

SECOND REGULAR SESSION

HOUSE BILL NO. 1300

92ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES RIBACK WILSON (25) (Sponsor), GRAHAM,
CARNAHAN AND WALKER (Co-sponsors).

Read 1st time January 28, 2004, and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

4148L.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 known as section 135.760, to read as follows:

135.760. 1. For all taxable years beginning on or after January 1, 2006, a resident individual who is allowed a federal earned income tax credit pursuant to Section 32 of the Internal Revenue Code shall be allowed a credit against the tax otherwise due pursuant to chapter 143, RSMo, not including sections 143.191 to 143.265, RSMo, in an amount equal to five percent of the allowable federal earned income tax credit. For all taxable years beginning on or after January 1, 2008, a resident individual who is allowed a federal earned income tax credit pursuant to Section 32 of the Internal Revenue Code shall be allowed a credit against the tax otherwise due pursuant to chapter 143, RSMo, not including sections 143.191 to 143.265, RSMo, in an amount equal to ten percent of the allowable federal earned income tax credit. For all taxable years beginning on or after January 1, 2010, a resident individual who is allowed a federal earned income tax credit pursuant to Section 32 of the Internal Revenue Code shall be allowed a credit against the tax otherwise due pursuant to chapter 143, RSMo, not including sections 143.191 to 143.265, RSMo, in an amount equal to twenty percent of the allowable federal earned income tax credit. The tax credit allowed by this section shall be claimed by such individual at the time such individual files a return and shall be applied against the income tax liability imposed by chapter 143, RSMo. Where the amount of the credit exceeds the 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. Any rule or portion of a rule, as that term is**
22 **defined in section 536.010, RSMo, that is created under the authority delegated in this**
23 **section shall become effective only if it complies with and is subject to all of the provisions**
24 **of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter**
25 **536, RSMo, are nonseverable and if any of the powers vested with the general assembly**
26 **pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove and**
27 **annul a rule are subsequently held unconstitutional, then the grant of rulemaking**
28 **authority and any rule proposed or adopted after August 28, 2004, shall be invalid and**
29 **void.**

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

36 **4. 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.**