

HOUSE BILL NO. 1522

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE SHAWAN.

4086H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal section 143.011, RSMo, and to enact in lieu thereof three new sections relating to taxation, with penalty provisions.

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

Section A. Section 143.011, RSMo, is repealed and three new sections enacted in lieu thereof, to be known as sections 143.011, 146.200, and 188.800, to read as follows:

143.011. 1. A tax is hereby imposed for every taxable year on the Missouri taxable income of every resident. The tax shall be determined by applying the tax table or the rate provided in section 143.021, which is based upon the following rates:

| If the Missouri taxable income is: | The tax is: |
|------------------------------------|--|
| Not over \$1,000.00 | 1 1/2% of the Missouri taxable income |
| Over \$1,000 but not over \$2,000 | \$15 plus 2% of excess over \$1,000 |
| Over \$2,000 but not over \$3,000 | \$35 plus 2 1/2% of excess over \$2,000 |
| Over \$3,000 but not over \$4,000 | \$60 plus 3% of excess over \$3,000 |
| Over \$4,000 but not over \$5,000 | \$90 plus 3 1/2% of excess over \$4,000 |
| Over \$5,000 but not over \$6,000 | \$125 plus 4% of excess over \$5,000 |
| Over \$6,000 but not over \$7,000 | \$165 plus 4 1/2% of excess over \$6,000 |
| Over \$7,000 but not over \$8,000 | \$210 plus 5% of excess over \$7,000 |
| Over \$8,000 but not over \$9,000 | \$260 plus 5 1/2% of excess over \$8,000 |

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

| | |
|-----------------|--------------------------------------|
| 14 Over \$9,000 | \$315 plus 6% of excess over \$9,000 |
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15

16 2. (1) Beginning with the 2017 calendar year, the top rate of tax under subsection 1 of
 17 this section may be reduced over a period of years. Each reduction in the top rate of tax shall be
 18 by one-tenth of a percent and no more than one reduction shall occur in a calendar year. No
 19 more than five reductions shall be made under this subsection. Reductions in the rate of tax shall
 20 take effect on January first of a calendar year and such reduced rates shall continue in effect until
 21 the next reduction occurs.

22 (2) A reduction in the rate of tax shall only occur if the amount of net general revenue
 23 collected in the previous fiscal year exceeds the highest amount of net general revenue collected
 24 in any of the three fiscal years prior to such fiscal year by at least one hundred fifty million
 25 dollars.

26 (3) Any modification of tax rates under this subsection shall only apply to tax years that
 27 begin on or after a modification takes effect.

28 (4) The director of the department of revenue shall, by rule, adjust the tax tables under
 29 subsection 1 of this section to effectuate the provisions of this subsection. The bracket for
 30 income subject to the top rate of tax shall be eliminated once the top rate of tax has been reduced
 31 to five and one-half percent, and the top remaining rate of tax shall apply to all income in excess
 32 of the income in the second highest remaining income bracket.

33 3. (1) In addition to the rate reductions under subsection 2 of this section, beginning
 34 with the 2019 calendar year, the top rate of tax under subsection 1 of this section shall be reduced
 35 by four-tenths of one percent. Such reduction in the rate of tax shall take effect on January first
 36 of the 2019 calendar year.

37 (2) The modification of tax rates under this subsection shall only apply to tax years that
 38 begin on or after the date the modification takes effect.

39 (3) The director of the department of revenue shall, by rule, adjust the tax tables under
 40 subsection 1 of this section to effectuate the provisions of this subsection.

41 4. (1) **In addition to the rate reductions under subsections 2 and 3 of this section,**
 42 **beginning with the 2021 calendar year, the top rate of tax under subsection 1 of this section**
 43 **shall be reduced by three-tenths of one percent. Such reduction in the rate of tax shall take**
 44 **effect on January first of a calendar year.**

45 (2) **The modification of tax rates under this subsection shall only apply to tax years**
 46 **that begin on or after a modification takes effect.**

47 (3) **The director of the department of revenue shall, by rule, adjust the tax tables**
 48 **under subsection 1 of this section to effectuate the provisions of this subsection.**

49 **5.** Beginning with the 2017 calendar year, the brackets of Missouri taxable income
50 identified in subsection 1 of this section shall be adjusted annually by the percent increase in
51 inflation. The director shall publish such brackets annually beginning on or after October 1,
52 2016. Modifications to the brackets shall take effect on January first of each calendar year and
53 shall apply to tax years beginning on or after the effective date of the new brackets.

54 ~~[5-]~~ **6.** As used in this section, the following terms mean:

55 (1) "CPI", the Consumer Price Index for All Urban Consumers for the United States as
56 reported by the Bureau of Labor Statistics, or its successor index;

57 (2) "CPI for the preceding calendar year", the average of the CPI as of the close of the
58 twelve month period ending on August thirty-first of such calendar year;

59 (3) "Net general revenue collected", all revenue deposited into the general revenue fund,
60 less refunds and revenues originally deposited into the general revenue fund but designated by
61 law for a specific distribution or transfer to another state fund;

62 (4) "Percent increase in inflation", the percentage, if any, by which the CPI for the
63 preceding calendar year exceeds the CPI for the year beginning September 1, 2014, and ending
64 August 31, 2015.

146.200. 1. As used in this section, the following terms mean:

2 **(1) "Endowment", a permanent fund held by an institution of higher education**
3 **that:**

4 **(a) Consists of property, cash, cash equivalents, stocks, bonds, or any other**
5 **marketable security;**

6 **(b) Is used for purposes indicated by donors to such fund or for other purposes**
7 **related to the mission of the institution of higher education; and**

8 **(c) Attempts to maintain and grow the principal of such fund while annually**
9 **disbursing all or part of investment earnings generated by the fund;**

10 **(2) "Qualifying institution of higher education", an institution of higher education**
11 **that:**

12 **(a) Is affiliated with, or provides medical faculty to, any abortion facility, as such**
13 **term is defined in section 188.015;**

14 **(b) Offers specific medical fellowships that offer training in performing or inducing**
15 **abortions; or**

16 **(c) Supports in any manner any abortion facility where abortions are performed**
17 **or induced when not necessary to save the life of the mother.**

18 **2. For all tax years beginning on or after January 1, 2021, a tax is hereby imposed**
19 **for every taxable year on the endowment of a qualifying institution of higher education at**

20 a rate of one and nine-tenths percent of the aggregate fair market value of the assets of
21 such endowment.

22 3. Revenues generated by the tax under this section shall be deposited in the general
23 revenue fund.

24 4. The department of revenue shall promulgate rules to implement the provisions
25 of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that
26 is created under the authority delegated in this section shall become effective only if it
27 complies with and is subject to all of the provisions of chapter 536 and, if applicable,
28 section 536.028. This section and chapter 536 are nonseverable, and if any of the powers
29 vested with the general assembly pursuant to chapter 536 to review, to delay the effective
30 date, or to disapprove and annul a rule are subsequently held unconstitutional, then the
31 grant of rulemaking authority and any rule proposed or adopted after August 28, 2020,
32 shall be invalid and void.

188.800. 1. As used in this section, the following terms mean:

2 (1) "Director", the director of the department of revenue;

3 (2) "Law enforcement agency", any state agency or department, any local police
4 department, or any sheriff's office authorized to enforce criminal laws;

5 (3) "Person", any individual, corporation, political subdivision, or other legal
6 entity;

7 (4) "Seller", any person who knowingly offers or receives any valuable
8 consideration for the fetal organs or tissue resulting from an abortion. "Seller" shall not
9 include a person receiving payment for burial or other final disposition of the fetal
10 remains, or payment for a pathological examination, autopsy, or postmortem examination
11 of the fetal remains.

12 2. An excise tax is hereby levied on the sale of fetal organs or tissue at the rate of
13 ten percent of the sale price or valuable consideration received by the seller.

14 3. The director shall issue stamps to accompany fetal organs or tissue to indicate
15 payment of the tax required by this section. Sellers shall report the taxes payable at the
16 time and on the form prescribed by the director. Sellers shall be required to give their
17 name, address, Social Security number, or other identifying information on the form.
18 Upon payment of the tax, the director shall issue stamps in an amount equal to the amount
19 of the tax paid. Taxes shall be paid and stamps shall be issued either by mail or in person.

20 4. Every law enforcement agency shall report to the department of revenue within
21 forty-eight hours after seizing fetal organs or tissue, or making an arrest of an individual
22 in possession of fetal organs or tissue, upon which a stamp has not been affixed. The
23 report shall be in the manner prescribed by the director and shall include the time and

24 place of the arrest or seizure, the amount of fetal organs or tissue, the identification of any
25 individual in possession of the fetal organs or tissue, such individual's Social Security
26 number, and any other information prescribed by the director.

27 5. Any report from any crime laboratory in the state relating to the testing,
28 analysis, or identification of any unstamped fetal organs or tissue seized by any law
29 enforcement agency shall be provided to the department of revenue within ten days of the
30 laboratory's findings for the purposes of this section.

31 6. The tax imposed under this section shall be paid by any person who purchases
32 or intends to sell fetal organs or tissue in this state upon which the tax has not been paid
33 as evidenced by a stamp issued by the director. Upon payment of the tax, the person shall
34 permanently affix the appropriate stamps to the fetal organs or tissue.

35 7. Notwithstanding any other provision of law to the contrary, an assessment
36 against a person who possesses fetal organs or tissue to which a stamp has not been affixed
37 as required by this section shall be made as provided in this section. The director shall
38 immediately assess the tax, applicable penalty, and interest based on any information
39 brought to the attention of the director, or the director's duly authorized assistants, that
40 a person is liable for unpaid tax under this section. The tax shall be assessed in the same
41 manner as any other tax assessment. The director shall notify the person in writing of the
42 amount of the tax, penalty, and interest due, and demand its immediate payment. The
43 notice of assessment and demand for payment shall be either mailed to the person at the
44 person's last known address or served on the person in-person. If the person does not pay
45 the tax, penalty, and interest immediately upon receipt of the notice and demand, the
46 director shall collect the assessment, including penalty and interest, under the procedures
47 in chapter 140 unless the person files with the director sufficient security in the amount of
48 the assessment, including penalty and interest. If security is not provided, the director
49 shall use all means available to collect the assessment from any property in which the
50 person has a legal, equitable, or beneficial interest.

51 8. The provisions of this section shall not be construed to confer any immunity from
52 criminal prosecution or conviction for a violation of section 188.036, or any other provision
53 of law, upon any person who voluntarily pays the tax imposed under this section or who
54 otherwise complies with this section.

55 9. Any person required under this section to pay any tax, keep any records, or
56 supply any information, who with intent to defraud willfully fails to pay such tax, keep
57 such records, or supply such information, at the time or times required by law, shall, in
58 addition to other penalties provided by law, be guilty of a class A misdemeanor.

59 **10. The tax collected under this section shall be deposited in the general revenue**
60 **fund.**

61 **11. The department of revenue may promulgate rules to implement the provisions**
62 **of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that**
63 **is created under the authority delegated in this section shall become effective only if it**
64 **complies with and is subject to all of the provisions of chapter 536 and, if applicable,**
65 **section 536.028. This section and chapter 536 are nonseverable, and if any of the powers**
66 **vested with the general assembly under chapter 536 to review, to delay the effective date,**
67 **or to disapprove and annul a rule are subsequently held unconstitutional, then the grant**
68 **of rulemaking authority and any rule proposed or adopted after August 28, 2020, shall be**
69 **invalid and void.**

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