

HOUSE BILL NO. 837

93RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES BROWN (50) (Sponsor), DENISON, WRIGHT (159), FISHER, PRATT, McGHEE, WILDBERGER, ROORDA, FLOOK, RICHARD, MEADOWS, BRINGER, SKAGGS, AULL, HARRIS (110), CURLS, KRATKY, SCHOEMEHL, LOW (39), ROBINSON, DOUGHERTY, EL-AMIN, BOWMAN, MEINERS, RUCKER, VILLA, TILLEY, HUBBARD, BOYKINS, CASEY, HOSKINS, BLAND, HUGHES, STORCH, BAKER (25), BURNETT AND DONNELLY (Co-sponsors).

Read 1st time March 22, 2005 and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

1644L.01I

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to a tax credit for employers who hire high school students for summer jobs.

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 135.1170, to read as follows:

135.1170. 1. As used in this section, the following terms shall mean:

(1) **"Qualified high school student", a student hired for summer employment who is currently enrolled in high school, or home school under section 167.042, RSMo, who met the minimum attendance requirements of section 167.031, RSMo, and earned at least a 2.0 grade point average or equivalent in the school year immediately preceding such summer employment, and who is eligible for the free or reduced lunch program;**

(2) **"State tax liability", in the case of a business taxpayer, any liability incurred by such taxpayer under the provisions of chapters 143, 147, 148, and 153, RSMo, exclusive of the provisions relating to the withholding of tax as provided for in sections 143.191 to 143.265, RSMo, and related provisions, and in the case of an individual taxpayer, any liability incurred by such taxpayer under the provisions of chapter 143, RSMo;**

(3) **"Taxpayer", a person, firm, a partner in a firm, corporation or a shareholder in an S corporation doing business in the state of Missouri and subject to the state income**

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

14 tax imposed by the provisions of chapter 143, RSMo, or a corporation subject to the annual
15 corporation franchise tax imposed by the provisions of chapter 147, RSMo, or an insurance
16 company paying an annual tax on its gross premium receipts in this state, or other
17 financial institution paying taxes to the state of Missouri or any political subdivision of this
18 state under the provisions of chapter 148, RSMo, or an express company which pays an
19 annual tax on its gross receipts in this state under chapter 153, RSMo, or an individual
20 subject to the state income tax imposed by the provisions of chapter 143, RSMo.

21 2. A taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax
22 liability, in an amount equal to one hundred percent of the amount such taxpayer paid to
23 a qualified high school student in wages for summer employment.

24 3. The amount of the tax credit claimed shall not exceed the amount of the
25 taxpayer's state tax liability for the taxable year that the credit is claimed, and such
26 taxpayer shall not be allowed to claim a tax credit in excess of fifty thousand dollars per
27 taxable year. However, any tax credit that cannot be claimed in the taxable year the
28 contribution was made may be carried over to the next four succeeding taxable years until
29 the full credit has been claimed.

30 4. Except for any excess credit which is carried over under subsection 3 of this
31 section, a taxpayer shall not be allowed to claim a tax credit unless the total amount the
32 taxpayer paid to a qualified high school student was at least one hundred dollars.

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34 5. The department of elementary and secondary education shall establish a
35 procedure by which a taxpayer can determine if a student is a qualified high school
36 student, and by which such taxpayer can then claim a tax credit. The cumulative amount
37 of tax credits which may be claimed by all the taxpayers under this program in any one
38 fiscal year shall not exceed one million dollars.

39 6. This section shall become effective January 1, 2006, and shall apply to all tax
40 years after December 31, 2005.