

SENATE BILL NO. 229

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR ARTHUR.

0388S.01I

ADRIANE D. CROUSE, Secretary

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to a 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
2 one new section, to be known as section 135.1200, to read as
3 follows:

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

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

5 (1) "Base credit":

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

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

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

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

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

27 (3) "Income", Missouri adjusted gross income, as
28 determined pursuant to section 143.121;

29 (4) "Maximum income threshold":

30 (a) For resident individuals with a filing status of
31 single, twenty thousand dollars;

32 (b) For resident individuals with a filing status of
33 head of household or qualified widow or widower, thirty
34 thousand dollars; and

35 (c) For resident individuals with a filing status of
36 married filing combined, forty thousand dollars;

37 (4) "Tax credit", a credit against the tax otherwise
38 due pursuant to chapter 143, excluding withholding tax
39 imposed pursuant to sections 143.191 to 143.265.

40 3. For all tax years beginning on or after January 1,
41 2022, a taxpayer shall be allowed a tax credit equal to the
42 base credit amount, as adjusted pursuant to subsection 5 of
43 this section.

44 4. The tax credit allowed by this section shall be
45 claimed by such taxpayer at the time such taxpayer files a
46 return and shall be applied against the income tax liability
47 imposed by chapter 143 after reduction for all other credits
48 allowed thereon. If the amount of the credit exceeds the
49 tax liability, the difference shall be refunded to the

50 taxpayer. A tax credit issued pursuant to this section
51 shall not be transferred, sold, or assigned.

52 5. The tax credit allowed by this section shall be
53 phased out as follows:

54 (1) For resident individuals with a filing status of
55 single, for each five hundred dollars in excess of the
56 maximum income threshold, the tax credit shall be reduced by
57 ten dollars;

58 (2) For resident individuals with a filing status of
59 head of household or qualifying widow or widower, for each
60 seven hundred fifty dollars in excess of the maximum income
61 threshold, the tax credit shall be reduced by fifteen
62 dollars; and

63 (3) For resident individuals with a filing status of
64 married filing combined, for each one thousand dollars in
65 excess of the maximum income threshold, the tax credit shall
66 be reduced by twenty dollars.

67 6. The department shall promulgate rules and
68 regulations to administer the provisions of this section.
69 Any rule or portion of a rule, as that term is defined in
70 section 536.010, that is created under the authority
71 delegated in this section shall become effective only if it
72 complies with and is subject to all of the provisions of
73 chapter 536 and, if applicable, section 536.028. This
74 section and chapter 536 are nonseverable, and if any of the
75 powers vested with the general assembly pursuant to chapter
76 536 to review, to delay the effective date, or to disapprove
77 and annul a rule are subsequently held unconstitutional,
78 then the grant of rulemaking authority and any rule proposed
79 or adopted after August 28, 2021, shall be invalid and void.

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