

FIRST REGULAR SESSION

# HOUSE BILL NO. 740

## 91ST GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES LEVIN, MOORE, BEARDEN (Co-sponsors), COOPER, LINTON, OSTMANN, HENDRICKSON, HENDERSON, NAEGER, ENZ AND REINHART.

Read 1<sup>st</sup> time February 12, 2001, and 1000 copies ordered printed.

TED WEDEL, Chief Clerk

0897L.011

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### AN ACT

To repeal sections 143.071 and 143.171, RSMo 2000, relating to income taxation, and to enact in lieu thereof three new sections relating to the same subject.

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

Section A. Sections 143.071 and 143.171, RSMo 2000, are repealed and three new sections enacted in lieu thereof, to be known as sections 143.071, 143.171 and 143.172, to read as follows:

143.071. 1. For all tax years beginning before September 1, 1993, a tax is hereby imposed upon the Missouri taxable income of corporations in an amount equal to five percent of Missouri taxable income.

2. For all tax years beginning on or after September 1, 1993, a tax is hereby imposed upon the Missouri taxable income of corporations in an amount equal to six and one-fourth percent of Missouri taxable income.

**3. For all tax years beginning on or after January 1, 2001, a tax is hereby imposed upon the Missouri taxable income of corporations in an amount equal to five and one-half percent of Missouri taxable income.**

143.171. 1. For all tax years beginning before January 1, 1994, for an individual taxpayer and for all tax years beginning before September 1, 1993, for a corporate taxpayer, the taxpayer shall be allowed a deduction for [his] **such taxpayer's** federal income tax liability [under] **pursuant to** chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed after reduction for all credits thereon, except the credit for payments of federal estimated tax, the credit for the overpayment of any federal tax, and the

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

7 credits allowed by the Internal Revenue Code by section 31 (tax withheld on wages), section 27  
8 (tax of foreign country and United States possessions), and section 34 (tax on certain uses of  
9 gasoline, special fuels, and lubricating oils).

10 2. For all tax years beginning on or after January 1, 1994, **but before January 1, 2001**,  
11 an individual taxpayer shall be allowed a deduction for [his] **the taxpayer's** federal income tax  
12 liability [under] **pursuant to** chapter 1 of the Internal Revenue Code for the same taxable year  
13 for which the Missouri return is being filed, not to exceed five thousand dollars on a single  
14 taxpayer's return or ten thousand dollars on a combined return, after reduction for all credits  
15 thereon, except the credit for payments of federal estimated tax, the credit for the overpayment  
16 of any federal tax, and the credits allowed by the Internal Revenue Code by section 31 (tax  
17 withheld on wages), section 27 (tax of foreign country and United States possessions), and  
18 section 34 (tax on certain uses of gasoline, special fuels, and lubricating oils).

19 3. **For all tax years beginning on or after January 1, 2001, an individual taxpayer**  
20 **shall be allowed a deduction for the taxpayer's federal income tax liability pursuant to**  
21 **chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri**  
22 **return is being filed, not to exceed ten thousand dollars on a single taxpayer's return or**  
23 **fifteen thousand dollars on a combined return, after reduction for all credits thereon,**  
24 **except the credit for payments of federal estimated tax, the credit for the overpayment of**  
25 **any federal tax, and the credits allowed by the Internal Revenue Code by section 31 (tax**  
26 **withheld on wages), section 27 (tax of foreign country and United States possessions), and**  
27 **section 34 (tax on certain uses of gasoline, special fuels, and lubricating oils).**

28 4. For all tax years beginning on or after September 1, 1993, **but before January 1,**  
29 **2001**, a corporate taxpayer shall be allowed a deduction for fifty percent of its federal income tax  
30 liability [under] **pursuant to** chapter 1 of the Internal Revenue Code for the same taxable year  
31 for which the Missouri return is being filed after reduction for all credits thereon, except the  
32 credit for payments of federal estimated tax, the credit for the overpayment of any federal tax,  
33 and the credits allowed by the Internal Revenue Code by section 31 (tax withheld on wages),  
34 section 27 (tax of foreign country and United States possessions), and section 34 (tax on certain  
35 uses of gasoline, special fuels and lubricating oils).

36 5. **For all tax years beginning on or after January 1, 2001, a corporate taxpayer**  
37 **shall be allowed a deduction for seventy-five percent of its federal income tax liability**  
38 **pursuant to chapter 1 of the Internal Revenue Code for the same taxable year for which**  
39 **the Missouri return is being filed after reduction for all credits thereon, except the credit**  
40 **for payments of federal estimated tax, the credit for the overpayment of any federal tax,**  
41 **and the credits allowed by the Internal Revenue Code by section 31 (tax withheld on**  
42 **wages), section 27 (tax of foreign country and United States possessions), and section 34**

43 **(tax on certain uses of gasoline, special fuels and lubricating oils).**

44 [4.] **6.** If a federal income tax liability for a tax year prior to the applicability of sections  
45 143.011 to 143.996 for which [he] **the taxpayer** was not previously entitled to a Missouri  
46 deduction is later paid or accrued, [he] **the taxpayer** may deduct the federal tax in the later year  
47 to the extent it would have been deductible if paid or accrued in the prior year.

**143.172. Any reduction in general revenue arising from the difference in the**  
2 **amount of revenue collected pursuant to sections 143.071 and 143.171, RSMo, in the fiscal**  
3 **year ending in 2000 and the amount of revenue collected pursuant to such sections in all**  
4 **fiscal years beginning on or after 2000 shall not result in the reduction of any**  
5 **appropriations for education.**