

SENATE BILL NO. 1678

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR GREGORY (21).

7276S.011

KRISTINA MARTIN, Secretary

AN ACT

To amend chapter 135, RSMo, by adding thereto three new sections relating to tax credits for child care.

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

Section A. Chapter 135, RSMo, is amended by adding thereto three new sections, to be known as sections 135.1310, 135.1325, and 135.1350, to read as follows:

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

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

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

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

(3) "Child care provider", a child care provider as defined in section 210.201 that is licensed under section 210.221, or that is unlicensed and that is contracted with the department of elementary and secondary education;

18 (4) "Contribution", an eligible donation of cash,
19 stock, bonds or other marketable securities, or real
20 property. "Contribution" shall include the reasonable
21 purchase price paid for an employer's purchase of child care
22 from a child care provider for the children of the
23 employer's employees;

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

26 (6) "Intermediary", a nonprofit organization that is,
27 or agrees to become, subject to the jurisdiction of this
28 state for the purposes of the administration and enforcement
29 of this section, and that distributes funds for the purposes
30 of supporting a child care provider;

31 (7) "Person related to the taxpayer", an individual
32 connected with the taxpayer by blood, adoption, or marriage,
33 or an individual, corporation, partnership, limited
34 liability company, trust, or association controlled by, or
35 under the control of, the taxpayer directly, or through an
36 individual, corporation, limited liability company,
37 partnership, trust, or association under the control of the
38 taxpayer;

39 (8) "Rural area", a town or community within the state
40 that is not within a metropolitan statistical area and has a
41 population of six thousand or fewer inhabitants as
42 determined by the last preceding federal decennial census or
43 any unincorporated area not within a metropolitan
44 statistical area;

45 (9) "State tax liability", any liability incurred by a
46 taxpayer pursuant to chapter 143 or chapter 148, exclusive
47 of the provisions relating to the withholding of tax as
48 provided for in sections 143.191 to 143.265 and related
49 provisions;

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

52 (11) "Taxpayer", a corporation as defined in section
53 143.441 or 143.471, any charitable organization that is
54 exempt from federal income tax and whose Missouri unrelated
55 business taxable income, if any, would be subject to the
56 state income tax imposed pursuant to chapter 143, or
57 individuals or partnerships subject to the state income tax
58 imposed by the provisions of chapter 143.

59 3. (1) For all tax years beginning on or after
60 January 1, 2027, a taxpayer may claim the tax credit
61 authorized in this section against the taxpayer's state tax
62 liability for the tax year in which a verified contribution
63 was made in an amount equal to seventy-five percent of the
64 verified contribution to a child care provider or
65 intermediary. The minimum amount of any tax credit issued
66 shall not be less than one hundred dollars and shall not
67 exceed two hundred thousand dollars per tax year.

68 (2) A child care provider or intermediary shall apply
69 to the department to participate in the program established
70 in this section, using a form prescribed by the department.
71 The department shall determine eligibility and enter into an
72 agreement that meets the requirements of section 620.017
73 with an eligible child care facility or intermediary. Only
74 contributions to child care providers and intermediaries
75 that have entered into an agreement with the department may
76 receive a tax credit pursuant to this section.

77 (3) The child care provider or intermediary receiving
78 a contribution shall, within sixty days of the date it
79 received the contribution, file a contribution verification
80 with the department and issue a copy of the contribution
81 verification to the taxpayer. The contribution verification

82 shall be in the form established by the department and shall
83 include the taxpayer's name, taxpayer's state or federal tax
84 identification number or last four digits of the taxpayer's
85 Social Security number, amount of tax credit sought, amount
86 or description of contribution, legal name and address of
87 the child care provider receiving the tax credit, the child
88 care provider's federal employer identification number, the
89 child care provider's department of elementary and secondary
90 education vendor number or license number, the date the
91 child care provider received the contribution from the
92 taxpayer, and any other information requested by the
93 department. The contribution verification shall include a
94 signed attestation stating, in the case of a child care
95 provider, that the child care provider will use the
96 contribution solely to promote child care and, in the case
97 of an intermediary, that the intermediary will distribute
98 the contribution and any income thereon in full to one or
99 more child care providers within two years of receipt.

100 (4) The failure of the child care provider or
101 intermediary to timely issue the contribution verification
102 to the taxpayer or file it with the department shall entitle
103 the taxpayer to a refund of the contribution from the child
104 care provider or intermediary.

105 4. A contribution, whether received from the taxpayer
106 claiming the tax credit pursuant to this section or from an
107 intermediary, is eligible when:

108 (1) The contribution is used directly by the child
109 care provider to promote child care for children twelve
110 years of age or younger, including by acquiring or improving
111 child care facilities, equipment, or services, staff
112 salaries, staff training, or improving the quality of child
113 care;

114 (2) The contribution, if made to an intermediary, is
115 distributed in full by the intermediary within two years of
116 receipt to one or more child care providers for the sole
117 purpose of promoting child care for children twelve years of
118 age or younger;

119 (3) The contribution is made to a child care provider
120 or intermediary in which the taxpayer or a person related to
121 the taxpayer does not have a direct financial interest;

122 (4) The contribution made to an intermediary is not
123 designated for a child care provider in which the taxpayer
124 or a person related to the taxpayer has a direct financial
125 interest; and

126 (5) The contribution is not made in exchange for care
127 of a child or children, unless the contribution is made by
128 an employer in purchasing child care for the children of the
129 employer's employees.

130 5. A child care provider or intermediary that uses the
131 contribution for an ineligible purpose shall repay to the
132 department the value of the tax credit for the contribution
133 amount used for such ineligible purpose. An intermediary
134 that accepts a contribution and issues a taxpayer a
135 contribution verification is itself permanently ineligible
136 to claim or redeem a tax credit pursuant to this section.

137 6. (1) The tax credits authorized by this section
138 shall not be refundable and shall not be transferred, sold,
139 or otherwise conveyed. Any amount of approved tax credits
140 that a taxpayer is prohibited by this subsection from using
141 for the tax year in which the credit is first claimed may be
142 carried forward to the taxpayer's subsequent tax year for up
143 to six succeeding tax years.

144 (2) In the case of a taxpayer that has or elects pass-
145 through taxation pursuant to federal income tax law, the tax

146 credits issued pursuant to this section shall be apportioned
147 in proportion to the share of ownership of the taxpayer on
148 the last day of the taxpayer's tax period for which such tax
149 credits will be issued, to the following:

- 150 (a) The shareholders of the S corporation;
- 151 (b) The partners in a partnership; or
- 152 (c) The members of a limited liability company that
153 has or elects pass-through taxation pursuant to federal
154 income tax law.

155 (3) A taxpayer shall not claim a tax credit pursuant
156 to this section and a tax credit pursuant to section
157 135.1325 or 135.1350 for the same contribution or
158 expenditure.

159 7. Notwithstanding any provision of subsection 6 of
160 this section to the contrary, a taxpayer that is exempt,
161 under 26 U.S.C. Section 501(c)(3), and any amendments
162 thereto, from all or part of the federal income tax shall be
163 eligible for a refund of its tax credit issued under this
164 section, without regard to whether it has incurred any state
165 tax liability. Such exempt taxpayer may claim a refund of
166 the tax credit on its tax return required to be filed under
167 the provisions of chapter 143, exclusive of the return for
168 the withholding of tax under sections 143.191 to 143.265.
169 If such exempt taxpayer is not required to file a tax return
170 under the provisions of chapter 143, the exempt taxpayer may
171 claim a refund of the tax credit on a refund claim form
172 prescribed by the department of revenue. The department of
173 revenue shall prescribe such forms, instructions, and rules
174 as it deems appropriate to carry out the provisions of this
175 subsection.

176 8. (1) The amount of tax credits authorized pursuant
177 to this section shall not exceed twenty million dollars for

178 each calendar year. The department shall approve tax credit
179 applications on a first-come, first-served basis until the
180 tax credit authorization limit is reached for the calendar
181 year. A taxpayer shall apply to the department for the
182 child care contribution tax credit by submitting a copy of
183 the contribution verification provided by a child care
184 provider or intermediary to such taxpayer. Upon receipt of
185 such contribution verification, the department shall issue a
186 tax credit certificate to the taxpayer.

187 (2) If the maximum amount of tax credits allowed in
188 any calendar year as provided pursuant to subdivision (1) of
189 this subsection is authorized, the maximum amount of tax
190 credits allowed pursuant to subdivision (1) of this
191 subsection shall be increased by fifteen percent for such
192 calendar year, provided that all such increases in the
193 allowable amount of tax credits shall be reserved for
194 contributions made to child care providers located in a
195 child care desert. The director of the department shall
196 publish such adjusted amount.

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

200 10. All action and communication undertaken or
201 required under this section shall be exempt from section
202 105.1500.

203 11. The department may promulgate rules to implement
204 and administer the provisions of this section. Any rule or
205 portion of a rule, as that term is defined in section
206 536.010, that is created pursuant to the authority delegated
207 in this section shall become effective only if it complies
208 with and is subject to all of the provisions of chapter 536
209 and, if applicable, section 536.028. This section and

210 chapter 536 are nonseverable and if any of the powers vested
211 with the general assembly pursuant to chapter 536 to review,
212 to delay the effective date, or to disapprove and annul a
213 rule are subsequently held unconstitutional, then the grant
214 of rulemaking authority and any rule proposed or adopted
215 after August 28, 2026, shall be invalid and void.

216 12. Under section 23.253 of the Missouri sunset act:

217 (1) The provisions of the new program authorized under
218 this section shall sunset six years after the effective date
219 of this section unless reauthorized by the general assembly;

220 (2) This section shall terminate on September first of
221 the calendar year immediately following the calendar year in
222 which the program authorized under this section is sunset;
223 and

224 (3) The provisions of this subsection shall not be
225 construed to limit or in any way impair the department of
226 revenue's ability to redeem tax credits authorized on or
227 before the date the program authorized under this section
228 expires or a taxpayer's ability to redeem such tax credits.

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

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

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

13 (2) "Child care facility", a child care facility as
14 defined in section 210.201 that is licensed pursuant to
15 section 210.221, or that is unlicensed and that is
16 contracted with the department of elementary and secondary
17 education;

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

23 (4) "Department", the Missouri department of economic
24 development;

25 (5) "Employer matching contribution", a contribution
26 made by the taxpayer to a cafeteria plan, as that term is
27 used in 26 U.S.C. Section 125, of an employee of the
28 taxpayer, which matches a dollar amount or percentage of the
29 employee's contribution to the cafeteria plan. "Employer
30 matching contribution" shall not include the amount of any
31 salary reduction or other compensation foregone by the
32 employee in connection with the cafeteria plan;

33 (6) "Qualified child care expenditure", an amount paid
34 of reasonable costs incurred that meet any of the following:

35 (a) To acquire, construct, rehabilitate, or expand
36 property that will be, or is, used as part of a child care
37 facility that is either operated by the taxpayer or
38 contracted with by the taxpayer and which does not
39 constitute part of the principal residence of the taxpayer
40 or any employee of the taxpayer;

41 (b) For the operating costs of a child care facility
42 of the taxpayer, including costs relating to the training of
43 child care employees, scholarship programs, and for
44 compensation to child care employees;

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

47 (d) As an employer matching contribution, but only to
48 the extent such employer matching contribution is restricted
49 by the taxpayer solely for the taxpayer's employee to obtain
50 child care services at a child care facility and is used for
51 that purpose during the tax year;

52 (7) "Rural area", a town or community within the state
53 that is not within a metropolitan statistical area and has a
54 population of six thousand or fewer inhabitants as
55 determined by the last preceding federal decennial census or
56 any unincorporated area not within a metropolitan
57 statistical area;

58 (8) "State tax liability", any liability incurred by
59 the taxpayer pursuant to the provisions of chapter 143 or
60 chapter 148, exclusive of the provisions relating to the
61 withholding of tax as provided for in sections 143.191 to
62 143.265 and related provisions;

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

65 (10) "Taxpayer", a corporation as defined in section
66 143.441 or 143.471, any charitable organization that is
67 exempt from federal income tax and whose Missouri unrelated
68 business taxable income, if any, would be subject to the
69 state income tax imposed under chapter 143, or individuals
70 or partnerships subject to the state income tax imposed by
71 the provisions of chapter 143.

72 3. For all tax years beginning on or after January 1,
73 2027, a taxpayer with two or more employees may claim a tax
74 credit authorized in this section in an amount equal to
75 thirty percent of the qualified child care expenditures paid
76 or incurred with respect to a child care facility in order

77 to provide child care to the taxpayer's employees. The
78 maximum amount of any tax credit issued under this section
79 shall not exceed two hundred thousand dollars per taxpayer
80 per tax year.

81 4. A facility shall not be treated as a child care
82 facility with respect to a taxpayer unless enrollment in the
83 facility is open to the dependents of employees of the
84 taxpayer during the tax year, provided that the dependents
85 fall within the age range ordinarily cared for by, and only
86 require a level of care ordinarily provided by, such
87 facility.

88 5. (1) The tax credits authorized by this section
89 shall not be refundable or transferable. The tax credits
90 shall not be sold, assigned, or otherwise conveyed. Any
91 amount of approved tax credits that a taxpayer is prohibited
92 by this subsection from using for the tax year in which the
93 credit is first claimed may be carried forward to the
94 taxpayer's subsequent tax year for up to six succeeding tax
95 years.

96 (2) In the case of a taxpayer that has or elects pass-
97 through taxation pursuant to federal income tax law, the tax
98 credits issued pursuant to this section shall be apportioned
99 in proportion to the share of ownership of the taxpayer on
100 the last day of the taxpayer's tax period for which such tax
101 credits will be issued, to the following:

102 (a) The shareholders of the S corporation;
103 (b) The partners in a partnership; or
104 (c) The members of a limited liability company that
105 has or elects pass-through taxation pursuant to federal
106 income tax law.

107 (3) A taxpayer shall not claim a tax credit pursuant
108 to this section and a tax credit pursuant to section

109 135.1310 or 135.1350 for the same contribution or
110 expenditure.

111 6. Notwithstanding any provision of subsection 5 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 7. (1) The amount of tax credits authorized pursuant
129 to this section shall not exceed twenty million dollars for
130 each calendar year. The department shall approve tax credit
131 applications on a first-come, first-served basis until the
132 tax credit authorization limit is reached for the calendar
133 year.

134 (2) If the maximum amount of tax credits allowed in
135 any calendar year as provided pursuant to subdivision (1) of
136 this subsection is authorized, the maximum amount of tax
137 credits allowed pursuant to subdivision (1) of this
138 subsection shall be increased by fifteen percent for such
139 calendar year, provided that all such increases in the
140 allowable amount of tax credits shall be reserved for

141 qualified child care expenditures for child care facilities
142 located in a child care desert. The director of the
143 department shall publish such adjusted amount.

144 8. A taxpayer who has been issued a tax credit under
145 this section shall notify the department within sixty days
146 of any cessation of operation, change in ownership, or
147 agreement to assume recapture liability as such terms are
148 defined by 26 U.S.C. Section 45F, in the form and manner
149 prescribed by department rule or instruction. If there is a
150 cessation of operation or change in ownership relating to a
151 child care facility, the department may require the taxpayer
152 to repay the department an amount equal to the credit issued
153 under this section, but this recapture amount shall be
154 limited to the tax credit allowed under this section. The
155 recapture amount shall be considered a tax liability arising
156 on the tax payment due date for the tax year in which the
157 cessation of operation, change in ownership, or agreement to
158 assume recapture liability occurred and shall be assessed
159 and collected under the same provisions that apply to a tax
160 liability under chapter 143 or chapter 148, provided that no
161 interest shall be assessed against any amounts recaptured
162 pursuant to this subsection.

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

166 10. All action and communication undertaken or
167 required under this section shall be exempt from section
168 105.1500.

169 11. The department may promulgate rules to implement
170 and administer the provisions of this section. Any rule or
171 portion of a rule, as that term is defined in section
172 536.010, that is created pursuant to the authority delegated

173 in this section shall become effective only if it complies
174 with and is subject to all of the provisions of chapter 536
175 and, if applicable, section 536.028. This section and
176 chapter 536 are nonseverable and if any of the powers vested
177 with the general assembly pursuant to chapter 536 to review,
178 to delay the effective date, or to disapprove and annul a
179 rule are subsequently held unconstitutional, then the grant
180 of rulemaking authority and any rule proposed or adopted
181 after August 28, 2026, shall be invalid and void.

182 12. Under section 23.253 of the Missouri sunset act:

183 (1) The provisions of the new program authorized under
184 this section shall sunset six years after the effective date
185 of this section unless reauthorized by the general assembly;

186 (2) The act shall terminate on September first of the
187 calendar year immediately following the calendar year in
188 which the program authorized under the act is sunset; and

189 (3) The provisions of this subsection shall not be
190 construed to limit or in any way impair the department of
191 revenue's ability to redeem tax credits authorized on or
192 before the date the program authorized under this section
193 expires or a taxpayer's ability to redeem such tax credits.

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

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

5 (1) "Capital expenditures", expenses incurred by a
6 child care provider, during the tax year for which a tax
7 credit is claimed pursuant to this section, for the
8 construction, renovation, or rehabilitation of a child care
9 facility to the extent necessary to operate a child care
10 facility and comply with applicable child care facility

11 regulations promulgated by the department of elementary and
12 secondary education;

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

20 (3) "Child care facility", a child care facility as
21 defined in section 210.201 that is licensed pursuant to
22 section 210.221, or that is unlicensed and that is
23 contracted with the department of elementary and secondary
24 education;

25 (4) "Child care provider", a child care provider as
26 defined in section 210.201 that is licensed pursuant to
27 section 210.221, or that is unlicensed and that is
28 contracted with the department of elementary and secondary
29 education;

30 (5) "Department", the department of elementary and
31 secondary education;

32 (6) "Eligible employer withholding tax", the total
33 amount of tax that the child care provider was required,
34 under section 143.191, to deduct and withhold from the wages
35 it paid to employees during the tax year for which the child
36 care provider is claiming a tax credit pursuant to this
37 section, to the extent actually paid. "Eligible employer
38 withholding tax" shall not include any additional voluntary
39 withholding requested by an employee;

40 (7) "Employee", an employee, as that term is used in
41 subsection 2 of section 143.191, of a child care provider
42 who worked for the child care provider for an average of at

43 least ten hours per week for at least a three-month period
44 during the tax year for which a tax credit is claimed
45 pursuant to this section and who is not an immediate family
46 member of the child care provider;

47 (8) "Rural area", a town or community within the state
48 that is not within a metropolitan statistical area and has a
49 population of six thousand or fewer inhabitants as
50 determined by the last preceding federal decennial census or
51 any unincorporated area not within a metropolitan
52 statistical area;

53 (9) "State tax liability", any liability incurred by
54 the taxpayer pursuant to the provisions of chapter 143,
55 exclusive of the provisions relating to the withholding of
56 tax as provided for in sections 143.191 to 143.265 and
57 related provisions;

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

60 (11) "Taxpayer", a corporation as defined in section
61 143.441 or 143.471, any charitable organization that is
62 exempt from federal income tax and whose Missouri unrelated
63 business taxable income, if any, would be subject to the
64 state income tax imposed under chapter 143, or an individual
65 or partnership subject to the state income tax imposed by
66 the provisions of chapter 143.

67 3. For all tax years beginning on or after January 1,
68 2027, a child care provider with three or more employees may
69 claim a tax credit authorized in this section in an amount
70 equal to the child care provider's eligible employer
71 withholding tax, and may also claim a tax credit in an
72 amount up to thirty percent of the child care provider's
73 capital expenditures. No tax credit for capital
74 expenditures shall be allowed if the capital expenditures

75 are less than one thousand dollars. The amount of any tax
76 credit issued under this section shall not exceed two
77 hundred thousand dollars per child care provider per tax
78 year.

79 4. To claim a tax credit authorized pursuant to this
80 section, a child care provider shall submit to the
81 department, for preliminary approval, an application for the
82 tax credit on a form provided by the department and at such
83 times as the department may require. If the child care
84 provider is applying for a tax credit for capital
85 expenditures, the child care provider shall present proof
86 acceptable to the department that the child care provider's
87 capital expenditures satisfy the definition in subdivision
88 (1) of subsection 2 of this section. Upon final approval of
89 an application, the department shall issue the child care
90 provider a certificate of tax credit.

91 5. (1) The tax credits authorized by this section
92 shall not be refundable and shall not be transferred, sold,
93 assigned, or otherwise conveyed. Any amount of credit that
94 exceeds the child care provider's state tax liability for
95 the tax year for which the tax credit is issued may be
96 carried forward to the child care provider's subsequent tax
97 year for up to six succeeding tax years.

98 (2) In the case of a taxpayer that has or elects pass-
99 through taxation pursuant to federal income tax law, the tax
100 credits issued pursuant to this section shall be apportioned
101 in proportion to the share of ownership of the taxpayer on
102 the last day of the taxpayer's tax period for which such tax
103 credits will be issued, to the following:

- 104 (a) The shareholders of the S corporation;
105 (b) The partners in a partnership; or

106 (c) The members of a limited liability company that
107 has or elects pass-through taxation pursuant to federal
108 income tax law.

109 (3) A taxpayer shall not claim a tax credit pursuant
110 to this section and a tax credit pursuant to section
111 135.1310 or 135.1325 for the same contribution or
112 expenditure.

113 6. Notwithstanding any provision of subsection 5 of
114 this section to the contrary, a child care provider that is
115 exempt, under 26 U.S.C. Section 501(c)(3), and any
116 amendments thereto, from all or part of the federal income
117 tax shall be eligible for a refund of its tax credit issued
118 under this section, without regard to whether it has
119 incurred any state tax liability. Such exempt child care
120 provider may claim a refund of the tax credit on its tax
121 return required to be filed under the provisions of chapter
122 143, exclusive of the return for the withholding of tax
123 under sections 143.191 to 143.265. If such exempt child
124 care provider is not required to file a tax return under the
125 provisions of chapter 143, the exempt child care provider
126 may claim a refund of the tax credit on a refund claim form
127 prescribed by the department of revenue. The department of
128 revenue shall prescribe such forms, instructions, and rules
129 as it deems appropriate to carry out the provisions of this
130 subsection.

131 7. (1) The amount of tax credits authorized pursuant
132 to this section shall not exceed twenty million dollars for
133 each calendar year. The department shall approve tax credit
134 applications on a first-come, first-served basis until the
135 tax credit authorization limit is reached for the calendar
136 year.

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

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

149 9. All action and communication undertaken or required
150 with respect to this section shall be exempt from section
151 105.1500. Notwithstanding section 32.057 or any other tax
152 confidentiality law to the contrary, the department of
153 revenue may disclose tax information to the department for
154 the purpose of the verification of a child care provider's
155 eligible employer withholding tax under this section.

156 10. The department may promulgate rules and adopt
157 statements of policy, procedures, forms, and guidelines to
158 implement and administer the provisions of this section.
159 Any rule or portion of a rule, as that term is defined in
160 section 536.010, that is created pursuant to the authority
161 delegated in this section shall become effective only if it
162 complies with and is subject to all of the provisions of
163 chapter 536 and, if applicable, section 536.028. This
164 section and chapter 536 are nonseverable and if any of the
165 powers vested with the general assembly pursuant to chapter
166 536 to review, to delay the effective date, or to disapprove
167 and annul a rule are subsequently held unconstitutional,

168 then the grant of rulemaking authority and any rule proposed
169 or adopted after August 28, 2026, shall be invalid and void.

170 11. Under section 23.253 of the Missouri sunset act:

171 (1) The provisions of the new program authorized under
172 this section shall sunset six years after the effective date
173 of this section unless reauthorized by the general assembly;

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

178 (3) The provisions of this subsection shall not be
179 construed to limit or in any way impair the department of
180 revenue's ability to redeem tax credits authorized on or
181 before the date the program authorized under this section
182 expires or a taxpayer's ability to redeem such tax credits.

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