

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

Offered By

1 AMEND House Committee Substitute for Senate Substitute for Senate Committee Substitute for  
2 Senate Bill Nos. 3 & 5, Page 7, Section 143.071, Line 63, by inserting after all of said section and  
3 line the following:  
4

5 "143.177. 1. This section shall be known and may be cited as the "Missouri Working  
6 Family Tax Credit Act".

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

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

9 (2) "Eligible taxpayer", a resident individual with a filing status of single, head of  
10 household, widowed, or married filing combined who is subject to the tax imposed under this  
11 chapter, excluding withholding tax imposed under sections 143.191 to 143.265, and who is allowed  
12 a federal earned income tax credit under 26 U.S.C. Section 32, as amended;

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

15 3. (1) Beginning with the 2023 calendar year, an eligible taxpayer shall be allowed a tax  
16 credit in an amount equal to a percentage of the amount such taxpayer would receive under the  
17 federal earned income tax credit as such credit existed under 26 U.S.C. Section 32 as of January 1,  
18 2021, as provided pursuant to subdivision (2) of this subsection. The tax credit allowed by this  
19 section shall be claimed by such taxpayer at the time such taxpayer files a return and shall be  
20 applied against the income tax liability imposed by this chapter after reduction for all other credits  
21 allowed thereon. If the amount of the credit exceeds the tax liability, the difference shall ~~not~~ be  
22 refunded to the taxpayer ~~[and shall not be carried forward to any subsequent tax year]~~.

23 (2) Subject to the provisions of subdivision (3) of this subsection, the percentage of the  
24 federal earned income tax credit to be allowed as a tax credit pursuant to subdivision (1) of this  
25 subsection shall be ten percent, which may be increased to twenty percent subject to the provisions  
26 of subdivision (3) of this subsection. The maximum percentage that may be claimed as a tax credit  
27 pursuant to this section shall be twenty percent of the federal earned income tax credit that may be  
28 claimed by such taxpayer. Any increase in the percentage that may be claimed as a tax credit shall  
29 take effect on January first of a calendar year and such percentage shall continue in effect until the  
30 next percentage increase occurs. An increase shall only apply to tax years that begin on or after the

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1 increase takes effect.

2 (3) The initial percentage to be claimed as a tax credit and any increase in the percentage  
3 that may be claimed pursuant to subdivision (2) of this subsection shall only occur if the amount of  
4 net general revenue collected in the previous fiscal year exceeds the highest amount of net general  
5 revenue collected in any of the three fiscal years prior to such fiscal year by at least one hundred  
6 fifty million dollars.

7 4. Notwithstanding the provisions of section 32.057 to the contrary, the department shall  
8 determine whether any taxpayer filing a report or return with the department who did not apply for  
9 the credit authorized under this section may qualify for the credit and, if so, determines a taxpayer  
10 may qualify for the credit, shall notify such taxpayer of his or her potential eligibility. In making a  
11 determination of eligibility under this section, the department shall use any appropriate and  
12 available data including, but not limited to, data available from the Internal Revenue Service, the  
13 U.S. Department of Treasury, and state income tax returns from previous tax years.

14 5. The department shall prepare an annual report containing statistical information regarding  
15 the tax credits issued under this section for the previous tax year, including the total amount of  
16 revenue expended, the number of credits claimed, and the average value of the credits issued to  
17 taxpayers whose earned income falls within various income ranges determined by the department.

18 6. The director of the department may promulgate rules and regulations to administer the  
19 provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010,  
20 that is created under the authority delegated in this section shall become effective only if it complies  
21 with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This  
22 section and chapter 536 are nonseverable and if any of the powers vested with the general assembly  
23 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are  
24 subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or  
25 adopted after January 1, 2023, shall be invalid and void.

26 7. Tax credits authorized under this section shall not be subject to the requirements of  
27 sections 135.800 to 135.830."; and

28  
29 Further amend said bill by amending the title, enacting clause, and intersectional references  
30 accordingly.