

SECOND REGULAR SESSION

HOUSE BILL NO. 2533

94TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES SCHOEMEHL (Sponsor), McCLANAHAN, LAMPE, HODGES, LOW (39), RUCKER, LIESE, KINGERY, THOMSON, FARES, HAYWOOD AND PEARCE (Co-sponsors).

Read 1st time March 31, 2008 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

5585L.01I

AN ACT

To amend chapter 143, RSMo, by adding thereto one new section relating to an income tax deduction for certain tuition costs.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 143, RSMo, is amended by adding thereto one new section, to be known as section 143.129, to read as follows:

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

- (1) "Deduction", an amount subtracted from the taxpayer's Missouri adjusted gross income to determine Missouri taxable income for the tax year in which such deduction is claimed;**
- (2) "Taxpayer", any individual subject to the income tax imposed in this chapter who:**
- (a) Has been a resident of this state for at least the year immediately preceding the claim for a deduction under this section;**
 - (b) Paid tuition at the resident rate at any public four-year higher educational institution in this state;**
 - (c) Has not been enrolled as a full-time student for longer than four years;**
 - (d) Provides proof of graduation from the public four-year higher educational institution conferring the taxpayer's bachelor degree;**

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 (3) "Tuition costs", the amount expended for tuition and fees for the last credit
15 hours or their equivalent, not to exceed eighteen, necessary to complete the taxpayer's
16 bachelor degree requirements at any public four-year higher educational institution in this
17 state.

18 2. In addition to all deductions listed in this chapter, for all taxable years beginning
19 on or after January 1, 2008, a taxpayer shall be allowed a deduction for tuition costs. The
20 deduction amount shall be equal to one hundred percent of the amounts of the taxpayer's
21 tuition costs.

22 3. The department of revenue shall establish the procedure by which the deduction
23 provided in this section may be claimed, and may promulgate rules to implement the
24 provisions of this section. The department may confer with public four-year higher
25 educational institutions in this state to develop such procedures. Any rule or portion of a
26 rule, as that term is defined in section 536.010, RSMo, that is created under the authority
27 delegated in this section shall become effective only if it complies with and is subject to all
28 of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This
29 section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the
30 general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date, or
31 to disapprove and annul a rule are subsequently held unconstitutional, then the grant of
32 rulemaking authority and any rule proposed or adopted after August 28, 2008, shall be
33 invalid and void.

34 4. Under section 23.253, RSMo, of the Missouri Sunset Act:

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

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

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

✓