

IMPORTANT TAXATION CHANGES FROM 2024 LEGISLATIVE SESSION

The following legislative changes affect the Missouri Department of Revenue's taxation processes and are effective August 28, 2023 (unless otherwise noted).

Missouri Rural Access to Capital Act Tax Credit Program (SB 802)

This legislation creates a new tax credit program to encourage investment in rural areas of the state. The credit is administered by the Department of Economic Development. This program will become effective August 28, 2024. (Sections 620.3500 – 620.3530)

Federal Broadband Grants' Income Tax Subtraction (SB 872)

SB 25 adopted in the 2023 legislative session allowed taxpayers to receive a subtraction from their Federal Adjusted Gross Income of 100% of the federal grant money they receive, for the purpose of providing or expanding broadband internet to the areas of the state that are deemed to be lacking. This subtraction began August 28, 2023, for moneys received after that date. SB 872 extended the subtraction for all tax years beginning on or after January 1, 2022. (Section 143.121)

Utility Companies Sales Tax Exemption (SB 872)

This legislation expands the manufacturing sales tax exemption for the production of electricity. The exemption will be allowed for the generation, transmission, distribution, sale or furnishing of electricity. This exemption will begin August 28, 2024. (Section 144.058)

Signing Bonuses for the Armed Forces included in Military Income Deduction (SB 912)

This legislation clarifies that signing bonuses received by members of the Armed Forces are included in the definition of "compensation" for determining the Active-Duty Military income deduction. (Section 143.174)

Signing Bonuses for the National Guard included in Military Income Deduction (SB 912)

This legislation expands the Inactive Duty Military income deduction to include signing bonuses received by members of the National Guard or a reserve component of the United States Armed Forces. This change will be effective for tax years beginning on or after January 1, 2025. (Section 143.175)

Sales Tax Exemption for certain Nuclear Facilities (SB 1388)

This legislation allows the contractor at a National Nuclear Security Administration's site located in any city with more than four hundred thousand inhabitants and located in more than one county to have the same state and local sales tax exemption the federal government would have received for the construction and equipping of the planned plant expansion. This exemption will begin August 28, 2024. (Section 144.054)

SALT Parity Act (HB 1912)

This legislation makes updates to the SALT Parity Act. It also establishes a procedure for allowing a member(s) of an affected business entity the option to opt-out of participating in the program. (Section 143.436)

Non-Resident Credit (HB 1912)

This legislation makes modifications to the non-resident credit for taxpayers who pay income tax in another state. (Section 143.081)