

SENATE AMENDMENT NO. _____

TO

SENATE AMENDMENT NO. _____

Offered by _____ of _____

Amend SA to SS/SCS/Senate Bill No. 413, Page 1, Section _____, Line 7,

2 by inserting immediately before "137.115" the following:

3 "135.1310. 1. This section shall be known and may be
4 cited as the "Child Care Contribution Tax Credit Act".

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

7 (1) "Child care", the same as defined in section
8 210.201;

9 (2) "Child care desert", a census tract that has a
10 poverty rate of at least twenty percent or a median family
11 income of less than eighty percent of the statewide average
12 and where at least five hundred people or thirty-three
13 percent of the population are located at least one-half mile
14 away from a child care provider in urbanized areas or at
15 least ten miles away in rural areas;

16 (3) "Child care provider", a child care provider as
17 defined in section 210.201 that is licensed pursuant to
18 section 210.221, or that is unlicensed and that is
19 registered with the department of elementary and secondary
20 education;

21 (4) "Contribution", an eligible donation of cash,
22 stock, bonds or other marketable securities, or real
23 property;

24 (5) "Department", the Missouri department of economic
25 development;

26 (6) "Person related to the taxpayer", an individual
27 connected with the taxpayer by blood, adoption, or marriage,
28 or an individual, corporation, partnership, limited
29 liability company, trust, or association controlled by, or
30 under the control of, the taxpayer directly, or through an
31 individual, corporation, limited liability company,
32 partnership, trust, or association under the control of the
33 taxpayer;

34 (7) "Rural area", a town or community within the state
35 that is not within a metropolitan statistical area and has a
36 population of six thousand or fewer inhabitants as
37 determined by the last preceding federal decennial census or
38 any unincorporated area not within a metropolitan
39 statistical area;

40 (8) "State tax liability", in the case of a business
41 taxpayer, any liability incurred by such taxpayer pursuant
42 to chapter 143 and chapter 148, exclusive of the provisions
43 relating to the withholding of tax as provided for in
44 sections 143.191 to 143.265 and related provisions, and in
45 the case of an individual taxpayer, any liability incurred
46 by such taxpayer pursuant to chapter 143;

47 (9) "Tax credit", a credit against the taxpayer's
48 state tax liability;

49 (10) "Taxpayer", a corporation as defined in section
50 143.441 or 143.471, any charitable organization that is
51 exempt from federal income tax and whose Missouri unrelated
52 business taxable income, if any, would be subject to the
53 state income tax imposed under chapter 143, or individuals

54 or partnerships subject to the state income tax imposed by
55 the provisions of chapter 143.

56 3. For all tax years beginning on or after January 1,
57 2023, a taxpayer may claim the tax credit authorized in this
58 section against the taxpayer's state tax liability for the
59 tax year in which a verified contribution was made in an
60 amount equal to up to seventy-five percent of the verified
61 contribution to a child care provider. The minimum amount
62 of any tax credit issued shall not be less than one hundred
63 dollars and shall not exceed two hundred thousand dollars
64 per tax year.

65 (1) The child care provider receiving a contribution
66 shall, within sixty days of the date it received the
67 contribution, issue the taxpayer a contribution verification
68 and file a copy of the contribution verification with the
69 department. The contribution verification shall be in the
70 form established by the department and shall include the
71 taxpayer's name, taxpayer's state or federal tax
72 identification number or last four digits of the taxpayer's
73 Social Security number, amount of tax credit, amount of
74 contribution, legal name and address of the child care
75 provider receiving the tax credit, the child care provider's
76 federal employer identification number, the child care
77 provider's departmental vendor number or license number, and
78 the date the child care provider received the contribution
79 from the taxpayer. The contribution verification shall
80 include a signed attestation stating the child care provider
81 will use the contribution solely to promote child care.

82 (2) The failure of the child care provider to timely
83 issue the contribution verification to the taxpayer or file
84 it with the department shall entitle the taxpayer to a
85 refund of the contribution from the child care provider.

86 4. A donation is eligible when:

87 (1) The donation is used directly by a child care
88 provider to promote child care for children twelve years of
89 age or younger, including by acquiring or improving child
90 care facilities, equipment, or services, or improving staff
91 salaries, staff training, or the quality of child care;

92 (2) The donation is made to a child care provider in
93 which the taxpayer or a person related to the taxpayer does
94 not have a direct financial interest; and

95 (3) The donation is not made in exchange for care of a
96 child or children in the case of an individual taxpayer that
97 is not an employer making a contribution on behalf of its
98 employees.

99 5. A child care provider that uses the contribution
100 for an ineligible purpose shall repay to the department the
101 value of the tax credit for the contribution amount used for
102 an ineligible purpose.

103 6. The tax credits authorized by this section shall
104 not be refundable and shall not be transferred, sold, or
105 otherwise conveyed. Any amount of approved tax credits that
106 a taxpayer is prohibited by this subsection from using for
107 the tax year in which the credit is first claimed may be
108 carried back to the taxpayer's immediately prior tax year
109 and carried forward to the taxpayer's subsequent tax year
110 for up to five succeeding tax years.

111 7. Notwithstanding any provision of subsection 6 of
112 this section to the contrary, a taxpayer that is exempt,
113 under 26 U.S.C. Section 501(c)(3), and any amendments
114 thereto, from all or part of the federal income tax shall be
115 eligible for a refund of its tax credit issued under this
116 section, without regard to whether it has incurred any state
117 tax liability. Such exempt taxpayer may claim a refund of
118 the tax credit on its tax return required to be filed under
119 the provisions of chapter 143, exclusive of the return for

120 the withholding of tax under sections 143.191 to 143.265.
121 If such exempt taxpayer is not required to file a tax return
122 under the provisions of chapter 143, the exempt taxpayer may
123 claim a refund of the tax credit on a refund claim form
124 prescribed by the department of revenue. The department of
125 revenue shall prescribe such forms, instructions, and rules
126 as it deems appropriate to carry out the provisions of this
127 subsection.

128 8. (1) The cumulative amount of tax credits
129 authorized pursuant to this section shall not exceed twenty
130 million dollars for each calendar year. The department
131 shall approve tax credit applications on a first-come, first-
132 served basis until the cumulative tax credit authorization
133 limit is reached for the calendar year. A taxpayer shall
134 apply to the department for the child care contribution tax
135 credit by submitting a copy of the contribution verification
136 provided by a child care provider to such taxpayer. Upon
137 receipt of the contribution verification, the department
138 shall issue a tax credit certificate to the applicant.

139 (2) If the maximum amount of tax credits allowed in
140 any calendar year as provided pursuant to subdivision (1) of
141 this subsection is authorized, the maximum amount of tax
142 credits allowed pursuant to subdivision (1) of this
143 subsection shall be increased by fifteen percent, provided
144 that all such increases in the allowable amount of tax
145 credits shall be reserved for contributions made to child
146 care providers located in a child care desert. The director
147 of the department shall publish such adjusted amount.

148 9. The tax credits allowed under this section shall be
149 considered a domestic and social tax credit under
150 subdivision (5) of subsection 2 of section 135.800.

151 10. All action and communication undertaken or
152 required under this section shall be exempt from section
153 105.1500.

154 11. The department may promulgate rules to implement
155 and administer the provisions of this section. Any rule or
156 portion of a rule, as that term is defined in section
157 536.010, that is created pursuant to the authority delegated
158 in this section shall become effective only if it complies
159 with and is subject to all of the provisions of chapter 536
160 and, if applicable, section 536.028. This section and
161 chapter 536 are nonseverable and if any of the powers vested
162 with the general assembly pursuant to chapter 536 to review,
163 to delay the effective date, or to disapprove and annul a
164 rule are subsequently held unconstitutional, then the grant
165 of rulemaking authority and any rule proposed or adopted
166 after August 28, 2023, shall be invalid and void.

167 12. Pursuant to section 23.253 of the Missouri sunset
168 act:

169 (1) The program authorized under this section shall
170 expire on December 31, 2029, unless reauthorized by the
171 general assembly;

172 (2) The act shall terminate on September first of the
173 calendar year immediately following the calendar year in
174 which the program authorized under this section is sunset;

175 (3) If such program is reauthorized, the program
176 authorized under this act shall automatically sunset six
177 years after the effective date of the reauthorization of
178 this section; and

179 (4) The provisions of this subsection shall not be
180 construed to limit or in any way impair the department of
181 revenue's ability to redeem tax credits authorized on or
182 before the date the program authorized pursuant to this

183 section expires or a taxpayer's ability to redeem such tax
184 credits.

185 135.1325. 1. This section shall be known and may be
186 cited as the "Employer Provided Child Care Assistance Tax
187 Credit Act".

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

190 (1) "Child care desert", a census tract that has a
191 poverty rate of at least twenty percent or a median family
192 income of less than eighty percent of the statewide average
193 and where at least five hundred people or thirty-three
194 percent of the population are located at least one-half mile
195 away from a child care provider in urbanized areas or at
196 least ten miles away in rural areas;

197 (2) "Child care facility", a child care facility as
198 defined in section 210.201 that is licensed pursuant to
199 section 210.221, or that is unlicensed and that is
200 registered with the department of elementary and secondary
201 education;

202 (3) "Department", the Missouri department of economic
203 development;

204 (4) "Employer matching contribution", a contribution
205 made by the taxpayer to a cafeteria plan, as that term is
206 used in 26 U.S.C. Section 125, of an employee of the
207 taxpayer, which matches a dollar amount or percentage of the
208 employee's contribution to the cafeteria plan. "Employer
209 matching contribution" shall not include the amount of any
210 salary reduction or other compensation foregone by the
211 employee in connection with the cafeteria plan;

212 (5) "Qualified child care expenditure", an amount paid
213 of reasonable costs incurred that meet any of the following:

214 (a) To acquire, construct, rehabilitate, or expand
215 property that will be, or is, used as part of a child care

216 facility that is either operated by the taxpayer or
217 contracted with by the taxpayer and which does not
218 constitute part of the principal residence of the taxpayer
219 or any employee of the taxpayer;

220 (b) For the operating costs of a child care facility
221 of the taxpayer, including costs relating to the training of
222 employees, scholarship programs, and for compensation to
223 employees;

224 (c) Under a contract with a child care facility to
225 provide child care services to employees of the taxpayer; or

226 (d) As an employer matching contribution, but only to
227 the extent such employer matching contribution is restricted
228 by the taxpayer solely for the taxpayer's employee to obtain
229 child care services at a child care facility and is used for
230 that purpose during the tax year;

231 (6) "Rural area", a town or community within the state
232 that is not within a metropolitan statistical area and has a
233 population of six thousand or fewer inhabitants as
234 determined by the last preceding federal decennial census or
235 any unincorporated area not within a metropolitan
236 statistical area;

237 (7) "State tax liability", in the case of a business
238 taxpayer, any liability incurred by such taxpayer pursuant
239 to the provisions of chapter 143 and chapter 148, exclusive
240 of the provisions relating to the withholding of tax as
241 provided for in sections 143.191 to 143.265 and related
242 provisions, and in the case of an individual taxpayer, any
243 liability incurred by such taxpayer pursuant to the
244 provisions of chapter 143;

245 (8) "Tax credit", a credit against the taxpayer's
246 state tax liability;

247 (9) "Taxpayer", a corporation as defined in section
248 143.441 or 143.471, any charitable organization that is

249 exempt from federal income tax and whose Missouri unrelated
250 business taxable income, if any, would be subject to the
251 state income tax imposed under chapter 143, or individuals
252 or partnerships subject to the state income tax imposed by
253 the provisions of chapter 143.

254 3. For all tax years beginning on or after January 1,
255 2023, a taxpayer may claim a tax credit authorized in this
256 section in an amount equal to thirty percent of the
257 qualified child care expenditures paid or incurred with
258 respect to a child care facility. The maximum amount of any
259 tax credit issued under this section shall not exceed two
260 hundred thousand dollars per taxpayer per tax year.

261 4. A facility shall not be treated as a child care
262 facility with respect to a taxpayer unless the following
263 conditions have been met:

264 (1) Enrollment in the facility is open to employees of
265 the taxpayer during the tax year; and

266 (2) If the facility is the principal business of the
267 taxpayer, at least thirty percent of the enrollees of such
268 facility are dependents of employees of the taxpayer.

269 5. The tax credits authorized by this section shall
270 not be refundable or transferable. The tax credits shall
271 not be sold, assigned, or otherwise conveyed. Any amount of
272 approved tax credits that a taxpayer is prohibited by this
273 subsection from using for the tax year in which the credit
274 is first claimed may be carried back to the taxpayer's
275 immediately prior tax year and carried forward to the
276 taxpayer's subsequent tax year for up to five succeeding tax
277 years.

278 6. Notwithstanding any provision of subsection 5 of
279 this section to the contrary, a taxpayer that is exempt,
280 under 26 U.S.C. Section 501(c)(3), and any amendments
281 thereto, from all or part of the federal income tax shall be

282 eligible for a refund of its tax credit issued under this
283 section, without regard to whether it has incurred any state
284 tax liability. Such exempt taxpayer may claim a refund of
285 the tax credit on its tax return required to be filed under
286 the provisions of chapter 143, exclusive of the return for
287 the withholding of tax under sections 143.191 to 143.265.
288 If such exempt taxpayer is not required to file a tax return
289 under the provisions of chapter 143, the exempt taxpayer may
290 claim a refund of the tax credit on a refund claim form
291 prescribed by the department of revenue. The department of
292 revenue shall prescribe such forms, instructions, and rules
293 as it deems appropriate to carry out the provisions of this
294 subsection.

295 7. (1) The cumulative amount of tax credits
296 authorized pursuant to this section shall not exceed twenty
297 million dollars for each calendar year. The department
298 shall approve tax credit applications on a first-come, first-
299 served basis until the cumulative tax credit authorization
300 limit is reached for the calendar year.

301 (2) If the maximum amount of tax credits allowed in
302 any calendar year as provided pursuant to subdivision (1) of
303 this subsection is authorized, the maximum amount of tax
304 credits allowed pursuant to subdivision (1) of this
305 subsection shall be increased by fifteen percent, provided
306 that all such increases in the allowable amount of tax
307 credits shall be reserved for qualified child care
308 expenditures for child care facilities located in a child
309 care desert. The director of the department shall publish
310 such adjusted amount.

311 8. A taxpayer who has claimed a tax credit under this
312 section shall notify the department within sixty days of any
313 cessation of operation, change in ownership, or agreement to
314 assume recapture liability as such terms are defined by 26

315 U.S.C. Section 45F, in the form and manner prescribed by
316 department rule or instruction. If there is a cessation of
317 operation or change in ownership relating to a child care
318 facility, the taxpayer shall repay the department the
319 applicable recapture percentage of the credit allowed under
320 this section, but this recapture amount shall be limited to
321 the tax credit allowed under this section. The recapture
322 amount shall be considered a tax liability arising on the
323 tax payment due date for the tax year in which the cessation
324 of operation, change in ownership, or agreement to assume
325 recapture liability occurred and shall be assessed and
326 collected under the same provisions that apply to a tax
327 liability under chapter 143 or chapter 148.

328 9. The tax credit allowed pursuant to this section
329 shall be considered a domestic and social tax credit under
330 subdivision (5) of subsection 2 of section 135.800.

331 10. All action and communication undertaken or
332 required under this section shall be exempt from section
333 105.1500.

334 11. The department may promulgate rules to implement
335 and administer the provisions of this section. Any rule or
336 portion of a rule, as that term is defined in section
337 536.010, that is created pursuant to the authority delegated
338 in this section shall become effective only if it complies
339 with and is subject to all of the provisions of chapter 536
340 and, if applicable, section 536.028. This section and
341 chapter 536 are nonseverable and if any of the powers vested
342 with the general assembly pursuant to chapter 536 to review,
343 to delay the effective date, or to disapprove and annul a
344 rule are subsequently held unconstitutional, then the grant
345 of rulemaking authority and any rule proposed or adopted
346 after August 28, 2023, shall be invalid and void.

347 12. Pursuant to section 23.253 of the Missouri sunset
348 act:

349 (1) The program authorized under this act shall expire
350 on December 31, 2029, unless reauthorized by the general
351 assembly;

352 (2) The act shall terminate on September first of the
353 calendar year immediately following the calendar year in
354 which the program authorized under the act is sunset;

355 (3) If such program is reauthorized, the program
356 authorized under this act shall automatically sunset six
357 years after the effective date of the reauthorization of the
358 act; and

359 (4) The provisions of this subsection shall not be
360 construed to limit or in any way impair the department of
361 revenue's ability to redeem tax credits authorized on or
362 before the date the program authorized pursuant to this
363 section expires or a taxpayer's ability to redeem such tax
364 credits.

365 135.1350. 1. This section shall be known and may be
366 cited as the "Child Care Providers Tax Credit Act".

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

369 (1) "Capital expenditures", expenses incurred by a
370 child care provider, during the tax year for which a tax
371 credit is claimed pursuant to this section, for the
372 construction, renovation, or rehabilitation of a child care
373 facility to the extent necessary to operate a child care
374 facility and comply with applicable child care facility
375 regulations promulgated by the department of elementary and
376 secondary education;

377 (2) "Child care desert", a census tract that has a
378 poverty rate of at least twenty percent or a median family
379 income of less than eighty percent of the statewide average

380 and where at least five hundred people or thirty-three
381 percent of the population are located at least one-half mile
382 away from a child care provider in urbanized areas or at
383 least ten miles away in rural areas;

384 (3) "Child care facility", the same as defined in
385 section 210.201;

386 (4) "Child care provider", a child care provider as
387 defined in section 210.201 that is licensed pursuant to
388 section 210.221, or that is unlicensed and that is
389 registered with the department of elementary and secondary
390 education;

391 (5) "Department", the department of elementary and
392 secondary education;

393 (6) "Employee", an employee, as that term is used in
394 subsection 2 of section 143.191, of a child care provider
395 who worked for the child care provider for an average of at
396 least ten hours per week for at least a three-month period
397 during the tax year for which a tax credit is claimed
398 pursuant to this section and who is not an immediate family
399 member of the child care provider;

400 (7) "Eligible employer withholding tax", the total
401 amount of tax that the child care provider was required,
402 under section 143.191, to deduct and withhold from the wages
403 it paid to employees during the tax year for which the child
404 care provider is claiming a tax credit pursuant to this
405 section, to the extent actually paid;

406 (8) "Rural area", a town or community within the state
407 that is not within a metropolitan statistical area and has a
408 population of six thousand or fewer inhabitants as
409 determined by the last preceding federal decennial census or
410 any unincorporated area not within a metropolitan
411 statistical area;

412 (9) "State tax liability", any liability incurred by
413 the taxpayer pursuant to the provisions of chapter 143,
414 exclusive of the provisions relating to the withholding of
415 tax as provided for in sections 143.191 to 143.265 and
416 related provisions;

417 (10) "Tax credit", a credit against the taxpayer's
418 state tax liability;

419 (11) "Taxpayer", a corporation as defined in section
420 143.441 or 143.471, any charitable organization that is
421 exempt from federal income tax and whose Missouri unrelated
422 business taxable income, if any, would be subject to the
423 state income tax imposed under chapter 143, or an individual
424 or partnership subject to the state income tax imposed by
425 the provisions of chapter 143.

426 3. For all tax years beginning on or after January 1,
427 2024, a child care provider with three or more employees may
428 claim a tax credit authorized in this section in an amount
429 equal to the child care provider's eligible employer
430 withholding tax, and may also claim a tax credit in an
431 amount up to thirty percent of the child care provider's
432 capital expenditures. No tax credit for capital
433 expenditures shall be allowed if the capital expenditures
434 are less than one thousand dollars. The amount of any tax
435 credit issued under this section shall not exceed two
436 hundred thousand dollars per child care provider per tax
437 year.

438 4. To claim a tax credit authorized pursuant to this
439 section, a child care provider shall submit to the
440 department, for preliminary approval, an application for the
441 tax credit on a form provided by the department and at such
442 times as the department may require. If the child care
443 provider is applying for a tax credit for capital
444 expenditures, the child care provider shall present proof

445 acceptable to the department that the child care provider's
446 capital expenditures satisfy the requirements of subdivision
447 (1) of subsection 2 of this section. Upon final approval of
448 an application, the department shall issue the child care
449 provider a certificate of tax credit.

450 5. The tax credits authorized by this section shall
451 not be refundable and shall not be transferred, sold,
452 assigned, or otherwise conveyed. Any amount of credit that
453 exceeds the child care provider's state tax liability for
454 the tax year for which the tax credit is issued may be
455 carried back to the child care provider's immediately prior
456 tax year or carried forward to the child care provider's
457 subsequent tax year for up to five succeeding tax years.

458 6. Notwithstanding any provision of subsection 5 of
459 this section to the contrary, a child care provider that is
460 exempt, under 26 U.S.C. Section 501(c)(3), and any
461 amendments thereto, from all or part of the federal income
462 tax shall be eligible for a refund of its tax credit issued
463 under this section, without regard to whether it has
464 incurred any state tax liability. Such exempt child care
465 provider may claim a refund of the tax credit on its tax
466 return required to be filed under the provisions of chapter
467 143, exclusive of the return for the withholding of tax
468 under sections 143.191 to 143.265. If such exempt child
469 care provider is not required to file a tax return under the
470 provisions of chapter 143, the exempt child care provider
471 may claim a refund of the tax credit on a refund claim form
472 prescribed by the department of revenue. The department of
473 revenue shall prescribe such forms, instructions, and rules
474 as it deems appropriate to carry out the provisions of this
475 subsection.

476 7. (1) The cumulative amount of tax credits
477 authorized pursuant to this section shall not exceed twenty

478 million dollars for each calendar year. The department
479 shall approve tax credit applications on a first-come, first-
480 served basis until the cumulative tax credit authorization
481 limit is reached for the calendar year.

482 (2) If the maximum amount of tax credits allowed in
483 any calendar year as provided pursuant to subdivision (1) of
484 this subsection is authorized, the maximum amount of tax
485 credits allowed pursuant to subdivision (1) of this
486 subsection shall be increased by fifteen percent, provided
487 that all such increases in the allowable amount of tax
488 credits shall be reserved for child care providers located
489 in a child care desert. The director of the department
490 shall publish such adjusted amount.

491 8. The tax credit authorized by this section shall be
492 considered a domestic and social tax credit under
493 subdivision (5) of subsection 2 of section 135.800.

494 9. All action and communication undertaken or required
495 with respect to this section shall be exempt from section
496 105.1500. Notwithstanding section 32.057 or any other tax
497 confidentiality law to the contrary, the department of
498 revenue may disclose tax information to the department for
499 the purpose of the verification of a child care provider's
500 eligible employer withholding tax under this section.

501 10. The department may promulgate rules and adopt
502 statements of policy, procedures, forms and guidelines to
503 implement and administer the provisions of this section.
504 Any rule or portion of a rule, as that term is defined in
505 section 536.010, that is created pursuant to the authority
506 delegated in this section shall become effective only if it
507 complies with and is subject to all of the provisions of
508 chapter 536 and, if applicable, section 536.028. This
509 section and chapter 536 are nonseverable and if any of the
510 powers vested with the general assembly pursuant to chapter

511 536 to review, to delay the effective date, or to disapprove
512 and annul a rule are subsequently held unconstitutional,
513 then the grant of rulemaking authority and any rule proposed
514 or adopted after August 28, 2023, shall be invalid and void.

515 11. Pursuant to section 23.253 of the Missouri sunset
516 act:

517 (1) The program authorized under this section shall
518 expire on December 31, 2029, unless reauthorized by the
519 general assembly;

520 (2) The act shall terminate on September first of the
521 calendar year immediately following the calendar year in
522 which the program authorized under this section is sunset;

523 (3) If such program is reauthorized, the program
524 authorized under this section shall automatically sunset six
525 years after the effective date of the reauthorization of
526 this section; and

527 (4) The provisions of this subsection shall not be
528 construed to limit or in any way impair the department of
529 revenue's ability to redeem tax credits authorized on or
530 before the date the program authorized pursuant to this
531 section expires or a taxpayer's ability to redeem such tax
532 credits."