

FIRST REGULAR SESSION

HOUSE BILL NO. 993

99TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE KORMAN.

1656H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 142.803 and 143.011, RSMo, and to enact in lieu thereof two new sections relating to taxation.

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

Section A. Sections 142.803 and 143.011, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 142.803 and 143.011, to read as follows:

142.803. 1. A tax is levied and imposed on all motor fuel used or consumed in this state as follows:

(1) Motor fuel:

(a) For calendar years beginning on or before January 1, 2017, seventeen cents per gallon;

(b) For calendar years beginning on or after January 1, 2018, the tax on motor fuel shall be increased by an amount, not to exceed three cents per year, such that the revenue attributable to such increase in motor fuel tax shall equal the reduction in revenue in the previous tax year attributable to the income tax rate reduction under subsection 2 of section 143.011. If an increase of three cents is not sufficient for increased motor fuel revenues to equal the reduction in income tax revenue, then the difference shall be carried forward and used in the motor fuel tax calculations of successive calendar years until the total increased motor fuel revenues equal total reduced income tax revenues.

(2) Alternative fuels, not subject to the decal fees as provided in section 142.869, with a power potential equivalent of motor fuel. In the event alternative fuel, which is not commonly sold or measured by the gallon, is used in motor vehicles on the highways of this state, the director is authorized to assess and collect a tax upon such alternative fuel measured by the

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 nearest power potential equivalent to that of one gallon of regular grade gasoline. The
19 determination by the director of the power potential equivalent of such alternative fuel shall be
20 prima facie correct;

21 (3) Aviation fuel used in propelling aircraft with reciprocating engines, nine cents per
22 gallon as levied and imposed by section 155.080 to be collected as required under this chapter;

23 (4) Compressed natural gas fuel, five cents per gasoline gallon equivalent until
24 December 31, 2019, eleven cents per gasoline gallon equivalent from January 1, 2020, until
25 December 31, 2024, and then seventeen cents per gasoline gallon equivalent thereafter. The
26 gasoline gallon equivalent and method of sale for compressed natural gas shall be as published
27 by the National Institute of Standards and Technology in Handbooks 44 and 130, and
28 supplements thereto or revisions thereof. In the absence of such standard or agreement, the
29 gasoline gallon equivalent and method of sale for compressed natural gas shall be equal to five
30 and sixty-six-hundredths pounds of compressed natural gas. All applicable provisions contained
31 in this chapter governing administration, collections, and enforcement of the state motor fuel tax
32 shall apply to the tax imposed on compressed natural gas, including but not limited to licensing,
33 reporting, penalties, and interest;

34 (5) Liquefied natural gas fuel, five cents per diesel gallon equivalent until December 31,
35 2019, eleven cents per diesel gallon equivalent from January 1, 2020, until December 31, 2024,
36 and then seventeen cents per diesel gallon equivalent thereafter. The diesel gallon equivalent and
37 method of sale for liquefied natural gas shall be as published by the National Institute of
38 Standards and Technology in Handbooks 44 and 130, and supplements thereto or revisions
39 thereof.

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41 In the absence of such standard or agreement, the diesel gallon equivalent and method of sale for
42 liquefied natural gas shall be equal to six and six-hundredths pounds of liquefied natural gas.
43 All applicable provisions contained in this chapter governing administration, collections, and
44 enforcement of the state motor fuel tax shall apply to the tax imposed on liquefied natural gas,
45 including but not limited to licensing, reporting, penalties, and interest;

46 (6) If a natural gas, compressed natural gas, or liquefied natural gas connection is used
47 for fueling motor vehicles and for another use, such as heating, the tax imposed by this section
48 shall apply to the entire amount of natural gas, compressed natural gas, or liquefied natural gas
49 used unless an approved separate metering and accounting system is in place.

50 2. All taxes, surcharges and fees are imposed upon the ultimate consumer, but are to be
51 precollected as described in this chapter, for the facility and convenience of the consumer. The
52 levy and assessment on other persons as specified in this chapter shall be as agents of this state
53 for the precollection of the tax.

143.011. 1. A tax is hereby imposed for every taxable year on the Missouri taxable income of every resident. The tax shall be determined by applying the tax table or the rate provided in section 143.021, which is based upon the following rates:

If the Missouri taxable income is:

The tax is:

Not over \$1,000.00. 1 1/2% of the Missouri taxable income

Over \$1,000 but not over \$2,000 \$15 plus 2% of excess over \$1,000

Over \$2,000 but not over \$3,000 \$35 plus 2 1/2% of excess over \$2,000

Over \$3,000 but not over \$4,000 \$60 plus 3% of excess over \$3,000

Over \$4,000 but not over \$5,000 \$90 plus 3 1/2% of excess over \$4,000

Over \$5,000 but not over \$6,000 \$125 plus 4% of excess over \$5,000

Over \$6,000 but not over \$7,000 \$165 plus 4 1/2% of excess over \$6,000

Over \$7,000 but not over \$8,000 \$210 plus 5% of excess over \$7,000

Over \$8,000 but not over \$9,000 \$260 plus 5 1/2% of excess over \$8,000

Over \$9,000. \$315 plus 6% of excess over \$9,000

36 2. (1) Beginning with the 2017 calendar year, the top rate of tax under subsection 1 of
37 this section may be reduced over a period of years. Each reduction in the top rate of tax shall be
38 by one-tenth of a percent and no more than one reduction shall occur in a calendar year. The top
39 rate of tax shall not be reduced below five and one-half percent. Reductions in the rate of tax
40 shall take effect on January first of a calendar year and such reduced rates shall continue in effect
41 until the next reduction occurs.

42 ~~(2) [A reduction in the rate of tax shall only occur if the amount of net general revenue~~
43 ~~collected in the previous fiscal year exceeds the highest amount of net general revenue collected~~
44 ~~in any of the three fiscal years prior to such fiscal year by at least one hundred fifty million~~
45 ~~dollars.~~

46 ~~———(3)]~~ Any modification of tax rates under this subsection shall only apply to tax years that
47 begin on or after a modification takes effect.

48 ~~[(4)]~~ (3) The director of the department of revenue shall, by rule, adjust the tax tables
49 under subsection 1 of this section to effectuate the provisions of this subsection. The bracket for
50 income subject to the top rate of tax shall be eliminated once the top rate of tax has been reduced
51 to five and one-half ~~[of a]~~ percent.

52 3. Beginning with the 2017 calendar year, the brackets of Missouri taxable income
53 identified in subsection 1 of this section shall be adjusted annually by the percent increase in
54 inflation. The director shall publish such brackets annually beginning on or after October 1,
55 2016. Modifications to the brackets shall take effect on January first of each calendar year and
56 shall apply to tax years beginning on or after the effective date of the new brackets.

57 4. As used in this section, the following terms mean:

58 (1) "CPI", the Consumer Price Index for All Urban Consumers for the United States as
59 reported by the Bureau of Labor Statistics, or its successor index;

60 (2) "CPI for the preceding calendar year", the average of the CPI as of the close of the
61 twelve month period ending on August thirty-first of such calendar year;

62 (3) "Percent increase in inflation", the percentage, if any, by which the CPI for the
63 preceding calendar year exceeds the CPI for the year beginning September 1, 2014, and ending
64 August 31, 2015.

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