SECOND REGULAR SESSION

HOUSE BILL NO. 1882

94TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES KRAUS (Sponsor), NANCE, GRISAMORE, DEEKEN, SMITH (14), DOUGHERTY, GRILL, NORR, SCHIEFFER, MOORE, RUESTMAN, AVERY, McGHEE, HUGHES, WETER, DUSENBERG, PAGE, SILVEY, WASSON, SCHARNHORST AND PEARCE (Co-sponsors).

Read 1st time January 28, 2008 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

4601L.01I

AN ACT

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

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 135.631, to read as follows:

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

(1) "Military retirement benefits", any military retirement benefits included in federal adjusted gross income and not otherwise excluded therefrom;

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

(3) "Taxpayer", any individual subject to the tax imposed in chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo.

2. For all taxable years beginning on or after January 1, 2008, a taxpayer shall be allowed a tax credit for military retirement benefits received by the taxpayer. The tax credit amount shall be equal to the amount of military retirement benefits received in the taxable year for which the credit is claimed. The amount of the tax credit issued shall not exceed the amount of the taxpayer's state tax liability for the tax year for which the credit is claimed. No amount of credit that the taxpayer is prohibited by this section from

claiming in a tax year shall be refundable, nor shall any tax credit granted under this section be transferred, sold, or assigned.

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

4. Pursuant to section 23.253, RSMo, of the Missouri Sunset Act:

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

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

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

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