

SENATE COMMITTEE SUBSTITUTE

FOR

SENATE BILL NO. 604

AN ACT

To repeal section 92.111, RSMo, and to enact in lieu thereof one new section relating to earnings tax.

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

Section A. Section 92.111, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 92.111, to read as follows: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 are performed is located in the city. Any taxpayer denied a refund for taxes paid for such work or services not performed or rendered in the city may bring a cause of action in a court of competent jurisdiction to recover the amount of refund owed, and such taxpayer shall recover reasonable attorney's fees resulting from such cause of action;

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

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

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