

SECOND REGULAR SESSION

# HOUSE BILL NO. 1614

## 91ST GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES ROSS, LUETKEMEYER,  
HARTZLER AND LIESE (Co-sponsors).

Read 1<sup>st</sup> time January 23, 2002, and 1000 copies ordered printed.

TED WEDEL, Chief Clerk

4022L.011

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### AN ACT

To repeal section 143.081, RSMo, and to enact in lieu thereof one new section relating to income tax.

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

Section A. Section 143.081, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 143.081, to read as follows:

143.081. 1. A resident individual, resident estate, and resident trust shall be allowed a credit against the tax otherwise due [under] **pursuant to** sections 143.005 to 143.998 for the amount of any income tax imposed [on him] for the taxable year by another state of the United States (or a political subdivision thereof) or the District of Columbia on income derived from sources therein and which is also subject to tax under sections 143.005 to 143.998. Solely for purposes of this subsection, the phrase "income tax imposed" shall include any income tax credit allowed by such other state or the District of Columbia the basis for which is a charitable contribution which qualifies as a charitable deduction from income pursuant to the Internal Revenue Code of 1986, as amended if the other state or the District of Columbia authorizes a reciprocal benefit for residents of this state.

2. The credit provided under this section shall not exceed an amount which bears the same ratio to the tax otherwise due [under] **pursuant to** sections 143.005 to 143.998 as the amount of the taxpayer's Missouri adjusted gross income derived from sources in the other taxing jurisdiction bears to [his] **the taxpayer's** Missouri adjusted gross income derived from all sources. In applying the limitation of the previous sentence to an estate or trust, Missouri taxable income shall be substituted for Missouri adjusted gross income. If the tax of more than one other

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

17 taxing jurisdiction is imposed on the same item of income, the credit shall not exceed the  
18 limitation that would result if the taxes of all the other jurisdictions applicable to the item were  
19 deemed to be of a single jurisdiction.

20         3. For the purposes of this section, in the case of an S corporation, each resident S  
21 shareholder shall be considered to have paid a tax imposed on the shareholder in an amount  
22 equal to the shareholder's pro rata share of any net income tax paid by the S corporation to a state  
23 which does not measure the income of shareholders on an S corporation by reference to the  
24 income of the S corporation or where a composite return and composite payments are made in  
25 such state on behalf of the S shareholders by the S corporation.

26         **4. For the purposes of subsection 3 of this section, in the case of an S corporation**  
27 **that is a bank chartered by a state, the office of thrift supervision, or the comptroller of**  
28 **currency, each Missouri resident S shareholder of such out-of-state bank shall qualify for**  
29 **the shareholder's pro rata share of any net tax paid by such S corporation where bank**  
30 **payment of taxes are made in such state on behalf of the S shareholders by the S bank to**  
31 **the extent of the tax paid.**