

SECOND REGULAR SESSION

SENATE BILL NO. 713

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR ARTHUR.

Pre-filed December 1, 2019, and ordered printed.

ADRIANE D. CROUSE, Secretary.

3972S.01I

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to tax credit to offset sales tax liabilities.

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 135.1200, to read as follows:

135.1200. 1. This section shall be known and may be cited as the "Missouri Sales Tax Fairness Tax Credit Act".

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

(1) "Base credit":

(a) For resident individuals with a filing status of single, one hundred twenty-five dollars; and

(b) For resident individuals with a filing status of married filing combined, head of household, or qualified widow or widower, one hundred seventy-five dollars plus an additional amount equal to:

a. For resident individuals with a filing status of married filing combined, twenty-five dollars if such individual is eligible to claim the federal child tax credit pursuant to 26 U.S.C. Section 24 for no more than one qualifying child or dependent, or fifty dollars if eligible to claim the credit for more than one qualifying child or dependent; or

b. For resident individuals with a filing status of head of household or qualified widow or widower, twenty-five dollars if such individual is eligible to claim the federal child tax credit pursuant to 26 U.S.C. Section 24 for no more than two qualifying children or dependents, or fifty dollars if eligible to claim the credit for more than two qualifying children or dependents;

22 (2) "Department" the Missouri department of revenue;

23 (3) "Income", Missouri adjusted gross income, as determined

24 pursuant to section 143.121;

25 (4) "Maximum income threshold":

26 (a) For resident individuals with a filing status of single, twenty

27 thousand dollars;

28 (b) For resident individuals with a filing status of head of

29 household or qualified widow or widower, thirty thousand dollars; and

30 (c) For resident individuals with a filing status of married filing

31 combined, forty thousand dollars;

32 (4) "Tax credit", a credit against the tax otherwise due pursuant

33 to chapter 143, excluding withholding tax imposed pursuant to sections

34 143.191 to 143.265;

35 3. For all tax years beginning on or after January 1, 2021, a

36 taxpayer shall be allowed a tax credit equal to the base credit amount,

37 as adjusted pursuant to subsection 5 of this section.

38 4. The tax credit allowed by this section shall be claimed by such

39 taxpayer at the time such taxpayer files a return and shall be applied

40 against the income tax liability imposed by chapter 143 after reduction

41 for all other credits allowed thereon. If the amount of the credit

42 exceeds the tax liability, the difference shall be refunded to the

43 taxpayer. A tax credit issued pursuant to this section shall not be

44 transferred, sold, or assigned.

45 5. The tax credit allowed by this section shall be phased out as

46 follows:

47 (1) For resident individuals with a filing status of single, for

48 each five hundred dollars in excess of the maximum income threshold,

49 the tax credit shall be reduced by ten dollars;

50 (2) For resident individuals with a filing status of head of

51 household or qualifying widow or widower, for each seven hundred

52 fifty dollars in excess of the maximum income threshold, the tax credit

53 shall be reduced by fifteen dollars; and

54 (3) For resident individuals with a filing status of married filing

55 combined, for each one thousand dollars in excess of the maximum

56 income threshold, the tax credit shall be reduced by twenty dollars.

57 6. The department shall promulgate rules and regulations to

58 administer the provisions of this section. Any rule or portion of a rule,

59 as that term is defined in section 536.010, that is created under the
60 authority delegated in this section shall become effective only if it
61 complies with and is subject to all of the provisions of chapter 536 and,
62 if applicable, section 536.028. This section and chapter 536 are
63 nonseverable, and if any of the powers vested with the general
64 assembly pursuant to chapter 536 to review, to delay the effective date,
65 or to disapprove and annul a rule are subsequently held
66 unconstitutional, then the grant of rulemaking authority and any rule
67 proposed or adopted after August 28, 2020, shall be invalid and void.

Unofficial ✓

Bill

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