

House \_\_\_\_\_ Amendment NO. \_\_\_\_\_

Offered By \_\_\_\_\_

1 AMEND House Committee Substitute for Senate Substitute for Senate Bill No. 870, Page 5,  
2 Section 135.090, Line 39, by inserting after all of said section and line the following:

3  
4 "135.760. 1. This section shall be known and may be cited as the "Missouri Earned Income  
5 Tax Credit Act".

6 2. For purposes of this section, the following terms mean:

7 (1) "Department", the department of revenue;

8 (2) "Eligible taxpayer", a resident individual with a filing status of single, head of  
9 household, qualified widow or widower, or married filing combined who is subject to the tax  
10 imposed under chapter 143, excluding withholding tax imposed under sections 143.191 to 143.265,  
11 and who is allowed a federal earned income tax credit under Section 32 of the Internal Revenue  
12 Code of 1986, as amended;

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

15 3. An eligible taxpayer shall be allowed a tax credit in an amount proportional to the  
16 amount such taxpayer would receive under the federal earned income tax credit as follows:

17 (1) For the 2019 tax year, five percent of such federal tax credit;

18 (2) For the 2020 tax year, ten percent of such federal tax credit;

19 (3) For the 2021 tax year, fifteen percent of such federal tax credit; and

20 (4) For tax years beginning on and after January 1, 2022, twenty percent of such federal tax  
21 credit.

22 4. The tax credit allowed by this section shall be claimed by such taxpayer at the time such  
23 taxpayer files a return and shall be applied against the income tax liability imposed by chapter 143  
24 after reduction for all other credits allowed thereon. If the amount of the credit exceeds the tax  
25 liability, the difference shall be refunded to the taxpayer.

26 5. Notwithstanding the provision of subsection 4 of section 32.057 to the contrary, the  
27 department shall determine whether any taxpayer filing a report or return with the department who  
28 did not apply for the credit authorized under this section may qualify for the credit and, if so  
29 determines a taxpayer may qualify for the credit, shall notify such taxpayer of his or her potential  
30 eligibility. In making a determination of eligibility under this section, the department shall use any  
31 appropriate and available data including, but not limited to, data available from the Internal  
32 Revenue Service, the U.S. Department of Treasury, and state income tax returns from previous tax  
33 years.

34 6. The department shall prepare an annual report containing statistical information regarding  
35 the tax credits issued under this section for the previous tax year, including the total amount of  
36 revenue expended on the earned income tax credit, the number of credits claimed, and the average

Action Taken \_\_\_\_\_ Date \_\_\_\_\_

1 value of the credits issued to taxpayers whose earned income falls within various income ranges  
2 determined by the department.

3 7. The department shall contract with one or more nonprofit groups to provide notice of the  
4 earned income tax credit to eligible taxpayers. The department shall require evidence of the  
5 effectiveness of the nonprofit group, the connection with the community in which the group  
6 operates, and the ability to contact taxpayers that are unlikely to claim the federal earned income tax  
7 credit including, but not limited to, non-English speakers, the elderly, tenants, and very low-income  
8 taxpayers who do not file tax returns annually. The department shall give preference to nonprofit  
9 groups with members in low- and moderate-income areas, to nonprofit groups with at least fifty-one  
10 percent of its board of directors having low to moderate incomes and residing in target  
11 communities, and to nonprofit groups that have a record of effective door-to-door outreach for  
12 similar community projects.

13 8. The director of the department shall promulgate rules and regulations to administer the  
14 provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010,  
15 that is created under the authority delegated in this section shall become effective only if it complies  
16 with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This  
17 section and chapter 536 are nonseverable, and if any of the powers vested with the general assembly  
18 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are  
19 subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or  
20 adopted after August 28, 2018, shall be invalid and void."; and

21  
22 Further amend said bill by amending the title, enacting clause, and intersectional references  
23 accordingly.