

## SENATE COMMITTEE SUBSTITUTE

FOR

SENATE BILL NO. 573

AN ACT

To repeal section 143.011, RSMo, and to enact in lieu thereof two new sections relating to taxation.

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BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,  
AS FOLLOWS:

Section A. Section 143.011, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 143.011 and 414.162, to read as follows: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
Over \$9,000	\$315 plus 6% of excess over \$9,000

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

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

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

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

income subject to the top rate of tax shall be eliminated once the top rate of tax has been reduced to five and one-half percent, and the top remaining rate of tax shall apply to all income in excess of the income in the second highest remaining income bracket.

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

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

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

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

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

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

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

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

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

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

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

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

414.162. 1. Beginning January 1, 2021, the department of revenue shall impose a surcharge on all motor fuel and alternative fuel, as such terms are defined pursuant to section 142.800. Such surcharge shall be administered pursuant to the

provisions of section 414.102 and subsections 1 and 2 of section 414.152. Such surcharge shall be imposed upon such motor fuel and alternative fuel within this state and shall be imposed at the following rate:

(1) For the year beginning January 1, 2021, and ending December 31, 2021, such surcharge shall be two hundred ten dollars per eight thousand gallons, or the nearest power potential equivalent to that of regular grade gasoline as determined by the director of revenue;

(2) For the year beginning January 1, 2022, and ending December 31, 2022, such surcharge shall be three hundred dollars per eight thousand gallons, or the nearest power potential equivalent to that of regular grade gasoline as determined by the director of revenue;

(3) For the year beginning January 1, 2023, and ending December 31, 2023, such surcharge shall be three hundred ninety dollars per eight thousand gallons, or the nearest power potential equivalent to that of regular grade gasoline as determined by the director of revenue; and

(4) For all years beginning on or after January 1, 2024, such surcharge shall be four hundred eighty dollars per eight thousand gallons, or the nearest power potential equivalent to that of regular grade gasoline as determined by the director of revenue.

All revenue generated by the assessment of such surcharges shall be deposited in the state road fund created pursuant to Section 30(b) of Article IV of the Missouri Constitution.

2. Railroad corporations as defined in section 388.010 and  
airline companies as defined in section 155.010 shall not be  
subject to the surcharge described in this section.