

SECOND REGULAR SESSION

SENATE BILL NO. 496

97TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SCHMITT.

Pre-filed December 1, 2013, and ordered printed.

TERRY L. SPIELER, Secretary.

4416S.01I

AN ACT

To amend chapter 143, RSMo, by adding thereto one new section relating to a deduction for business income.

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

Section A. Chapter 143, RSMo, is amended by adding thereto one new section, to be known as section 143.022, to read as follows:

143.022. 1. As used in this section, "business income" means the Missouri source net profit from business determined under the provisions of the Internal Revenue Code and partnership income as determined by sections 143.401 and 143.471. Business income shall not include "compensation" as such term is defined under subsection 1 of Article IV of section 32.200 or "guaranteed payments" as defined by the Internal Revenue Code.

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

(1) For all tax years beginning on or after January 1, 2014, but before January 1, 2015, ten percent of the amount of business income;

(2) For all tax years beginning on or after January 1, 2015, but before January 1, 2016, twenty percent of the amount of business income;

(3) For all tax years beginning on or after January 1, 2016, but before January 1, 2017, thirty percent of the amount of business income;

(4) For all tax years beginning on or after January 1, 2017, but

22 before January 1, 2018, forty percent of the amount of business income;

23 (5) For all tax years beginning on or after January 1, 2018, fifty
24 percent of the amount of business income.

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

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

34 (2) The partners in a partnership.

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Bill

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