

SECOND REGULAR SESSION

SENATE BILL NO. 1005

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SCHUPP.

Read 1st time February 17, 2020, and ordered printed.

ADRIANE D. CROUSE, Secretary.

5231S.03I

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to a tax credit for the care of certain dependents.

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

Section A. Chapter 135, RSMo, is amended by adding thereto one new section, to be known as section 135.345, to read as follows:

135.345. 1. This section shall be known and may be cited as the "Affordable Child Care for Families Tax Credit Act".

2. For the purposes of this section, the following terms shall mean:

(1) "Department", the department of revenue;

(2) "Eligible taxpayer", a resident individual with a filing status of single, head of household, widowed, or married filing combined who is subject to the tax imposed under chapter 143, excluding withholding tax imposed under sections 143.191 to 143.265, and who has a federal adjusted gross income of less than fifty thousand dollars if filing single, head of household, or widowed, or eighty thousand dollars if married filing combined in the tax year for which a tax credit is claimed;

(3) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding withholding tax imposed under sections 143.191 to 143.265.

3. (1) For all tax years beginning on or after January 1, 2021, an eligible taxpayer shall be allowed a tax credit in an amount equal to a percentage of the amount such taxpayer would receive under a federal tax credit received under 26 U.S.C. Section 21, as amended. The tax credit allowed by this section shall be claimed by such taxpayer at the time such taxpayer files a return and shall be applied against the

22 income tax liability imposed by chapter 143 after reduction for all other
23 credits allowed thereon. If the amount of the credit exceeds the tax
24 liability, the difference shall be refunded to the taxpayer and shall not
25 be carried forward to any subsequent tax year.

26 (2) The amount of the tax credit authorized pursuant to this
27 section shall be equal to the following percentage of the amount
28 received under 26 U.S.C. Section 21, as amended:

29 (a) For the tax year beginning on or after January 1, 2021, and
30 ending on or before December 31, 2021, ten percent of such federal tax
31 credit;

32 (b) For the tax year beginning on or after January 1, 2022, and
33 ending on or before December 31, 2022, twenty percent of such federal
34 tax credit;

35 (c) For all tax years beginning on or after January 1, 2023, thirty
36 percent of such federal tax credit.

37 4. The department shall prepare an annual report containing
38 statistical information regarding the tax credits issued under this
39 section for the previous tax year, including the total amount of revenue
40 expended, the number of credits claimed, and the average value of the
41 credits issued to taxpayers whose earned income falls within various
42 income ranges determined by the department.

43 5. The director of the department may promulgate rules and
44 regulations to administer the provisions of this section. Any rule or
45 portion of a rule, as that term is defined in section 536.010, that is
46 created under the authority delegated in this section shall become
47 effective only if it complies with and is subject to all of the provisions
48 of chapter 536 and, if applicable, section 536.028. This section and
49 chapter 536 are nonseverable and if any of the powers vested with the
50 general assembly pursuant to chapter 536 to review, to delay the
51 effective date, or to disapprove and annul a rule are subsequently held
52 unconstitutional, then the grant of rulemaking authority and any rule
53 proposed or adopted after August 28, 2020, shall be invalid and void.

54 6. Tax credits authorized under this section are not subject to
55 the requirements of sections 135.800 to 135.830.