

HOUSE AMENDMENT NO. _____
TO
HOUSE AMENDMENT NO. _____

Offered By

1 AMEND House Amendment No. _____ to House Committee Substitute for Senate Substitute for
2 Senate Committee Substitute for Senate Bill Nos. 153 & 97, Page 43, Lines 18-21, by deleting all of
3 said lines and inserting in lieu thereof the following:

4
5 "Further amend said bill, Page 9-11, Sections 143.011 and 143.031, by deleting all of said sections
6 and inserting in lieu thereof the following:

7
8 "143.011. 1. A tax is hereby imposed for every taxable year on the Missouri taxable income
9 of every resident. The tax shall be determined by applying the tax table or the rate provided in
10 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
Over \$9,000	\$315 plus 6% of excess over \$9,000

11
12 2. (1) Beginning with the 2017 calendar year, the top rate of tax under subsection 1 of this
13 section may be reduced over a period of years. Each reduction in the top rate of tax shall be by one-
14 tenth of a percent and no more than one reduction shall occur in a calendar year. No more than
15 ~~five~~ seven reductions shall be made under this subsection. Reductions in the rate of tax shall take
16 effect on January first of a calendar year and such reduced rates shall continue in effect until the
17 next reduction occurs.

Action Taken _____ Date _____

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

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

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

11 (5) Provided that there shall be no reduction under this subsection in the 2024 calendar year.
12 However, such reductions shall continue after the 2024 calendar year for subsequent calendar years.

13 3. (1) In addition to the rate reductions under subsection 2 of this section, beginning with
14 the 2019 calendar year, the top rate of tax under subsection 1 of this section shall be reduced by
15 four-tenths of one percent. Such reduction in the rate of tax shall take effect on January first of the
16 2019 calendar year.

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

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

21 4. (1) In addition to the rate reductions under subsections 2 and 3 of this section, beginning
22 with the 2024 calendar year, the top rate of tax under subsection 1 of this section shall be reduced by
23 one-tenth of one percent.

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

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

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

33 ~~[5.]~~ 6. As used in this section, the following terms mean:

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

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

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

41 (4) "Percent increase in inflation", the percentage, if any, by which the CPI for the preceding
42 calendar year exceeds the CPI for the year beginning September 1, 2014, and ending August 31,
43 2015.

44 143.121. 1. The Missouri adjusted gross income of a resident individual shall be the"; and

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46 Further amend said amendment Page 46, Lines 33-34, by deleting said lines and inserting in lieu
47 thereof the following:

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49 "Further amend said bill, Page 11, Section 143.131, Lines 1-12, by deleting all of said section and

1 line from the bill and inserting in lieu thereof the following:"; and

2
3 Further amend said amendment Page 47, Line 20, by deleting all of said line and inserting in lieu
4 thereof the following:

5
6 "accrued in the prior year.

7 143.177. 1. This section shall be known and may be cited as the "Missouri Working Family
8 Tax Credit Act".

9 2. For purposes of this section, the following terms shall mean:

10 (1) "Department", the department of revenue;

11 (2) "Eligible taxpayer", a resident individual with a filing status of single, head of
12 household, widowed, or married filing combined who is subject to the tax imposed under chapter
13 143, excluding withholding tax imposed under sections 143.191 to 143.265, and who is allowed a
14 federal earned income tax credit under 26 U.S.C. Section 32, as amended;

15 (3) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding
16 withholding tax imposed under sections 143.191 to 143.265.

17 3. (1) Beginning with the 2023 calendar year, an eligible taxpayer shall be allowed a tax
18 credit in an amount equal to a percentage of the amount such taxpayer would receive under the
19 federal earned income tax credit as such credit existed under 26 U.S.C. Section 32 as of January 1,
20 2021, as provided pursuant to subdivision (2) of this subsection. The tax credit allowed by this
21 section shall be claimed by such taxpayer at the time such taxpayer files a return and shall be
22 applied against the income tax liability imposed by chapter 143 after reduction for all other credits
23 allowed thereon. If the amount of the credit exceeds the tax liability, the difference shall not be
24 refunded to the taxpayer and shall not be carried forward to any subsequent tax year.

25 (2) Subject to the provisions of subdivision (3) of this subsection, the percentage of the
26 federal earned income tax credit to be allowed as a tax credit pursuant to subdivision (1) of this
27 subsection shall be ten percent, which may be increased to twenty percent subject to the provisions
28 of subdivision (3) of this subsection. The maximum percentage that may be claimed as a tax credit
29 pursuant to this section shall be twenty percent of the federal earned income tax credit that may be
30 claimed by such taxpayer. Any increase in the percentage that may be claimed as a tax credit shall
31 take effect on January first of a calendar year and such percentage shall continue in effect until the
32 next percentage increase occurs. An increase shall only apply to tax years that begin on or after the
33 increase takes effect.

34 (3) The initial percentage to be claimed as a tax credit and any increase in the percentage
35 that may be claimed pursuant to subdivision (2) of this subsection shall only occur if the amount of
36 net general revenue collected in the previous fiscal year exceeds the highest amount of net general
37 revenue collected in any of the three fiscal years prior to such fiscal year by at least one hundred
38 fifty million dollars.

39 4. Notwithstanding the provisions of section 32.057 to the contrary, the department shall
40 determine whether any taxpayer filing a report or return with the department who did not apply for
41 the credit authorized under this section may qualify for the credit and, if so, determines a taxpayer
42 may qualify for the credit, shall notify such taxpayer of his or her potential eligibility. In making a
43 determination of eligibility under this section, the department shall use any appropriate and
44 available data including, but not limited to, data available from the Internal Revenue Service, the
45 U.S. Department of Treasury, and state income tax returns from previous tax years.

46 5. The department shall prepare an annual report containing statistical information regarding
47 the tax credits issued under this section for the previous tax year, including the total amount of
48 revenue expended, the number of credits claimed, and the average value of the credits issued to
49 taxpayers whose earned income falls within various income ranges determined by the department.

1 6. The director of the department may promulgate rules and regulations to administer the
 2 provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010,
 3 that is created under the authority delegated in this section shall become effective only if it complies
 4 with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This
 5 section and chapter 536 are nonseverable and if any of the powers vested with the general assembly
 6 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are
 7 subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or
 8 adopted after the effective date of this section shall be invalid and void.

9 7. Tax credits authorized under this section shall not be subject to the requirements of
 10 sections 135.800 to 135.830."; and"; and

11
 12 Further amend said amendment, Page 58, Lines 6-30, by deleting all of said lines and inserting in
 13 lieu thereof the following:

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 15 "Section 1. 1. No later than the first week of November 2021 any county or municipality of
 16 this state that has enacted a use tax shall provide notice in the newspaper with the greatest
 17 circulation in such county or municipality and on any county or municipality website, provided such
 18 website exists, that certain purchases from out-of-state vendors will become subject to an expansion
 19 of the use tax as provided by state law. The notice shall be printed in the newspaper at least once
 20 per week, for two consecutive weeks. The notice shall include the rates of the use tax in the county
 21 or municipality and shall include general information on repealing a local use tax under section
 22 144.761.

23 2. Nothing under subsection 1 of this section shall be construed to require that duplicate
 24 notices be published or to prevent any counties or municipalities from coordinating and
 25 collaborating in their notice efforts in order to maximize cost savings to taxpayers."; and"; and

26
 27 Further amend said amendment, Page 58, Lines 32-40, by deleting all of said linea and inserting in
 28 lieu thereof the following:

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 30 "Further amend said bill, Page 43, Sections B and C, by deleting all of said sections and inserting in
 31 lieu thereof the following:

32
 33 "Section B. The enactment of sections 143.177, 144.608, 144.637, 144.638, and 144.752 of
 34 Section A of this act; the repeal and reenactment of sections 143.011, 144.011, 144.014, 144.020,
 35 144.049, 144.054, 144.140, 144.526, and 144.605 of Section A of this act; and the repeal of sections
 36 144.710, 144.1000, 144.1003, 144.1006, 144.1009, 144.1012, and 144.1015 of Section A of this act
 37 shall become effective January 1, 2023.

38 Section C. Notwithstanding the provisions of section 1.140 to the contrary, the provisions of
 39 sections 143.011, 143.177, 144.011, 144.014, 144.020, 144.049, 144.054, 144.140, 144.526,
 40 144.605, 144.608, 144.637, 144.638, 144.752, and 1 of Section A of this act shall be nonseverable,
 41 and if any such provision is for any reason held to be invalid, such decision shall invalidate all of the
 42 remaining such provisions.

43 Section D. Because immediate action is necessary to protect the interests of taxpayers
 44 during the COVID-19 pandemic, sections 143.121 and 143.171 of section A of this act are deemed
 45 necessary for the immediate preservation of the public health, welfare, peace, and safety, and are
 46 hereby declared to be an emergency act within the meaning of the constitution, and sections 143.121
 47 and 143.171 of section A of this act shall be in full force and effect upon its passage and approval.";
 48 and"; and

1 Further amend said bill by amending the title, enacting clause, and intersectional references
2 accordingly.
3 THIS AMENDS AMENDMENT 0752H11.39H
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