

FIRST REGULAR SESSION

HOUSE BILL NO. 895

93RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE LeVOTA.

Read 1st time March 31, 2005 and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

2202L.011

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to a tax credit for military-related employees.

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 135.740, to read as follows:

**135.740. 1. For all tax years beginning on or after January 1, 2006, a taxpayer shall
2 be allowed to claim a tax credit against the tax otherwise due pursuant to chapter 143,
3 RSMo, excluding withholding tax imposed by sections 143.191 to 143.261, RSMo, for an
4 amount equal to one hundred percent of any salary and related benefits paid to any
5 employee of the taxpayer during the period the employee is called to active military duty
6 as a member of a reserve or national guard component. As used in this section, the term
7 "taxpayer" means an individual, a partnership, or a corporation as described in section
8 143.441 or 143.471, RSMo.**

9 **2. The credit authorized by subsection 1 of this section shall be claimed as
10 prescribed by the director of the department of revenue. Such credit shall be considered
11 an overpayment of tax and shall be refundable even if the amount of the credit exceeds the
12 taxpayer's tax liability. Any rule or portion of a rule, as that term is defined in section
13 536.010, RSMo, that is created under the authority delegated in this section shall become
14 effective only if it complies with and is subject to all of the provisions of chapter 536,
15 RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are
16 nonseverable and if any of the powers vested with the general assembly pursuant to**

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.

17 **chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule**
18 **are subsequently held unconstitutional, then the grant of rulemaking authority and any**
19 **rule proposed or adopted after August 28, 2005, shall be invalid and void.**

20 **3. Tax credits issued pursuant to subsection 1 of this section shall not exceed five**
21 **hundred thousand dollars per fiscal year. The director of the department of revenue shall**
22 **establish a procedure by which, from the beginning of the fiscal year until some point in**
23 **time later in the fiscal year to be determined by the director, the cumulative amount of tax**
24 **credits are equally apportioned among all taxpayers qualifying for the credit. If a taxpayer**
25 **fails to use all, or some percentage to be determined by the director of the department of**
26 **revenue, of its apportioned tax credits during this predetermined period of time, the**
27 **director may reapportion these unused tax credits to those taxpayers that have used all, or**
28 **some percentage to be determined by the director, of their apportioned tax credits during**
29 **this predetermined period of time. The director of the department of revenue may**
30 **establish more than one period of time and reapportion more than once during each fiscal**
31 **year. To the maximum extent possible, the director of the department of revenue shall**
32 **establish the procedure described in this subsection in such a manner as to ensure that**
33 **taxpayers can claim all the tax credits possible up to the cumulative amount of tax credits**
34 **available for the fiscal year.**