

SECOND REGULAR SESSION

SENATE BILL NO. 882

96TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR PEARCE.

Read 1st time March 1, 2012, and ordered printed.

TERRY L. SPIELER, Secretary.

6118S.011

AN ACT

To repeal section 143.173, RSMo, and to enact in lieu thereof one new section relating to tax deductions for job creation by small businesses.

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

Section A. Section 143.173, RSMo, is repealed and one new section
2 enacted in lieu thereof, to be known as section 143.173, to read as follows:

143.173. 1. As used in this section, the following terms mean:

2 (1) "County average wage", the average wages in each county as
3 determined by the department of economic development for the most recently
4 completed full calendar year. However, if the computed county average wage is
5 above the statewide average wage, the statewide average wage shall be deemed
6 the county average wage for such county for the purpose of this section;

7 (2) "Deduction", an amount subtracted from the taxpayer's Missouri
8 adjusted gross income to determine Missouri taxable income, or federal taxable
9 income in the case of a corporation, for the tax year in which such deduction is
10 claimed;

11 (3) "Full-time employee", a position in which the employee is considered
12 full-time by the taxpayer and is required to work an average of at least thirty-five
13 hours per week for a fifty-two week period;

14 (4) "New job", the number of full-time employees employed by the small
15 business in Missouri on the qualifying date that exceeds the number of full-time
16 employees employed by the small business in Missouri on the same date of the
17 immediately preceding taxable year;

18 (5) "Qualifying date", any date during the tax year as chosen by the small
19 business;

20 (6) "Small business", any small business, **including any sole**

21 **proprietorship, partnership, S-corporation, C-corporation, limited**
22 **liability company, limited liability partnership, or other business**
23 **entity**, consisting of fewer than fifty full or part-time employees;

24 (7) "Taxpayer", any small business subject to the income tax imposed in
25 this chapter, **including any sole proprietorship, partnership, S-**
26 **corporation, C-corporation, limited liability company, limited liability**
27 **partnership, or other business entity.**

28 2. In addition to all deductions listed in this chapter, for all taxable years
29 beginning on or after January 1, 2011, and ending on or before December 31,
30 2014, a taxpayer shall be allowed a deduction for each new job created by the
31 small business in the taxable year. **Tax deductions allowed to any**
32 **partnership, limited liability company, S-corporation, or other**
33 **pass-through entity may be allocated to the partners, members, or**
34 **shareholders of such entity for their direct use in accordance with the**
35 **provisions of any agreement among such partners, members, or**
36 **shareholders.** The deduction amount shall be as follows:

37 (1) Ten thousand dollars for each new job created with an annual salary
38 of at least the county average wage; or

39 (2) Twenty thousand dollars for each new job created with an annual
40 salary of at least the county average wage if the small business offers health
41 insurance and pays at least fifty percent of such insurance premiums.

42 3. The department of revenue shall establish the procedure by which the
43 deduction provided in this section may be claimed, and may promulgate rules to
44 implement the provisions of this section. Any rule or portion of a rule, as that
45 term is defined in section 536.010, that is created under the authority delegated
46 in this section shall become effective only if it complies with and is subject to all
47 of the provisions of chapter 536 and, if applicable, section 536.028. This section
48 and chapter 536 are nonseverable and if any of the powers vested with the
49 general assembly under chapter 536 to review, to delay the effective date, or to
50 disapprove and annul a rule are subsequently held unconstitutional, then the
51 grant of rulemaking authority and any rule proposed or adopted after August 28,
52 2011, shall be invalid and void.

53 4. Under section 23.253 of the Missouri sunset act:

54 (1) The provisions of the new program authorized under this section shall
55 automatically sunset on December thirty-first three years after August 28, 2011,
56 unless reauthorized by an act of the general assembly; and

57 (2) If such program is reauthorized, the program authorized under this
58 section shall automatically sunset on December thirty-first three years after the
59 effective date of the reauthorization of this section; and

60 (3) This section shall terminate on September first of the calendar year
61 immediately following the calendar year in which the program authorized under
62 this section is sunset.

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