

TITLE 12—DEPARTMENT OF REVENUE
Division 10—Director of Revenue
Chapter 10—Financial Institutions

PROPOSED AMENDMENT

12 CSR 10-10.165 Method of Computing Federal Income Tax Deduction for Associations, Credit Unions, and Credit Institutions. The department is amending the purpose statement and sections (1)-(4) and adding a new section (5).

PURPOSE: This rule is being revised to include certain other types of financial institutions.

PURPOSE: This rule establishes the method of computing the federal income tax deduction [for credit institutions] when determining net income under sections 148.150 or 148.630 RSMo.

(1) *[Credit institutions]* **An association, credit union, or credit institution** using an accrual method of accounting to determine net income shall deduct *[their]* **its** apportioned share of accrued consolidated federal income tax liability.

(2) *[Credit institutions]* **An association, credit union or credit institution** using a cash basis method of accounting to determine net income shall deduct *[their]* **its** apportioned share of consolidated federal income tax liability paid.

(3) The **association's, credit union's or credit institution's** apportioned share of consolidated federal income tax liability shall be determined by use of a fraction, the numerator of which is the taxpayer's **federal** taxable income computed as if **all members of the federal affiliated group filed** separate federal returns *[were filed]* **for all relevant federal tax years** and the denominator of which is the total of the separate **positive federal** taxable incomes of the *[profit]* members of the *[consolidated]* **federal affiliated group as if all members of that group had filed separate federal returns for all relevant federal tax years.**

(4) *[Credit institutions which do not file a consolidated return]* **An association, credit union, or credit institution that is not a member of an affiliated group of corporations which files a consolidated return** for federal income tax purposes shall deduct **its** accrued federal income tax liability, unless a cash basis method of accounting is used to determine net income, **in which case it shall deduct its federal income tax liability paid.**

(5) **Notwithstanding any provision of this rule, nothing in this rule shall be interpreted or construed as incorporating by reference any rule, regulation, standard, or guideline of a federal agency.**

*AUTHORITY: sections 148.200 and 148.700, RSMo [1986]2016. * Original rule filed Dec. 15, 1987, effective April 11, 1988. Amended: Filed Sept, 10, 2026.*

**Original authority: 148.100, RSMo 1945.*

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, Legislative Office, 301 West High Street, Room 218, 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.*