

SECOND REGULAR SESSION

HOUSE BILL NO. 1210

92ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES SMITH (14) (Sponsor), SMITH (118), PAGE, RUESTMAN, JETTON, SCHNEIDER, BEAN, STEVENSON, WOOD, YATES, SUTHERLAND, DAVIS (19), MUNZLINGER, PARKER, PORTWOOD, RUPP, PRATT, HUNTER, DEMPSEY, BRUNS, LEMBKE, KINGERY, ICET, MOORE, HOBBS, ROARK, BIVINS, VILLA, DAUS, SPRENG, EL-AMIN, MUCKLER, THRELKELD, WRIGHT, McKENNA AND BLACK (Co-sponsors).

Read 1st time January 21, 2004, and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

3270L.011

AN ACT

To repeal section 143.121, RSMo, and to enact in lieu thereof three new sections relating to a tutoring program for public schools.

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

Section A. Section 143.121, RSMo, is repealed and three new sections enacted in lieu thereof, to be known as sections 143.117, 143.121, and 167.420, to read as follows:

2 **143.117. 1. For all tax years beginning on or after January 1, 2005, a qualified**
3 **taxpayer, as determined in section 167.420, RSMo, shall be allowed to subtract from the**
4 **taxpayer's federal adjusted gross income to determine Missouri taxable income the total**
5 **value of the taxpayer's time spent tutoring at the appropriate hourly rate established**
6 **within the school district where the taxpayer tutored.**

7 **2. The commissioner of education shall establish a procedure to evaluate the**
8 **amount of time a tutor has spent tutoring within the tutor's school district. The**
9 **superintendent of the school district shall provide a certificate to each tutor indicating the**
10 **value of time spent which shall be attached to the tutor's income tax return for that year**
11 **for the tutor to deduct the amount from the tutor's federal adjusted gross income.**

12 **3. School districts desiring to participate in the Missouri Tutoring Program for**
13 **Public Schools established in section 167.420, RSMo, shall apply to the department of**
14 **elementary and secondary education.**

14 **4. No rule or portion of a rule promulgated pursuant to the authority of this section**

EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law. Matter in boldface type in the above law is proposed language.

15 **shall become effective unless it has been promulgated pursuant to chapter 536, RSMo.**

16 **5. Pursuant to section 23.253, RSMo, of the Missouri Sunset Act:**

17 **(1) The provisions of the new program authorized under this section shall**
18 **automatically sunset six years after the effective date of this section unless reauthorized by**
19 **an act of the general assembly; and**

20 **(2) If such program is reauthorized, the program authorized under this section**
21 **shall automatically sunset twelve years after the effective date of the reauthorization of this**
22 **section; and**

23 **(3) This section shall terminate on September first of the calendar year immediately**
24 **following the calendar year in which the program authorized under this section is sunset.**

143.121. 1. The Missouri adjusted gross income of a resident individual shall be the
2 taxpayer's federal adjusted gross income subject to the modifications in this section.

3 2. There shall be added to the taxpayer's federal adjusted gross income:

4 (a) The amount of any federal income tax refund received for a prior year which resulted
5 in a Missouri income tax benefit;

6 (b) Interest on certain governmental obligations excluded from federal gross income by
7 Section 103 of the Internal Revenue Code. The previous sentence shall not apply to interest on
8 obligations of the state of Missouri or any of its political subdivisions or authorities and shall not
9 apply to the interest described in subdivision (a) of subsection 3 of this section. The amount
10 added pursuant to this paragraph shall be reduced by the amounts applicable to such interest that
11 would have been deductible in computing the taxable income of the taxpayer except only for the
12 application of Section 265 of the Internal Revenue Code. The reduction shall only be made if
13 it is at least five hundred dollars;

14 (c) The amount of any deduction that is included in the computation of federal taxable
15 income pursuant to Section 168 of the Internal Revenue Code as amended by the Job Creation
16 and Worker Assistance Act of 2002 to the extent the amount deducted relates to property
17 purchased on or after July 1, 2002, but before July 1, 2003, and to the extent the amount
18 deducted exceeds the amount that would have been deductible pursuant to Section 168 of the
19 Internal Revenue Code of 1986 as in effect on January 1, 2002; and

20 (d) The amount of any deduction that is included in the computation of federal taxable
21 income for net operating loss allowed by Section 172 of the Internal Revenue Code of 1986, as
22 amended, other than the deduction allowed by Section 172(b)(1)(G) and Section 172(i) of the
23 Internal Revenue Code of 1986, as amended, for a net operating loss the taxpayer claims in the
24 tax year in which the net operating loss occurred or carries forward for a period of more than
25 twenty years and carries backward for more than two years. Any amount of net operating loss
26 taken against federal income taxes but disallowed against Missouri income taxes pursuant to this

27 paragraph since July 1, 2002, may be carried forward and taken against any loss on the Missouri
28 income tax return for a period of not more than twenty years from the year of the initial loss.

29 3. There shall be subtracted from the taxpayer's federal adjusted gross income the
30 following amounts to the extent included in federal adjusted gross income:

31 (a) Interest or dividends on obligations of the United States and its territories and
32 possessions or of any authority, commission or instrumentality of the United States to the extent
33 exempt from Missouri income taxes pursuant to the laws of the United States. The amount
34 subtracted pursuant to this paragraph shall be reduced by any interest on indebtedness incurred
35 to carry the described obligations or securities and by any expenses incurred in the production
36 of interest or dividend income described in this paragraph. The reduction in the previous
37 sentence shall only apply to the extent that such expenses including amortizable bond premiums
38 are deducted in determining the taxpayer's federal adjusted gross income or included in the
39 taxpayer's Missouri itemized deduction. The reduction shall only be made if the expenses total
40 at least five hundred dollars;

41 (b) The portion of any gain, from the sale or other disposition of property having a higher
42 adjusted basis to the taxpayer for Missouri income tax purposes than for federal income tax
43 purposes on December 31, 1972, that does not exceed such difference in basis. If a gain is
44 considered a long-term capital gain for federal income tax purposes, the modification shall be
45 limited to one-half of such portion of the gain;

46 (c) The amount necessary to prevent the taxation pursuant to this chapter of any annuity
47 or other amount of income or gain which was properly included in income or gain and was taxed
48 pursuant to the laws of Missouri for a taxable year prior to January 1, 1973, to the taxpayer, or
49 to a decedent by reason of whose death the taxpayer acquired the right to receive the income or
50 gain, or to a trust or estate from which the taxpayer received the income or gain;

51 (d) Accumulation distributions received by a taxpayer as a beneficiary of a trust to the
52 extent that the same are included in federal adjusted gross income;

53 (e) The amount of any state income tax refund for a prior year which was included in the
54 federal adjusted gross income;

55 (f) The portion of capital gain specified in section 135.357, RSMo, that would otherwise
56 be included in federal adjusted gross income; [and]

57 (g) The amount that would have been deducted in the computation of federal taxable
58 income pursuant to Section 168 of the Internal Revenue Code as in effect on January 1, 2002,
59 to the extent that amount relates to property purchased on or after July 1, 2002, but before July
60 1, 2003, and to the extent that amount exceeds the amount actually deducted pursuant to Section
61 168 of the Internal Revenue Code as amended by the Job Creation and Worker Assistance Act
62 of 2002; **and**

63 **(h) The amount equal to the value of time spent tutoring in public schools as**
64 **provided in section 143.117.**

65 4. There shall be added to or subtracted from the taxpayer's federal adjusted gross
66 income the taxpayer's share of the Missouri fiduciary adjustment provided in section 143.351.

67 5. There shall be added to or subtracted from the taxpayer's federal adjusted gross
68 income the modifications provided in section 143.411.

167.420. 1. There is hereby established the "Missouri Tutoring Program for Public
2 **Schools". Tutors shall be available to provide assistance to students in kindergarten**
3 **through the twelfth grade. To be eligible for participation in this program as a tutor, an**
4 **individual shall:**

5 **(1) Successfully complete a background check pursuant to that school district's**
6 **policy as applied to all teachers of such district; and**

7 **(2) Be a certificated teacher in good standing; or**

8 **(3) Possess a four-year degree from an accredited institution of higher education**
9 **with one year of work experience; or**

10 **(4) Be a student in good standing who is majoring in education at an accredited**
11 **institution of higher education and be within three semesters of graduation from such**
12 **institution; or**

13 **(5) Any individual or organization that currently tutors students may participate**
14 **in this program if they meet the requirements set forth in this section.**

15 **2. Tutors participating in this program shall be reimbursed at the hourly rate**
16 **equivalent to the pay received by teachers' assistants within that particular school district.**
17 **The school district's board of education shall have the authority to increase the hourly rate**
18 **paid to those tutors working in districts experiencing student achievement difficulty. Each**
19 **school district shall keep records of the amount of time each tutor spends tutoring within**
20 **their district. Each tutor shall spend a minimum of sixty hours and a maximum of one**
21 **hundred eighty hours tutoring in any school year.**

22 **3. There is hereby established the "Committee for Tutoring in Public Schools"**
23 **which shall consist of the chairs of the house and senate education committees, the chair**
24 **of the house budget committee, the chair of the senate appropriations committee, the**
25 **minority floor leaders of both house and senate, and the commissioner of education.**
26 **Members of this committee shall be present at the meetings in order to vote. The**
27 **commissioner of education shall vote only in the event of a tie among the other members**
28 **present to vote.**

29 **4. If, during any fiscal year, revenues are less than projected by the office of**
30 **administration, the committee shall issue a written recommendation that the program be**

31 **discontinued for that fiscal year.**

32 **5. The commissioner of education shall have the authority to promulgate any rules**
33 **necessary for the administration of this section. No rule or portion of a rule promulgated**
34 **pursuant to the authority of this section shall become effective unless it has been**
35 **promulgated pursuant to chapter 536, RSMo.**

36 **6. Pursuant to section 23.253, RSMo, of the Missouri Sunset Act:**

37 **(1) The provisions of the new program authorized under this section shall**
38 **automatically sunset six years after the effective date of this section unless reauthorized by**
39 **an act of the general assembly; and**

40 **(2) If such program is reauthorized, the program authorized under this section**
41 **shall automatically sunset twelve years after the effective date of the reauthorization of this**
42 **section; and**

43 **(3) This section shall terminate on September first of the calendar year immediately**
44 **following the calendar year in which the program authorized under this section is sunset.**