

*Be it resolved by the people of the state of Missouri that the Constitution be amended:*

Article X is amended by repealing Sections 1 and 4(d) and seven new sections are adopted to be known as Article X, Sections 1(a) through (f) and 4(d).

Section 1(a). The taxing power may be exercised by the general assembly for state purposes, and by counties and other political subdivisions under power granted to them by the general assembly for county, municipal and other corporate purposes, except the general assembly shall not have the power to enact any law:

(i) imposing a tax on or measured by the income or earnings of an individual for tax years beginning on or after January 1, 2015, except as provided in sections 1(a) through 1(d) of this article;  
or

(ii) authorizing any county or other political subdivision to enact, levy or impose a tax on or measured by the income or earnings of an individual, except any tax on or measured by the income or earnings of an individual that was lawfully enacted and imposed by a city prior to January 1, 2015, and continues to be lawfully renewed by voters of such city.

Section 1(b). (1) Any existing tax on or measured by the income or earnings of an individual shall be repealed effective January 1, 2015, except:

(i) the tax imposed by section 1(c); and

(ii) any tax on or measured by the income or earnings of an individual that was lawfully enacted and imposed by a city prior to January 1, 2013 and continues to be lawfully renewed by voters of such city.

(2) Any tax in effect for a tax year ending on or before December 31, 2014 shall be collected by the Director of Revenue as may be provided by law.

Section 1(c). For tax years beginning on or after January 1, 2015, there shall be a tax imposed as follows:

(i). On married individuals filing joint returns and heads of households:

(A). On all Missouri taxable income not over \$30,000 a tax at the rate of three percent; and

(B). On all Missouri taxable income over \$30,000 a tax at the rate of four point nine percent;

(ii). On all other individuals:

(A). On all Missouri taxable income not over \$15,000 a tax at the rate of three percent; and

(B). On all Missouri taxable income over \$15,000 a tax at the rate of four point nine percent.

Section 1(d). "Missouri taxable income" shall be as defined by law, but shall not include (1) net profits from a business reported on schedule C and on line 12 of the taxpayer's form 1040 federal income tax return; (2) net income from rental real estate, royalties, partnerships, S corporations, estates, trusts, and net farm rental as reported on schedule E and line 17 of the taxpayer's form 1040 federal income tax return; and (3) net farm profit as reported on schedule F and line 18 of the taxpayer's form 1040 federal income tax return. For purposes of this section, the schedules, lines and form shall be such as existed for tax year 2011 and as revised thereafter by the internal revenue service.

Section 1(e). The General Assembly shall enact, without submitting to a statewide vote, an increase in the rate of sales tax imposed for general revenue purposes or an expansion of the base of the sales tax imposed for general revenue purposes or both. The authorization in this section shall be effective only if the net individual income tax revenues collected by the department of revenue

decrease as a result of the operation of sections 1(a) through 1(d) of this article. Such increase in the rate or expansion of the base shall only be in such amount as to equal the decrease in the net individual income tax revenues collected in the immediately prior tax year by the department of revenue, against 2014 net individual income tax revenues, as a direct result of sections 1(a) through 1(d) of this section. The increase or expansion mandated in this section shall be recalculated and renewed every year. The provisions of Article X, Section 18(e) shall not apply to the actions of the General Assembly under this section.

Section 1(f). Sections 1(a) through (f) of this article shall be self-enforcing, and the general assembly may enact laws, not inconsistent therewith, to provide for the administration and collection of the tax imposed in section 1(c) and authorized in section 1(e) of this article and in aid of the provisions of sections 1(a) through 1(f) of this article.

Section 4(d). In enacting any law defining Missouri taxable income, the general assembly may reference provisions of the laws of the United States as they may be or become effective at any time or from time to time, whether retrospective or prospective in their operation. The general assembly may in so defining Missouri taxable income make exceptions, additions, or modifications to any provisions of the laws of the United States so referred to and for retrospective exceptions or modifications to those provisions which are retrospective.

[Section 1. The taxing power may be exercised by the general assembly for state purposes, and by counties and other political subdivisions under power granted to them by the general assembly for county, municipal and other corporate purposes.]

[Section 4(d). In enacting any law imposing a tax on or measured by income, the general assembly may define income by reference to provisions of the laws of the United States as they may be or become effective at any time or from time to time, whether retrospective or prospective in their operation. The general assembly shall in any such law set the rate or rates of such tax. The general assembly may in so defining income make exceptions, additions, or modifications to any provisions of the laws of the United States so referred to and for retrospective exceptions or modifications to those provisions which are retrospective.]