TITLE 12—DEPARTMENT OF REVENUE
Division 10—Director of Revenue
Chapter 2—Income Tax

PROPOSED AMENDMENT

12 CSR 10-2.090 Computation of Federal Income Tax Deduction for Consolidated Groups. The department is amending section (1).

PURPOSE: This amendment corrects the omission of the statutory requirement to allow the corporate federal income tax deduction for only fifty percent (50%) of the federal income tax liability, specifies rounding of the final deduction figure to the nearest whole dollar, and reformats reference to the Internal Revenue Code.

(1) For each taxable year an affiliated group of corporations filing a federal consolidated income tax return does not file a Missouri consolidated income tax return, the federal income tax deduction of a member of the affiliated group shall be determined by applying the formula set forth as follows:

(A) The group's consolidated federal income tax liability under Chapter 1 of the *Internal Revenue Code* (IRC) for the same taxable year for which the Missouri return is being filed after reduction for all credits on the return, except for the credit for the overpayment of any federal tax and the credits allowed *[by the IRC of 1986]* by **IRC** Section 31 (tax withheld on wages), **IRC** Section 27 (taxes of foreign countries and possessions of the United States), and **IRC** Section 34 (certain uses of gasoline and special fuels), shall be multiplied by a fraction, the numerator of which shall be the federal taxable income of the member in question and the denominator of which shall be the sum of the federal taxable incomes of each member of the consolidated group with a positive federal taxable income; and

(B) The product computed in subsection (1)(A) shall be multiplied by the apportionment factor of the member in question calculated under section 143.455, RSMo, or such other apportionment factor as is computed under the apportionment method applicable to the member in question. **That further result shall then be multiplied by fifty percent (50%) and rounded to the nearest whole dollar.**

*AUTHORITY: sections 143.431, **RSMo Supp. 2026** and 143.961, RSMo, 2016.* Original rule filed Feb. 24, 1984, effective June 11, 1984. Amended: Filed Aug. 17, 1984, effective Dec. 13, 1984. Amended: Filed Nov. 9, 2023, effective May 30, 2024. Amended: Filed Sept. 10, 2026.*

**Original authority: 143.431, RSMo 1972, amended 2004, 2007, 2018, and 143.961, RSMo 1972.*

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars ($500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars ($500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri Department of Revenue, General Counsel's Office, 301 West High Street, Room 670, Jefferson City, MO 65105-0475. To be considered, comments must be received within thirty (30) days after publication of this notice in the ***Missouri Register****. No public hearing is scheduled.*