

FIRST REGULAR SESSION

HOUSE BILL NO. 26

96TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES JONES (63) (Sponsor), CURLS, BEATTY, CARTER,
WALTON GRAY, NASHEED, SMITH (71), MAY AND TALBOY (Co-sponsors).

0168L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 92.105, 92.111, and 92.115, RSMo, and to enact in lieu thereof three new sections relating to city earnings taxes.

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

Section A. Sections 92.105, 92.111, and 92.115, RSMo, are repealed and three new
2 sections enacted in lieu thereof, to be known as sections 92.105, 92.111, and 92.115, to read as
3 follows:

92.105. It is the intent of sections 92.105 to 92.125 that starting in 2011 voters in any city
2 imposing an earnings tax [will] **shall** decide in local elections to continue the earnings tax. If
3 the majority of local voters vote to continue the earnings tax, it [will] **shall** continue for [five]
4 **twenty** years and then [will] **shall** be voted on again. If a majority of voters in any city having
5 an earnings tax vote against continuing the earnings tax, it [will] **shall** be phased out pursuant
6 to section 92.125 in such city over a period of ten years. Further, sections 92.105 to 92.125
7 prohibit any Missouri city or town that does not, as of November 2, 2010, impose an earnings
8 tax, from imposing such a tax on residents and businesses.

92.111. 1. After December 31, 2011, no city, including any constitutional charter city,
2 shall impose or levy an earnings tax, except a constitutional charter city that imposed or levied
3 an earnings tax on November 2, 2010, may continue to impose the earnings tax if it submits to
4 the voters of such city pursuant to section 92.115 the question whether to continue such earnings
5 tax for a period of [five] **twenty** years and a majority of such qualified voters voting thereon
6 approve such question, however, if no such election is held, or if in any election held to continue
7 to impose or levy the earnings tax a majority of such qualified voters voting thereon fail to

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.

8 approve the continuation of the earnings tax, such city shall no longer be authorized to impose
9 or levy such earnings tax except to reduce such tax in the manner provided by section 92.125.

10 2. As used in sections 92.111 to 92.200, unless the context clearly requires otherwise,
11 the term "earnings tax" means a tax on the:

- 12 (1) Salaries, wages, commissions and other compensation earned by its residents;
- 13 (2) Salaries, wages, commissions and other compensation earned by nonresidents of the
14 city for work done or services performed or rendered in the city;
- 15 (3) Net profits of associations, businesses or other activities conducted by residents;
- 16 (4) Net profits of associations, businesses or other activities conducted in the city by
17 nonresidents;
- 18 (5) Net profits earned by all corporations as the result of work done or services
19 performed or rendered and business or other activities;

92.115. 1. Any constitutional charter city which as of November 2, 2010, imposed or
2 levied an earnings tax may continue to impose or levy an earnings tax, pursuant to sections
3 92.111 to 92.200, if it submits to the qualified voters of such city on the next general municipal
4 election date immediately following November 2, 2010, and once every [five] **twenty** years
5 thereafter, the question whether to continue to impose and levy the earnings tax authorized
6 pursuant to sections 92.111 to 92.200, and if a majority of qualified voters voting approve the
7 continuance of the earnings tax at such election.

8 2. The question submitted to the qualified voters in any such city shall contain the
9 earnings tax percentage imposed and the name of the city submitting the question and shall
10 otherwise contain exactly the following language:

11 Shall the earnings tax of%, imposed by the City of, be continued for a period of
12 [five (5)] **twenty (20)** years commencing January 1 immediately following the date of this
13 election?

14 YES NO

15 3. If the question whether to continue to impose and levy the earnings tax fails to be
16 approved by the majority of qualified voters voting thereon, the earnings tax levied and imposed
17 on November 2, 2010, shall be reduced pursuant to section 92.125 commencing January first of
18 the calendar year following the date of the election held under this section or January first of the
19 calendar year following the calendar year in which such election was authorized under this
20 section but not held by such city.

21 4. No city which has begun reductions of its earnings tax pursuant to section 92.125
22 [may] **shall**, by ordinance or any other means, with or without voter approval, stop or suspend
23 such reduction.

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