

FIRST REGULAR SESSION

# HOUSE BILL NO. 55

## 100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE BANGERT.

0078H.011

DANA RADEMAN MILLER, Chief Clerk

### AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to a tax credit for providing child care.

*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 135.345, to read as follows:

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

- (1) "Operation costs", reasonable direct operational costs incurred by a taxpayer as a result of providing child care facilities to its employees. "Operation costs" shall not include the cost of any property that is qualified child care property;
- (2) "Premises of the employer", any location within this state located on the workplace premises of an employer that provides child care to its employees or, if the child care property is owned jointly or severally by the taxpayer and one or more employers, of one of the employers providing child care to its employees. However, if such workplace premises are impracticable or otherwise unsuitable for the on-site location of such a child care facility as determined by the department of health and senior services, the facility may be located within a reasonable distance of the workplace premises;
- (3) "Qualified child care property", all real property and tangible personal property used exclusively in the construction, expansion, improvement, or operation of a child care facility on the premises of the employer if:
- (a) The facility is licensed under chapter 210; and
- (b) At least ninety-five percent of the children who use the facility are children of employees of:

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.

18           a. The taxpayer and, if the child care property is owned jointly or severally by the  
19 taxpayer and one or more employers, other employers; or

20           b. A corporation that is a member of the taxpayer's "affiliated group", as such  
21 term is defined under 26 U.S.C. Section 1504(a).

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23 "Qualified child care property" includes, but is not limited to, amounts expended on land  
24 acquisition, improvements, buildings, building improvements, furniture, fixtures, and  
25 equipment;

26           (4) "Tax liability", the tax due under chapter 143, 148, or 153, except taxes  
27 withheld under sections 143.191 to 143.265;

28           (5) "Taxpayer", an employer subject to income tax under chapter 143, 148, or 153  
29 that:

30           (a) Conducts its operations or services twenty-four hours a day; or

31           (b) Employs no more than one hundred full-time employees.

32           2. For tax years beginning on or after January 1, 2020, a taxpayer may claim a tax  
33 credit against the taxpayer's tax liability in an amount up to seventy-five percent of the  
34 operation costs to the taxpayer less any amounts paid by the taxpayer's employees for child  
35 care at the taxpayer's facilities during a tax year.

36           3. No taxpayer shall claim an amount of a tax credit under subsection 2 of this  
37 section that is more than fifty percent of the amount of the taxpayer's tax liability, as  
38 computed without regard to any other tax credits.

39           4. Any amount of a tax credit authorized under subsection 2 of this section that  
40 cannot be claimed during a tax year shall not be refunded but may be carried over to  
41 subsequent tax years, not to exceed a total of five tax years.

42           5. For tax years beginning on or after January 1, 2020, a taxpayer may claim a tax  
43 credit against the taxpayer's tax liability in an amount equal to ten percent of the costs of  
44 qualified child care property purchased or acquired by the taxpayer for the tax year the  
45 taxpayer first places such qualified child care property in service and for each of the  
46 ensuing nine tax years.

47           6. Any amount of a tax credit authorized under subsection 5 of this section that  
48 cannot be claimed during any tax year shall not be refunded but may be carried over to  
49 a subsequent tax year, not to exceed a total of three years. The sale, merger, acquisition,  
50 or bankruptcy of any taxpayer shall not create new eligibility for the credit for any  
51 succeeding taxpayer.

52           7. No taxpayer shall claim an amount of a tax credit under subsection 5 of this  
53 section that is more than fifty percent of the amount of the taxpayer's tax liability, as  
54 computed without regard to any other tax credits.

55           8. No taxpayer shall claim a tax credit under subsection 5 of this section for a child  
56 care facility for which the taxpayer has claimed a tax credit under subsection 2 of this  
57 section.

58           9. The taxpayer shall certify to the department of revenue the names of the  
59 employees who use the child care service, the name of the child care provider, and such  
60 other information as may be required by the department. The department may  
61 promulgate rules to implement the provisions of this section. Any rule or portion of a rule,  
62 as that term is defined in section 536.010, that is created under the authority delegated in  
63 this section shall become effective only if it complies with and is subject to all of the  
64 provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536  
65 are nonseverable, and if any of the powers vested with the general assembly pursuant to  
66 chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are  
67 subsequently held unconstitutional, then the grant of rulemaking authority and any rule  
68 proposed or adopted after August 28, 2019, shall be invalid and void.

69           10. Under section 23.253 of the Missouri sunset act:

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

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

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

79           (4) Nothing in this subsection shall prohibit a taxpayer from claiming a tax credit  
80 properly issued before the program was sunset.

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