

HB 1616 -- Individual Income Taxes

Sponsor: Oxford

Beginning January 1, 2013, this bill changes the laws regarding the Missouri individual income tax. In its main provisions, the bill:

(1) Creates new income tax rates and brackets. Currently, the maximum rate is 6% for incomes greater than \$9,000. The new rate maximum will be 9% for taxable incomes greater than \$50,000;

(2) Eliminates the deduction for federal income taxes paid which is currently capped at \$5,000 for a single taxpayer and \$10,000 for a married couple; and

(3) Establishes a refundable tax credit of \$150 per family member including the taxpayer, the taxpayer's spouse, and the taxpayer's dependents based on the taxpayer's Missouri adjusted gross income. A phase-out of the credit is established for incomes between \$30,000 and \$50,000 for single or married filing separately taxpayers and for incomes between \$60,000 and \$80,000 for married filing combined and head of household taxpayers. A taxpayer with an income greater than the phase-out amount is not eligible for the credit.

The bill contains a referendum clause and will be submitted to qualified voters in November 2012.