

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NOS. 149 & 536
97TH GENERAL ASSEMBLY

0533H.02C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 143.071 and 144.020, RSMo, and to enact in lieu thereof three new sections relating to taxation.

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

Section A. Sections 143.071 and 144.020, RSMo, are repealed and three new sections
2 enacted in lieu thereof, to be known as sections 143.013, 143.071, and 144.020, to read as
3 follows:

143.013. 1. This section and section 143.071 shall be known and may be cited as the
2 **"Broad-Based Tax Relief Act of 2013".**

3 **2. As used in this section, "business income" means income greater than zero**
4 **arising from transactions and activity in the regular course of the taxpayer's trade or**
5 **business and includes income from tangible property if the acquisition, management, and**
6 **disposition of the property constitute integral parts of the taxpayer's regular trade or**
7 **business operations. "Business income" shall not include "compensation" as such term**
8 **is defined under subsection 1 of article IV of section 32.200.**

9 **3. In addition to all other modifications allowed by law, there shall be subtracted**
10 **from the federal adjusted gross income of an individual taxpayer the following amounts**
11 **to the extent included in federal adjusted gross income when determining the taxpayer's**
12 **Missouri adjusted gross income:**

13 **(1) For the tax year beginning on or after January 1, 2013, but before January 1,**
14 **2014, ten percent of the amount of business income;**

15 **(2) For the tax year beginning on or after January 1, 2014, but before January 1,**
16 **2015, twenty percent of the amount of business income;**

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.

17 **(3) For the tax year beginning on or after January 1, 2015, but before January 1,**
18 **2016, thirty percent of the amount of business income;**

19 **(4) For the tax year beginning on or after January 1, 2016, but before January 1,**
20 **2017, forty percent of the amount of business income;**

21 **(5) For tax years beginning on or after January 1, 2017, fifty percent of the amount**
22 **of business income.**

23 **4. In the case of a small corporation described in section 143.471 or a partnership,**
24 **computing the deduction allowed under subsection 3 of this section, taxpayers described**
25 **in subdivisions (1) or (2) of this subsection shall be allowed such deduction apportioned in**
26 **proportion to their share of ownership of the business on the last day of the taxpayer's tax**
27 **period for which such deduction is being claimed when determining the Missouri adjusted**
28 **gross income of:**

29 **(1) The shareholders of a small corporation as described in section 143.471;**

30 **(2) The partners in a partnership.**

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

4 2. For all tax years beginning on or after September 1, 1993, **but before January 1,**
5 **2013,** a tax is hereby imposed upon the Missouri taxable income of corporations in an amount
6 equal to six and one-fourth percent of Missouri taxable income.

7 **3. For the tax year beginning on or after January 1, 2013, but before January 1,**
8 **2014, a tax is hereby imposed upon the Missouri taxable income of corporations in an**
9 **amount equal to five and five-eighths percent of Missouri taxable income.**

10 **4. For the tax year beginning on or after January 1, 2014, but before January 1,**
11 **2015, a tax is hereby imposed upon the Missouri taxable income of corporations in an**
12 **amount equal to five percent of Missouri taxable income.**

13 **5. For the tax year beginning on or after January 1, 2015, but before January 1,**
14 **2016, a tax is hereby imposed upon the Missouri taxable income of corporations in an**
15 **amount equal to four and three-eighths percent of Missouri taxable income.**

16 **6. For the tax year beginning on or after January 1, 2016, but before January 1,**
17 **2017, a tax is hereby imposed upon the Missouri taxable income of corporations in an**
18 **amount equal to three and three-fourths percent of Missouri taxable income.**

19 **7. For all tax years beginning on or after January 1, 2017, a tax is hereby imposed**
20 **upon the Missouri taxable income of corporations in an amount equal to three and one-**
21 **eighth percent of Missouri taxable income.**

144.020. 1. A tax is hereby levied and imposed upon all sellers for the privilege of
2 engaging in the business of selling tangible personal property or rendering taxable service at
3 retail in this state. The rate of tax shall be as follows:

4 (1) Upon every retail sale in this state of tangible personal property, including but not
5 limited to motor vehicles, trailers, motorcycles, mopeds, motortricycles, boats and outboard
6 motors, a tax equivalent to four percent of the purchase price paid or charged, or in case such sale
7 involves the exchange of property, a tax equivalent to four percent of the consideration paid or
8 charged, including the fair market value of the property exchanged at the time and place of the
9 exchange, except as otherwise provided in section 144.025;

10 (2) A tax equivalent to four percent of the amount paid for admission and seating
11 accommodations[, or fees paid to, or] in any place of amusement, entertainment [or recreation],
12 games and athletic events;

13 (3) A tax equivalent to four percent of the basic rate paid or charged on all sales of
14 electricity or electrical current, water and gas, natural or artificial, to domestic, commercial or
15 industrial consumers;

16 (4) A tax equivalent to four percent on the basic rate paid or charged on all sales of local
17 and long distance telecommunications service to telecommunications subscribers and to others
18 through equipment of telecommunications subscribers for the transmission of messages and
19 conversations and upon the sale, rental or leasing of all equipment or services pertaining or
20 incidental thereto; except that, the payment made by telecommunications subscribers or others,
21 pursuant to section 144.060, and any amounts paid for access to the internet or interactive
22 computer services shall not be considered as amounts paid for telecommunications services;

23 (5) A tax equivalent to four percent of the basic rate paid or charged for all sales of
24 services for transmission of messages of telegraph companies;

25 (6) A tax equivalent to four percent on the amount of sales or charges for all rooms,
26 meals and drinks furnished at any hotel, motel, tavern, inn, restaurant, eating house, drugstore,
27 dining car, tourist cabin, tourist camp or other place in which rooms, meals or drinks are
28 regularly served to the public;

29 (7) A tax equivalent to four percent of the amount paid or charged for intrastate tickets
30 by every person operating a railroad, sleeping car, dining car, express car, boat, airplane and such
31 buses and trucks as are licensed by the division of motor carrier and railroad safety of the
32 department of economic development of Missouri, engaged in the transportation of persons for
33 hire;

34 (8) A tax equivalent to four percent of the amount paid or charged for rental or lease of
35 tangible personal property, provided that if the lessor or renter of any tangible personal property
36 had previously purchased the property under the conditions of "sale at retail" or leased or rented

37 the property and the tax was paid at the time of purchase, lease or rental, the lessor, sublessor,
38 renter or subrenter shall not apply or collect the tax on the subsequent lease, sublease, rental or
39 subrental receipts from that property. The purchase, rental or lease of motor vehicles, trailers,
40 motorcycles, mopeds, motortricycles, boats, and outboard motors shall be taxed and the tax paid
41 as provided in this section and section 144.070. In no event shall the rental or lease of boats and
42 outboard motors be considered a sale, charge, or fee to, for or in places of amusement[,] **or**
43 entertainment [or recreation] , nor shall any such rental or lease be subject to any tax imposed
44 to, for, or in such places of amusement[,] **or** entertainment [or recreation]. Rental and leased
45 boats or outboard motors shall be taxed under the provisions of the sales tax laws as provided
46 under such laws for motor vehicles and trailers. Tangible personal property which is exempt
47 from the sales or use tax under section 144.030 upon a sale thereof is likewise exempt from the
48 sales or use tax upon the lease or rental thereof.

49 2. All tickets sold which are sold under the provisions of sections 144.010 to 144.525
50 which are subject to the sales tax shall have printed, stamped or otherwise endorsed thereon, the
51 words "This ticket is subject to a sales tax."

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