electronic funds payment system for
12 the payment of withholding taxes by any employer subject to the requirement of quarter-monthly
13 remittance as provided in this section."; and

14
15 Further amend said bill, Page 3, Section 488.2250, Line 19, by inserting after all of said section and
16 line the following:

17
18 ~~"[143.261. For every remittance to the director of revenue made on or before the date the~~
19 ~~remittance becomes due, the employer, other than the United States and its agencies, the state of~~
20 ~~Missouri and political subdivisions thereof, may deduct and retain the following percentages of the~~
21 ~~total amount of tax withheld and paid in each calendar year:~~

22 ~~———(1) Two percent of five thousand dollars or less;~~

23 ~~———(2) One percent of amount collected in excess of five thousand dollars and up to and~~
24 ~~including ten thousand dollars;~~

25 ~~———(3) One-half percent of amount collected in excess of ten thousand dollars.]"~~; and

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