

HOUSE _____ **AMENDMENT NO.** _____

Offered By

1 AMEND House Committee Substitute for House Bill No. 1030, Page 15, Section 140.910, Line
2 94, by inserting after all of said section the following:

3 “143.013. 1. This act shall be known and maybe cited as the "Broad-Based Tax Relief
4 Act of 2012".

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

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

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

17 (2) The partners in a partnership.

18 4. (1) In addition to all other modifications allowed by law, there shall be subtracted from
19 the federal adjusted gross income of an individual taxpayer the amounts of business income as
20 provided in this subsection to the extent included in federal adjusted gross income when
21 determining the taxpayer's Missouri adjusted gross income.

22 (2) (a) For the tax year beginning on or after January 1, 2012, but before December 31,
23 2012, ten percent of the amount of business income.

24 (b) For the tax year beginning on or after January 1, 2013, but before December 31, 2013,
25 twenty percent of the amount of business income.

26 (c) For the tax year beginning on or after January 1, 2014, but before December 31, 2014,
27 thirty percent of the amount of business income.

28 (3) (a) For each tax year beginning on or after January 1, 2015, the percentage of the
29 amount of business income to be subtracted under this subsection shall be determined as provided

1 in this subdivision.

2 (b) The office of administration shall compare the sum of the Missouri net individual
3 income tax revenues and the Missouri net corporation income tax revenues, as reported by the
4 department of revenue, received in the fiscal year ending on June 30, 2010, to the Missouri net
5 individual income tax revenues and the Missouri net corporation income tax revenues, as reported
6 by the department of revenue, received in the fiscal year ending on June thirtieth of the tax year
7 preceding the tax year for which the percentage of the amount of business income to be subtracted
8 under this section is being determined under this section. Upon the completion of such
9 comparison, the office of administration shall immediately report the results of such comparison
10 to the director of the department of revenue.

11 (c) If, upon comparison of the sum of the Missouri net individual income tax revenues
12 and the Missouri net corporation income tax revenues received as provided in this subdivision, the
13 office of administration determines that the sum of the Missouri net individual income tax
14 revenues and the Missouri net corporation income tax revenues received in the fiscal year ending
15 on June thirtieth of such preceding tax year are less than the sum of the Missouri net individual
16 income tax revenues and the Missouri net corporation income tax revenues received in the fiscal
17 year ending on June 30, 2010, the percentage of the amount of business income that shall be
18 subtracted under this subsection shall remain at thirty percent until such time the office of
19 administration determines that the sum of the Missouri net individual income tax revenues and the
20 Missouri net corporation income tax revenues received are equal to or greater than the sum of the
21 Missouri net individual income tax revenues and the Missouri net corporation income tax
22 revenues received in the fiscal year ending on June 30, 2010, and the percentage of business
23 income subtracted should increase as provided in paragraph (d) of this subdivision.

24 (d) In the first tax year for which the office of administration determines that the sum of
25 the Missouri net individual income tax revenues and the Missouri net corporation income tax
26 revenues received in the preceding fiscal year ending on June thirtieth of such tax year are equal to
27 or greater than the sum of the Missouri net individual income tax revenues and the Missouri net
28 corporation income tax revenues received in the fiscal year ending on June 30, 2010, the
29 percentage of the amount of business income that shall be subtracted under this subsection shall
30 be forty percent, and for all tax years beginning on or after January first following the tax year for
31 which the office of administration makes such determination under this paragraph, the percentage
32 of the amount of business income that shall be subtracted under this subsection shall be fifty
33 percent.

34 (e) Once an increase occurs in the percentage of the amount of business income to be
35 subtracted under this subsection as provided in paragraph (d) of this subdivision, the percentage of
36 the amount subtracted under this subsection shall not be decreased even if the sum of the Missouri

1 net individual income tax revenues and the Missouri net corporation income tax revenues received
2 in any following fiscal year ending on June thirtieth of any following tax year are less than the
3 sum of the Missouri net individual income tax revenues and the Missouri net corporation income
4 tax revenues received in the fiscal year ending on June 30, 2010.

5 143.071. 1. For all tax years beginning before September 1, 1993, a tax is hereby
6 imposed upon the Missouri taxable income of corporations in an amount equal to five percent of
7 Missouri taxable income.

8 2. For all tax years beginning on or after September 1, 1993, but before December 31,
9 2011, a tax is hereby imposed upon the Missouri taxable income of corporations in an amount
10 equal to six and one-fourth percent of Missouri taxable income.

11 3. For the tax year beginning on or after January 1, 2012, but before December 31, 2012, a
12 tax is hereby imposed upon the Missouri taxable income of corporations in an amount equal to
13 five and five-eighths percent of Missouri taxable income.

14 4. For the tax year beginning on or after January 1, 2013, but before December 31, 2013, a
15 tax is hereby imposed upon the Missouri taxable income of corporations in an amount equal to
16 five percent of Missouri taxable income.

17 5. For the tax year beginning on or after January 1, 2014, but before December 31, 2014, a
18 tax is hereby imposed upon the Missouri taxable income of corporations in an amount equal to
19 four and three-eighths percent of Missouri taxable income.

20 6. (1) For each tax year beginning on or after January 1, 2015, the tax imposed upon the
21 Missouri taxable income of corporations shall be in an amount as determined under this
22 subsection.

23 (2) The office of administration shall compare the sum of the Missouri net corporation
24 income tax revenues and the Missouri net individual income tax revenues, as reported by the
25 department of revenue, received in the fiscal year ending on June 30, 2010, to the sum of the
26 Missouri net corporation income tax revenues and the Missouri net individual income tax
27 revenues, as reported by the department of revenue, received in the fiscal year ending on June
28 thirtieth of the tax year preceding the tax year for which the amount of the tax imposed under this
29 section is being determined under this section. Upon the completion of such comparison, the
30 office of administration shall immediately report the results of such comparison to the director of
31 the department of revenue.

32 (3) If, upon comparison of the sum of the Missouri net corporation income tax revenues
33 and the Missouri net individual income tax revenues received as provided in this subdivision, the
34 office of administration determines that the sum of the Missouri net corporation income tax
35 revenues and the Missouri net individual income tax revenues received in the fiscal year ending
36 on June thirtieth of such preceding tax year are less than the sum of the Missouri net corporation

1 income tax revenues and the Missouri net individual income tax revenues received in the fiscal
2 year ending on June 30, 2010, the amount of the tax imposed under this subsection shall remain at
3 an amount equal to four and three-eighths percent of Missouri taxable income until such time the
4 office of administration determines that the sum of the Missouri net corporation income tax
5 revenues and the Missouri net individual income tax revenues received are equal to or greater than
6 the sum of the Missouri net corporation income tax revenues and the Missouri net individual
7 income tax revenues received in the fiscal year ending on June 30, 2012, and the amount of the
8 tax imposed under this subsection should decrease as provided in subdivision (4) of this
9 subsection.

10 (4) In the first tax year for which the office of administration determines that the sum of
11 the Missouri net corporation income tax revenues and the Missouri net individual income tax
12 revenues received in the preceding fiscal year ending on June thirtieth of such tax year are equal to
13 or greater than the sum of the Missouri net corporation income tax revenues and the Missouri net
14 individual income tax revenues received in the fiscal year ending on June 30, 2010, the amount of
15 the tax imposed under this subsection shall decrease to an amount equal to three and three-fourths
16 percent of Missouri taxable income, and for all tax years beginning on or after January first
17 following the tax year for which the office of administration makes such determination under this
18 subdivision, the amount of the tax imposed under this subsection shall be an amount equal to
19 three and one-eighth percent of Missouri taxable income.

20 (5) Once a decrease occurs in the amount of the tax imposed under this subsection as
21 provided in subdivision (4) of this subsection, the amount of the tax imposed under this
22 subsection shall not increase even if the sum of the Missouri net corporation income tax revenues
23 and the Missouri net individual income tax revenues received in any following fiscal year ending
24 on June thirtieth of any following tax year are less than the sum of the Missouri net corporation
25 income tax revenues and the Missouri net individual income tax revenues received in the fiscal
26 year ending on June 30, 2010.”; and

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28 Further amend said bill by amending the title, enacting clause, and intersectional references
29 accordingly.