

SECOND REGULAR SESSION

# HOUSE BILL NO. 2156

## 94TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES GRILL (Sponsor), JETTON, LeVOTA, KUESSNER, HODGES, SCHIEFFER, TALBOY, ROORDA, HUBBARD, BURNETT, HUGHES, SCHOEMEHL, SCAVUZZO, RUZICKA, SMITH (150), SCHOELLER, HOLSMAN, PAGE, TILLEY, GRISAMORE, MEINERS, AULL, SKAGGS, GEORGE, NORR, FALLERT, SHIVELY, MEADOWS, JONES (89), SMITH (14), PEARCE, KOMO, SCHNEIDER, FUNDERBURK AND ONDER (Co-sponsors).

Read 1st time February 14, 2008 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

4398L.03I

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### AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to a tax credit for stay-at-home parents.

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*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 135.636, to read as follows:

**135.636. 1. This section shall be known and may be cited as the "Motherhood/Fatherhood Stay-at-Home Tax Credit".**

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

**(1) "Eligible child", any natural, adopted, or stepchild who is a dependent of a stay-at-home parent if such eligible child is between the ages of newborn to twenty-four months;**

**(2) "Stay-at-home parent", any resident of this state who is the parent of an eligible child if such stay-at-home parent was gainfully employed before the birth or adoption of the eligible child, who is no longer gainfully employed as a result of the decision to stay at home to provide care for the eligible child, and whose annual salary while the stay-at-home parent was gainfully employed was one hundred thousand dollars or less. "Stay-at-home parent" shall not include any recipient of any public assistance;**

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.

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

14           (4) "Taxpayer", any stay-at-home parent or such parent's spouse who is subject  
15 to the tax imposed in chapter 143, RSMo, excluding withholding tax imposed by sections  
16 143.191 to 143.265, RSMo.

17           3. For all taxable years beginning on or after January 1, 2008, a taxpayer shall be  
18 allowed a tax credit for providing care for an eligible child. The tax credit amount shall  
19 be equal to the following percentages of the stay-at-home parent's annual salary in the year  
20 before the stay-at-home parent terminated gainful employment to become a stay-at-home  
21 parent:

22           (1) If the taxpayer's annual salary was thirty-five thousand dollars or less, twenty-  
23 five percent;

24           (2) If the taxpayer's annual salary was more than thirty-five thousand dollars but  
25 did not exceed seventy thousand dollars, twenty percent;

26           (3) If the taxpayer's annual salary was more than seventy thousand dollars but did  
27 not exceed one hundred thousand dollars, fifteen percent.

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29 The percentages in this subsection shall be increased annually by the same percentage as  
30 the increase over the previous year in the Consumer Price Index for All Urban Consumers  
31 as prepared by the United States Bureau of Labor Statistics, or its successor index.

32           4. If the amount of the tax credit issued exceeds the amount of the taxpayer's state  
33 tax liability for the tax year for which the credit is claimed, the difference shall not be  
34 refundable but may be carried forward to any of the taxpayer's three subsequent taxable  
35 years. No tax credit granted under this section shall be transferred, sold, or assigned. The  
36 cumulative amount of tax credits which may be issued under this section in any one fiscal  
37 year shall not exceed two million dollars.

38           5. The director of the department of revenue shall establish a procedure by which,  
39 from the beginning of the fiscal year until some point in time later in the fiscal year to be  
40 determined by the director, the cumulative amount of tax credits are equally apportioned  
41 among all taxpayers allowed a tax credit under this section. The director may establish  
42 more than one period of time and reapportion more than once during each fiscal year. To  
43 the maximum extent possible, the director shall establish the procedure described in this  
44 subsection in such a manner as to ensure that taxpayers can claim all the tax credits  
45 possible up to the cumulative amount of tax credits available for the fiscal year.

46           6. Each stay-at-home parent claiming a tax credit under this section shall file an  
47 affidavit verifying that such parent is a stay-at-home parent, and shall provide a copy of

48 the most recent W-2 form received before becoming a stay-at-home parent to verify the tax  
49 credit amount claimed.

50 7. The department of revenue may promulgate rules to implement the provisions  
51 of this section. Any rule or portion of a rule, as that term is defined in section 536.010,  
52 RSMo, that is created under the authority delegated in this section shall become effective  
53 only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and,  
54 if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are  
55 nonseverable and if any of the powers vested with the general assembly pursuant to  
56 chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule  
57 are subsequently held unconstitutional, then the grant of rulemaking authority and any  
58 rule proposed or adopted after August 28, 2008, shall be invalid and void.

59 8. Under section 23.253, RSMo, of the Missouri Sunset Act:

60 (1) The provisions of the new program authorized under this section shall  
61 automatically sunset on December thirty-first six years after the effective date of this  
62 section unless reauthorized by an act of the general assembly; and

63 (2) If such program is reauthorized, the program authorized under this section  
64 shall automatically sunset on December thirty-first twelve years after the effective date of  
65 the reauthorization of this section; and

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

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