

SECOND REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 1171**  
**97TH GENERAL ASSEMBLY**

4787H.03C

D. ADAM CRUMBLISS, Chief Clerk

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**AN ACT**

To amend chapter 620, RSMo, by adding thereto one new section relating to the economic education partnership program.

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

Section A. Chapter 620, RSMo, is amended by adding thereto one new section, to be  
2 known as section 620.3030, to read as follows:

**620.3030. 1. This section shall be known and may be cited as the "Economic  
2 Education Partnership Act".**

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

4 **(1) "Educational benefits", the funds provided by an employer to a qualified  
5 individual or to an accredited educational institution for a period of up to five years to pay  
6 any portion of the tuition or fees for a qualified individual pursuing an associates degree,  
7 bachelors degree, masters degree, or doctorate degree in health care, engineering, or  
8 information technology related programs;**

9 **(2) "Employer", a business with facilities in Missouri that has entered into an  
10 agreement with the department of economic development that memorializes the employer's  
11 obligation to employ a qualified individual upon the completion of the individual's degree  
12 or training for at least the same length of time as the employer is authorized under this  
13 section to retain withholding taxes for the amount spent on providing educational benefits  
14 or training to the qualified individual;**

15 **(3) "Qualified individual":**

16 **(a) An individual:**

17 **a. Who is a resident of this state;**

18 **b. Who is employed by an employer in Missouri;**

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.

19           **c. Has an annual individual gross income of two hundred thousand dollars or less;**  
20 **and**

21           **d. Pursues an associates degree, bachelors degree, masters degree, or doctorate**  
22 **degree in health care, engineering, or information technology related programs;**

23           **(b) An individual who is a resident of this state, is engaged in an internship at an**  
24 **employer in Missouri and pursues an associates degree, bachelors degree, masters degree,**  
25 **or doctorate degree in health care, engineering, or information technology related**  
26 **programs;**

27           **(4) "Withholding tax", the state tax imposed by sections 143.191 to 143.265.**

28           **3. An employer that provides educational benefits to a qualified individual for an**  
29 **employment position in the health care, engineering, or information technology fields for**  
30 **no more than one year, may retain one hundred percent of the withholding tax from the**  
31 **employer's employees up to the amount of educational benefits provided for a period of**  
32 **five years from the first date on which the employer provides the educational benefits.**

33           **4. Before an employer is authorized to retain withholding taxes under subsection**  
34 **3 of this section, the employer shall enter into an agreement with the department of**  
35 **economic development that memorializes the employer's obligation to employ a qualified**  
36 **individual for at least the same length of time as the employer is authorized to retain**  
37 **withholding taxes for the amount spent on providing educational benefits to the qualified**  
38 **individual under this section. Any employer who fails to comply with the agreement with**  
39 **the department shall immediately cease retaining any withholding tax and shall forfeit all**  
40 **rights to retain withholding tax. The employer shall repay any amounts of withholding tax**  
41 **retained plus interest of five percent per annum.**

42           **5. An employer shall not retain withholding tax for educational benefits provided**  
43 **to any qualified individual who is a relative of a director, manager, or owner of the**  
44 **business within the fourth degree, by consanguinity or affinity.**

45           **6. The aggregate amount of withholding tax that may be retained by all employers**  
46 **under this section shall not exceed two million dollars.**

47           **7. The department of economic development may audit employers to ensure**  
48 **compliance with the provisions of this section.**

49           **8. An employer that has provided educational benefits prior to the effective date**  
50 **of this act shall only use retained withholding tax authorized under this section for**  
51 **providing additional educational benefits.**

52           **9. The department of economic development and the department of revenue may**  
53 **promulgate rules to implement the provisions of this section. Any rule or portion of a rule,**  
54 **as that term is defined in section 536.010, that is created under the authority delegated in**

55 this section shall become effective only if it complies with and is subject to all of the  
56 provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536  
57 are nonseverable and if any of the powers vested with the general assembly under chapter  
58 536 to review, to delay the effective date, or to disapprove and annul a rule are  
59 subsequently held unconstitutional, then the grant of rulemaking authority, and any rule  
60 proposed or adopted after August 28, 2014, shall be invalid and void.

61 10. Notwithstanding the provisions of section 23.253, the program authorized under  
62 this section shall expire seven years after the effective date of this act.

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