

FIRST REGULAR SESSION

HOUSE BILL NO. 604

94TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES OXFORD (Sponsor), ROORDA, CHAPPELLE-NADAL, JOHNSON, BOWMAN, WALTON, BAKER (25), LOW (39), LOWE (44), YAEGER, TALBOY, BLAND, ZWEIFEL, MEADOWS, CASEY, ZIMMERMAN, AULL, LAMPE, NASHEED, BROWN (50), HUGHES, DAUS, WALSH, STORCH, KRATKY, DONNELLY AND HOLSMAN (Co-sponsors).

Read 1st time January 25, 2007 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

1387L.01I

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, 2008, a resident individual who is allowed a federal earned income tax credit under Section 32 of the Internal Revenue Code of 1986, as amended, shall be allowed a credit against the tax otherwise due under 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, 2010, a resident individual who is allowed a federal earned income tax credit under Section 32 of the Internal Revenue Code of 1986, as amended, shall be allowed a credit against the tax otherwise due under 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, 2012, a resident individual who is allowed a federal earned income tax credit under Section 32 of the Internal Revenue Code of 1986, as amended, shall be allowed a credit against the tax otherwise due under chapter 143, RSMo, not including

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 sections 143.191 to 143.265, RSMo, in an amount equal to twenty percent of the allowable
15 federal earned income tax credit. The tax credit allowed by this section shall be claimed
16 by such individual at the time such individual files a return and shall be applied against
17 the income tax liability imposed by chapter 143, RSMo. Where the amount of the credit
18 exceeds the tax liability, the difference shall be refunded to the taxpayer or carried forward
19 into each 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, 2007, 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 under this section may qualify for the credit, and shall notify any
34 qualified claimant of the claimant's potential eligibility, where the department determines
35 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 on December thirty-first six years after the effective date of this
39 section unless reauthorized by an act of the general assembly; and

40 (2) If such program is reauthorized, the program authorized under this section
41 shall automatically sunset on December thirty-first twelve years after the effective date of
42 the reauthorization of this 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.

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