

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 688
101ST GENERAL ASSEMBLY

1648H.03C

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 92.111 and 92.115, RSMo, and to enact in lieu thereof two new sections relating to earnings tax.

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

Section A. Sections 92.111 and 92.115, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 92.111 and 92.115, to read as follows:

92.111. 1. After December 31, 2011, no city, including any constitutional charter city, shall impose or levy an earnings tax, except a constitutional charter city that imposed or levied an earnings tax on November 2, 2010, may continue to impose the earnings tax if it submits to the voters of such city pursuant to section 92.115 the question whether to continue such earnings tax for a period of five years and a majority of such qualified voters voting thereon approve such question, however, if no such election is held, or if in any election held to continue to impose or levy the earnings tax a majority of such qualified voters voting thereon fail to approve the continuation of the earnings tax, such city shall no longer be authorized to impose or levy such earnings tax except to reduce such tax in the manner provided by section 92.125.

2. As used in sections 92.111 to 92.200, unless the context clearly requires otherwise, the term "earnings tax" means a tax on the:

(1) Salaries, wages, commissions and other compensation earned by its residents;

(2) Salaries, wages, commissions and other compensation earned by nonresidents of the city for work done or services performed or rendered in the city. **For all tax returns filed on or after January 1, 2021, "work done or services performed or rendered in the city" shall not include any work or services performed or rendered through telecommuting or otherwise performed or rendered remotely unless the location where such remote work or services were performed is located in the city;**

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.

21 (3) Net profits of associations, businesses or other activities conducted by residents;

22 (4) Net profits of associations, businesses or other activities conducted in the city by
23 nonresidents;

24 (5) Net profits earned by all corporations as the result of work done or services
25 performed or rendered and business or other activities.

92.115. 1. Any constitutional charter city which as of November 2, 2010, imposed or
2 levied an earnings tax may continue to impose or levy an earnings tax, pursuant to sections
3 92.111 to 92.200, if it submits to the qualified voters [~~of such city~~] **as described in subdivisions**
4 **(1) and (2) of this subsection** on the next general municipal election date immediately following
5 November 2, 2010, and once every five years thereafter, the question whether to continue to
6 impose and levy the earnings tax authorized pursuant to sections 92.111 to 92.200, and if a
7 majority of qualified voters voting approve the continuance of the earnings tax at such election.

8 **(1) If the earnings tax is imposed by a city not within a county, the qualified voters**
9 **shall include individuals who reside in such city, individuals who reside in a county with**
10 **a charter form of government and with more than nine hundred fifty thousand**
11 **inhabitants, individuals who reside in a county with a charter form of government and**
12 **with more than three hundred thousand but fewer than four hundred fifty thousand**
13 **inhabitants, individuals who reside in a county with a charter form of government and**
14 **with more than two hundred thousand but fewer than three hundred fifty thousand**
15 **inhabitants, and individuals who reside in a county of the first classification with more**
16 **than one hundred one thousand but fewer than one hundred fifteen thousand inhabitants.**

17 **(2) If the earnings tax is imposed by a home rule city with more than four hundred**
18 **thousand inhabitants and located in more than one county, the qualified voters shall**
19 **include individuals who reside in the counties in which all or part of such city is located.**

20 2. The question submitted to the qualified voters [~~in any such city~~] shall contain the
21 earnings tax percentage imposed and the name of the city submitting the question and shall
22 otherwise contain exactly the following language:

23
24 Shall the earnings tax of _____ %, imposed by the City of _____, be continued for a
25 period of five (5) years commencing January 1 immediately following the date of this election?
26 Yes No

27
28 3. If the question whether to continue to impose and levy the earnings tax fails to be
29 approved by the majority of qualified voters voting thereon, the earnings tax levied and imposed
30 on November 2, 2010, shall be reduced pursuant to section 92.125 commencing January first of
31 the calendar year following the date of the election held under this section or January first of the

32 calendar year following the calendar year in which such election was authorized under this
33 section but not held ~~[by such city]~~.

34 4. No city which has begun reductions of its earnings tax pursuant to section 92.125 may,
35 by ordinance or any other means, with or without voter approval, stop or suspend such reduction.

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