

HB 2815 -- TAXATION

SPONSOR: Merideth

Currently, the personal income tax rates imposed upon Missouri taxpayers is determined by individual income brackets. Those brackets and rates may be periodically reduced when certain triggering events occur.

Beginning January 1, 2025, this bill eliminates all triggering mechanisms to reduce the brackets and rates, and instead imposes upon taxpayers personal income taxes as described in the bill.

Beginning with the 2026 calendar year, the tax brackets will be adjusted annually by that years' percent increase in inflation. These modifications will take effect on January 1st of each calendar year.

Beginning January 1, 2025, there will be no tax on income of less than or equal to \$2,500.

Currently, there is a 4% corporate income tax rate. Beginning January 1, 2025, that rate increases to 5%.

Currently, if a taxpayer receives a tax credit from the Missouri Working Family Tax Credit program that exceeds the taxpayer's tax liability, the difference is not refunded. This bill makes the tax credit refundable.

Currently, there is a 1% sales tax imposed on the sales of retail food. Beginning January 1, 2025, there will be no local or state sales tax on retail food.

This bill exempts from sales tax all necessary personal hygiene products and toiletries.

Currently, a motor vehicle dealer that is authorized to collect and remit sales tax on motor vehicles will be entitled to deduct and retain an amount equal to 2% of the sales tax they collect. This bill repeals this provision.

Currently, any unpaid amount of quarterly-monthly sales tax remittance may be reduced after a motor vehicle dealer deducts and retains an amount equal to 2% of the sales tax they collect. This bill repeals this provision.

Currently, a seller who is required to remit sales tax due may deduct and retain an amount equal to 2% thereof. This bill repeals this provision.

Currently, the Department of Revenue is authorized to determine the compensation paid to certified service providers who assist in securing the payment of and accounting for tax collected and remitted by retailers and vendors, provided that no such provider is entitled to the 2% deduction and retaining of sales tax paid. This bill repeals the prohibition against a provider deducting and retaining 2% of sales tax paid.