

**IN THE CIRCUIT COURT OF COLE COUNTY
STATE OF MISSOURI**

))
RONALD J. CALZONE))
Plaintiff,))
and))

))
C. MICHAEL MOON))
Plaintiff,))
vs.))

CASE NO. _____

JOHN R. ASHCROFT, in his official capacity as))
Missouri Secretary of State))
and))

JOEL W. WALTERS, in his official capacity as))
Director of the Missouri Department of Revenue))
and))

PATRICK MCKENNA, in his official capacity as))
Director of the Department of Transportation))
and))

SANDRA K. KARSTEN, in her official capacity))
as Superintendent of the Missouri))
State Highway Patrol))
Defendants))

COME NOW, the Plaintiffs, Ronald J. Calzone and C. Michael Moon and state as follows:

- 1) This Action is a challenge to the constitutionality of House Bill 1460 (2018)

based on procedural infirmities, including an illegal change to the original purpose of the bill and violations of the single subject and clear title clause (Mo. Const. Article III § 23) in the Missouri Constitution. Additionally, HB 1460 was an improper vehicle for a ballot measure and created needless tension between Article III Sections 31 and 52(b) of our state Constitution.

2) Plaintiffs Ron Calzone and Mike Moon are both taxpayers and citizens of Missouri.

3) Plaintiff Moon is a current member of the Missouri House of Representatives. As such, he filed a Constitutional Objection to HB 1460, pursuant to Missouri Constitution Article III § 30, in which he identified some of the procedural defects mentioned above.

4) Plaintiff Calzone is regularly engaged as an uncompensated citizen activist in an effort to promote constitutional governance, including efforts to ensure that legislation passed by the General Assembly adheres to constitutional requirements both substantively and procedurally. Such activities include educating legislators about *constitutional limitations on their legislative powers* as well as their affirmative duties.

STANDING

5) Plaintiffs enjoy standing because they are citizens of the state of Missouri, each of whom has an interest in the proper use of the power they bestowed upon public officials consistent with Article I § 1 of the Missouri Constitution. Representative Moon's involvement in the legislative process and the fact that he filed a constitutional objection to the bill particularly distinguishes him from the majority of Missourians.

6) Plaintiffs also enjoy standing as *taxpaying* citizens of Missouri. “This Court has repeatedly held that taxpayers do, in fact, have a legally protectable interest in the proper use and expenditure of tax dollars.” *Lebeau v. Commissioners Of Franklin County*, 422 SW 3d 284 (2014) Based on the fiscal note prepared by the General Assembly, the projected costs to state agencies resulting from implementing HB 1460 include the cost of submitting the act to the qualified voters of Missouri for their consideration. Among the costs of putting a measure on the ballot is meeting the requirement of Section 116.230-116.290, RSMo. to publish the full text of each statewide ballot measure. Officials at the Office of Administration Division of Budget and Planning (B&P) estimate the cost of such publication to average \$400,000 per measure. (See page 12 of the Fiscal Note, Exhibit C.)

7) If the act is adopted by the voters, its “Emergency State Freight Bottleneck Fund” costs are projected by the Office of Administration Division of Budget and Planning (B&P) to be “unknown” because they don't know how many projects will be approved, but is clear there is significant “potential” for costs. Page 11, Fiscal Note.

8) The Fiscal Note also identifies additional costs to administering the state road fund: \$167,268 in FY 2020, \$92,828 in FY 2021, \$97,365 in 2027. Two additional full time employees are estimated to be required. Page 14, Fiscal Note.

9) Other fiscal impacts affecting the Plaintiffs include the act's increase in the fuel tax: \$73,200,000 in 2020, \$146,400,00 in 2021, \$293,300,00 annually when fully implemented in 2027. Page 1, Fiscal Note.

DEFENDANTS

10) John R. Achcroft, in his official capacity as the Missouri Secretary of State, is an appropriate defendant because he is tasked with placing House Bill 1460 on the ballot for consideration by Missouri voters. This suit seeks an injunction on that duty.

11) Joel W. Walters, in his official capacity as the director of the Department of Revenue, is an appropriate defendant because he administers the agency responsible for collection of the fuel tax which is part of House Bill 1460.

12) Patrick K. McKenna, in his official capacity as director of the Department of Transportation, is an appropriate defendant because the agency he heads is responsible for administering the “Emergency State Freight Bottleneck Fund.”

13) Sandra K. Karsten, in her official capacity as Superintendent of the Missouri State Highway Patrol, is an appropriate defendant due to the earmarking of funds to that agency in House Bill 1460.

LEGAL BASIS AND TIMELINESS OF ACTION

14) This action is brought pursuant to Section 516.500, RSMo 2014 which states:

No action **alleging a procedural defect in the enactment of a bill into law** shall be commenced, had or maintained by any party **later than the adjournment of the next full regular legislative session following the effective date of the bill as law**, unless it can be shown that there was no party aggrieved who could have raised the claim within that time. In the latter circumstance, the complaining party must establish that he or she was the first person aggrieved or in the class of first persons aggrieved, and that the claim was raised not later than the adjournment of the next full regular legislative session following any person being aggrieved. In no event shall

an action alleging a procedural defect in the enactment of a bill into law be allowed later than five years after the bill or the pertinent section of the bill which is challenged becomes effective. Emphasis added.

15) This action is brought before the adjournment of the next full regular legislative session following the enactment of HB 1460.

VENUE

16) Cole County Circuit Court is the proper venue since the seat of Missouri government and the various departments named as defendants reside in Cole County.

“In all actions in which there is no count alleging a tort, venue shall be determined as follows: (1) When the defendant is a resident of the state, either in the county within which the defendant resides, or in the county within which the plaintiff resides, and the defendant may be found;”
508.010 RSMO 2014

CONTROLLING LAWS

17) Missouri Constitution Article III § 21 states that,

“The style of the laws of this state shall be: "Be it enacted by the General Assembly of the State of Missouri, as follows." No law shall be passed except by bill, and **no bill shall be so amended in its passage through either house as to change its original purpose.** Bills may originate in either house and may be amended or rejected by the other. Every bill shall be read by title on three different days in each house.” Emphasis added.

18) Missouri Constitution Article III § 23 states that,

“**No bill shall contain more than one subject** which shall be **clearly expressed in its title**, except bills enacted under the third exception in section 37 of this article and general appropriation bills, which may embrace the various subjects and accounts for which moneys are appropriated.” Emphasis Added.

19) Missouri Constitution Article III § 31 states that,

“Every bill which shall have passed the house of representatives and the senate **shall be presented to and considered by the governor**, and, within fifteen days after presentment, he shall return such bill to the house in which it originated endorsed with his approval or accompanied by his objections. If the bill be approved by the governor it shall become a law. When the general assembly adjourns, or recesses for a period of thirty days or more, the governor shall return within forty-five days any bill to the office of the secretary of state with his approval or reasons for disapproval. If any bill shall not be returned by the governor within the time limits prescribed by this section it shall become law in like manner as if the governor had signed it.” Emphasis Added.

20) Missouri Constitution Article III § 52(b) states that,

“The veto power of the governor shall not extend to measures referred to the people. All elections on measures referred to the people shall be had at the general state elections, except when the general assembly shall order a special election. Any measure referred to the people shall take effect when approved by a majority of the votes cast thereon, and not otherwise. This section shall not be construed to deprive any member of the general assembly of the right to introduce any measure.” Emphasis Added.

BILL HISTORY

21) House Bill 1460 was introduced and First Read in the Missouri House on January 3, 2018, as a bill less than 5 pages in length with the title,

“AN ACT To repeal section 143.121, RSMo, and to enact in lieu thereof one new section relating to a tax deduction for certain Olympic athletes.”

All the elements of the bill related to a tax deduction for Olympic athletes. A true and accurate copy of the Introduced version of HB 1460 is provided, herein, as Exhibit A.

22) On February 13, 2018, HB 1460 was perfected, with amendment, by the House of Representative. It was still less than 5 pages in length and the title was not

changed. An amendment added those participating in “Paralympic, or Special Olympic Games” to the bill. A copy of the perfected version can be found at <https://house.mo.gov/billtracking/bills181/hlrbillspdf/4687H.02P.pdf> (Last visited June, 28, 2018)

23) On February 15, 2018, the House third read and passed the perfected version with a vote of 109 AYES, 39 NOES, 0 PRESENT.

24) On March 6, 2018, the Senate Senate Ways and Means Committee held a public hearing for HB 1460.

25) On May 15, 2018, HB 1460 was reported to the Senate “Do Pass” from the Senate Ways and Means Committee.

26) On May 17, 2018, the day before the end of the last day to consider bills in the regular 2018 session, SENATE SUBSTITUTE 2 FOR HOUSE BILL NO. 1460 was offered by Senator Dave Schatz and adopted by the full Senate. This version added to the original matter pertaining to tax relief for certain athletes, 1) provisions relating to fuel taxes, 2) funding for the Highway Patrol, 3) a new “Emergency State Freight Bottleneck Fund”, and, 4) a referendum clause. The title of the bill was also changed by the Senate Substitute; the new version read,

“AN ACT To repeal sections 142.803 and 143.121, RSMo, and to enact in lieu thereof three new sections relating to state revenues, with a referendum clause.”

A true and accurate copy of the Senate Substitute version 2 of HB 1460 is provided, herein, as Exhibit D.

27) On May 18, 2018, the last day to consider bills in the regular 2018 session, the Senate third read and passed Senate Substitute 2 for HB 1460. The Senate Journal pages chronicling that vote can be found at www.senate.mo.gov/18info/Journals/RDay7305172301-2443.pdf#toolbar=1 (Last visited June 28, 2018.)

28) On May 18, 2018, the House took up the Senate Substitute 2 version passed by the Senate and Truly Agree and Finally Passed it by a vote of 88 AYES, 60 NOES, 1 PRESENT. The final bill title read,

“AN ACT To repeal sections 142.803 and 143.121, RSMo, and to enact in lieu thereof three new sections relating to state revenues, with a referendum clause.”

Exhibit B.

29) On May 30, 2018, the Speaker of the House and Pro tem of the Senate signed HB 1460, and Representative Mike Moon filed a Constitutional Objection. A copy of the House Journal page documenting such objection can be found in Exhibit E.

30) On May 30, 2018, House Bill 1460 was delivered to the Secretary of State. See House Journal entry at <https://house.mo.gov/BillTracking/PDFViewer/web/viewer.html?file=/billtracking/bills181/jrnpdf/jrn078.pdf#page=7> (Last visited June 28, 2018.)

RELATED LEGISLATION

31) The Senate Substitute for HB 1460 offered on May 17, 2018 included language that was substantially identical to entirety of the language in Senate Committee

Substitute for Senate Bill 734, related to transportation funding, sponsored by Senator Dave Schatz. Exhibit F.

32) Senate Committee Substitute for Senate Bill 734 was voted “Do Pass” in the Senate Transportation, Infrastructure and Public Safety Committee on April 5, 2018. The vote by which it was passed was reconsidered on May 5, 2018, whereupon the same version was again voted “Do Pass” and reported to the full Senate, but was never brought to the floor for debate. The bill action page for SB 734 can be found at http://senate.mo.gov/18info/BTS_Web/Actions.aspx?SessionType=R&BillID=69471906 (Last visited July 1, 2018.)

33) No bill including the Emergency State Freight Bottleneck Fund had been filed.

34) Forty Four percent (44%) of the measures (66 bills and resolutions) passed in the 2018 regular session of the Missouri General Assembly were passed on the last two days of session, when the substantial changes to HB 1460 were taking place. Those 66 measures included 1626 pages, or over 56% of the total number of pages in all the bills passed the entire session.

Truly Agreed And Finally Passed Dates – 2018 Regular Session				
	Grand Total	Last Two Weeks	Final Week	Last 2 Days
Bill Count	150	116	78	66
% of all Bills		77.3%	52.0%	44.0%
Pages	2872	2490	1923	1626
% of all Pages		86.7%	67.0%	56.6%

Exhibit G.

NATURE OF THIS ACTION

35) This action is for a declaratory judgment that House Bill 1460 is unconstitutional due to procedural infirmities and is therefore void, and an injunction to prevent the enforcement of any of its provisions, including an order that the Secretary of State refrain from placing it on the ballot.

Count 1

The Purpose of HB 1460 Was Changed By Amendment (a substitute bill) And the Purpose of the Finally Passed Version Was Not the Same as the Introduced Version in Violation of Missouri Constitution Article III Section 21

36) Plaintiffs hereby restate and incorporate paragraphs 1 through 35, above, as if set forth fully herein.

37) Missouri Constitution Article III Section 21 is clear and concise with its mandate that every bill must remain true to its original purpose, that is, the bill's purpose at the point it was filed or introduced. Any bill whose purpose has changed is, therefore, constitutionally infirm.

“The style of the laws of this state shall be: 'Be it enacted by the General Assembly of the State of Missouri, as follows.' No law shall be passed except by bill, and **no bill shall be so amended in its passage through either house as to change its original purpose.** Bills may originate in either house and may be amended or rejected by the other. Every bill shall be read by title on three different days in each house.” Emphasis added.
Missouri Constitution Article III Section 21

38) With the exception of the provisions of Section 37 in Article III and general appropriation bills, the one “purpose” of a bill is correspondent to its one “subject” and

the subject must be clearly expressed in its title, per Article III Section 23: Missouri Constitution Article III § 23 states that,

“No bill shall contain more than one subject which shall be clearly expressed in its title, except bills enacted under the third exception in section 37 of this article and general appropriation bills, which may embrace the various subjects and accounts for which moneys are appropriated.” Emphasis Added.

39) The Missouri Supreme Court has ruled that the purpose of a bill can be fairly ascertained from its title. “ In determining the original, controlling purpose of the bill for purposes of determining severance issues, a title that 'clearly' expresses the bill's single subject is exceedingly important.” *Hammerschmidt v. Boone County*, 877 SW 2d 98 (1994) at 103.

40) The official title for the **introduced version** of HB 1460 was significantly different than the official title for the **finally passed version**.

“AN ACT To repeal section 143.121, RSMo, and to enact in lieu thereof one new section relating to a tax deduction for certain Olympic athletes.”

Exhibit A.

“AN ACT To repeal sections 142.803 and 143.121, RSMo, and to enact in lieu thereof three new sections relating to state revenues, with a referendum clause.”

Exhibit B.

41) The purpose of the introduced version of HB 1460 was to enact a statute, but the purpose of the final version was to place a question before the qualified voters of Missouri.

42) The purpose of the act at the core of each of the versions had also been changed. “The first step in the original purpose analysis is to identify the original purpose. According to its earliest title and contents...” *Legends Bank v. State*, 361 SW 3d 383, 386 - Mo: Supreme Court 2012 “The second analytical step is to compare the original purpose with the final version...” *Id.* Both the bill **title** and **content** of the original HB 1460 were laser focused on providing tax relief to certain athletes.

Legislative Research summarized the introduced version as follows:

“This bill authorizes the 'Olympic Dream Freedom Act' which allows a state individual income tax deduction for the value of any prize or award won by a taxpayer in athletic competition in the Olympic Games.”

Exhibit H.

43) The final version of HB 1460 had been expanded beyond the limiting language in the original title. Both the title and content are substantively different than the introduced version. Legislative Research summarized the final version as follows:

“Beginning July 1, 2019, this bill increases the fuel tax from \$.17 per gallon to \$.27 per gallon in \$.025 increments over four years. Beginning July 1, 2022, the tax rate of \$.27 applies. The additional revenue generated by the tax increase is used for the actual costs of the State Highway Patrol, subject to appropriation. In addition, the bill authorizes the Department of Agriculture to tax all types of fuel at a substantially equivalent rate by implementing a rule by January 1, 2026. The state auditor will biennially audit funds to ensure their accurate expenditure and provide a report to the General Assembly (Section 142.803, RSMo).

This bill authorizes the "Olympic Dream Freedom Act" which allows a state individual income tax deduction for the value of any prize or award won by a taxpayer in athletic competition in the Olympic, Paralympic, or Special Olympic Games (Section 143.121).

The bill creates the "Emergency State Freight Bottleneck Fund" which is dedicated, subject to appropriation, only to road projects with criteria for such projects specified in the bill (Section 226.145).

The bill contains a referendum clause and the provisions of this bill will become effective upon voter approval.”

Exhibit I.

44) The original title for HB 1460 “decend[ed] to particulars and details”, namely tax relief for a specific category of athletes. **But the final version did not conform to those particulars.** “The title need not express the limitations in the body of the act, but where the title of an act descends to particulars and details, the act must conform to the title as thus limited by the particulars and details”. *Lincoln Credit Co. v. Peach*, 636 SW 2d 31 - Mo: Supreme Court 1982, *Citing Hunt v. Armour*, 345 Mo. 677, 681-682, 136 S.W.2d 312, 314 (1939).

45) A bill whose purpose is declared in its original title to be narrowly focused can not be broadened through the amendment process. The Missouri Supreme Court provides an example to illustrate:

“The restriction is against the introduction of matters not germane to the object of the legislation or unrelated to its original subject. An example of a case where this provision [Article III § 21] was violated is *Allied Mut. Ins. Co. v. Bell*, 353 Mo. 891, 185 S.W.2d 4 (1945). There a bill was introduced having as its original purpose a reduction in certain insurance premiums. However, during legislative process, it was amended so as to impose a tax on insurance premiums. The court found this to be a clear deviation from the bill's original purpose, declaring it unconstitutional. *Id.* At 8.”

Akin v. Director of Revenue, 934 SW 2d 295, 302 (1996)

46) The altering of the purpose of HB 1460 does great harm to the integrity of the legislative process, was an obstacle to the ability of legislators to grasp and intelligently discuss the bill, placed legislators in a position of having to accept some matters which they do not support in order to enact that which they earnestly support – **a situation which was exacerbated by the fact that the radical change to the bill occurred during the last two days of the legislative session when 44% of the measures ultimately passed were on the House or Senate floor for consideration.** See *Hammerschmidt v. Boone County*, 877 SW 2d 98 (1994) at 101.

WHEREFORE, Plaintiffs pray that the Court, pursuant to § 516.500, RSMo, hear this action: that the Court issue a declaratory judgment that the procedure by which HB 1460 was passed, that is, changing its purpose, violated the Missouri Constitution Article III Section 21, and that House Bill 1460 is void, and because it is impossible for this court to know how legislators would have voted for any severed portion of this bill, issue an injunction to prevent the enforcement of any of its provisions, including placing it on the ballot before the qualified voters of Missouri, as well as provide for any other remedies the Court determines support the Constitution and further justice.

Count 2

The Finally Passed Version of HB 1460 Violates The Single Subject Rule in Missouri Constitution Article III Section 23

47) Plaintiffs hereby restate and incorporate paragraphs 1 through 46, above, as if set forth fully herein.

48) Any claim that all the provisions of the final version of HB 1460 all

reasonably relate to one another is of no use in a single subject evaluation *if the original purpose of the bill, as expressed in the original title, is narrower than the commonality of those provisions.* As the Supreme Court has pointed out, rather than comparing the various provisions to one another, a proper analysis *compares each provision to the “general core purpose” of the bill.* As discussed above, *that purpose must be determined from the original title and content,* not a title that has been revised to suit a new, broader subject matter.

"No bill shall contain more than one subject which shall be clearly expressed in its title...." Mo. Const. art. III, § 23. The main test for determining if a bill violates the single subject rule is laid out in *Hammerschmidt*: "a 'subject' within the meaning of article III, section 23, includes all matters that fall within or reasonably **relate to the general core purpose** of the proposed legislation." 877 S.W.2d at 102. "However, the single subject test is not whether individual provisions of a bill relate to each other. **The constitutional test focuses on the subject set out in the title.**" *Fust v. Attorney Gen. for the State of Mo.*, 947 S.W.2d 424, 428 (Mo. banc 1997). "The dispositive question in determining whether a bill contains more than one subject is whether all provisions of the bill fairly relate to the same subject, have a natural connection therewith, or are incidents or means to accomplish its purpose." *Id.* (internal quotations omitted). Further, "The determination of whether a bill violates the article III, section 23 single subject requirement is made concerning the bill as it is finally passed." *Stroh Brewery Co.*, 954 S.W.2d at 327. (Emphasis added.)

Legends Bank v. State, 361 SW 3d 383, 390 (2012 Judge Fischer, concurring)

49) "If the title of a bill contains a particular limitation or restriction, a provision that goes beyond the limitation in the title is invalid because such title affirmatively misleads the reader". *Fust v. Attorney General*, 947 SW 2d 424, 429 (1997) citing *Hunt v. Armour & Co.*, 345 Mo. 677, 679-80, 136 S.W.2d 312, 314 (1940).

50) Specifically, the one element of HB 1460 that was in the bill throughout its life was relating to the subject of tax relief for certain Olympic athletes. Unless increasing the motor fuel tax has a “natural connection” to such tax relief or is an “incident[] or means” to provide that tax relief, it is a new and distinct subject. The same can be said for a funding mechanism for the Highway Patrol and the “Emergency State Bottleneck Fund.”

WHEREFORE, Plaintiffs pray that the Court, pursuant to § 516.500, RSMo, hear this action: that the Court issue a declaratory judgment that the procedure by which HB 1460 was passed, namely, incorporating multiple subjects or subjects outside the scope of the original purpose, violated the Missouri Constitution Article III Section 23, and that House Bill 1460 is void, and because it is impossible for this court to know how legislators would have voted for any severed portion of this bill, issue an injunction to prevent the enforcement of any of its provisions, including placing it on the ballot before the qualified voters of Missouri, as well as provide for any other remedies the Court determines support the Constitution and further justice.

Count 3

The Title for HB 1460 Was Changed in Violation of Missouri Constitution Article III Sections 21 and 23

51) Plaintiffs hereby restate and incorporate paragraphs 1 through 50, above, as if set forth fully herein.

52) Since Article III Section 23 requires that the subject or *purpose* of a bill be “clearly expressed in its title”, and Article III Section 21 requires that no amendment to a

bill can change its *original* subject or purpose, and since the title of HB 1460, itself, was amended in a way that expanded (changed) its original purpose, that amendment to the title violated the Constitution. The Constitution does not anticipate substantive changes to bill titles.

53) That the title of a bill properly notify the purpose and scope of a bill was important enough to the people of Missouri for them to include a constitutional mandate that titles be properly applied to every bill. Properly used, the title allows the people's representatives, including Plaintiff Moon, and sometimes the people themselves, as is the case with the Plaintiff Calzone, to keep a watchful eye over the legislative process when they don't have the means to hire an army of lobbyists to protect their interests.

54) If the title applied to bills is made to be more or less static and truly reflects the *potential* scope of a bill – what it is and what it might possibly become – then an observer of legislation can perform a sort of “legislative triage,” and sort out what bills could and could not possibly affect his interests.

55) If, on the other hand, the title of a bill can be elastic – molded by amendments that would otherwise be beyond the scope of the original title and purpose – then a bill the legislator or citizen could have otherwise marked off as inconsequential to his interests might still evolve into a threat. Put more succinctly, allowing legislators to change the title of bills to fit the evolving bill, rather than requiring the evolution of the bill to remain true to the original title, defeats a major portion of the purpose for the Article III Section 23 requirement that, “No bill shall contain more than one subject which shall be clearly expressed in its title”, and the Section 21 requirement that “ Every

bill shall be read by title on three different days in each house.” (A changed title could make it hard to identify a bill of interest.)

56) The significant change in the title of HB 1460 and other bills does injury to the Plaintiffs and other citizens who, then, experience a diminished opportunity to influence the laws they must live under. Such disenfranchisement violates the provisions of Article III Sections 21 and 23.

WHEREFORE, Plaintiffs pray that the Court, pursuant to § 516.500, RSMo, hear this action: that the Court issue a declaratory judgment that the procedure by which HB 1460 was passed, specifically, that the title was changed in a substantive way, violated the Missouri Constitution Article III Section 21, 23, and that House Bill 1460 is void, and because it is impossible for this court to know how legislators would have voted for any severed portion of this bill, issue an injunction to prevent the enforcement of any of its provisions, including placing it on the ballot before the qualified voters of Missouri, as well as provide for any other remedies the Court determines support the Constitution and further justice.

Count 4

The Title for the Final Version of HB 1460 Was in Violation of the Clear Title Requirement in Missouri Constitution Article III Sections 23

57) Plaintiffs hereby restate and incorporates paragraphs 1 through 56, above, as if set forth fully herein.

58) Article III § 23 states that, “No bill shall contain more than one subject which shall be clearly expressed in its title...”, but the final title of HB 1460 was too broad and amorphous to identify a single subject within the meaning of Article III, Section 23.

Virtually everything the state does could be classified as “relating to state revenues.” The title didn't even narrow it to “the collection and disbursement of state revenues.”

WHEREFORE, Plaintiffs pray that the Court, pursuant to § 516.500, RSMo, hear this action: that the Court issue a declaratory judgment that the procedure by which HB 1460 was passed, specifically, that the title violated the clear title requirement in Missouri Constitution Article III Section 23, and that House Bill 1460 is void in its entirety, and issue an injunction to prevent the enforcement of any of its provisions, including placing it on the ballot before the qualified voters of Missouri, as well as provide for any other remedies the Court determines support the Constitution and further justice.

Count 5

House Bill 1460 Was Not the Proper Vehicle for a Ballot Measure and Violated Missouri Constitution Article III, Section 31 and / or Section 52(b).

59) Plaintiffs hereby restate and incorporates paragraphs 1 through 58, above, as if set forth fully herein.

60) All *bills* must be presented to the governor for his consideration. House Bill 1460 was not. “Every bill which shall have passed the house of representatives and the senate shall be presented to and considered by the governor...” Article III, Section 31.

61) No measure referred to the people is subject to veto by the governor. “The veto power of the governor shall not extend to measures referred to the people.” Article III, Section 52(b).

62) Because HB 1460 was a *bill* and not a *resolution*, adding a referendum clause doomed it to violating either section 31 or section 52(b). We must conclude that the Constitution does not anticipate using a bill as a vehicle for a referendum. The act in

question in the instant case should have started as a resolution in order to avoid this fatal flaw.

WHEREFORE, Plaintiffs pray that the Court, pursuant to § 516.500, RSMo, hear this action: that the Court issue a declaratory judgment that the procedure by which HB 1460 was passed, specifically, that a bill can not constitutionally be used as a vehicle to refer an act to the qualified voters of Missouri, and that House Bill 1460 is void in its entirety, and issue an injunction to prevent the enforcement of any of its provisions, including placing it on the ballot before the qualified voters of Missouri, as well as provide for any other remedies the Court determines support the Constitution and further justice.

Respectfully submitted,

Ronald J. Calzone, pro se
33867 Highway E
Dixon, MO 65459
Telephone:
Fax:
PLAINTIFF

C. Michael (Mike) Moon, pro se
6935 Lawrence 1222
Ash Grove, MO 65604
Telephone:
PLAINTIFF

Dated July 2, 2018

Certificate of Service

I, Ronald J. Calzone, and C. Michael Moon do hereby certify that a true and correct copy of the foregoing petition was provided to the Cole County Sheriff on, July 2, 2018, to be served on each of the following defendants.

A. John R. Ashcroft
Missouri Secretary of State
600 West Main Street
Jefferson City, Missouri 65101
(573) 751-4936
DEFENDANT

B. Joel W. Walters
Missouri Department of Revenue
301 W High St
Jefferson City, MO 65101
(573) 751-4450
DEFENDANT

C. Patrick K. McKenna
Missouri Department of Transportation
105 W. Capitol Avenue
Jefferson City, MO 65102
(573) 751-4622
DEFENDANT

D. Sandra K. Karsten
Missouri State Highway Patrol
1510 East Elm Street
Jefferson City, MO 65101
(573) 751-3313
DEFENDANT

By /s/ Ron Calzone
Ronald J. Calzone, pro se
33867 Highway E
Dixon, MO 65459
ron@mofirst.org
Telephone:
PLAINTIFF

By /s/ Mike Moon
C. Michael (Mike) Moon, pro se
6935 Lawrence
Ash Grove, MO 65604
Telephone:
PLAINTIFF

Table of Exhibits

Exhibit A. Introduced version of House Bill 1460

Exhibit B. Finally Agreed to and Passed version of House Bill 1460

Exhibit C. Fiscal Note for the final version of House Bill 1460

Exhibit D. Senate Substitute 2 for HB 1460

Exhibit E. House Journal for May 30, 2018 – Rep. Moon's Constitutional Objection

Exhibit F. Senate Committee Substitute for SB 734

Exhibit G. List of all bills and resolutions passed in the 2018 regular session

Exhibit H. Legislative Research's Bill Summary for the introduced version of HB 1460

Exhibit F. Legislative Research's Bill Summary for the Truly Agreed version of HB

1460

SECOND REGULAR SESSION

HOUSE BILL NO. 1460

99TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE EVANS.

4687H.021

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 143.121, RSMo, and to enact in lieu thereof one new section relating to a tax deduction for certain Olympic athletes.

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

Section A. Section 143.121, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 143.121, to read as follows:

143.121. 1. The Missouri adjusted gross income of a resident individual shall be the taxpayer's federal adjusted gross income subject to the modifications in this section.

2. There shall be added to the taxpayer's federal adjusted gross income:

(1) The amount of any federal income tax refund received for a prior year which resulted in a Missouri income tax benefit;

(2) Interest on certain governmental obligations excluded from federal gross income by Section 103 of the Internal Revenue Code (**26 U.S.C. Section 103, as amended**). The previous sentence shall not apply to interest on obligations of the state of Missouri or any of its political subdivisions or authorities and shall not apply to the interest described in subdivision (1) of subsection 3 of this section. The amount added pursuant to this subdivision shall be reduced by the amounts applicable to such interest that would have been deductible in computing the taxable income of the taxpayer except only for the application of Section 265 of the Internal Revenue Code (**26 U.S.C. Section 265, as amended**). The reduction shall only be made if it is at least five hundred dollars;

(3) The amount of any deduction that is included in the computation of federal taxable income pursuant to Section 168 of the Internal Revenue Code (**26 U.S.C. Section 168**) as amended by the Job Creation and Worker Assistance Act of 2002 to the extent the amount

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 deducted relates to property purchased on or after July 1, 2002, but before July 1, 2003, and to
19 the extent the amount deducted exceeds the amount that would have been deductible pursuant
20 to Section 168 of the Internal Revenue Code of 1986 (**26 U.S.C. Section 168**) as in effect on
21 January 1, 2002;

22 (4) The amount of any deduction that is included in the computation of federal taxable
23 income for net operating loss allowed by Section 172 of the Internal Revenue Code of 1986 (**26**
24 **U.S.C. Section 172**), as amended, other than the deduction allowed by Section [~~172(b)(1)(G)~~]
25 **172(b)(1)(F)** and Section [~~172(i)~~] **172(h)** of the Internal Revenue Code of 1986 (**26 U.S.C.**
26 **Section 172**), as amended, for a net operating loss the taxpayer claims in the tax year in which
27 the net operating loss occurred or carries forward for a period of more than twenty years and
28 carries backward for more than two years. Any amount of net operating loss taken against
29 federal taxable income but disallowed for Missouri income tax purposes pursuant to this
30 subdivision after June 18, 2002, may be carried forward and taken against any income on the
31 Missouri income tax return for a period of not more than twenty years from the year of the initial
32 loss; and

33 (5) For nonresident individuals in all taxable years ending on or after December 31,
34 2006, the amount of any property taxes paid to another state or a political subdivision of another
35 state for which a deduction was allowed on such nonresident's federal return in the taxable year
36 unless such state, political subdivision of a state, or the District of Columbia allows a subtraction
37 from income for property taxes paid to this state for purposes of calculating income for the
38 income tax for such state, political subdivision of a state, or the District of Columbia.

39 3. There shall be subtracted from the taxpayer's federal adjusted gross income the
40 following amounts to the extent included in federal adjusted gross income:

41 (1) Interest or dividends on obligations of the United States and its territories and
42 possessions or of any authority, commission or instrumentality of the United States to the extent
43 exempt from Missouri income taxes pursuant to the laws of the United States. The amount
44 subtracted pursuant to this subdivision shall be reduced by any interest on indebtedness incurred
45 to carry the described obligations or securities and by any expenses incurred in the production
46 of interest or dividend income described in this subdivision. The reduction in the previous
47 sentence shall only apply to the extent that such expenses including amortizable bond premiums
48 are deducted in determining the taxpayer's federal adjusted gross income or included in the
49 taxpayer's Missouri itemized deduction. The reduction shall only be made if the expenses total
50 at least five hundred dollars;

51 (2) The portion of any gain, from the sale or other disposition of property having a higher
52 adjusted basis to the taxpayer for Missouri income tax purposes than for federal income tax
53 purposes on December 31, 1972, that does not exceed such difference in basis. If a gain is

54 considered a long-term capital gain for federal income tax purposes, the modification shall be
55 limited to one-half of such portion of the gain;

56 (3) The amount necessary to prevent the taxation pursuant to this chapter of any annuity
57 or other amount of income or gain which was properly included in income or gain and was taxed
58 pursuant to the laws of Missouri for a taxable year prior to January 1, 1973, to the taxpayer, or
59 to a decedent by reason of whose death the taxpayer acquired the right to receive the income or
60 gain, or to a trust or estate from which the taxpayer received the income or gain;

61 (4) Accumulation distributions received by a taxpayer as a beneficiary of a trust to the
62 extent that the same are included in federal adjusted gross income;

63 (5) The amount of any state income tax refund for a prior year which was included in the
64 federal adjusted gross income;

65 (6) The portion of capital gain specified in section 135.357 that would otherwise be
66 included in federal adjusted gross income;

67 (7) The amount that would have been deducted in the computation of federal taxable
68 income pursuant to Section 168 of the Internal Revenue Code (**26 U.S.C. Section 168**) as in
69 effect on January 1, 2002, to the extent that amount relates to property purchased on or after July
70 1, 2002, but before July 1, 2003, and to the extent that amount exceeds the amount actually
71 deducted pursuant to Section 168 of the Internal Revenue Code (**26 U.S.C. Section 168**) as
72 amended by the Job Creation and Worker Assistance Act of 2002;

73 (8) For all tax years beginning on or after January 1, 2005, the amount of any income
74 received for military service while the taxpayer serves in a combat zone which is included in
75 federal adjusted gross income and not otherwise excluded therefrom. As used in this section,
76 "combat zone" means any area which the President of the United States by Executive Order
77 designates as an area in which Armed Forces of the United States are or have engaged in combat.
78 Service is performed in a combat zone only if performed on or after the date designated by the
79 President by Executive Order as the date of the commencing of combat activities in such zone,
80 and on or before the date designated by the President by Executive Order as the date of the
81 termination of combatant activities in such zone;

82 (9) For all tax years ending on or after July 1, 2002, with respect to qualified property
83 that is sold or otherwise disposed of during a taxable year by a taxpayer and for which an
84 additional modification was made under subdivision (3) of subsection 2 of this section, the
85 amount by which additional modification made under subdivision (3) of subsection 2 of this
86 section on qualified property has not been recovered through the additional subtractions provided
87 in subdivision (7) of this subsection; and

88 (10) For all tax years beginning on or after January 1, 2014, the amount of any income
89 received as payment from any program which provides compensation to agricultural producers
90 who have suffered a loss as the result of a disaster or emergency, including the:

- 91 (a) Livestock Forage Disaster Program;
- 92 (b) Livestock Indemnity Program;
- 93 (c) Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish;
- 94 (d) Emergency Conservation Program;
- 95 (e) Noninsured Crop Disaster Assistance Program;
- 96 (f) Pasture, Rangeland, Forage Pilot Insurance Program;
- 97 (g) Annual Forage Pilot Program;
- 98 (h) Livestock Risk Protection Insurance Plan; and
- 99 (i) Livestock Gross Margin insurance plan.

100 4. There shall be added to or subtracted from the taxpayer's federal adjusted gross
101 income the taxpayer's share of the Missouri fiduciary adjustment provided in section 143.351.

102 5. There shall be added to or subtracted from the taxpayer's federal adjusted gross
103 income the modifications provided in section 143.411.

104 6. In addition to the modifications to a taxpayer's federal adjusted gross income in this
105 section, to calculate Missouri adjusted gross income there shall be subtracted from the taxpayer's
106 federal adjusted gross income any gain recognized pursuant to Section 1033 of the Internal
107 Revenue Code of 1986 (**26 U.S.C. Section 1033**), as amended, arising from compulsory or
108 involuntary conversion of property as a result of condemnation or the imminence thereof.

109 7. (1) As used in this subsection, "qualified health insurance premium" means the
110 amount paid during the tax year by such taxpayer for any insurance policy primarily providing
111 health care coverage for the taxpayer, the taxpayer's spouse, or the taxpayer's dependents.

112 (2) In addition to the subtractions in subsection 3 of this section, one hundred percent
113 of the amount of qualified health insurance premiums shall be subtracted from the taxpayer's
114 federal adjusted gross income to the extent the amount paid for such premiums is included in
115 federal taxable income. The taxpayer shall provide the department of revenue with proof of the
116 amount of qualified health insurance premiums paid.

117 8. (1) Beginning January 1, 2014, in addition to the subtractions provided in this section,
118 one hundred percent of the cost incurred by a taxpayer for a home energy audit conducted by an
119 entity certified by the department of natural resources under section 640.153 or the
120 implementation of any energy efficiency recommendations made in such an audit shall be
121 subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid for
122 any such activity is included in federal taxable income. The taxpayer shall provide the
123 department of revenue with a summary of any recommendations made in a qualified home

124 energy audit, the name and certification number of the qualified home energy auditor who
125 conducted the audit, and proof of the amount paid for any activities under this subsection for
126 which a deduction is claimed. The taxpayer shall also provide a copy of the summary of any
127 recommendations made in a qualified home energy audit to the department of natural resources.

128 (2) At no time shall a deduction claimed under this subsection by an individual taxpayer
129 or taxpayers filing combined returns exceed one thousand dollars per year for individual
130 taxpayers or cumulatively exceed two thousand dollars per year for taxpayers filing combined
131 returns.

132 (3) Any deduction claimed under this subsection shall be claimed for the tax year in
133 which the qualified home energy audit was conducted or in which the implementation of the
134 energy efficiency recommendations occurred. If implementation of the energy efficiency
135 recommendations occurred during more than one year, the deduction may be claimed in more
136 than one year, subject to the limitations provided under subdivision (2) of this subsection.

137 (4) A deduction shall not be claimed for any otherwise eligible activity under this
138 subsection if such activity qualified for and received any rebate or other incentive through a
139 state-sponsored energy program or through an electric corporation, gas corporation, electric
140 cooperative, or municipally owned utility.

141 9. The provisions of subsection 8 of this section shall expire on December 31, 2020.

142 **10. Gross income shall not include the value of any prize or award won by a**
143 **taxpayer in athletic competition in the Olympic Games. This subsection shall be known**
144 **and may be cited as the "Olympic Dream Freedom Act".**

✓

SECOND REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]
SENATE SUBSTITUTE NO. 2 FOR

HOUSE BILL NO. 1460

99TH GENERAL ASSEMBLY

4687S.06T

2018

AN ACT

To repeal sections 142.803 and 143.121, RSMo, and to enact in lieu thereof three new sections relating to state revenues, with a referendum clause.

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

Section A. Sections 142.803 and 143.121, RSMo, are repealed and three new sections
2 enacted in lieu thereof, to be known as sections 142.803, 143.121, and 226.145, to read as
3 follows:

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

3 (1) Motor fuel, seventeen cents per gallon **until June 30, 2019. For the fiscal year**
4 **beginning on or after July 1, 2019, and ending on or before June 30, 2020, such tax shall**
5 **be nineteen and one-half cents per gallon. For the fiscal year beginning on or after July**
6 **1, 2020, and ending on or before June 30, 2021, such tax shall be twenty-two cents per**
7 **gallon. For the fiscal year beginning on or after July 1, 2021, and ending on or before June**
8 **30, 2022, such tax shall be twenty-four and one-half cents per gallon. For all fiscal years**
9 **beginning on or after July 1, 2022, such tax shall be twenty-seven cents per gallon. Subject**
10 **to appropriation, the state portion of the revenue generated by the increases in the rate of**
11 **tax beginning July 1, 2019, shall be used for the actual cost of the state highway patrol in**
12 **administering and enforcing any state motor vehicle laws and traffic regulations;**

13 (2) Alternative fuels, not subject to the decal fees as provided in section 142.869, with
14 a power potential equivalent of motor fuel. In the event alternative fuel, which is not commonly

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.

15 sold or measured by the gallon, is used in motor vehicles on the highways of this state, the
16 director is authorized to assess and collect a tax upon such alternative fuel measured by the
17 nearest power potential equivalent to that of one gallon of regular grade gasoline. The
18 determination by the director of the power potential equivalent of such alternative fuel shall be
19 prima facie correct;

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

22 (4) Compressed natural gas fuel, five cents per gasoline gallon equivalent until
23 December 31, 2019, eleven cents per gasoline gallon equivalent from January 1, 2020, until
24 December 31, 2024, ~~and then~~ **seventeen cents per gasoline gallon equivalent from January**
25 **1, 2025, until December 31, 2025, and then twenty-seven cents per gasoline gallon**
26 **equivalent** thereafter. The gasoline gallon equivalent and method of sale for compressed natural
27 gas shall be as published by the National Institute of Standards and Technology in Handbooks
28 44 and 130, and supplements thereto or revisions thereof. In the absence of such standard or
29 agreement, the gasoline gallon equivalent and method of sale for compressed natural gas shall
30 be equal to five and sixty-six-hundredths pounds of compressed natural gas. All applicable
31 provisions contained in this chapter governing administration, collections, and enforcement of
32 the state motor fuel tax shall apply to the tax imposed on compressed natural gas, including but
33 not limited to licensing, 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 from January 1, 2025, until December**
37 **31, 2025, and then twenty-seven cents per diesel gallon equivalent** thereafter. The diesel
38 gallon equivalent and method of sale for liquefied natural gas shall be as published by the
39 National Institute of Standards and Technology in Handbooks 44 and 130, and supplements
40 thereto or revisions thereof. In the absence of such standard or agreement, the diesel gallon
41 equivalent and method of sale for liquefied natural gas shall be equal to six and six-hundredths
42 pounds of liquefied natural gas. All applicable provisions contained in this chapter governing
43 administration, collections, and enforcement of the state motor fuel tax shall apply to the tax
44 imposed on liquefied natural gas, including but not limited to licensing, reporting, penalties, and
45 interest;

46 (6) Propane gas fuel, five cents per gallon until December 31, 2019, eleven cents per
47 gallon from January 1, 2020, until December 31, 2024, ~~and then~~ **seventeen cents per gallon**
48 **from January 1, 2025, until December 31, 2025, and then twenty-seven cents per gallon**
49 thereafter. All applicable provisions contained in this chapter governing administration,

50 collection, and enforcement of the state motor fuel tax shall apply to the tax imposed on propane
51 gas including, but not limited to, licensing, reporting, penalties, and interest;

52 (7) If a natural gas, compressed natural gas, liquefied natural gas, electric, or propane
53 connection is used for fueling motor vehicles and for another use, such as heating, the tax
54 imposed by this section shall apply to the entire amount of natural gas, compressed natural gas,
55 liquefied natural gas, electricity, or propane used unless an approved separate metering and
56 accounting system is in place.

57 **2. Notwithstanding any provision of law to the contrary, beginning on January 1,**
58 **2026, all motor fuels and alternative fuels, including, but not limited to, gasoline, diesel**
59 **fuel, electricity, hydrogen, propane, compressed natural gas, and liquified natural gas,**
60 **shall be taxed at substantially the equivalent rate. The department of agriculture, in**
61 **cooperation with the department of revenue, shall where necessary promulgate a rule on**
62 **or before December 31, 2023, to implement the provisions of this subsection. Any rule or**
63 **portion of a rule, as that term is defined in section 536.010 that is created under the**
64 **authority delegated in this section shall become effective only if it complies with and is**
65 **subject to all of the provisions of chapter 536, and, if applicable, section 536.028. This**
66 **section and chapter 536 are nonseverable and if any of the powers vested with the general**
67 **assembly pursuant to chapter 536, to review, to delay the effective date, or to disapprove**
68 **and annul a rule are subsequently held unconstitutional, then the grant of rulemaking**
69 **authority and any rule proposed or adopted after August 28, 2018, shall be invalid and**
70 **void.**

71 **3.** All taxes, surcharges and fees are imposed upon the ultimate consumer, but are to be
72 precollected as described in this chapter, for the facility and convenience of the consumer. The
73 levy and assessment on other persons as specified in this chapter shall be as agents of this state
74 for the precollection of the tax.

75 **4. In order to ensure that the revenues generated by this section are used for their**
76 **designated purposes, the state auditor shall biennially audit such funds and provide a**
77 **report to the general assembly. Such report may be included as part of an audit of a**
78 **department or agency receiving such funds.**

143.121. 1. The Missouri adjusted gross income of a resident individual shall be the
2 taxpayer's federal adjusted gross income subject to the modifications in this section.

3 2. There shall be added to the taxpayer's federal adjusted gross income:

4 (1) The amount of any federal income tax refund received for a prior year which resulted
5 in a Missouri income tax benefit;

6 (2) Interest on certain governmental obligations excluded from federal gross income by
7 Section 103 of the Internal Revenue Code (**26 U.S.C. Section 103, as amended**). The previous

8 sentence shall not apply to interest on obligations of the state of Missouri or any of its political
9 subdivisions or authorities and shall not apply to the interest described in subdivision (1) of
10 subsection 3 of this section. The amount added pursuant to this subdivision shall be reduced by
11 the amounts applicable to such interest that would have been deductible in computing the taxable
12 income of the taxpayer except only for the application of Section 265 of the Internal Revenue
13 Code (**26 U.S.C. Section 265, as amended**). The reduction shall only be made if it is at least
14 five hundred dollars;

15 (3) The amount of any deduction that is included in the computation of federal taxable
16 income pursuant to Section 168 of the Internal Revenue Code (**26 U.S.C. Section 168**) as
17 amended by the Job Creation and Worker Assistance Act of 2002 to the extent the amount
18 deducted relates to property purchased on or after July 1, 2002, but before July 1, 2003, and to
19 the extent the amount deducted exceeds the amount that would have been deductible pursuant
20 to Section 168 of the Internal Revenue Code of 1986 (**26 U.S.C. Section 168**) as in effect on
21 January 1, 2002;

22 (4) The amount of any deduction that is included in the computation of federal taxable
23 income for net operating loss allowed by Section 172 of the Internal Revenue Code of 1986 (**26**
24 **U.S.C. Section 172**), as amended, other than the deduction allowed by Section [~~172(b)(1)(G)~~]
25 **172(b)(1)(F)** and Section [~~172(i)~~] **172(h)** of the Internal Revenue Code of 1986 (**26 U.S.C.**
26 **Section 172**), as amended, for a net operating loss the taxpayer claims in the tax year in which
27 the net operating loss occurred or carries forward for a period of more than twenty years and
28 carries backward for more than two years. Any amount of net operating loss taken against
29 federal taxable income but disallowed for Missouri income tax purposes pursuant to this
30 subdivision after June 18, 2002, may be carried forward and taken against any income on the
31 Missouri income tax return for a period of not more than twenty years from the year of the initial
32 loss; and

33 (5) For nonresident individuals in all taxable years ending on or after December 31,
34 2006, the amount of any property taxes paid to another state or a political subdivision of another
35 state for which a deduction was allowed on such nonresident's federal return in the taxable year
36 unless such state, political subdivision of a state, or the District of Columbia allows a subtraction
37 from income for property taxes paid to this state for purposes of calculating income for the
38 income tax for such state, political subdivision of a state, or the District of Columbia.

39 3. There shall be subtracted from the taxpayer's federal adjusted gross income the
40 following amounts to the extent included in federal adjusted gross income:

41 (1) Interest or dividends on obligations of the United States and its territories and
42 possessions or of any authority, commission or instrumentality of the United States to the extent
43 exempt from Missouri income taxes pursuant to the laws of the United States. The amount

44 subtracted pursuant to this subdivision shall be reduced by any interest on indebtedness incurred
45 to carry the described obligations or securities and by any expenses incurred in the production
46 of interest or dividend income described in this subdivision. The reduction in the previous
47 sentence shall only apply to the extent that such expenses including amortizable bond premiums
48 are deducted in determining the taxpayer's federal adjusted gross income or included in the
49 taxpayer's Missouri itemized deduction. The reduction shall only be made if the expenses total
50 at least five hundred dollars;

51 (2) The portion of any gain, from the sale or other disposition of property having a higher
52 adjusted basis to the taxpayer for Missouri income tax purposes than for federal income tax
53 purposes on December 31, 1972, that does not exceed such difference in basis. If a gain is
54 considered a long-term capital gain for federal income tax purposes, the modification shall be
55 limited to one-half of such portion of the gain;

56 (3) The amount necessary to prevent the taxation pursuant to this chapter of any annuity
57 or other amount of income or gain which was properly included in income or gain and was taxed
58 pursuant to the laws of Missouri for a taxable year prior to January 1, 1973, to the taxpayer, or
59 to a decedent by reason of whose death the taxpayer acquired the right to receive the income or
60 gain, or to a trust or estate from which the taxpayer received the income or gain;

61 (4) Accumulation distributions received by a taxpayer as a beneficiary of a trust to the
62 extent that the same are included in federal adjusted gross income;

63 (5) The amount of any state income tax refund for a prior year which was included in the
64 federal adjusted gross income;

65 (6) The portion of capital gain specified in section 135.357 that would otherwise be
66 included in federal adjusted gross income;

67 (7) The amount that would have been deducted in the computation of federal taxable
68 income pursuant to Section 168 of the Internal Revenue Code (**26 U.S.C. Section 168**) as in
69 effect on January 1, 2002, to the extent that amount relates to property purchased on or after July
70 1, 2002, but before July 1, 2003, and to the extent that amount exceeds the amount actually
71 deducted pursuant to Section 168 of the Internal Revenue Code (**26 U.S.C. Section 168**) as
72 amended by the Job Creation and Worker Assistance Act of 2002;

73 (8) For all tax years beginning on or after January 1, 2005, the amount of any income
74 received for military service while the taxpayer serves in a combat zone which is included in
75 federal adjusted gross income and not otherwise excluded therefrom. As used in this section,
76 "combat zone" means any area which the President of the United States by Executive Order
77 designates as an area in which Armed Forces of the United States are or have engaged in combat.
78 Service is performed in a combat zone only if performed on or after the date designated by the
79 President by Executive Order as the date of the commencing of combat activities in such zone,

80 and on or before the date designated by the President by Executive Order as the date of the
81 termination of combatant activities in such zone;

82 (9) For all tax years ending on or after July 1, 2002, with respect to qualified property
83 that is sold or otherwise disposed of during a taxable year by a taxpayer and for which an
84 additional modification was made under subdivision (3) of subsection 2 of this section, the
85 amount by which additional modification made under subdivision (3) of subsection 2 of this
86 section on qualified property has not been recovered through the additional subtractions provided
87 in subdivision (7) of this subsection; and

88 (10) For all tax years beginning on or after January 1, 2014, the amount of any income
89 received as payment from any program which provides compensation to agricultural producers
90 who have suffered a loss as the result of a disaster or emergency, including the:

- 91 (a) Livestock Forage Disaster Program;
- 92 (b) Livestock Indemnity Program;
- 93 (c) Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish;
- 94 (d) Emergency Conservation Program;
- 95 (e) Noninsured Crop Disaster Assistance Program;
- 96 (f) Pasture, Rangeland, Forage Pilot Insurance Program;
- 97 (g) Annual Forage Pilot Program;
- 98 (h) Livestock Risk Protection Insurance Plan; and
- 99 (i) Livestock Gross Margin insurance plan.

100 4. There shall be added to or subtracted from the taxpayer's federal adjusted gross
101 income the taxpayer's share of the Missouri fiduciary adjustment provided in section 143.351.

102 5. There shall be added to or subtracted from the taxpayer's federal adjusted gross
103 income the modifications provided in section 143.411.

104 6. In addition to the modifications to a taxpayer's federal adjusted gross income in this
105 section, to calculate Missouri adjusted gross income there shall be subtracted from the taxpayer's
106 federal adjusted gross income any gain recognized pursuant to Section 1033 of the Internal
107 Revenue Code of 1986 (**26 U.S.C. Section 1033**), as amended, arising from compulsory or
108 involuntary conversion of property as a result of condemnation or the imminence thereof.

109 7. (1) As used in this subsection, "qualified health insurance premium" means the
110 amount paid during the tax year by such taxpayer for any insurance policy primarily providing
111 health care coverage for the taxpayer, the taxpayer's spouse, or the taxpayer's dependents.

112 (2) In addition to the subtractions in subsection 3 of this section, one hundred percent
113 of the amount of qualified health insurance premiums shall be subtracted from the taxpayer's
114 federal adjusted gross income to the extent the amount paid for such premiums is included in

115 federal taxable income. The taxpayer shall provide the department of revenue with proof of the
116 amount of qualified health insurance premiums paid.

117 8. (1) Beginning January 1, 2014, in addition to the subtractions provided in this section,
118 one hundred percent of the cost incurred by a taxpayer for a home energy audit conducted by an
119 entity certified by the department of natural resources under section 640.153 or the
120 implementation of any energy efficiency recommendations made in such an audit shall be
121 subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid for
122 any such activity is included in federal taxable income. The taxpayer shall provide the
123 department of revenue with a summary of any recommendations made in a qualified home
124 energy audit, the name and certification number of the qualified home energy auditor who
125 conducted the audit, and proof of the amount paid for any activities under this subsection for
126 which a deduction is claimed. The taxpayer shall also provide a copy of the summary of any
127 recommendations made in a qualified home energy audit to the department of natural resources.

128 (2) At no time shall a deduction claimed under this subsection by an individual taxpayer
129 or taxpayers filing combined returns exceed one thousand dollars per year for individual
130 taxpayers or cumulatively exceed two thousand dollars per year for taxpayers filing combined
131 returns.

132 (3) Any deduction claimed under this subsection shall be claimed for the tax year in
133 which the qualified home energy audit was conducted or in which the implementation of the
134 energy efficiency recommendations occurred. If implementation of the energy efficiency
135 recommendations occurred during more than one year, the deduction may be claimed in more
136 than one year, subject to the limitations provided under subdivision (2) of this subsection.

137 (4) A deduction shall not be claimed for any otherwise eligible activity under this
138 subsection if such activity qualified for and received any rebate or other incentive through a
139 state-sponsored energy program or through an electric corporation, gas corporation, electric
140 cooperative, or municipally owned utility.

141 9. The provisions of subsection 8 of this section shall expire on December 31, 2020.

142 **10. Gross income shall not include the value of any prize or award won by a**
143 **taxpayer in athletic competition in the Olympic, Paralympic, or Special Olympic Games.**
144 **This subsection shall be known and may be cited as the "Olympic Dream Freedom Act".**

226.145. 1. (1) There is hereby created in the state treasury the "Emergency State
2 Freight Bottleneck Fund", which shall consist of moneys appropriated by the general
3 assembly. The state treasurer shall be custodian of the fund. In accordance with sections
4 30.170 and 30.180, the state treasurer may approve disbursements. The fund shall be a
5 dedicated fund and money in the fund shall be used solely to finance eligible projects under
6 this section.

7 **(2) Notwithstanding the provisions of section 33.080 to the contrary, any moneys**
8 **remaining in the fund at the end of the biennium shall not revert to the credit of the**
9 **general revenue fund.**

10 **(3) The state treasurer shall invest moneys in the fund in the same manner as other**
11 **funds are invested. Any interest and moneys earned on such investments shall be credited**
12 **to the fund.**

13 **2. Projects eligible for financing under this section shall:**

14 **(1) Be a major road improvement with an estimated construction cost of fifty**
15 **million dollars or more;**

16 **(2) Be an improvement needed to eliminate a bottleneck, a twenty minute delay or**
17 **more during peak hours, that impacts the distribution of goods and on-time delivery of**
18 **freight;**

19 **(3) Be an improvement needed to reduce fatal and disabling motor vehicle crashes**
20 **within an area designated as a safe travel zone by the department of transportation;**

21 **(4) Be an improvement listed on the 2014 state freight plan; and**

22 **(5) Be slated to receive not less than thirty-five percent of the funds required for**
23 **project completion from sources other than the state road fund or general revenue.**

24 **3. If in any given fiscal year there are insufficient funds in the emergency state**
25 **freight bottleneck fund to finance all eligible projects under this section, such eligible**
26 **projects shall be rank ordered and given priority based on the Missouri state infra-grant**
27 **application criteria published by the department of transportation.**

Section B. This act is hereby submitted to the qualified voters of this state for approval
2 or rejection at an election which is hereby ordered and which shall be held and conducted on
3 Tuesday next following the first Monday in November, 2018, pursuant to the laws and
4 constitutional provisions of this state for the submission of referendum measures by the general
5 assembly, and this act shall become effective when approved by a majority of the votes cast
6 thereon at such election and not otherwise.

Section C. Pursuant to chapter 116, and other applicable constitutional provisions and
2 laws of this state allowing the general assembly to adopt ballot language for the submission of
3 referendum measures to the voters of this state, the official summary statement of the act
4 proposed in section A of this act shall be as follows:

5 "Shall Missouri law be amended to fund Missouri state law enforcement by
6 increasing the motor fuel tax by two and one half cents per gallon annually for
7 four years beginning July 1, 2019, exempt Special Olympic, Paralympic, and
8 Olympic prizes from state taxes, and to establish the Emergency State Freight
9 Bottleneck Fund?"

Section D. Pursuant to chapter 116, and other applicable constitutional provisions and
2 laws of this state allowing the general assembly to adopt ballot language for the submission of
3 referendum measures to the voters of this state, the official fiscal note summary of the act
4 proposed in section A of this act shall be as follows:

5 "If passed, this measure will generate at least \$288 million annually to the State
6 Road Fund to provide for the funding of Missouri state law enforcement and
7 \$123 million annually to local governments for road construction and
8 maintenance."

✓

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4687-06
Bill No.: Truly Agreed To and Finally Passed SS#2 for HB 1460
Subject: Taxation and Revenue - Income, Motor Fuel
Type: Original
Date: June 4, 2018

Bill Summary: This proposal modifies provisions relating to state revenue.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2019	FY 2020	FY 2021	Fully Implemented (FY 2027)
General Revenue	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on General Revenue	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2019	FY 2020	FY 2021	Fully Implemented (FY 2027)
State Road Fund	\$0	\$0 or \$73,032,732	\$0 or \$146,307,172	\$0 or \$293,202,635
Emergency State Freight Bottleneck	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on Other State Funds	\$0 or Unknown	\$0 or Could Exceed \$73,032,732	\$0 or Could Exceed \$146,307,172	\$0 or Could Exceed \$293,202,635

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 17 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2019	FY 2020	FY 2021	Fully Implemented (FY 2027)
Total Estimated Net Effect on All Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2019	FY 2020	FY 2021	Fully Implemented (FY 2027)
State Road Fund	0	0 or 2 FTE	0 or 2 FTE	0 or 2 FTE
Total Estimated Net Effect on FTE	0	0 or 2 FTE	0 or 2 FTE	0 or 2 FTE

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS				
FUND AFFECTED	FY 2019	FY 2020	FY 2021	Fully Implemented (FY 2027)
Local Government	\$0	\$0 or \$31,900,000	\$0 or \$63,900,000	\$0 or \$128,000,000

FISCAL ANALYSIS

ASSUMPTION

§142.803 Motor Fuel

Officials at the **Office of Administration Division of Budget and Planning (B&P)** assume this section would increase the motor fuel tax to \$0.195 per gallon from 7/1/19 through 6/30/20, then to \$0.22 per gallon from 7/1/20 through 6/30/21, then to \$0.245 per gallon from 7/1/21 to 6/30/22, then to \$0.27 beginning 6/1/22 and thereafter. This section would also increase the alternative fuel taxes from compressed natural gas (CNG), liquefied natural gas (LNG), and propane from \$0.17 to \$0.27 beginning 1/1/26.

Based on FY 2017 motor fuel tax collections of \$715.0 million, B&P estimates that 4,205.9 million gallons of motor fuel were taxed. Using this estimate, B&P calculates that a total increase of \$0.10 on the motor fuel tax will generate \$420.6 million in revenue, once fully implemented.

Based on FY 2017 collections of \$183,000 for compressed natural gas/propane and \$141,000 for liquefied natural gas, B&P estimates that a total increase of \$0.10 on the alternative fuels could generate up to \$0.6 million in revenue, once fully implemented. B&P notes that under this proposal, taxpayers could still purchase an alternative fuel decal rather than pay the fuel tax at the pump.

The following table shows the impact on state and local funds by fiscal year.

Fiscal Year	State Road Fund	Local Funds
2020	73.2	31.9
2021	146.4	63.9
2022	219.6	95.8
2023	292.8	127.8
2024	292.8	127.8
2025	292.8	127.8
2026	293.0	127.9
2027	293.3	128.0

B&P notes that Section 142.803.1 states that, subject to appropriation, the revenue generated by the fuel tax shall be used for the actual costs of the state highway patrol. B&P further notes that during FY 2017, the Highway Patrol was appropriated \$335.4 million of which \$33.9 million

ASSUMPTION (continued)

came from General Revenue, \$238.4 million came from the Highway Fund, \$27.2 million came from Federal Funds, and \$36.0 million came from other funds.

Officials at the **Department of Revenue (DOR)** assume that motor fuel, would remain at seventeen cents per gallon until June 30, 2019. For the fiscal year beginning on or after July 1, 2019, and ending on or before June 30, 2020, such tax shall be nineteen and one-half cents per gallon. For the fiscal year beginning on or after July 1, 2020, and ending on or before June 30, 2021, such tax shall be twenty-two cents per gallon. For the fiscal year beginning on or after July 1, 2021, and ending on or before June 30, 2022, such tax shall be twenty-four cents and one-half cents per gallon. For all fiscal years beginning on or after July 1, 2022, such tax shall be twenty-seven cents per gallon. The state portion of the revenue generated by the increases in the rate of the tax beginning July 1, 2019, shall be used for the actual cost of the state highway patrol in administering and enforcing any state motor vehicle laws and traffic regulations.

Compressed natural gas fuel, five cents per gasoline gallon equivalent until December 31, 2019, and eleven cents per gasoline gallon equivalent from January 1, 2020, until December 31, 2024, seventeen cents per gasoline gallon equivalent from January 1, 2025, until December 31, 2025, and then twenty-seven cents per gasoline gallon equivalent thereafter.

Liquefied natural gas fuel, five cents per diesel gallon equivalent until December 31, 2019, eleven cents per diesel gallon equivalent from January 1, 2020 until December 31, 2024, seventeen cents per diesel gallon equivalent from January 1, 2025, until December 31, 2025, and then twenty-seven cents per diesel gallon equivalent thereafter.

Propane gas fuel, five cents per gallon until December 31, 2019, eleven cents per gallon from January 1, 2020, until December 31, 2024, seventeen cents per gallon from January 1, 2025 until December 31, 2025, and then twenty-seven cents per gallon thereafter.

Notwithstanding any provision of law to the contrary, beginning on January 1, 2026, all motor fuels and alternative fuels, including, but not limited to, gasoline, diesel fuel, electricity, hydrogen, propane, compressed natural gas, and liquefied natural gas, shall be taxed at substantially the equivalent rate. The Department of Agriculture, in cooperation with the Department of Revenue, shall where necessary promulgate a rule on or before December 31, 2023, to implement the provisions of this subsection. Any rule or portion of a rule, as that term is defined in Section 536.010 that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of Chapter 536, and, if applicable, Section 536.028. This section and Chapter 536 are no severable and if any of the powers vested with the general assembly pursuant to Chapter 536, to review, to delay the

ASSUMPTION (continued)

effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rule-making authority and any rule proposed or adopted after August 28, 2018, shall be invalid and void.

In order to ensure that the revenues generated by this section are used for their designed purposes, the state auditor shall biennially audit such funds and provide a report to the general assembly. Such report may be included as part of an audit of a Department or agency receiving such funds.

The Department estimates that this proposed legislation would increase the State Road Fund by different increments until fully implemented in FY 2026.

FY 2019	\$0
FY 2020	\$72,144,744
FY 2021	\$144,017,244
FY 2022	\$215,889,744
FY 2023	\$287,762,244
FY 2024	\$287,762,244
FY 2025	\$287,880,521
FY 2026	\$288,488,231

DOR will require form changes and programming to implement the provisions of this legislation. The programming changes are estimated to cost \$75,168 (\$75 hour x 1,002.24 hours). The Excise Tax Section will require one Revenue Processing Technician I (\$26,340) for increased review of the motor fuel refund claims. Excise Tax requires one Revenue Processing Technician I (\$26,340) for increased reporting and registration that will be required.

Oversight will show the FTE and computer costs in the fiscal note.

ASSUMPTION (continued)

Oversight notes this portion of the proposal would increase the fuel tax over a matter of years. This chart shows the amount of tax collected and number of gallons sold on motor fuel each of the last five fiscal years.

	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012
Motor Fuel Tax Collected	\$726,918,660	\$704,792,974	\$704,921,584	\$708,241,405	\$708,063,819
Gallons	4,270,109,765	4,145,841,024	4,146,597,553	4,166,125,912	4,165,081,288

Source: Department of Revenue

Oversight notes the five year average number of gallons of motor fuel sold is 4,178,751,108. Oversight notes that per the Department of Revenue, the money in the Motor Fuel Tax Fund is distributed 12% to counties, 15% to cities and the remaining 73% to the State Road Fund.

This proposal would begin July 1, 2019, after a successful vote of the people. **Oversight** will show the impact as \$0 (people don't approve the increase) to the estimates provided by B&P.

Officials at the **Missouri Highway Patrol** assume that upon completion, the proposed legislation would generate approximately \$411 million in additional Highway revenue, of which \$288 million would go to the Patrol and \$123 million would be for municipal and county road projects. In its FY 2018 budget, the Patrol currently has approximately \$240 million in Highway funding, so this would be an additional \$48 million in Highway funding that could be available to the Patrol, subject to appropriation. As stated in the legislation, it is critical that the money be used "for the actual cost of the state highway patrol in administering and enforcing any state motor vehicle laws and traffic regulations."

Officials at the **Office of the State Auditor** do not anticipate any large new audit requirements will result from these new provisions. Any fiscal impact can likely be absorbed with current appropriations.

Oversight notes this proposal would requires the State Auditor to audit the money generated under this proposal as part of their normal audit of the agency receiving the funds. Oversight assumes this would not have any additional fiscal impact.

ASSUMPTION (continued)

Officials at the **Missouri Department of Transportation** defer to the Department of Revenue for fiscal impact.

Officials at the **Department of Agriculture** assume there is no fiscal impact from this proposal.

§143.121 Olympic Medals

Officials at the **B&P** assume this section would exempt the value of any prize or award won by a taxpayer during Olympic Games from the taxpayer's gross income. B&P could not find enough relevant data to estimate an impact from this proposal. However, B&P notes that during the 2016 summer games, there were 0 gold, 1 silver, and 2 bronze medals awarded to Missourians. There have been 65 Olympic athletes born in Missouri since the 1904 summer Olympics, 11 gold medal winners during the summer games since 1924, and 0 gold medal winners during the winter games. B&P notes that data on Olympic athletes is based on state of birth, not state of residence. Therefore, it is possible that not all 65 past athletes resided in Missouri during the time they competed in the Olympics.

Paralympic games are played following the completion of the summer and winter Olympics. B&P estimates that since 2010 there have been 8 Paralympic Missouri athletes, 2 gold medal winners during the summer games, and 2 gold medal winners during the winter games.

B&P was unable to determine how many Special Olympic Athletes might qualify for this exemption. However, there is one statewide game played in Missouri annually, a US Game held every four years, and a World Game held every two years. Therefore, B&P estimates that the potential number of athletes that could qualify under this proposal may be significant. B&P notes that while there may be a significant number of athletes that could qualify, the majority of the Special Olympics Games do not offer a medal made of gold or a cash prize.

Therefore, B&P estimates that this provision could have a minimal negative impact on General Revenue.

Officials at the **DOR** assume the Missouri adjusted gross income of a resident individual shall be the taxpayer's federal adjusted gross income subject to the modifications of this section. There shall be subtracted from the taxpayer's federal adjusted gross income the following amounts to the extent included in federal adjusted gross income:

Gross income shall no include the value of any prize or award won by a taxpayer in athletic competition in the Olympic, Paralympic, or Special Olympic Games. This subsection shall be known and may be cited as the "Olympic Dream Freedom Act."

ASSUMPTION (continued)

Officials at the **University of Missouri’s Economic and Policy Analysis Research Center (EPARC)** previously submitted the following information regarding Olympic athletes. The U.S. Olympic Committee currently awards gold medalists with a \$25,000 cash prize, silver medalists with a \$15,000 cash prize and bronze medalists with a \$10,000 cash prize. Therefore, at the highest tax rate of 6%, an exemption for the cash prize for a gold medalist would amount to a reduction in tax liability of \$1,500 in the year the medal was won, and consequently a reduction in Net General Revenue of \$1,500 in the same year. At the highest tax rate of 6%, an exemption for the cash prize for a silver medalist would amount to a reduction in tax liability of \$900 in the year the medal was won, and consequently a reduction in Net General Revenue of \$900 in the same year. At the highest tax rate of 6%, an exemption for the cash prize for a bronze medalist would amount to a reduction in tax liability of \$600 in the year the medal was won, and consequently a reduction in Net General Revenue of \$600 in the same year.

The following is a list of all the Olympic medalists from Missouri since 1968:

Name	Year	Sport	Medal
Ann Peterson	1968	Diving	Bronze
Jo-Jo White	1968	Basketball	Gold
Larry Young	1968, 1972	Walking	Bronze (2)
George Woods	1968, 1972	Shot Put	Silver (2)
Leon Spinks	1976	Boxing	Gold
Michael Spinks	1976	Boxing	Gold
Virgil Hill	1984	Boxing	Silver
Steve Salmons	1984	Volleyball	Gold
David Clark	1984	Rowing	Silver
Ray Armstead	1984	4x400 Meter Relay	Gold
Ken Flach	1988	Tennis	Gold
Wendy Lian Williams	1988	Diving	Bronze

Name	Year	Sport	Medal
Janie Wagstaff	1992	4x100 Medley Relay	Gold
Lori Endicott	1992	Volleyball	Bronze
Nikki Ziegelmeyer	1992, 1994	Short Track Speed Skating	Silver, Bronze
Eric Mueller	1996	Rowing	Silver
Tim Harden	1996	4x100 Meter Relay	Silver
Sammie Henson	2000	Wrestling	Silver
Terin Humphrey	2004	Gymnastics	Silver (2)
Courtney McCool	2004	Artistic Gymnastics	Silver
Tammy Crow	2004	Synchronized Swimming	Bronze
J.P. Kepka	2006	Short Track Speed Skating	Bronze
Christian Cantwell	2008	Shot Put	Silver
Lori Chalupny	2008	Soccer	Gold
Scott Touzinsky	2008	Volleyball	Gold
Paul Stastny	2010	Hockey	Silver
Becky Sauerbrunn	2012	Soccer	Gold
J'Den Cox	2016	Wrestling	Bronze
Zach Garrett	2016	Archery	Silver
Murphy Troy	2016	Volleyball	Bronze

Missouri Summer Olympic medalists have averaged 0.76923 gold medals, 0.92308 silver medals, and 0.61539 bronze medals every four years since 1968. Missouri Winter Olympic medalists averaged 0.15385 silver medals every four years and 0.15385 bronze medals every four years since 1968.

ASSUMPTION (continued)

Therefore, we estimate that in any given Summer Olympic year Net General Revenue may be reduced by approximately ...

$$(0.76923 \times \$1,500) + (0.92308 \times \$900) + (0.615385 \times \$600) = \$2,353.85$$

Also, we estimate that in any given Winter Olympic year Net General Revenue may be reduced by approximately ...

$$(0.15385 \times \$900) + (0.15385 \times \$600) = \$230.77$$

Oversight notes the United States Olympic Committee (USOC) paid athletes a cash prize of \$25,000 for a gold medal, \$15,000 for a silver medal and \$10,000 for each bronze medal. Additionally the cash value of the medals themselves are \$600 for a gold, \$300 for a silver and the bronze has no cash value. Currently athletes who win these medals are taxed on this income.

Oversight has received additional information indicating that starting with the 2018 Olympics the cash prize for a gold medal will be \$37,500, a silver will be \$22,500 and the bronze will be \$15,000.

Oversight was unable to determine how many Olympic athletes are from Missouri and reside here paying taxes. Oversight notes that the three Olympic training centers where the majority of athletes train are not located in Missouri.

Oversight notes this proposal would exclude from gross income the value of any prize or award won by an Olympic athlete. Therefore, they would no longer pay tax on the medal value or cash prize awarded by the USOC. Due to the minimal loss of this tax, as calculated by EPARC, Oversight will not show a fiscal impact from this proposal.

Oversight for informational purposes is listing the upcoming Olympics.

2020 Tokyo - summer games
2022 Beijing - winter games
2024 Paris - summer games
2026 Not Announced - winter games
2028 Los Angeles - summer games

ASSUMPTION (continued)

Oversight notes that exempting the prizes of the Paralympic and Special Olympic athletes also would not change the fiscal impact.

Oversight notes that the Paralympics are held in the same city as the Olympics usually just one month later. Oversight found that starting with the 2018 Olympics the Paralympic athletes will receive \$7,500 for their gold medals, \$5,250 for a silver and \$3,750 for a bronze.

Oversight was unable to determine if Special Olympic athletes receive a cash payment for the medals they win.

§226.145 Emergency State Freight Bottleneck Fund

Officials at the **B&P** assume this section would create the "Emergency State Freight Bottleneck Fund", which is subject to appropriations. Monies in the fund shall only be used for certain qualifying projects. Therefore, B&P estimates that this provision may have an unknown negative impact on General Revenue.

Officials at the **Office of the State Treasurer** assume there is no fiscal impact from this proposal.

Oversight notes this proposal creates the Emergency State Freight Bottleneck Fund that is to receive appropriations by the General Assembly. The Fund is to finance eligible projects delineated under this proposal that cost more than \$50 million. Oversight notes projects of the size usually receive funding from multiple sources (federal, locals), so will show the impact to the state as Unknown.

Section B

Officials at the **B&P** assume that Section B requires this proposal to go to a vote at the next general election in November 2018. Therefore, while these provisions will impact state and local funds, they will not impact Total State Revenue or the calculation under Article X, Section 18(e).

Officials at the **Office of the Secretary of State (SOS)** assume each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special

ASSUMPTION (continued)

election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7.8 million based on the cost of the 2016 Presidential Preference Primary.

The Secretary of State's office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. Funding for this item is adjusted each year depending upon the election cycle with \$1.3 million historically appropriated in odd numbered fiscal years and \$100,000 appropriated in even numbered fiscal years to meet these requirements. Through FY 2013, the appropriation had historically been an estimated appropriation because the final cost is dependent upon the number of ballot measures approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2015, the General Assembly changed the appropriation so that it was no longer an estimated appropriation. In FY 2017 the Secretary of State's Office was appropriated \$2.6 million to publish the full text of the measures. In FY 2017, at the August and November elections, there were 6 statewide Constitutional Amendments or ballot propositions that cost \$2.4 million to publish (an average of \$400,000 per issue). The Secretary of State's office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, we reserve the right to request funding to meet the cost of our publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Oversight notes this proposal would require a vote of the people in order to be effective. The election is set for November 2018. Oversight will show all costs/revenues as \$0 (not adopted by the people) to the estimates provided above.

Bill as a Whole

Officials at the **University of Missouri's Economic and Policy Analysis Research Center** assume they do not have elaborate models and reliable data to estimate a fiscal impact for this proposal.

Officials at the **Joint Committee on Administrative Rules** assume there is no fiscal impact from this proposal.

Officials from the **SOS** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is

ASSUMPTION (continued)

provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

<u>FISCAL IMPACT -</u> <u>State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021	Fully Implemented (FY 2027)
GENERAL REVENUE				
<u>Transfer Out -</u> Emergency State Freight Bottleneck Fund	<u>\$0 or</u> (Unknown)	<u>\$0 or</u> (Unknown)	<u>\$0 or</u> (Unknown)	<u>\$0 or</u> (Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u><u>\$0 or</u></u> (Unknown)	<u><u>\$0 or</u></u> (Unknown)	<u><u>\$0 or</u></u> (Unknown)	<u><u>\$0 or</u></u> (Unknown)

<u>FISCAL IMPACT -</u> <u>State Government</u> <u>(continued)</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021	Fully Implemented (FY 2027)
STATE ROAD FUND				
<u>Additional Revenue</u>				
- increase in the fuel tax from 17 to 27 cents §142.803	\$0	\$0 or \$73,200,000	\$0 or \$146,400,000	\$0 or \$293,300,000
<u>Cost - DOR</u>				
Personal Service	\$0	\$0 or (\$53,207)	\$0 or (\$53,739)	\$0 or (\$57,045)
Fringe Benefits	\$0	\$0 or (\$37,378)	\$0 or (\$37,536)	\$0 or (\$38,518)
Equipment & Expenses	\$0	\$0 or (\$1,515)	\$0 or (\$1,553)	\$0 or (\$1,802)
Computer Expenses	\$0	\$0 or (\$75,168)	\$0	\$0
<u>Total Costs - DOR</u>	<u>\$0</u>	<u>\$0 or (\$167,268)</u>	<u>\$0 or (\$92,828)</u>	<u>\$0 or (\$97,365)</u>
FTE Change - DOR	0 FTE	0 or 2 FTE	0 or 2 FTE	0 or 2 FTE
ESTIMATED NET EFFECT ON THE STATE ROAD FUND				
	<u>\$0</u>	<u>\$0 or \$73,032,732</u>	<u>\$0 or \$146,307,172</u>	<u>\$0 or \$293,202,635</u>
Estimated Net FTE Change on the State Road Fund	0 FTE	0 or 2 FTE	0 or 2 FTE	0 or 2 FTE

<u>FISCAL IMPACT -</u> <u>State Government</u> <u>(continued)</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021	Fully Implemented (FY 2027)
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**EMERGENCY
 STATE FREIGHT
 BOTTLENECK
 FUND**

<u>Transfer In -from</u> General Revenue §226.145	<u>\$0 or</u> <u>Unknown</u>	<u>\$0 or</u> <u>Unknown</u>	<u>\$0 or</u> <u>Unknown</u>	<u>\$0 or</u> <u>Unknown</u>
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**ESTIMATED NET
 EFFECT ON THE
 EMERGENCY
 STATE FREIGHT
 BOTTLENECK
 FUND**

<u>\$0 or</u> <u>Unknown</u>	<u>\$0 or</u> <u>Unknown</u>	<u>\$0 or</u> <u>Unknown</u>	<u>\$0 or</u> <u>Unknown</u>
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<u>FISCAL IMPACT -</u> <u>Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021	Fully Implemented (FY 2027)
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**LOCAL
 POLITICAL
 SUBDIVISION
 FUNDS**

<u>Additional Revenue</u> Cities and Counties - increase in the fuel tax from 17 to 27 cents §142.803	<u>\$0</u>	<u>\$0 or</u> <u>\$31,900,000</u>	<u>\$0 or</u> <u>\$63,900,000</u>	<u>\$0 or</u> <u>\$128,000,000</u>
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**ESTIMATED NET
 EFFECT ON
 LOCAL
 POLITICAL
 SUBDIVISION
 FUNDS**

<u>\$0</u>	<u>\$0 or</u> <u>\$31,900,000</u>	<u>\$0 or</u> <u>\$63,900,000</u>	<u>\$0 or</u> <u>\$128,000,000</u>
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FISCAL IMPACT - Small Business

This proposed legislation could potentially impact any small business that is in business selling fuel or any businesses that purchase fuel to conduct their daily business.

FISCAL DESCRIPTION

Beginning July 1, 2019, this bill increases the fuel tax by \$.10 from \$.17 per gallon to \$.27 per gallon in increments. On and after July 1, 2022, the tax rate of \$.27 applies. The additional revenue generated by the tax increase is used for the actual costs of the State Highway Patrol, subject to appropriation. In addition, the bill authorizes the Department of Agriculture to tax all types of fuel at a substantially equivalent rate by implementing a rule by January 1, 2026. The state auditor will biennially audit funds to ensure their accurate expenditure (§142.803).

This bill authorizes the "Olympic Dream Freedom Act" which allows a state individual income tax deduction for the value of any prize or award won by a taxpayer in athletic competition in the Olympic, Paralympic, or Special Olympic Games (§143.121.10).

FISCAL DESCRIPTION (continued)

The bill creates the "Emergency State Freight Bottleneck Fund" which is dedicated, subject to appropriation, only to road projects with criteria for such projects specified in the bill (§226.145).

The bill contains a referendum clause and the provisions of this bill will become effective upon voter approval.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Agriculture
Department of Revenue
Joint Committee on Administrative Rules
Missouri Department of Transportation
Missouri Highway Patrol
Office of Administration
 Division of Budget and Planning
Office of the State Auditor
Office of the Secretary of State
Office of the State Treasurer
University of Missouri's Economic and Policy Analysis Research Center

Ross Strobe



Acting Director
June 4, 2018

SENATE SUBSTITUTE
FOR
HOUSE BILL NO. 1460

AN ACT

To repeal sections 142.803 and 143.121, RSMo, and to enact in lieu thereof three new sections relating to state revenues, with a referendum clause.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,
AS FOLLOWS:

1 Section A. Sections 142.803 and 143.121, RSMo, are repealed
2 and three new sections enacted in lieu thereof, to be known as
3 sections 142.803, 143.121, and 226.145, to read as follows:

4 142.803. 1. A tax is levied and imposed on all motor fuel
5 used or consumed in this state as follows:

6 (1) Motor fuel, seventeen cents per gallon until June 30,
7 2019. For the fiscal year beginning on or after July 1, 2019,
8 and ending on or before June 30, 2020, such tax shall be nineteen
9 and one-half cents per gallon. For the fiscal year beginning on
10 or after July 1, 2020, and ending on or before June 30, 2021,
11 such tax shall be twenty-two cents per gallon. For the fiscal
12 year beginning on or after July 1, 2021, and ending on or before
13 June 30, 2022, such tax shall be twenty-four and one-half cents
14 per gallon. For all fiscal years beginning on or after July 1,
15 2022, such tax shall be twenty-seven cents per gallon. Subject
16 to appropriation, the state portion of the revenue generated by
17 the increases in the rate of tax beginning July 1, 2019, shall be
18 used for the actual cost of the state highway patrol in

1 administering and enforcing any state motor vehicle laws and
2 traffic regulations;

3 (2) Alternative fuels, not subject to the decal fees as
4 provided in section 142.869, with a power potential equivalent of
5 motor fuel. In the event alternative fuel, which is not commonly
6 sold or measured by the gallon, is used in motor vehicles on the
7 highways of this state, the director is authorized to assess and
8 collect a tax upon such alternative fuel measured by the nearest
9 power potential equivalent to that of one gallon of regular grade
10 gasoline. The determination by the director of the power
11 potential equivalent of such alternative fuel shall be prima
12 facie correct;

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

17 (4) Compressed natural gas fuel, five cents per gasoline
18 gallon equivalent until December 31, 2019, eleven cents per
19 gasoline gallon equivalent from January 1, 2020, until December
20 31, 2024, [and then] seventeen cents per gasoline gallon
21 equivalent from January 1, 2025, until December 31, 2025, and
22 then twenty-seven cents per gasoline gallon equivalent
23 thereafter. The gasoline gallon equivalent and method of sale
24 for compressed natural gas shall be as published by the National
25 Institute of Standards and Technology in Handbooks 44 and 130,
26 and supplements thereto or revisions thereof. In the absence of
27 such standard or agreement, the gasoline gallon equivalent and
28 method of sale for compressed natural gas shall be equal to five

1 and sixty-six-hundredths pounds of compressed natural gas. All
2 applicable provisions contained in this chapter governing
3 administration, collections, and enforcement of the state motor
4 fuel tax shall apply to the tax imposed on compressed natural
5 gas, including but not limited to licensing, reporting,
6 penalties, and interest;

7 (5) Liquefied natural gas fuel, five cents per diesel
8 gallon equivalent until December 31, 2019, eleven cents per
9 diesel gallon equivalent from January 1, 2020, until December 31,
10 2024, [and then] seventeen cents per diesel gallon equivalent
11 from January 1, 2025, until December 31, 2025, and then twenty-
12 seven cents per diesel gallon equivalent thereafter. The diesel
13 gallon equivalent and method of sale for liquefied natural gas
14 shall be as published by the National Institute of Standards and
15 Technology in Handbooks 44 and 130, and supplements thereto or
16 revisions thereof. In the absence of such standard or agreement,
17 the diesel gallon equivalent and method of sale for liquefied
18 natural gas shall be equal to six and six-hundredths pounds of
19 liquefied natural gas. All applicable provisions contained in
20 this chapter governing administration, collections, and
21 enforcement of the state motor fuel tax shall apply to the tax
22 imposed on liquefied natural gas, including but not limited to
23 licensing, reporting, penalties, and interest;

24 (6) Propane gas fuel, five cents per gallon until December
25 31, 2019, eleven cents per gallon from January 1, 2020, until
26 December 31, 2024, [and then] seventeen cents per gallon from
27 January 1, 2025, until December 31, 2025, and then twenty-seven
28 cents per gallon thereafter. All applicable provisions contained

1 in this chapter governing administration, collection, and
2 enforcement of the state motor fuel tax shall apply to the tax
3 imposed on propane gas including, but not limited to, licensing,
4 reporting, penalties, and interest;

5 (7) If a natural gas, compressed natural gas, liquefied
6 natural gas, electric, or propane connection is used for fueling
7 motor vehicles and for another use, such as heating, the tax
8 imposed by this section shall apply to the entire amount of
9 natural gas, compressed natural gas, liquefied natural gas,
10 electricity, or propane used unless an approved separate metering
11 and accounting system is in place.

12 2. Notwithstanding any provision of law to the contrary,
13 beginning on January 1, 2026, all motor fuels and alternative
14 fuels, including, but not limited to, gasoline, diesel fuel,
15 electricity, hydrogen, propane, compressed natural gas, and
16 liquified natural gas, shall be taxed at substantially the
17 equivalent rate. The department of agriculture, in cooperation
18 with the department of revenue, shall where necessary promulgate
19 a rule on or before December 31, 2023, to implement the
20 provisions of this subsection. Any rule or portion of a rule, as
21 that term is defined in section 536.010 that is created under the
22 authority delegated in this section shall become effective only
23 if it complies with and is subject to all of the provisions of
24 chapter 536, and, if applicable, section 536.028. This section
25 and chapter 536 are nonseverable and if any of the powers vested
26 with the general assembly pursuant to chapter 536, to review, to
27 delay the effective date, or to disapprove and annul a rule are
28 subsequently held unconstitutional, then the grant of rulemaking

1 authority and any rule proposed or adopted after August 28, 2018,
2 shall be invalid and void.

3 3. All taxes, surcharges and fees are imposed upon the
4 ultimate consumer, but are to be precollected as described in
5 this chapter, for the facility and convenience of the consumer.
6 The levy and assessment on other persons as specified in this
7 chapter shall be as agents of this state for the precollection of
8 the tax.

9 4. In order to ensure that the revenues generated by this
10 section are used for their designated purposes, the state auditor
11 shall biennially audit such funds and provide a report to the
12 general assembly. Such report may be included as part of an
13 audit of a department or agency receiving such funds.

14 143.121. 1. The Missouri adjusted gross income of a
15 resident individual shall be the taxpayer's federal adjusted
16 gross income subject to the modifications in this section.

17 2. There shall be added to the taxpayer's federal adjusted
18 gross income:

19 (1) The amount of any federal income tax refund received
20 for a prior year which resulted in a Missouri income tax benefit;

21 (2) Interest on certain governmental obligations excluded
22 from federal gross income by Section 103 of the Internal Revenue
23 Code (26 U.S.C. Section 103, as amended). The previous sentence
24 shall not apply to interest on obligations of the state of
25 Missouri or any of its political subdivisions or authorities and
26 shall not apply to the interest described in subdivision (1) of
27 subsection 3 of this section. The amount added pursuant to this
28 subdivision shall be reduced by the amounts applicable to such

1 interest that would have been deductible in computing the taxable
2 income of the taxpayer except only for the application of Section
3 265 of the Internal Revenue Code (26 U.S.C. Section 265, as
4 amended). The reduction shall only be made if it is at least
5 five hundred dollars;

6 (3) The amount of any deduction that is included in the
7 computation of federal taxable income pursuant to Section 168 of
8 the Internal Revenue Code (26 U.S.C. Section 168) as amended by
9 the Job Creation and Worker Assistance Act of 2002 to the extent
10 the amount deducted relates to property purchased on or after
11 July 1, 2002, but before July 1, 2003, and to the extent the
12 amount deducted exceeds the amount that would have been
13 deductible pursuant to Section 168 of the Internal Revenue Code
14 of 1986 (26 U.S.C. Section 168) as in effect on January 1, 2002;

15 (4) The amount of any deduction that is included in the
16 computation of federal taxable income for net operating loss
17 allowed by Section 172 of the Internal Revenue Code of 1986 (26
18 U.S.C. Section 172), as amended, other than the deduction allowed
19 by Section **[172(b)(1)(G)]** 172(b)(1)(F) and Section **[172(i)]**
20 172(h) of the Internal Revenue Code of 1986 (26 U.S.C. Section
21 172), as amended, for a net operating loss the taxpayer claims in
22 the tax year in which the net operating loss occurred or carries
23 forward for a period of more than twenty years and carries
24 backward for more than two years. Any amount of net operating
25 loss taken against federal taxable income but disallowed for
26 Missouri income tax purposes pursuant to this subdivision after
27 June 18, 2002, may be carried forward and taken against any
28 income on the Missouri income tax return for a period of not more

1 than twenty years from the year of the initial loss; and

2 (5) For nonresident individuals in all taxable years ending
3 on or after December 31, 2006, the amount of any property taxes
4 paid to another state or a political subdivision of another state
5 for which a deduction was allowed on such nonresident's federal
6 return in the taxable year unless such state, political
7 subdivision of a state, or the District of Columbia allows a
8 subtraction from income for property taxes paid to this state for
9 purposes of calculating income for the income tax for such state,
10 political subdivision of a state, or the District of Columbia.

11 3. There shall be subtracted from the taxpayer's federal
12 adjusted gross income the following amounts to the extent
13 included in federal adjusted gross income:

14 (1) Interest or dividends on obligations of the United
15 States and its territories and possessions or of any authority,
16 commission or instrumentality of the United States to the extent
17 exempt from Missouri income taxes pursuant to the laws of the
18 United States. The amount subtracted pursuant to this
19 subdivision shall be reduced by any interest on indebtedness
20 incurred to carry the described obligations or securities and by
21 any expenses incurred in the production of interest or dividend
22 income described in this subdivision. The reduction in the
23 previous sentence shall only apply to the extent that such
24 expenses including amortizable bond premiums are deducted in
25 determining the taxpayer's federal adjusted gross income or
26 included in the taxpayer's Missouri itemized deduction. The
27 reduction shall only be made if the expenses total at least five
28 hundred dollars;

1 (2) The portion of any gain, from the sale or other
2 disposition of property having a higher adjusted basis to the
3 taxpayer for Missouri income tax purposes than for federal income
4 tax purposes on December 31, 1972, that does not exceed such
5 difference in basis. If a gain is considered a long-term capital
6 gain for federal income tax purposes, the modification shall be
7 limited to one-half of such portion of the gain;

8 (3) The amount necessary to prevent the taxation pursuant
9 to this chapter of any annuity or other amount of income or gain
10 which was properly included in income or gain and was taxed
11 pursuant to the laws of Missouri for a taxable year prior to
12 January 1, 1973, to the taxpayer, or to a decedent by reason of
13 whose death the taxpayer acquired the right to receive the income
14 or gain, or to a trust or estate from which the taxpayer received
15 the income or gain;

16 (4) Accumulation distributions received by a taxpayer as a
17 beneficiary of a trust to the extent that the same are included
18 in federal adjusted gross income;

19 (5) The amount of any state income tax refund for a prior
20 year which was included in the federal adjusted gross income;

21 (6) The portion of capital gain specified in section
22 135.357 that would otherwise be included in federal adjusted
23 gross income;

24 (7) The amount that would have been deducted in the
25 computation of federal taxable income pursuant to Section 168 of
26 the Internal Revenue Code (26 U.S.C. Section 168) as in effect on
27 January 1, 2002, to the extent that amount relates to property
28 purchased on or after July 1, 2002, but before July 1, 2003, and

1 to the extent that amount exceeds the amount actually deducted
2 pursuant to Section 168 of the Internal Revenue Code (26 U.S.C.
3 Section 168) as amended by the Job Creation and Worker Assistance
4 Act of 2002;

5 (8) For all tax years beginning on or after January 1,
6 2005, the amount of any income received for military service
7 while the taxpayer serves in a combat zone which is included in
8 federal adjusted gross income and not otherwise excluded
9 therefrom. As used in this section, "combat zone" means any area
10 which the President of the United States by Executive Order
11 designates as an area in which Armed Forces of the United States
12 are or have engaged in combat. Service is performed in a combat
13 zone only if performed on or after the date designated by the
14 President by Executive Order as the date of the commencing of
15 combat activities in such zone, and on or before the date
16 designated by the President by Executive Order as the date of the
17 termination of combatant activities in such zone;

18 (9) For all tax years ending on or after July 1, 2002, with
19 respect to qualified property that is sold or otherwise disposed
20 of during a taxable year by a taxpayer and for which an
21 additional modification was made under subdivision (3) of
22 subsection 2 of this section, the amount by which additional
23 modification made under subdivision (3) of subsection 2 of this
24 section on qualified property has not been recovered through the
25 additional subtractions provided in subdivision (7) of this
26 subsection; and

27 (10) For all tax years beginning on or after January 1,
28 2014, the amount of any income received as payment from any

1 program which provides compensation to agricultural producers who
2 have suffered a loss as the result of a disaster or emergency,
3 including the:

4 (a) Livestock Forage Disaster Program;

5 (b) Livestock Indemnity Program;

6 (c) Emergency Assistance for Livestock, Honeybees, and
7 Farm-Raised Fish;

8 (d) Emergency Conservation Program;

9 (e) Noninsured Crop Disaster Assistance Program;

10 (f) Pasture, Rangeland, Forage Pilot Insurance Program;

11 (g) Annual Forage Pilot Program;

12 (h) Livestock Risk Protection Insurance Plan; and

13 (i) Livestock Gross Margin insurance plan.

14 4. There shall be added to or subtracted from the
15 taxpayer's federal adjusted gross income the taxpayer's share of
16 the Missouri fiduciary adjustment provided in section 143.351.

17 5. There shall be added to or subtracted from the
18 taxpayer's federal adjusted gross income the modifications
19 provided in section 143.411.

20 6. In addition to the modifications to a taxpayer's federal
21 adjusted gross income in this section, to calculate Missouri
22 adjusted gross income there shall be subtracted from the
23 taxpayer's federal adjusted gross income any gain recognized
24 pursuant to Section 1033 of the Internal Revenue Code of 1986 (26
25 U.S.C. Section 1033), as amended, arising from compulsory or
26 involuntary conversion of property as a result of condemnation or
27 the imminence thereof.

28 7. (1) As used in this subsection, "qualified health

1 insurance premium" means the amount paid during the tax year by
2 such taxpayer for any insurance policy primarily providing health
3 care coverage for the taxpayer, the taxpayer's spouse, or the
4 taxpayer's dependents.

5 (2) In addition to the subtractions in subsection 3 of this
6 section, one hundred percent of the amount of qualified health
7 insurance premiums shall be subtracted from the taxpayer's
8 federal adjusted gross income to the extent the amount paid for
9 such premiums is included in federal taxable income. The
10 taxpayer shall provide the department of revenue with proof of
11 the amount of qualified health insurance premiums paid.

12 8. (1) Beginning January 1, 2014, in addition to the
13 subtractions provided in this section, one hundred percent of the
14 cost incurred by a taxpayer for a home energy audit conducted by
15 an entity certified by the department of natural resources under
16 section 640.153 or the implementation of any energy efficiency
17 recommendations made in such an audit shall be subtracted from
18 the taxpayer's federal adjusted gross income to the extent the
19 amount paid for any such activity is included in federal taxable
20 income. The taxpayer shall provide the department of revenue
21 with a summary of any recommendations made in a qualified home
22 energy audit, the name and certification number of the qualified
23 home energy auditor who conducted the audit, and proof of the
24 amount paid for any activities under this subsection for which a
25 deduction is claimed. The taxpayer shall also provide a copy of
26 the summary of any recommendations made in a qualified home
27 energy audit to the department of natural resources.

28 (2) At no time shall a deduction claimed under this

1 subsection by an individual taxpayer or taxpayers filing combined
2 returns exceed one thousand dollars per year for individual
3 taxpayers or cumulatively exceed two thousand dollars per year
4 for taxpayers filing combined returns.

5 (3) Any deduction claimed under this subsection shall be
6 claimed for the tax year in which the qualified home energy audit
7 was conducted or in which the implementation of the energy
8 efficiency recommendations occurred. If implementation of the
9 energy efficiency recommendations occurred during more than one
10 year, the deduction may be claimed in more than one year, subject
11 to the limitations provided under subdivision (2) of this
12 subsection.

13 (4) A deduction shall not be claimed for any otherwise
14 eligible activity under this subsection if such activity
15 qualified for and received any rebate or other incentive through
16 a state-sponsored energy program or through an electric
17 corporation, gas corporation, electric cooperative, or
18 municipally owned utility.

19 9. The provisions of subsection 8 of this section shall
20 expire on December 31, 2020.

21 10. Gross income shall not include the value of any prize
22 or award won by a taxpayer in athletic competition in the
23 Olympic, Paralympic, or Special Olympic Games. This subsection
24 shall be known and may be cited as the "Olympic Dream Freedom
25 Act".

26 226.145. 1. (1) There is hereby created in the state
27 treasury the "Emergency State Freight Bottleneck Fund", which
28 shall consist of moneys appropriated by the general assembly.

1 The state treasurer shall be custodian of the fund. In
2 accordance with sections 30.170 and 30.180, the state treasurer
3 may approve disbursements. The fund shall be a dedicated fund
4 and money in the fund shall be used solely to finance eligible
5 projects under this section.

6 (2) Notwithstanding the provisions of section 33.080 to the
7 contrary, any moneys remaining in the fund at the end of the
8 biennium shall not revert to the credit of the general revenue
9 fund.

10 (3) The state treasurer shall invest moneys in the fund in
11 the same manner as other funds are invested. Any interest and
12 moneys earned on such investments shall be credited to the fund.

13 2. Projects eligible for financing under this section
14 shall:

15 (1) Be a major road improvement with an estimated
16 construction cost of fifty million dollars or more;

17 (2) Be an improvement needed to eliminate a bottleneck, a
18 twenty minute delay or more during peak hours, that impacts the
19 distribution of goods and on-time delivery of freight;

20 (3) Be an improvement needed to reduce fatal and disabling
21 motor vehicle crashes within an area designated as a safe travel
22 zone by the department of transportation;

23 (4) Be an improvement listed on the 2014 state freight
24 plan; and

25 (5) Be slated to receive not less than thirty-five percent
26 of the funds required for project completion from sources other
27 than the state road fund or general revenue.

28 3. If in any given fiscal year there are insufficient funds

1 in the emergency state freight bottleneck fund to finance all
2 eligible projects under this section, such eligible projects
3 shall be rank ordered and given priority based on the Missouri
4 state infra-grant application criteria published by the
5 department of transportation.

6 Section B. This act is hereby submitted to the qualified
7 voters of this state for approval or rejection at an election
8 which is hereby ordered and which shall be held and conducted on
9 Tuesday next following the first Monday in November, 2018,
10 pursuant to the laws and constitutional provisions of this state
11 for the submission of referendum measures by the general
12 assembly, and this act shall become effective when approved by a
13 majority of the votes cast thereon at such election and not
14 otherwise.

15 Section C. Pursuant to chapter 116, and other applicable
16 constitutional provisions and laws of this state allowing the
17 general assembly to adopt ballot language for the submission of
18 referendum measures to the voters of this state, the official
19 summary statement of the act proposed in section A of this act
20 shall be as follows:

21 "Shall Missouri law be amended to fund Missouri state
22 law enforcement by increasing the motor fuel tax by two
23 and one half cents per gallon annually for four years
24 beginning July 1, 2019, exempt Special Olympic,
25 Paralympic, and Olympic prizes from state taxes, and to
26 establish the Emergency State Freight Bottleneck Fund?"

27 Section D. Pursuant to chapter 116, and other applicable
28 constitutional provisions and laws of this state allowing the

1 general assembly to adopt ballot language for the submission of
2 referendum measures to the voters of this state, the official
3 fiscal note summary of the act proposed in section A of this act
4 shall be as follows:

5 "If passed, this measure will generate at least \$288
6 million annually to the State Road Fund to provide for
7 the funding of Missouri state law enforcement and \$123
8 million annually to local governments for road
9 construction and maintenance."

Seventy-eighth Day—Wednesday, May 30, 2018 3599

May 30, 2018

Adam Crumbliss
Chief Clerk of the House
Room 317
201 Capitol Avenue
Jefferson City, MO 65101

CONSTITUTIONAL OBJECTION – SS SCS HCS HB 1456

Missouri’s Constitution states in Article III, section 21, “... no bill shall be so amended in its passage through either house as to change its original purpose....”

The original purpose of HB 1456 related to “emergency communications.” The final version of the bill, SS SCS HCS HB 1456 the purpose was changed to “relating to communication services.”

As such, it appears that SS SCS HCS HB 1456 is in violation of the provisions authorized by the state Constitution.

/s/ Mike Moon
District 157

May 30, 2018

Adam Crumbliss
Chief Clerk of the House
Room 317
201 Capitol Avenue Avenue
Jefferson City, MO 65101

CONSTITUTIONAL OBJECTION – SS #2 HB 1460

Missouri’s Constitution states in Article I, section 2, “... that all persons are created equal and are entitled to equal rights and opportunity under the law.” House Bill 1460 singles out a group of individuals for special treatment. And, in doing so, creates an unequal opportunity in violation of the Constitution.

In addition, the original purpose of HB 1460 was “relating to a tax deduction for certain Olympic athletes.” Missouri’s Constitution further states in Article III, section 23, “No bill shall contain more than one subject which shall be clearly expressed in its title....” As the bill was amended, the title was changed to “relating to state revenues” in order to include a gas tax referendum.

It appears to be clear that SS #2 HB 1460 is in violation of our state Constitution.

/s/ Mike Moon
District 157

May 30, 2018

Adam Crumbliss
Chief Clerk of the House
Room 317
201 Capitol Avenue
Jefferson City, MO 65101

CONSTITUTIONAL OBJECTION – SS SCS HB 1832

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 734

99TH GENERAL ASSEMBLY

Reported from the Committee on Transportation, Infrastructure and Public Safety, May 3, 2018, with recommendation that the Senate Committee Substitute do pass.

4963S.05C

ADRIANE D. CROUSE, Secretary.

AN ACT

To repeal section 142.803, RSMo, and to enact in lieu thereof one new section relating to transportation funding, with a referendum clause and a contingent effective date.

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

Section A. Section 142.803, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 142.803, 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, seventeen cents per gallon **until June 30, 2019. For all fiscal years beginning on or after July 1, 2019, such tax shall be twenty-seven cents per gallon. The state portion of the revenue generated by the increase in the rate of tax beginning July 1, 2019, shall be used for the actual cost of the state highway patrol in administering and enforcing any state motor vehicle laws and traffic regulations;**

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

(3) Aviation fuel used in propelling aircraft with reciprocating engines,

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

18 nine cents per gallon as levied and imposed by section 155.080 to be collected as
19 required under this chapter;

20 (4) Compressed natural gas fuel, five cents per gasoline gallon equivalent
21 until December 31, 2019, eleven cents per gasoline gallon equivalent from
22 January 1, 2020, until December 31, 2024, [and then] seventeen cents per
23 gasoline gallon equivalent **from January 1, 2025, until December 31, 2025,**
24 **and then twenty-seven cents per gasoline gallon equivalent**
25 thereafter. The gasoline gallon equivalent and method of sale for compressed
26 natural gas shall be as published by the National Institute of Standards and
27 Technology in Handbooks 44 and 130, and supplements thereto or revisions
28 thereof. In the absence of such standard or agreement, the gasoline gallon
29 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
31 provisions contained in this chapter governing administration, collections, and
32 enforcement of the state motor fuel tax shall apply to the tax imposed on
33 compressed natural gas, including but not limited to licensing, reporting,
34 penalties, and interest;

35 (5) Liquefied natural gas fuel, five cents per diesel gallon equivalent until
36 December 31, 2019, eleven cents per diesel gallon equivalent from January 1,
37 2020, until December 31, 2024, [and then] seventeen cents per diesel gallon
38 equivalent **from January 1, 2025, until December 31, 2025, and then**
39 **twenty-seven cents per diesel gallon equivalent** thereafter. The diesel
40 gallon equivalent and method of sale for liquefied natural gas shall be as
41 published by the National Institute of Standards and Technology in Handbooks
42 44 and 130, and supplements thereto or revisions thereof. In the absence of such
43 standard or agreement, the diesel gallon equivalent and method of sale for
44 liquefied natural gas shall be equal to six and six-hundredths pounds of liquefied
45 natural gas. All applicable provisions contained in this chapter governing
46 administration, collections, and enforcement of the state motor fuel tax shall
47 apply to the tax imposed on liquefied natural gas, including but not limited to
48 licensing, reporting, penalties, and interest;

49 (6) Propane gas fuel, five cents per gallon until December 31, 2019, eleven
50 cents per gallon from January 1, 2020, until December 31, 2024, [and then]
51 seventeen cents per gallon **from January 1, 2025, until December 31, 2025,**
52 **and then twenty-seven cents per gallon** thereafter. All applicable provisions
53 contained in this chapter governing administration, collection, and enforcement

54 of the state motor fuel tax shall apply to the tax imposed on propane gas
55 including, but not limited to, licensing, reporting, penalties, and interest;

56 (7) If a natural gas, compressed natural gas, liquefied natural gas,
57 electric, or propane connection is used for fueling motor vehicles and for another
58 use, such as heating, the tax imposed by this section shall apply to the entire
59 amount of natural gas, compressed natural gas, liquefied natural gas, electricity,
60 or propane used unless an approved separate metering and accounting system is
61 in place.

62 **2. Notwithstanding any provision of law to the contrary,**
63 **beginning on January 1, 2026, all motor fuels and alternative fuels,**
64 **including, but not limited to, gasoline, diesel fuel, electricity, hydrogen,**
65 **propane, compressed natural gas, and liquified natural gas, shall be**
66 **taxed at the same rate. The department of agriculture, in cooperation**
67 **with the department of revenue, shall where necessary promulgate a**
68 **rule on or before December 31, 2023, to implement the provisions of this**
69 **subsection. Any rule or portion of a rule, as that term is defined in**
70 **section 536.010 that is created under the authority delegated in this**
71 **section shall become effective only if it complies with and is subject to**
72 **all of the provisions of chapter 536, and, if applicable, section**
73 **536.028. This section and chapter 536 are nonseverable and if any of**
74 **the powers vested with the general assembly pursuant to chapter 536,**
75 **to review, to delay the effective date, or to disapprove and annul a rule**
76 **are subsequently held unconstitutional, then the grant of rulemaking**
77 **authority and any rule proposed or adopted after August 28, 2018, shall**
78 **be invalid and void.**

79 **3.** All taxes, surcharges and fees are imposed upon the ultimate consumer,
80 but are to be precollected as described in this chapter, for the facility and
81 convenience of the consumer. The levy and assessment on other persons as
82 specified in this chapter shall be as agents of this state for the precollection of the
83 tax.

Section B. This act is hereby submitted to the qualified voters of this state
2 for approval or rejection at an election which is hereby ordered and which shall
3 be held and conducted on Tuesday next following the first Monday in November,
4 2018, pursuant to the laws and constitutional provisions of this state for the
5 submission of referendum measures by the general assembly, and this act shall
6 become effective when approved by a majority of the votes cast thereon at such

7 election and not otherwise.

Section C. Pursuant to chapter 116, and other applicable constitutional
2 provisions and laws of this state allowing the general assembly to adopt ballot
3 language for the submission of referendum measures to the voters of this state,
4 the official summary statement of the act proposed in section A of this act shall
5 be as follows:

6 "Shall Missouri law be amended to increase the rate of tax on
7 motor fuel from seventeen cents per gallon to twenty-seven cents
8 per gallon beginning on July 1, 2019, to provide for the funding of
9 the Missouri State Highway Patrol?"

Section D. Pursuant to chapter 116, and other applicable constitutional
2 provisions and laws of this state allowing the general assembly to adopt ballot
3 language for the submission of referendum measures to the voters of this state,
4 the official fiscal note summary of the act proposed in section A of this act shall
5 be as follows:

6 "If passed, this measure will generate at least \$288 million
7 annually to the State Road Fund to provide for the funding of the
8 Missouri State Highway Patrol and \$123 million annually to local
9 governments for road construction and maintenance."

Section E. Section A of this act shall become effective only upon the
2 passage and approval by the voters of a constitutional amendment submitted to
3 them by the general assembly allowing the general assembly to provide for the
4 funding of the highway patrol by law.

✓

Copy

99th General Assembly, 2nd Regular Session Bills Truly Agreed To and Finally Passed

First Read	TAFP date	Bill#	Bill string	Total # of		Sponsor
				Total Pages	Bills	
				2872	150	
3-Jan	1-Feb	HB1246	HCS HB 1246	3		Pike, Patricia
3-Jan	14-Mar	HB1665	HB 1665	6		Swan, Kathryn
3-Jan	28-Mar	HB1465	SS SCS HB 1465	14		Cookson, Steve
13-Feb	28-Mar	HB1504	SS HB 1504	2		Reiboldt, Bill
3-Jan	28-Mar	HB1531	SS HB 1531	5		DeGroot, Bruce
13-Feb	28-Mar	HB1838	SS SCS HB 1838	6		Bernskoetter, Mike
13-Feb	29-Mar	HB2014	HCS HB 2014	12		Fitzpatrick, Scott
13-Feb	19-Apr	SB573	SB 573	19		Wallingford, Wayne
13-Feb	19-Apr	SB623	HCS SCS SB 623	2		Crawford, Sandy
13-Feb	19-Apr	SB592	SS SCS SB 592	58		Hegeman, Dan
13-Feb	24-Apr	HB1690	HCS HB 1690	25		Engler, Kevin
13-Feb	25-Apr	HB2001	HCS HB 2001	2		Fitzpatrick, Scott
13-Feb	25-Apr	SB594	SB 594	6		Wieland, Paul
13-Feb	25-Apr	SB593	SS SCS SB 593	18		Wieland, Paul
13-Feb	1-May	HB1268	SCS HCS HB 1268	7		Lichtenegger, Donna
13-Feb	1-May	HB1286	SCS HCS HB 1286	3		Engler, Kevin
13-Feb	1-May	HB1492	HB 1492	2		Lynch, Steve
15-Feb	1-May	HB1500	SS#2 SCS HCS HB 1500	20		Dogen, Shamed
15-Feb	1-May	HB2116	SCS HCS HB 2116	5		Ross, Robert
15-Feb	1-May	SB683	SB 683	6		Wasson, Jay
15-Feb	1-May	SB814	SCS SB 814	2		Riddle, Jeanie
3-Jan	2-May	SB862	SCS SB 862	4		Schatz, Dave
3-Jan	3-May	HB1744	SS HB 1744	12		Hansen, Jim
3-Jan	3-May	HB1880	SS#2 SCS HB 1880	5		Trent, Curtis
3-Jan	3-May	HB2015	HB 2015	1		Fitzpatrick, Scott
3-Jan	3-May	HB2034	SS SCS HCS HB 2034	37		Curtman, Paul
3-Jan	3-May	HB2101	HB 2101	2		Beard, Nathan
3-Jan	3-May	SB644	SCS SB 644	4		Cunningham, Mike
3-Jan	3-May	SB705	SS SB 705	6		Riddle, Jeanie
3-Jan	3-May	SB782	HCS SS SCS SB 782	26		Cunningham, Mike
3-Jan	3-May	SB840	SB 840	37		Rowden, Caleb
3-Jan	3-May	SB894	HCS SS SCS SBs 894 & 921	19		Libla, Doug
3-Jan	3-May	SB917	HCS SCS SB 917	4		Crawford, Sandy
3-Jan	3-May	SB990	SCS SB 990	2		Hegeman, Dan
3-Jan	7-May	SB659	HCS SB 659	18		Hegeman, Dan
3-Jan	8-May	HB1887	HB 1887	2		Bahr, Kurt
3-Jan	8-May	HB2330	HB 2330	1		Beck, Doug
3-Jan	8-May	SB768	SB 768	20		Hoskins, Denny
3-Jan	9-May	HB2002	CCS SCS HCS HB 2002	15		Fitzpatrick, Scott
3-Jan	9-May	HB2003	CCS SCS HCS HB 2003	12		Fitzpatrick, Scott
3-Jan	9-May	HB2004	CCS SCS HCS HB 2004	18		Fitzpatrick, Scott
3-Jan	9-May	HB2005	CCS SCS HCS HB 2005	24		Fitzpatrick, Scott
3-Jan	9-May	HB2006	CCS SCS HCS HB 2006	29		Fitzpatrick, Scott
3-Jan	9-May	HB2007	CCS SCS HCS HB 2007	25		Fitzpatrick, Scott
3-Jan	9-May	HB2008	CCS SCS HCS HB 2008	20		Fitzpatrick, Scott
3-Jan	9-May	HB2009	CCS SCS HCS HB 2009	15		Fitzpatrick, Scott
3-Jan	9-May	HB2010	CCS SS SCS HCS HB 2010	44		Fitzpatrick, Scott
3-Jan	9-May	HB2011	CCS SCS HCS HB 2011	40		Fitzpatrick, Scott
3-Jan	9-May	HB2012	CCS SCS HCS HB 2012	17		Fitzpatrick, Scott
3-Jan	9-May	HB2013	SCS HCS HB 2013	11		Fitzpatrick, Scott
3-Jan	9-May	HB2017	HCS HB 2017	21		Fitzpatrick, Scott

3-Jan	9-May	HB2018	HCS HB 2018	4		Fitzpatrick, Scott
3-Jan	9-May	HB1252	HB 1252	2		Plocher, Dean
3-Jan	9-May	HB1291	CCS SS SCS HB 1291	21		Henderson, Mike
3-Jan	9-May	HB1646	HB 1646	3		Eggleston, J
3-Jan	9-May	HB1858	CCS SS HB 1858	4		Christofanelli, Phil
3-Jan	9-May	HB2183	HB 2183	4		Bondon, Jack
3-Jan	9-May	HCR70	HCR 70	4		Franks Jr., Bruce
3-Jan	10-May	HB1558	SS SCS HB 1558	4		Neely, Jim
3-Jan	10-May	SB598	HCS SCS SB 598	3		Riddle, Jeanie
3-Jan	10-May	SB707	CCS HCS SS SCS SB 707	32		Schatz, Dave
3-Jan	10-May	SB800	HCS SB 800	36		Libla, Doug
3-Jan	10-May	SB892	CCS SCS SB 892	26		Walsh, Gina
3-Jan	10-May	SB999	SCS SBs 999 & 1000	1		Rowden, Caleb
3-Jan	10-May	SB793	HCS SB 793	40		Wallingford, Wayne
3-Jan	11-May	HB2019	HCS HB 2019	4		Fitzpatrick, Scott
3-Jan	11-May	HB1461	HCS HB 1461	12		Anderson, Sonya
3-Jan	11-May	HB1516	HB 1516	10		Wiemann, John
3-Jan	11-May	HB1879	CCS SS SCS HCS HB 1879	17		Fraker, Lyndall
4-Jan	11-May	HJR59	HJR 59	2		Brown, Wanda
9-Jan	11-May	SB652	SS SCS SB 652	2		Nasheed, Jamilah
17-Apr	11-May	HB1484	HB 1484	4		Brown, Wanda
9-Jan	15-May	HB1606	SS HCS HB 1606	39		Gannon, Elaine
11-Jan	15-May	SB581	HCS SB 581	8		Libla, Doug
11-Jan	15-May	SB769	HCS SCS SB 769	14		Cunningham, Mike
17-Jan	15-May	SB871	HCS SB 871	6		Romine, Gary
17-Jan	16-May	HB1355	SS SCS HB 1355	111		Phillips, Don
18-Jan	16-May	HB1517	HB 1517	2		McCann Beatty, Gail
25-Jan	16-May	HB1991	SS SCS HCS HB 1991	23		Rhodes, Shawn
31-Jan	16-May	HB2562	SS SCS HB 2562	47		Austin, Kevin
31-Jan	16-May	SB891	SB 891	1		Kehoe, Mike
26-Feb	16-May	SB907	SS SCS SB 907	14		Kehoe, Mike
4-Jan	16-May	SB981	SB 981	6		Wieland, Paul
18-Jan	16-May	SB564	SS#5 SB 564	26		Emery, Ed
3-Jan	17-May	HB1364	SS SCS HCS HB 1364	7		Kidd, Bill
3-Jan	17-May	HB1413	SS#2 SCS HB 1413	17		Taylor, Jared
3-Jan	17-May	HB1617	SS#3 SCS HCS HB 1617	8		Barnes, Jay
3-Jan	17-May	HB1797	SCS HB 1797	4		Fitzpatrick, Scott
3-Jan	17-May	HB1953	SS HB 1953	4		Neely, Jim
3-Jan	17-May	HB2171	HCS HB 2171	4		Wood, David
3-Jan	17-May	HCR63	HCR 63	4		Haefner, Marsha
3-Jan	17-May	SB608	CCS HCS SS SB 608	3		Hoskins, Denny
3-Jan	17-May	SB627	SS SCS SBs 627 & 925	31		Munzlinger, Brian
3-Jan	17-May	SB629	SCS SB 629	13		Wasson, Jay
3-Jan	17-May	SB660	CCS HCS SB 660	46		Riddle, Jeanie
3-Jan	17-May	SB687	CCS HCS SB 687	6		Sater, David
3-Jan	17-May	SB743	CCS HCS SB 743	27		Sater, David
3-Jan	17-May	SB775	CCS HCS SS SCS SB 775	8		Brown, Dan
3-Jan	17-May	SB802	SS#2 SCS SB 802	3		Nasheed, Jamilah
3-Jan	17-May	SB806	CCS HCS SB 806	49		Crawford, Sandy
3-Jan	17-May	SB826	CCS HCS SS SCS SB 826	28		Sater, David
3-Jan	17-May	SB870	CCS HCS SS SB 870	68		Hegeman, Dan
3-Jan	17-May	SB1007	SCS SB 1007	47		Kehoe, Mike
3-Jan	17-May	SCR40	SCR 40	2		Hoskins, Denny
3-Jan	17-May	SCR49	SCR 49	1		Schatz, Dave
3-Jan	17-May	SRB975	SCS SRBs 975 & 1024	302		Dixon, Bob
3-Jan	17-May	HB2540	SCS HCS HB 2540	6		Haahr, Elijah

3-Jan	17-May	SB603	CCS HCS SS SCS SBs 603, 576 &	21		Onder, Bob
3-Jan	17-May	SB708	SB 708	12		Schatz, Dave
3-Jan	17-May	HB1288	SS#2 SCS HCS HBs 1288, 1377	17		Engler, Kevin
3-Jan	18-May	SB590	CCS SS#2 SCS SB 590	9		Hageman, Dan
3-Jan	18-May	SB843	CCS HCS SS SCS SB 843	80		Riddle, Jeanie
3-Jan	18-May	HB1250	SCS HB 1250	22		Plocher, Dean
3-Jan	18-May	HB1350	CCS SS SCS HB 1350	35		Smith, Cody
3-Jan	18-May	HB1388	SS SCS HCS HB 1388	12		Gregory, David
3-Jan	18-May	HB1415	SS HB 1415	23		Lauer, Jeanie
3-Jan	18-May	HB1428	HB 1428	2		Munzel, Dave
3-Jan	18-May	HB1446	SS SCS HB 1446	6		Eggleston, J
4-Jan	18-May	HB1456	SS SCS HCS HB 1456	39		Lauer, Jeanie
8-Jan	18-May	HB1460	SS#2 HB 1460	9		Evans, Jean
8-Jan	18-May	HB1469	HB 1469	5		Davis, Charlie
8-Jan	18-May	HB1503	SCS HCS#2 HB 1503	14		Dohrman, Dean
8-Jan	18-May	HB1625	HB 1625	2		Morris, Lynn
9-Jan	18-May	HB1635	SCS HCS HB 1635	3		Bernskoetter, Mike
10-Jan	18-May	HB1713	SCS HCS HB 1713	3		Phillips, Don
10-Jan	18-May	HB1719	CCS SS SCS HB 1719	122		Grier, Derek
10-Jan	18-May	HB1729	SS HCS HBs 1729, 1621 & 1436	16		Justus, Jeffrey
10-Jan	18-May	HB1769	SS SCS HB 1769	6		Mathews, Kirk
16-Jan	18-May	HB1796	SS#2 HCS HB 1796	7		Ruth, Becky
23-Jan	18-May	HB1809	HB 1809	4		Tate, Nate
24-Jan	18-May	HB1831	HB 1831	4		Ruth, Becky
1-Feb	18-May	HB1832	SS SCS HB 1832	6		Cornejo, Robert
1-Feb	18-May	HB1872	SS HCS HB 1872	6		Johnson, Delus
6-Feb	18-May	HB2129	SS#2 HCS HB 2129	1		Cookson, Steve
13-Feb	18-May	HB2280	SS SCS HCS HBs 2280, 2120, 14	8		Haefner, Marsha
19-Feb	18-May	HB2347	SCS HB 2347	2		Davis, Charlie
22-Jan	18-May	SB568	SS SCS SB 568	6		Cunningham, Mike
31-Jan	18-May	SB655	CCS HCS SB 655	27		Sifton, Scott
1-Mar	18-May	SB718	CCS HCS SCS SB 718	51		Eigel, Bill
1-Mar	18-May	SB773	CCS HCS SB 773	34		Hoskins, Denny
30-Jan	18-May	SB807	CCS HCS SCS SBs 807 & 577	34		Wasson, Jay
22-Feb	18-May	SB819	CCS SB 819	65		Cunningham, Mike
3-Jan	18-May	SB881	CCS HCS SS SB 881	78		Eigel, Bill
3-Jan	18-May	SB882	SS SB 882	14		Hoskins, Denny
3-Jan	18-May	SB884	CCS SB 884	44		Koenig, Andrew
3-Jan	18-May	SB951	CCS HCS SB 951	59		Crawford, Sandy
3-Jan	18-May	SB954	SB 954	7		Curls, Shalonn (Kiki)
3-Jan	18-May	SB982	SS SB 982	19		Wieland, Paul
3-Jan	18-May	SCR36	SCR36	2		Munzlinger, Brian
3-Jan	18-May	SCR50	SCR 50	2		Hegeman, Dan

	Grand Total	Last Two Weeks	Final Week	Last 2 Days
Bill Count	150	116	78	66
% of all Bills		77.3%	52.0%	44.0%
Pages	2872	2490	1923	1626
% of all Pgs		86.7%	67.0%	56.6%

EXHIBIT H

HB 1460 -- OLYMPIC DREAM FREEDOM ACT

SPONSOR: Evans

This bill authorizes the "Olympic Dream Freedom Act" which allows a state individual income tax deduction for the value of any prize or award won by a taxpayer in athletic competition in the Olympic Games.

EXHIBIT I

SS#2 HB 1460 -- STATE REVENUES

Beginning July 1, 2019, this bill increases the fuel tax from \$.17 per gallon to \$.27 per gallon in \$.025 increments over four years. Beginning July 1, 2022, the tax rate of \$.27 applies. The additional revenue generated by the tax increase is used for the actual costs of the State Highway Patrol, subject to appropriation. In addition, the bill authorizes the Department of Agriculture to tax all types of fuel at a substantially equivalent rate by implementing a rule by January 1, 2026. The state auditor will biennially audit funds to ensure their accurate expenditure and provide a report to the General Assembly (Section 142.803, RSMo).

This bill authorizes the "Olympic Dream Freedom Act" which allows a state individual income tax deduction for the value of any prize or award won by a taxpayer in athletic competition in the Olympic, Paralympic, or Special Olympic Games (Section 143.121).

The bill creates the "Emergency State Freight Bottleneck Fund" which is dedicated, subject to appropriation, only to road projects with criteria for such projects specified in the bill (Section 226.145).

The bill contains a referendum clause and the provisions of this bill will become effective upon voter approval.