

SECOND REGULAR SESSION
[C O R R E C T E D]
[TRULY AGREED TO AND FINALLY PASSED]
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 676
100TH GENERAL ASSEMBLY
2020

3183H.07T

AN ACT

To repeal sections 137.115, 137.385, 138.060, 138.090, 143.121, 143.171, and 143.991, RSMo, and to enact in lieu thereof eight new sections relating to taxation.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 137.115, 137.385, 138.060, 138.090, 143.121, 143.171, 2 and 143.991, RSMo, are repealed and eight new sections enacted in lieu thereof, 3 to be known as sections 137.115, 137.385, 138.060, 138.090, 143.121, 143.171, 4 143.425, and 143.991, to read as follows:

137.115. 1. All other laws to the contrary notwithstanding, the assessor 2 or the assessor's deputies in all counties of this state including the City of St. 3 Louis shall annually make a list of all real and tangible personal property taxable 4 in the assessor's city, county, town or district. Except as otherwise provided in 5 subsection 3 of this section and section 137.078, the assessor shall annually 6 assess all personal property at thirty-three and one-third percent of its true value 7 in money as of January first of each calendar year. The assessor shall annually 8 assess all real property, including any new construction and improvements to real 9 property, and possessory interests in real property at the percent of its true value 10 in money set in subsection 5 of this section. The true value in money of any 11 possessory interest in real property in subclass (3), where such real property is 12 on or lies within the ultimate airport boundary as shown by a federal airport 13 layout plan, as defined by 14 CFR 151.5, of a commercial airport having a FAR 14 Part 139 certification and owned by a political subdivision, shall be the otherwise 15 applicable true value in money of any such possessory interest in real property,

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

16 less the total dollar amount of costs paid by a party, other than the political
17 subdivision, towards any new construction or improvements on such real property
18 completed after January 1, 2008, and which are included in the above-mentioned
19 possessory interest, regardless of the year in which such costs were incurred or
20 whether such costs were considered in any prior year. The assessor shall
21 annually assess all real property in the following manner: new assessed values
22 shall be determined as of January first of each odd-numbered year and shall be
23 entered in the assessor's books; those same assessed values shall apply in the
24 following even-numbered year, except for new construction and property
25 improvements which shall be valued as though they had been completed as of
26 January first of the preceding odd-numbered year. The assessor may call at the
27 office, place of doing business, or residence of each person required by this
28 chapter to list property, and require the person to make a correct statement of all
29 taxable tangible personal property owned by the person or under his or her care,
30 charge or management, taxable in the county. On or before January first of each
31 even-numbered year, the assessor shall prepare and submit a two-year
32 assessment maintenance plan to the county governing body and the state tax
33 commission for their respective approval or modification. The county governing
34 body shall approve and forward such plan or its alternative to the plan to the
35 state tax commission by February first. If the county governing body fails to
36 forward the plan or its alternative to the plan to the state tax commission by
37 February first, the assessor's plan shall be considered approved by the county
38 governing body. If the state tax commission fails to approve a plan and if the
39 state tax commission and the assessor and the governing body of the county
40 involved are unable to resolve the differences, in order to receive state cost-share
41 funds outlined in section 137.750, the county or the assessor shall petition the
42 administrative hearing commission, by May first, to decide all matters in dispute
43 regarding the assessment maintenance plan. Upon agreement of the parties, the
44 matter may be stayed while the parties proceed with mediation or arbitration
45 upon terms agreed to by the parties. The final decision of the administrative
46 hearing commission shall be subject to judicial review in the circuit court of the
47 county involved. In the event a valuation of subclass (1) real property within any
48 county with a charter form of government, or within a city not within a county,
49 is made by a computer, computer-assisted method or a computer program, the
50 burden of proof, supported by clear, convincing and cogent evidence to sustain
51 such valuation, shall be on the assessor at any hearing or appeal. In any such

52 county, unless the assessor proves otherwise, there shall be a presumption that
53 the assessment was made by a computer, computer-assisted method or a
54 computer program. Such evidence shall include, but shall not be limited to, the
55 following:

56 (1) The findings of the assessor based on an appraisal of the property by
57 generally accepted appraisal techniques; and

58 (2) The purchase prices from sales of at least three comparable properties
59 and the address or location thereof. As used in this subdivision, the word
60 "comparable" means that:

61 (a) Such sale was closed at a date relevant to the property valuation; and

62 (b) Such properties are not more than one mile from the site of the
63 disputed property, except where no similar properties exist within one mile of the
64 disputed property, the nearest comparable property shall be used. Such property
65 shall be within five hundred square feet in size of the disputed property, and
66 resemble the disputed property in age, floor plan, number of rooms, and other
67 relevant characteristics.

68 2. Assessors in each county of this state and the City of St. Louis may
69 send personal property assessment forms through the mail.

70 3. The following items of personal property shall each constitute separate
71 subclasses of tangible personal property and shall be assessed and valued for the
72 purposes of taxation at the following percentages of their true value in money:

73 (1) Grain and other agricultural crops in an unmanufactured condition,
74 one-half of one percent;

75 (2) Livestock, twelve percent;

76 (3) Farm machinery, twelve percent;

77 (4) Motor vehicles which are eligible for registration as and are registered
78 as historic motor vehicles pursuant to section 301.131 and aircraft which are at
79 least twenty-five years old and which are used solely for noncommercial purposes
80 and are operated less than fifty hours per year or aircraft that are home built
81 from a kit, five percent;

82 (5) Poultry, twelve percent; and

83 (6) Tools and equipment used for pollution control and tools and
84 equipment used in retooling for the purpose of introducing new product lines or
85 used for making improvements to existing products by any company which is
86 located in a state enterprise zone and which is identified by any standard
87 industrial classification number cited in subdivision (5) of section 135.200,

88 twenty-five percent.

89 4. The person listing the property shall enter a true and correct statement
90 of the property, in a printed blank prepared for that purpose. The statement,
91 after being filled out, shall be signed and either affirmed or sworn to as provided
92 in section 137.155. The list shall then be delivered to the assessor.

93 5. (1) All subclasses of real property, as such subclasses are established
94 in Section 4(b) of Article X of the Missouri Constitution and defined in section
95 137.016, shall be assessed at the following percentages of true value:

96 (a) For real property in subclass (1), nineteen percent;

97 (b) For real property in subclass (2), twelve percent; and

98 (c) For real property in subclass (3), thirty-two percent.

99 (2) A taxpayer may apply to the county assessor, or, if not located within
100 a county, then the assessor of such city, for the reclassification of such taxpayer's
101 real property if the use or purpose of such real property is changed after such
102 property is assessed under the provisions of this chapter. If the assessor
103 determines that such property shall be reclassified, he or she shall determine the
104 assessment under this subsection based on the percentage of the tax year that
105 such property was classified in each subclassification.

106 6. Manufactured homes, as defined in section 700.010, which are actually
107 used as dwelling units shall be assessed at the same percentage of true value as
108 residential real property for the purpose of taxation. The percentage of
109 assessment of true value for such manufactured homes shall be the same as for
110 residential real property. If the county collector cannot identify or find the
111 manufactured home when attempting to attach the manufactured home for
112 payment of taxes owed by the manufactured home owner, the county collector
113 may request the county commission to have the manufactured home removed from
114 the tax books, and such request shall be granted within thirty days after the
115 request is made; however, the removal from the tax books does not remove the tax
116 lien on the manufactured home if it is later identified or found. For purposes of
117 this section, a manufactured home located in a manufactured home rental park,
118 rental community or on real estate not owned by the manufactured home owner
119 shall be considered personal property. For purposes of this section, a
120 manufactured home located on real estate owned by the manufactured home
121 owner may be considered real property.

122 7. Each manufactured home assessed shall be considered a parcel for the
123 purpose of reimbursement pursuant to section 137.750, unless the manufactured

124 home is real estate as defined in subsection 7 of section 442.015 and assessed as
125 a realty improvement to the existing real estate parcel.

126 8. Any amount of tax due and owing based on the assessment of a
127 manufactured home shall be included on the personal property tax statement of
128 the manufactured home owner unless the manufactured home is real estate as
129 defined in subsection 7 of section 442.015, in which case the amount of tax due
130 and owing on the assessment of the manufactured home as a realty improvement
131 to the existing real estate parcel shall be included on the real property tax
132 statement of the real estate owner.

133 9. The assessor of each county and each city not within a county shall use
134 the trade-in value published in the October issue of the National Automobile
135 Dealers' Association Official Used Car Guide, or its successor publication, as the
136 recommended guide of information for determining the true value of motor
137 vehicles described in such publication. The assessor shall not use a value that
138 is greater than the average trade-in value in determining the true value of the
139 motor vehicle without performing a physical inspection of the motor vehicle. For
140 vehicles two years old or newer from a vehicle's model year, the assessor may use
141 a value other than average without performing a physical inspection of the motor
142 vehicle. In the absence of a listing for a particular motor vehicle in such
143 publication, the assessor shall use such information or publications which in the
144 assessor's judgment will fairly estimate the true value in money of the motor
145 vehicle.

146 10. Before the assessor may increase the assessed valuation of any parcel
147 of subclass (1) real property by more than fifteen percent since the last
148 assessment, excluding increases due to new construction or improvements, the
149 assessor shall conduct a physical inspection of such property.

150 11. If a physical inspection is required, pursuant to subsection 10 of this
151 section, the assessor shall notify the property owner of that fact in writing and
152 shall provide the owner clear written notice of the owner's rights relating to the
153 physical inspection. If a physical inspection is required, the property owner may
154 request that an interior inspection be performed during the physical
155 inspection. The owner shall have no less than thirty days to notify the assessor
156 of a request for an interior physical inspection.

157 12. A physical inspection, as required by subsection 10 of this section,
158 shall include, but not be limited to, an on-site personal observation and review
159 of all exterior portions of the land and any buildings and improvements to which

160 the inspector has or may reasonably and lawfully gain external access, and shall
161 include an observation and review of the interior of any buildings or
162 improvements on the property upon the timely request of the owner pursuant to
163 subsection 11 of this section. Mere observation of the property via a drive-by
164 inspection or the like shall not be considered sufficient to constitute a physical
165 inspection as required by this section.

166 13. [The provisions of subsections 11 and 12 of this section shall only
167 apply in any county with a charter form of government with more than one
168 million inhabitants.

169 14.] A county or city collector may accept credit cards as proper form of
170 payment of outstanding property tax or license due. No county or city collector
171 may charge surcharge for payment by credit card which exceeds the fee or
172 surcharge charged by the credit card bank, processor, or issuer for its service. A
173 county or city collector may accept payment by electronic transfers of funds in
174 payment of any tax or license and charge the person making such payment a fee
175 equal to the fee charged the county by the bank, processor, or issuer of such
176 electronic payment.

177 [15] 14. Any county or city not within a county in this state may, by an
178 affirmative vote of the governing body of such county, opt out of the provisions of
179 this section and sections 137.073, 138.060, and 138.100 as enacted by house bill
180 no. 1150 of the ninety-first general assembly, second regular session and section
181 137.073 as modified by house committee substitute for senate substitute for
182 senate committee substitute for senate bill no. 960, ninety-second general
183 assembly, second regular session, for the next year of the general reassessment,
184 prior to January first of any year. No county or city not within a county shall
185 exercise this opt-out provision after implementing the provisions of this section
186 and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of
187 the ninety-first general assembly, second regular session and section 137.073 as
188 modified by house committee substitute for senate substitute for senate
189 committee substitute for senate bill no. 960, ninety-second general assembly,
190 second regular session, in a year of general reassessment. For the purposes of
191 applying the provisions of this subsection, a political subdivision contained within
192 two or more counties where at least one of such counties has opted out and at
193 least one of such counties has not opted out shall calculate a single tax rate as
194 in effect prior to the enactment of house bill no. 1150 of the ninety-first general
195 assembly, second regular session. A governing body of a city not within a county

196 or a county that has opted out under the provisions of this subsection may choose
197 to implement the provisions of this section and sections 137.073, 138.060, and
198 138.100 as enacted by house bill no. 1150 of the ninety-first general assembly,
199 second regular session, and section 137.073 as modified by house committee
200 substitute for senate substitute for senate committee substitute for senate bill no.
201 960, ninety-second general assembly, second regular session, for the next year of
202 general reassessment, by an affirmative vote of the governing body prior to
203 December thirty-first of any year.

204 [16] 15. The governing body of any city of the third classification with
205 more than twenty-six thousand three hundred but fewer than twenty-six
206 thousand seven hundred inhabitants located in any county that has exercised its
207 authority to opt out under subsection 15 of this section may levy separate and
208 differing tax rates for real and personal property only if such city bills and
209 collects its own property taxes or satisfies the entire cost of the billing and
210 collection of such separate and differing tax rates. Such separate and differing
211 rates shall not exceed such city's tax rate ceiling.

212 [17] 16. Any portion of real property that is available as reserve for strip,
213 surface, or coal mining for minerals for purposes of excavation for future use or
214 sale to others that has not been bonded and permitted under chapter 444 shall
215 be assessed based upon how the real property is currently being used. Any
216 information provided to a county assessor, state tax commission, state agency, or
217 political subdivision responsible for the administration of tax policies shall, in the
218 performance of its duties, make available all books, records, and information
219 requested, except such books, records, and information as are by law declared
220 confidential in nature, including individually identifiable information regarding
221 a specific taxpayer or taxpayer's mine property. For purposes of this subsection,
222 "mine property" shall mean all real property that is in use or readily available as
223 a reserve for strip, surface, or coal mining for minerals for purposes of excavation
224 for current or future use or sale to others that has been bonded and permitted
225 under chapter 444.

137.385. Any person aggrieved by the assessment of his property may
2 appeal to the county board of equalization. An appeal shall be in writing and the
3 forms to be used for this purpose shall be furnished by the county clerk. Such
4 appeal shall be lodged with the county clerk as secretary of the board of
5 equalization before the [third] **second** Monday in [June] **July**; provided, that
6 the board may in its discretion extend the time for filing such appeals.

138.060. 1. The county board of equalization shall, in a summary way,
2 determine all appeals from the valuation of property made by the assessor, and
3 shall correct and adjust the assessment accordingly. There shall be no
4 presumption that the assessor's valuation is correct. In any county with a charter
5 form of government with a population greater than two hundred eighty thousand
6 inhabitants but less than two hundred eighty-five thousand inhabitants, [and] in
7 any county with a charter form of government with greater than one million
8 inhabitants, [and] in any city not within a county, **and in any other county**
9 **for any property whose assessed valuation increased at least fifteen**
10 **percent from the previous assessment unless the increase is due to new**
11 **construction or improvement**, the assessor shall have the burden to prove
12 that the assessor's valuation does not exceed the true market value of the subject
13 property. In such county or city, in the event a physical inspection of the subject
14 property is required by subsection 10 of section 137.115, the assessor shall have
15 the burden to establish the manner in which the physical inspection was
16 performed and shall have the burden to prove that the physical inspection was
17 performed in accordance with section 137.115. In such county or city, in the
18 event the assessor fails to provide sufficient evidence to establish that the
19 physical inspection was performed in accordance with section 137.115, the
20 property owner shall prevail on the appeal as a matter of law. At any hearing
21 before the state tax commission or a court of competent jurisdiction of an appeal
22 of assessment from a first class charter county or a city not within a county, the
23 assessor shall not advocate nor present evidence advocating a valuation higher
24 than that value finally determined by the assessor or the value determined by the
25 board of equalization, whichever is higher, for that assessment period.

26 2. The county clerk shall keep an accurate record of the proceedings and
27 orders of the board, and the assessor shall correct all erroneous assessments, and
28 the clerk shall adjust the tax book according to the orders of such board and the
29 orders of the state tax commission, except that in adding or deducting such
30 percent to each tract or parcel of real estate as required by such board or state
31 tax commission, he shall add or deduct in each case any fractional sum of less
32 than fifty cents, so that the value of any separate tract shall contain no fractions
33 of a dollar.

138.090. 1. Except as provided in subsection 2 of this section, the county
2 board of equalization in first class counties shall meet on the [first] **third**
3 Monday in July of each year.

4 2. Upon a finding by the board that it is necessary in order to fairly hear
5 all cases arising from a general reassessment, the board may begin meeting after
6 July first in any applicable year to timely consider any appeal or complaint
7 resulting from an evaluation made during a general reassessment of all taxable
8 real property and possessory interests in the county. There shall be no
9 presumption that the assessor's valuation is correct.

 143.121. 1. The Missouri adjusted gross income of a resident individual
2 shall be the taxpayer's federal adjusted gross income subject to the modifications
3 in this section.

4 2. There shall be added to the taxpayer's federal adjusted gross income:

5 (1) The amount of any federal income tax refund received for a prior year
6 which resulted in a Missouri income tax benefit. **The amount added pursuant**
7 **to this subdivision shall not include any amount of a federal income tax**
8 **refund attributable to a tax credit reducing a taxpayer's federal tax**
9 **liability pursuant to Public Law 116-136, enacted by the 116th United**
10 **States Congress, for the tax year beginning on or after January 1, 2020,**
11 **and ending on or before December 31, 2020, and deducted from**
12 **Missouri adjusted gross income pursuant to section 143.171;**

13 (2) Interest on certain governmental obligations excluded from federal
14 gross income by 26 U.S.C. Section 103 of the Internal Revenue Code, as
15 amended. The previous sentence shall not apply to interest on obligations of the
16 state of Missouri or any of its political subdivisions or authorities and shall not
17 apply to the interest described in subdivision (1) of subsection 3 of this
18 section. The amount added pursuant to this subdivision shall be reduced by the
19 amounts applicable to such interest that would have been deductible in
20 computing the taxable income of the taxpayer except only for the application of
21 26 U.S.C. Section 265 of the Internal Revenue Code, as amended. The reduction
22 shall only be made if it is at least five hundred dollars;

23 (3) The amount of any deduction that is included in the computation of
24 federal taxable income pursuant to 26 U.S.C. Section 168 of the Internal Revenue
25 Code as amended by the Job Creation and Worker Assistance Act of 2002 to the
26 extent the amount deducted relates to property purchased on or after July 1,
27 2002, but before July 1, 2003, and to the extent the amount deducted exceeds the
28 amount that would have been deductible pursuant to 26 U.S.C. Section 168 of the
29 Internal Revenue Code of 1986 as in effect on January 1, 2002;

30 (4) The amount of any deduction that is included in the computation of

31 federal taxable income for net operating loss allowed by 26 U.S.C. Section 172 of
32 the Internal Revenue Code of 1986, as amended, other than the deduction allowed
33 by 26 U.S.C. Section 172(b)(1)(G) and 26 U.S.C. Section 172(i) of the Internal
34 Revenue Code of 1986, as amended, for a net operating loss the taxpayer claims
35 in the tax year in which the net operating loss occurred or carries forward for a
36 period of more than twenty years and carries backward for more than two
37 years. Any amount of net operating loss taken against federal taxable income but
38 disallowed for Missouri income tax purposes pursuant to this subdivision after
39 June 18, 2002, may be carried forward and taken against any income on the
40 Missouri income tax return for a period of not more than twenty years from the
41 year of the initial loss; and

42 (5) For nonresident individuals in all taxable years ending on or after
43 December 31, 2006, the amount of any property taxes paid to another state or a
44 political subdivision of another state for which a deduction was allowed on such
45 nonresident's federal return in the taxable year unless such state, political
46 subdivision of a state, or the District of Columbia allows a subtraction from
47 income for property taxes paid to this state for purposes of calculating income for
48 the income tax for such state, political subdivision of a state, or the District of
49 Columbia;

50 (6) For all tax years beginning on or after January 1, 2018, any interest
51 expense paid or accrued in a previous taxable year, but allowed as a deduction
52 under 26 U.S.C. Section 163, as amended, in the current taxable year by reason
53 of the carryforward of disallowed business interest provisions of 26 U.S.C. Section
54 163(j), as amended. For the purposes of this subdivision, an interest expense is
55 considered paid or accrued only in the first taxable year the deduction would have
56 been allowable under 26 U.S.C. Section 163, as amended, if the limitation under
57 26 U.S.C. Section 163(j), as amended, did not exist.

58 3. There shall be subtracted from the taxpayer's federal adjusted gross
59 income the following amounts to the extent included in federal adjusted gross
60 income:

61 (1) Interest received on deposits held at a federal reserve bank or interest
62 or dividends on obligations of the United States and its territories and
63 possessions or of any authority, commission or instrumentality of the United
64 States to the extent exempt from Missouri income taxes pursuant to the laws of
65 the United States. The amount subtracted pursuant to this subdivision shall be
66 reduced by any interest on indebtedness incurred to carry the described

67 obligations or securities and by any expenses incurred in the production of
68 interest or dividend income described in this subdivision. The reduction in the
69 previous sentence shall only apply to the extent that such expenses including
70 amortizable bond premiums are deducted in determining the taxpayer's federal
71 adjusted gross income or included in the taxpayer's Missouri itemized
72 deduction. The reduction shall only be made if the expenses total at least five
73 hundred dollars;

74 (2) The portion of any gain, from the sale or other disposition of property
75 having a higher adjusted basis to the taxpayer for Missouri income tax purposes
76 than for federal income tax purposes on December 31, 1972, that does not exceed
77 such difference in basis. If a gain is considered a long-term capital gain for
78 federal income tax purposes, the modification shall be limited to one-half of such
79 portion of the gain;

80 (3) The amount necessary to prevent the taxation pursuant to this chapter
81 of any annuity or other amount of income or gain which was properly included in
82 income or gain and was taxed pursuant to the laws of Missouri for a taxable year
83 prior to January 1, 1973, to the taxpayer, or to a decedent by reason of whose
84 death the taxpayer acquired the right to receive the income or gain, or to a trust
85 or estate from which the taxpayer received the income or gain;

86 (4) Accumulation distributions received by a taxpayer as a beneficiary of
87 a trust to the extent that the same are included in federal adjusted gross income;

88 (5) The amount of any state income tax refund for a prior year which was
89 included in the federal adjusted gross income;

90 (6) The portion of capital gain specified in section 135.357 that would
91 otherwise be included in federal adjusted gross income;

92 (7) The amount that would have been deducted in the computation of
93 federal taxable income pursuant to 26 U.S.C. Section 168 of the Internal Revenue
94 Code as in effect on January 1, 2002, to the extent that amount relates to
95 property purchased on or after July 1, 2002, but before July 1, 2003, and to the
96 extent that amount exceeds the amount actually deducted pursuant to 26 U.S.C.
97 Section 168 of the Internal Revenue Code as amended by the Job Creation and
98 Worker Assistance Act of 2002;

99 (8) For all tax years beginning on or after January 1, 2005, the amount
100 of any income received for military service while the taxpayer serves in a combat
101 zone which is included in federal adjusted gross income and not otherwise
102 excluded therefrom. As used in this section, "combat zone" means any area which

103 the President of the United States by Executive Order designates as an area in
104 which Armed Forces of the United States are or have engaged in combat. Service
105 is performed in a combat zone only if performed on or after the date designated
106 by the President by Executive Order as the date of the commencing of combat
107 activities in such zone, and on or before the date designated by the President by
108 Executive Order as the date of the termination of combatant activities in such
109 zone;

110 (9) For all tax years ending on or after July 1, 2002, with respect to
111 qualified property that is sold or otherwise disposed of during a taxable year by
112 a taxpayer and for which an additional modification was made under subdivision
113 (3) of subsection 2 of this section, the amount by which additional modification
114 made under subdivision (3) of subsection 2 of this section on qualified property
115 has not been recovered through the additional subtractions provided in
116 subdivision (7) of this subsection;

117 (10) For all tax years beginning on or after January 1, 2014, the amount
118 of any income received as payment from any program which provides
119 compensation to agricultural producers who have suffered a loss as the result of
120 a disaster or emergency, including the:

- 121 (a) Livestock Forage Disaster Program;
- 122 (b) Livestock Indemnity Program;
- 123 (c) Emergency Assistance for Livestock, Honeybees, and Farm-Raised
124 Fish;
- 125 (d) Emergency Conservation Program;
- 126 (e) Noninsured Crop Disaster Assistance Program;
- 127 (f) Pasture, Rangeland, Forage Pilot Insurance Program;
- 128 (g) Annual Forage Pilot Program;
- 129 (h) Livestock Risk Protection Insurance Plan; and
- 130 (i) Livestock Gross Margin Insurance Plan; and

131 (11) For all tax years beginning on or after January 1, 2018, any interest
132 expense paid or accrued in the current taxable year, but not deducted as a result
133 of the limitation imposed under 26 U.S.C. Section 163(j), as amended. For the
134 purposes of this subdivision, an interest expense is considered paid or accrued
135 only in the first taxable year the deduction would have been allowable under 26
136 U.S.C. Section 163, as amended, if the limitation under 26 U.S.C. Section 163(j),
137 as amended, did not exist.

138 4. There shall be added to or subtracted from the taxpayer's federal

139 adjusted gross income the taxpayer's share of the Missouri fiduciary adjustment
140 provided in section 143.351.

141 5. There shall be added to or subtracted from the taxpayer's federal
142 adjusted gross income the modifications provided in section 143.411.

143 6. In addition to the modifications to a taxpayer's federal adjusted gross
144 income in this section, to calculate Missouri adjusted gross income there shall be
145 subtracted from the taxpayer's federal adjusted gross income any gain recognized
146 pursuant to 26 U.S.C. Section 1033 of the Internal Revenue Code of 1986, as
147 amended, arising from compulsory or involuntary conversion of property as a
148 result of condemnation or the imminence thereof.

149 7. (1) As used in this subsection, "qualified health insurance premium"
150 means the amount paid during the tax year by such taxpayer for any insurance
151 policy primarily providing health care coverage for the taxpayer, the taxpayer's
152 spouse, or the taxpayer's dependents.

153 (2) In addition to the subtractions in subsection 3 of this section, one
154 hundred percent of the amount of qualified health insurance premiums shall be
155 subtracted from the taxpayer's federal adjusted gross income to the extent the
156 amount paid for such premiums is included in federal taxable income. The
157 taxpayer shall provide the department of revenue with proof of the amount of
158 qualified health insurance premiums paid.

159 8. (1) Beginning January 1, 2014, in addition to the subtractions provided
160 in this section, one hundred percent of the cost incurred by a taxpayer for a home
161 energy audit conducted by an entity certified by the department of natural
162 resources under section 640.153 or the implementation of any energy efficiency
163 recommendations made in such an audit shall be subtracted from the taxpayer's
164 federal adjusted gross income to the extent the amount paid for any such activity
165 is included in federal taxable income. The taxpayer shall provide the department
166 of revenue with a summary of any recommendations made in a qualified home
167 energy audit, the name and certification number of the qualified home energy
168 auditor who conducted the audit, and proof of the amount paid for any activities
169 under this subsection for which a deduction is claimed. The taxpayer shall also
170 provide a copy of the summary of any recommendations made in a qualified home
171 energy audit to the department of natural resources.

172 (2) At no time shall a deduction claimed under this subsection by an
173 individual taxpayer or taxpayers filing combined returns exceed one thousand
174 dollars per year for individual taxpayers or cumulatively exceed two thousand

175 dollars per year for taxpayers filing combined returns.

176 (3) Any deduction claimed under this subsection shall be claimed for the
 177 tax year in which the qualified home energy audit was conducted or in which the
 178 implementation of the energy efficiency recommendations occurred. If
 179 implementation of the energy efficiency recommendations occurred during more
 180 than one year, the deduction may be claimed in more than one year, subject to the
 181 limitations provided under subdivision (2) of this subsection.

182 (4) A deduction shall not be claimed for any otherwise eligible activity
 183 under this subsection if such activity qualified for and received any rebate or
 184 other incentive through a state-sponsored energy program or through an electric
 185 corporation, gas corporation, electric cooperative, or municipally owned utility.

186 9. The provisions of subsection 8 of this section shall expire on December
 187 31, 2020.

143.171. 1. For all tax years beginning on or after January 1, 1994, and
 2 ending on or before December 31, 2018, an individual taxpayer shall be allowed
 3 a deduction for his or her federal income tax liability under Chapter 1 of the
 4 Internal Revenue Code for the same taxable year for which the Missouri return
 5 is being filed, not to exceed five thousand dollars on a single taxpayer's return or
 6 ten thousand dollars on a combined return, after reduction for all credits thereon,
 7 except the credit for payments of federal estimated tax, the credit for the
 8 overpayment of any federal tax, and the credits allowed by the Internal Revenue
 9 Code by 26 U.S.C. Section 31, 26 U.S.C. Section 27, and 26 U.S.C. Section 34.

10 2. **(1)** Notwithstanding any other provision of law to the contrary, for all
 11 tax years beginning on or after January 1, 2019, an individual taxpayer shall be
 12 allowed a deduction equal to a percentage of his or her federal income tax liability
 13 under Chapter 1 of the Internal Revenue Code for the same taxable year for
 14 which the Missouri return is being filed, not to exceed five thousand dollars on
 15 a single taxpayer's return or ten thousand dollars on a combined return, after
 16 reduction for all credits thereon, except the credit for payments of federal
 17 estimated tax, the credit for the overpayment of any federal tax, and the credits
 18 allowed by the Internal Revenue Code by 26 U.S.C. Section 31, 26 U.S.C. Section
 19 27, and 26 U.S.C. Section 34. The deduction percentage is determined according
 20 to the following table:

21 If the Missouri gross income on the	The deduction percentage is:
22 return is:	
23 \$25,000 or less	35 percent

24	From \$25,001 to \$50,000	25 percent
25	From \$50,001 to \$100,000	15 percent
26	From \$100,001 to \$125,000	5 percent
27	\$125,001 or more	0 percent

28 **(2) Notwithstanding any provision of law to the contrary, the**
29 **amount of any tax credits reducing a taxpayer's federal tax liability**
30 **pursuant to Public Law 116-136, enacted by the 116th United States**
31 **Congress, for the tax year beginning on or after January 1, 2020, and**
32 **ending on or before December 31, 2020, shall not be considered in**
33 **determining a taxpayer's federal tax liability for the purposes of**
34 **subdivision (1) of this subsection.**

35 3. For all tax years beginning on or after September 1, 1993, a corporate
36 taxpayer shall be allowed a deduction for fifty percent of its federal income tax
37 liability under Chapter 1 of the Internal Revenue Code for the same taxable year
38 for which the Missouri return is being filed after reduction for all credits thereon,
39 except the credit for payments of federal estimated tax, the credit for the
40 overpayment of any federal tax, and the credits allowed by the Internal Revenue
41 Code by 26 U.S.C. Section 31, 26 U.S.C. Section 27, and 26 U.S.C. Section 34.

42 4. If a federal income tax liability for a tax year prior to the applicability
43 of sections 143.011 to 143.996 for which he was not previously entitled to a
44 Missouri deduction is later paid or accrued, he may deduct the federal tax in the
45 later year to the extent it would have been deductible if paid or accrued in the
46 prior year.

143.425. 1. For the purposes of this section, the following terms
2 **shall mean:**

3 **(1) "Administrative adjustment request", an administrative**
4 **adjustment request filed by a partnership under 26 U.S.C. Section 6227;**

5 **(2) "Audited partnership", a partnership subject to a partnership**
6 **level audit resulting in a federal adjustment;**

7 **(3) "Corporate partner", a partner that is subject to tax under**
8 **section 143.071;**

9 **(4) "Direct partner", a partner that holds an interest directly in**
10 **a partnership or pass-through entity;**

11 **(5) "Exempt partner", a partner that is exempt from taxation**
12 **under the provisions of subdivisions (1) or (4) of subsection 2 of section**
13 **143.441, except on unrelated business taxable income;**

14 (6) "Federal adjustment", a change to an item or amount
15 determined under the Internal Revenue Code that is used by a taxpayer
16 to compute Missouri individual or corporate income tax owed, whether
17 that change results from action by the IRS, including a partnership
18 level audit, or the filing of an amended federal return, federal refund
19 claim, or an administrative adjustment request by the taxpayer. A
20 federal adjustment is positive to the extent that it increases Missouri
21 taxable income as determined under section 143.431, or Missouri
22 adjusted gross income under section 143.121 or 143.181, and is negative
23 to the extent that it decreases such Missouri taxable income or
24 Missouri adjusted gross income;

25 (7) "Federal adjustments report", methods or forms, which shall
26 be prescribed by the department of revenue, for use by a taxpayer to
27 report final federal adjustments, including an amended Missouri tax
28 return, a uniform multistate report, or an information return,
29 notwithstanding any provision of law restricting the form or
30 applicability of information return filing;

31 (8) "Federal partnership representative", the person the
32 partnership designates for the taxable year as the partnership's
33 representative, or the person the IRS has appointed to act as the
34 federal partnership representative, under 26 U.S.C. Section 6223(a);

35 (9) "Final determination date", shall be the following:

36 (a) Except as provided under paragraphs (b) and (c) of this
37 subdivision, if the federal adjustment arises from an IRS audit or other
38 action by the IRS, the final determination date shall be the first day on
39 which no federal adjustments arising from such audit or other action
40 remain to be finally determined, whether by IRS decision with respect
41 to which all rights of appeal have been waived or exhausted, by
42 agreement, or, if appealed or contested, by a final decision with respect
43 to which all rights of appeal have been waived or exhausted. For
44 agreements required to be signed by the IRS and the taxpayer, the final
45 determination date shall be the date on which the last party signed the
46 agreement;

47 (b) For federal adjustments arising from an IRS audit or other
48 action by the IRS, if the taxpayer filed as a member of a Missouri
49 consolidated return, the final determination date shall be the first day
50 on which no related federal adjustments arising from such audit remain

51 to be finally determined, as described in paragraph (a) of this
52 subdivision, for the entire group;

53 (c) If the federal adjustment results from filing an amended
54 federal return, a federal refund claim, or an administrative adjustment
55 request, or if it is a federal adjustment reported on an amended federal
56 return or other similar report filed under 26 U.S.C. Section 6225(c), the
57 final determination date shall be the day on which the amended return,
58 refund claim, administrative adjustment request, or other similar
59 report was filed;

60 (10) "Final federal adjustment", a federal adjustment that
61 remains in effect after the final determination date for such federal
62 adjustment has passed;

63 (11) "IRS", the Internal Revenue Service of the United States
64 Department of the Treasury;

65 (12) "Indirect partner", a partner in a partnership or pass-
66 through entity, where such partnership or pass-through entity itself
67 holds a direct or indirect interest in another partnership or pass-
68 through entity. A partnership or pass-through entity holds an "indirect
69 interest" in another partnership or pass-through entity where its
70 interest is held through an indirect partner or series of indirect
71 partners;

72 (13) "Non-resident partner", an individual, trust, or estate
73 partner that is not a resident partner;

74 (14) "Partner", a person that holds an interest directly or
75 indirectly in a partnership or other pass-through entity;

76 (15) "Partnership", the same meaning as used in 26 U.S.C.
77 Sections 701 to 771;

78 (16) "Partnership level audit", an examination by the IRS at the
79 partnership level under 26 U.S.C. Sections 6221 to 6241, as enacted by
80 the Bipartisan Budget Act of 2015, Public Law 114-74, and any
81 amendments thereto, which results in federal adjustments;

82 (17) "Pass-through entity", an entity, other than a partnership,
83 that is not subject to tax under section 143.071, section 153.020, chapter
84 148, or a tax on insurance companies or insurance providers imposed
85 by the state of Missouri;

86 (18) "Publicly traded partnership", the same meaning as used in
87 26 U.S.C. Section 7704(b), and any amendments thereto;

88 (19) "Reallocation adjustment", a federal adjustment resulting
89 from a partnership level audit or an administrative adjustment request
90 that changes the shares of one or more items of partnership income,
91 gain, loss, expense, or credit allocated to direct partners. A positive
92 reallocation adjustment means the portion of a reallocation adjustment
93 that would increase federal adjusted gross income or federal taxable
94 income for one or more direct partners, and a negative reallocation
95 adjustment means the portion of a reallocation adjustment that would
96 decrease federal adjusted gross income or federal taxable income for
97 one or more direct partners;

98 (20) "Resident partner", an individual, trust, or estate partner
99 that is a resident of Missouri as defined under section 143.101 for
100 individuals, or under section 143.331 for trusts or estates, for the
101 relevant tax period;

102 (21) "Reviewed year", the taxable year of a partnership that is
103 subject to a partnership level audit which results in a federal
104 adjustment;

105 (22) "Taxpayer", any individual or entity subject to a tax in
106 Missouri or a tax-related reporting requirement in Missouri and, unless
107 the context clearly indicates otherwise, includes a partnership subject
108 to a partnership level audit or a partnership that has made an
109 administrative adjustment request, as well as a tiered partner of that
110 partnership;

111 (23) "Tiered partner", any partner that is a partnership or pass-
112 through entity;

113 (24) "Unrelated business taxable income", the same meaning as
114 defined in 26 U.S.C. Section 512.

115 2. Except in the case of final federal adjustments that are
116 reported and, if applicable, on the basis of which Missouri income tax
117 is paid by a partnership and its partners using the procedures provided
118 under subsections 3 to 9 of this section, final federal adjustments
119 required to be reported for federal purposes under 26 U.S.C. Section
120 6225(a)(2), and changes required to be reported under section 143.601,
121 a taxpayer shall report and pay any Missouri tax due with respect to
122 final federal adjustments arising from an audit or other action by the
123 IRS or reported by the taxpayer on a timely filed amended federal
124 income tax return, including a return or other similar report filed

125 under 26 U.S.C. Section 6225(c)(2), or federal claim for refund, by filing
126 a federal adjustments report with the department of revenue for the
127 reviewed year and, if applicable, paying the additional Missouri tax
128 owed by the taxpayer no later than one hundred eighty days after the
129 final determination date.

130 3. Except for adjustments required to be reported for federal
131 purposes under 26 U.S.C. Section 6225(a)(2), partnerships and partners
132 shall report final federal adjustments arising from a partnership level
133 audit or an administrative adjustment request and make payments as
134 required under subsections 3 to 9 of this section.

135 4. (1) With respect to an action required or permitted to be
136 taken by a partnership under subsections 3 to 9 of this section, a
137 proceeding under section 143.631 for reconsideration by the director of
138 revenue, appeal to the administrative hearing commission, or review
139 by the judiciary with respect to such action, the state partnership
140 representative for the reviewed year shall have the sole authority to
141 act on behalf of the partnership, and the partnership's direct partners
142 and indirect partners shall be bound by those actions.

143 (2) The state partnership representative for the reviewed year
144 is the partnership's federal partnership representative unless the
145 partnership designates in writing another person as its state
146 partnership representative.

147 (3) The department of revenue may establish reasonable
148 qualifications and procedures for designating a person, other than the
149 federal partnership representative, to be the state partnership
150 representative.

151 (4) The state partnership representative shall be considered an
152 authorized representative of the partnership and its partners under
153 section 32.057 for the purposes of compliance with this section, or
154 participating in a proceeding described in subdivision (1) of this
155 section.

156 5. Final federal adjustments subject to the requirements of
157 subsections 3 to 9 of this section, except for those subject to a properly
158 made election under subsection 6 of this section, shall be reported as
159 follows:

160 (1) No later than ninety days after the final determination date,
161 the partnership shall:

162 (a) File a completed federal adjustments report with the
163 department of revenue, including information as required by the
164 department of revenue;

165 (b) Notify each of its direct partners of their distributive share
166 of the final federal adjustments including information as required by
167 the department of revenue;

168 (c) Pay any additional amount under section 143.411 that would
169 have been due had the final federal adjustments originally been
170 reported properly, unless the partnership is a publicly traded
171 partnership; and

172 (d) If the partnership is a publicly traded partnership, report
173 such information as is required by the department of revenue and in
174 the manner and format as required by department of revenue
175 instruction, including the name, address, and taxpayer identification
176 number of each direct partner with income in Missouri which the
177 publicly traded partnership can reasonably determine to be:

178 a. Six hundred dollars or more if the partner is an individual; or

179 b. One hundred dollars or more if the partner is a corporation
180 or entity other than an individual;

181 (2) No later than one hundred eighty days after the final
182 determination date, each direct partner that is subject to tax under
183 sections 143.011 to 143.996, section 153.020, chapter 148, or a Missouri
184 tax on insurance companies or insurance providers, shall:

185 (a) File a federal adjustments report reporting the distributive
186 share of the adjustments reported to them under paragraph (b) of
187 subdivision (1) of this subsection; and

188 (b) Pay any additional amount of tax due as if final federal
189 adjustments had been properly reported, plus any penalty and interest
190 due under sections 143.011 to 143.996 or any other provision of law, and
191 less any credit for related amounts paid or withheld and remitted on
192 behalf of the direct partner. The rate of interest on any amount due
193 shall be determined by section 32.068.

194 6. (1) Subject to the limitations provided under subdivision (2)
195 of this subsection, an audited partnership making an election under
196 this subsection shall:

197 (a) No later than ninety days after the final determination date,
198 file a completed federal adjustments report, including information as

199 required by department of revenue, and notify the department of
200 revenue that it is making the election under this subsection;

201 (b) No later than ninety days after the final determination date,
202 pay an amount, determined as follows, in lieu of taxes owed by its
203 direct and indirect partners:

204 a. Exclude from final federal adjustments the distributive share
205 of such adjustments reported to a direct exempt partner not subject to
206 tax under sections 143.011 to 143.996;

207 b. For the total distributive shares of the remaining final federal
208 adjustments reported to direct corporate partners subject to tax under
209 section 143.071, and to direct exempt partners subject to tax under
210 sections 143.011 to 143.996, apportion and allocate such adjustments as
211 provided under section 143.455 if applicable, and multiply the resulting
212 amount by the tax rate provided under section 143.071 for direct
213 corporate partners and direct exempt partners that are corporations,
214 or the top rate of tax under section 143.011 for direct exempt partners
215 that are not corporations;

216 c. For the total distributive shares of the remaining final federal
217 adjustments reported to non-resident direct partners subject to tax
218 under sections 143.011 to 143.996, determine the amount of such
219 adjustments which is derived from or connected with sources in
220 Missouri as described in section 143.421, and multiply the resulting
221 amount by the highest rate of tax under section 143.011;

222 d. For the total distributive shares of the remaining final federal
223 adjustments reported to tiered partners:

224 (i) Determine the amount of such adjustments which is of a type
225 such that it would be subject to sourcing to this state under section
226 143.421; and then determine the portion of such amount that would be
227 sourced to the state under section 143.421;

228 (ii) Determine the amount of such adjustments which is of a type
229 such that it would not be subject to sourcing to Missouri by a
230 nonresident partner under section 143.421;

231 (iii) Determine the portion of the amount determined in item (ii)
232 of this subparagraph that can be established, under regulation issued
233 by the department of revenue, to be properly allocable to nonresident
234 indirect partners or other partners not subject to tax on the
235 adjustments;

236 (iv) Multiply the sum of the amounts determined in items (i) and
237 (ii) of this subparagraph, reduced by the amount determined in item
238 (iii) of this subparagraph, by the highest rate of tax under section
239 143.011;

240 e. For the total distributive shares of the remaining final federal
241 adjustments reported to resident direct partners subject to tax under
242 section 143.011 or 143.061, multiply such amount by the highest rate of
243 tax under section 143.011;

244 f. For the total distributive shares of the remaining final federal
245 adjustments reported to direct partners subject to tax under chapter
246 148, section 153.020, or a Missouri tax on insurance companies or
247 insurance providers, apportion and allocate such adjustments in the
248 manner provided by law for such tax, if applicable, and multiply the
249 resulting amount by the tax rate applicable to such direct partner;

250 g. Add the amounts determined under subparagraphs b to f of
251 this paragraph, in addition to any penalty and interest as provided
252 under sections 143.011 to 143.961 or any other provision of law. The
253 rate of interest on any amount due shall be determined by section
254 32.068.

255 (2) Final federal adjustments subject to the election provided for
256 under this subsection shall not include:

257 (a) The distributive share of final audit adjustments that would,
258 under section 143.455, be included in the apportionable income of any
259 direct or indirect corporate partner, provided that the audited
260 partnership can reasonably determine such amount; and

261 (b) Any final federal adjustments resulting from an
262 administrative adjustment request.

263 (3) An audited partnership not otherwise subject to any
264 reporting or payment obligation to Missouri that makes an election
265 under this subsection consents to be subject to Missouri law related to
266 reporting, assessment, payment, and collection of Missouri tax
267 calculated under this subsection.

268 7. The direct and indirect partners of an audited partnership
269 that are tiered partners, and all of the partners of such tiered partners
270 that are subject to tax under sections 143.011 to 143.961, shall be
271 subject to the reporting and payment requirements of subsection 5 of
272 this section, and such tiered partners shall be entitled to make the

273 election provided under subsection 6 of this section. The tiered
274 partners or their partners shall make required reports and payments
275 no later than ninety days after the time for filing and furnishing
276 statements to tiered partners and their partners as established under
277 26 U.S.C. Section 6226. The department of revenue may promulgate
278 rules to establish procedures and interim time periods for the reports
279 and payments required by tiered partners and their partners, and for
280 making the elections under subsection 6 of this section.

281 8. (1) The election made under subsection 6 of this section shall
282 be irrevocable, unless the director of revenue, in his or her discretion
283 or that of the directors' designee, determines otherwise.

284 (2) If properly reported and paid by the audited partnership or
285 tiered partner, the amount determined under subdivision (2) of
286 subsection 6 of this section shall be treated as paid in lieu of taxes
287 owed by its direct and indirect partners, to the extent applicable, on
288 the same final federal adjustments. The direct partners or indirect
289 partners shall not take any deduction or credit on the determined
290 amount, or claim a refund of such amount in this state. Nothing in this
291 subsection shall preclude a direct resident partner from claiming a
292 credit against the tax otherwise due to this state under section 143.081,
293 or any amounts paid by the audited partnership or tiered partner on
294 the resident partner's behalf to another state or local tax jurisdiction
295 in accordance with the provisions of section 143.081.

296 9. Nothing in subsections 3 to 9 of this section shall be construed
297 to prevent the department of revenue from assessing direct partners or
298 indirect partners for taxes owed by such partners, using the best
299 information available, in the event that a partnership or tiered partner
300 fails to timely make any report or payment required under subsections
301 3 to 9 of this section for any reason.

302 10. The department of revenue shall assess additional tax,
303 interest, additions to tax, and penalties arising from final federal
304 adjustments arising from an audit by the IRS, including a partnership
305 level audit, or reported by the taxpayer on an amended federal income
306 tax return, or as part of an administrative adjustment request by no
307 later than the latest of the following dates:

308 (1) If a taxpayer files with the department of revenue a federal
309 adjustments report or an amended Missouri tax return as required

310 within the period provided under subsections 2 to 9 of this section, the
311 department of revenue shall assess any amounts, including taxes,
312 interest, additions to tax, and penalties arising from such federal
313 adjustments if the department of revenue issues a notice of the
314 assessment to the taxpayer no later than:

315 (a) The expiration of the limitations period provided under
316 section 143.711; or

317 (b) The expiration of the one year period following the date of
318 filing with the department of revenue of the federal adjustments report;

319 (2) If the taxpayer fails to file the federal adjustments report
320 within the period provided under subsections 2 to 9 of this section, as
321 appropriate, or the federal adjustments report filed by the taxpayer
322 omits final federal adjustments or understates the correct amount of
323 tax owed, the department of revenue shall assess amounts or additional
324 amounts including taxes, interest, additions to tax, and penalties
325 arising from the final federal adjustments, if it mails a notice of the
326 assessment to the taxpayer by a date which is the latest of the
327 following:

328 (a) The expiration of the limitations period provided under
329 section 143.711;

330 (b) The expiration of the one year period following the date the
331 federal adjustments report was filed with the department of revenue;
332 or

333 (c) Absent fraud, the expiration of the six-year period following
334 the final determination date.

335 11. A taxpayer may make estimated payments to the department
336 of revenue of the Missouri tax expected to result from a pending IRS
337 audit, prior to the due date of the federal adjustments report, without
338 having to file such report with the department of revenue. The
339 estimated tax payments shall be credited against any tax liability
340 ultimately found to be due to Missouri and shall limit the accrual of
341 further interest on such amount. If the estimated tax payments exceed
342 the final tax liability and interest ultimately determined to be due, the
343 taxpayer shall be entitled to a refund or credit for the excess, provided
344 the taxpayer files a federal adjustments report or claim for refund or
345 credit of tax under section 143.781 or 143.821 no later than one year
346 following the final determination date.

347 12. Except for final federal adjustments required to be reported
348 for federal purposes under 26 U.S.C. Section 6225(a)(2), a taxpayer may
349 file a claim for refund or credit of tax arising from federal adjustments
350 made by the IRS on or before the later of:

351 (1) The expiration of the last day for filing a claim for refund or
352 credit of Missouri tax under section 143.801, including any extensions;
353 or

354 (2) One year from the date a federal adjustments report required
355 under subsections 2 to 9 of this section, as applicable, was due to the
356 department of revenue, including any extensions provided under
357 subsection 13 of this section.

358 The federal adjustments report shall serve as the means for the
359 taxpayer to report additional tax due, report a claim for refund or
360 credit of tax, and make other adjustments resulting from adjustments
361 to the taxpayer's federal taxable income.

362 13. (1) Unless otherwise agreed in writing by the taxpayer and
363 the department of revenue, any adjustments by the department or by
364 the taxpayer made after the expiration of the appropriate limitations
365 period provided under section 143.711 or 143.801 shall be limited to
366 changes to the taxpayer's tax liability arising from federal adjustments.

367 (2) For purposes of compliance with this section, the time
368 periods provided for in chapter 143 may be extended:

369 (a) Automatically, upon written notice to the department of
370 revenue, by ninety days for an audited partnership or tiered partner
371 which has one hundred or more direct partners; or

372 (b) By written agreement between the taxpayer and the
373 department of revenue.

374 (3) Any extension granted under this subsection for filing the
375 federal adjustments report extends the last day prescribed by law for
376 assessing any additional tax arising from the adjustments to federal
377 taxable income and the period for filing a claim for refund or credit of
378 taxes under section 143.781 or 143.821.

379 14. The department of revenue shall promulgate rules to
380 implement the provisions of this section. Any rule or portion of a rule,
381 as that term is defined in section 536.010, that is created under the
382 authority delegated in this section shall become effective only if it
383 complies with and is subject to all of the provisions of chapter 536 and,

384 if applicable, section 536.028. This section and chapter 536 are
385 nonseverable and if any of the powers vested with the general assembly
386 pursuant to chapter 536 to review, to delay the effective date, or to
387 disapprove and annul a rule are subsequently held unconstitutional,
388 then the grant of rulemaking authority and any rule proposed or
389 adopted after August 28, 2020, shall be invalid and void.

390 15. The provisions of this section shall apply to any adjustments
391 to a taxpayer's federal taxable income or federal adjusted gross income
392 with a final determination date occurring on or after January 1, 2021.

143.991. 1. The period of service in the Armed Forces of the United
2 States in a combat zone plus any period of continuous hospitalization outside this
3 state attributable to such service plus the next one hundred eighty days shall be
4 disregarded in determining, under regulations to be promulgated by the director
5 of revenue, whether any act required by sections 143.011 to 143.996 was
6 performed by a taxpayer within the time prescribed therefor.

7 2. In the case of any individual who dies during an induction period while
8 in active service as a member of the Armed Forces of the United States, if such
9 death occurred while the individual was serving in a combat zone or as a result
10 of wounds, disease, or injury incurred while so serving, the tax imposed by
11 sections 143.011 to 143.996 shall not apply with respect to the taxable year in
12 which falls the date of his **or her** death, or with respect to any prior taxable year
13 ending on or after the first day he **or she** so served in a combat zone.

14 3. (1) This subsection shall be known and may be cited as the
15 "Christopher J. Bosche Memorial Act".

16 (2) In the case of a specified terrorist victim, the tax imposed
17 pursuant to this chapter shall not apply:

18 (a) With respect to the taxable year in which falls the date of
19 death; and

20 (b) With respect to any prior taxable year in the period
21 beginning with the last taxable year ending before the taxable year in
22 which the wounds or injury were incurred from an attack as described
23 in subdivision (3) of this subsection.

24 (3) The provisions of subdivision (2) of this subsection shall not
25 apply to the amount of any tax imposed pursuant to this chapter which
26 would be computed by only taking into account the items of income,
27 gain, or other amounts determined to be taxable pursuant to 26 U.S.C.

28 Section 692(d)(3), as amended.

29 (4) The provisions of subsection 1 of section 143.801 shall not
30 apply to claims for a refund made pursuant to this subsection.

31 (5) For the purposes of this subsection, the term "specified
32 terrorist victim" means any decedent who dies:

33 (a) As a result of wounds or injury incurred as a result of the
34 terrorist attacks against the United States on September 11, 2001; or

35 (b) As a result of illness incurred as a result of an attack
36 involving anthrax occurring on or after September 11, 2001, and before
37 January 1, 2002.

38 Such term shall not include any individual identified by the Attorney
39 General of the United States to have been a participant or conspirator
40 in any such attack or a representative of such an individual.

✓