

FIRST REGULAR SESSION

HOUSE BILL NO. 520

94TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES LeVOTA (Sponsor), BOWMAN, DAY, MEADOWS,
HARRIS (23), ROBINSON, KOMO, SATER, DOUGHERTY, GRILL, SWINGER,
CORCORAN AND DARROUGH (Co-sponsors).

Read 1st time January 23, 2007 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

1075L.01I

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

2 **(1) "Tax credit", a credit against the tax otherwise due under chapter 143, RSMo,**
3 **excluding withholding tax imposed by sections 143.191 to 143.265, RSMo;**

4 **(2) "Taxpayer", any individual, partnership, or corporation as described in section**
5 **143.441 or 143.471, RSMo, that is subject to the tax imposed in chapter 143, RSMo,**
6 **excluding withholding tax imposed by sections 143.191 to 143.265, RSMo.**

7 **2. For all taxable years beginning on or after January 1, 2007, a taxpayer shall be**
8 **allowed a tax credit for the salary and related benefits paid to any employee of the**
9 **taxpayer during the period the employee is called to active military duty as a member of**
10 **a reserve or national guard component. The tax credit amount shall be equal to one**
11 **hundred percent of the amount of such salary and related benefits paid. If the amount of**
12 **the tax credit issued exceeds the amount of the taxpayer's state tax liability for the tax year**
13 **for which the credit is claimed, the difference shall be considered an overpayment of tax**

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 and shall be refundable. No tax credit granted under this section shall be transferred, sold,
15 or assigned. The cumulative amount of tax credits which may be issued under this section
16 in any one fiscal year shall not exceed five hundred thousand dollars.

17 3. The director of the department of revenue shall establish a procedure by which,
18 from the beginning of the fiscal year until some point in time later in the fiscal year to be
19 determined by the director, the cumulative amount of tax credits are equally apportioned
20 among all taxpayers qualifying for the credit. If a taxpayer fails to use all, or some
21 percentage to be determined by the director of the department of revenue, of its
22 apportioned tax credits during this predetermined period of time, the director may
23 reapportion these unused tax credits to those taxpayers that have used all, or some
24 percentage to be determined by the director, of their apportioned tax credits during this
25 predetermined period of time. The director of the department of revenue may establish
26 more than one period of time and reapportion more than once during each fiscal year. To
27 the maximum extent possible, the director of the department of revenue shall establish the
28 procedure described in this subsection in such a manner as to ensure that taxpayers can
29 claim all the tax credits possible up to the cumulative amount of tax credits available for
30 the fiscal year.

31 4. The department of revenue may promulgate rules to implement the provisions
32 of this section. Any rule or portion of a rule, as that term is defined in section 536.010,
33 RSMo, that is created under the authority delegated in this section shall become effective
34 only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and,
35 if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are
36 nonseverable and if any of the powers vested with the general assembly pursuant to
37 chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule
38 are subsequently held unconstitutional, then the grant of rulemaking authority and any
39 rule proposed or adopted after August 28, 2007, shall be invalid and void.

40 5. Under section 23.253, RSMo, of the Missouri Sunset Act:

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

44 (2) If such program is reauthorized, the program authorized under this section
45 shall automatically sunset twelve years after the effective date of the reauthorization of this
46 section; and

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

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