

HB 1220 -- FIRST-TIME BUSINESS OWNER SAVINGS ACCOUNT ACT

SPONSOR: Johnson

Beginning January 1, 2022, this bill establishes the "First-Time Business Owner Savings Account Act" and authorizes an income tax deduction for 50% of the contributions to such a savings account dedicated to establishing a business for a person who has never owned a business before and who is a member of a minority. The bill specifies that the annual contribution deduction limit is \$1,600 per taxpayer. The maximum contribution limit for all tax years is \$20,000 and the maximum total amount in the savings account is \$30,000.

Funds in the savings account may be used only for eligible expenses that result in the startup of a new business or that occur during the first month of a new business. Any withdrawal of funds for other purposes will be subject to recapture and penalties.

The provisions under Section 143.1155, RSMo, which is the First-Time Business Owner Tax Deduction, will expire on December 31, six years from the effective date.

This bill is the same as HB 1845 (2020) and HB 92 (2019).