

FIRST REGULAR SESSION

HOUSE BILL NO. 458

92ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE RIBACK WILSON (25).

Read 1st time February 12, 2003, and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

0376L.011

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating solely to the creation of an earned income tax credit.

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
2 known as section 135.760, to read as follows:

**135.760. 1. For all taxable years beginning on or after January 1, 2004, a resident
2 individual who is allowed a federal earned income tax credit pursuant to Section 32 of the
3 Internal Revenue Code shall be allowed a credit against the tax otherwise due pursuant to
4 chapter 143, RSMo, not including sections 143.191 to 143.265, RSMo, in an amount equal
5 to ten percent of the allowable federal earned income tax credit. For all taxable years
6 beginning on or after January 1, 2005, a resident individual who is allowed a federal
7 earned income tax credit pursuant to Section 32 of the Internal Revenue Code shall be
8 allowed a credit against the tax otherwise due pursuant to chapter 143, RSMo, not
9 including sections 143.191 to 143.265, RSMo, in an amount equal to fifteen percent of the
10 allowable federal earned income tax credit. For all taxable years beginning on or after
11 January 1, 2006, a resident individual who is allowed a federal earned income tax credit
12 pursuant to Section 32 of the Internal Revenue Code shall be allowed a credit against the
13 tax otherwise due pursuant to chapter 143, RSMo, not including sections 143.191 to
14 143.265, RSMo, in an amount equal to twenty percent of the allowable federal earned
15 income tax credit. The tax credit allowed by this section shall be claimed by such
16 individual at the time such individual files a return and shall be applied against the income
17 tax liability imposed by chapter 143, RSMo. Where the amount of the credit exceeds the
18 tax liability, the difference shall be refunded to the taxpayer or carried forward into each**

19 subsequent taxable year until such credit is fully used.

20 **2. The director of the department of revenue shall promulgate rules and regulations**
21 **to administer the provisions of this section. No rule or portion of a rule promulgated**
22 **pursuant to the authority of this section shall become effective unless it has been**
23 **promulgated pursuant to chapter 536, RSMo.**

24 **3. Notwithstanding the provision of subsection 4 of section 32.057, RSMo, the**
25 **department of revenue or any duly authorized employee or agent shall determine whether**
26 **any taxpayer filing a report or return with the department of revenue who has not applied**
27 **for the credit allowed pursuant to this section may qualify for the credit, and shall notify**
28 **any qualified claimant of the claimant's potential eligibility, where the department**
29 **determines such potential eligibility exists.**