

FIRST REGULAR SESSION

HOUSE BILL NO. 120

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE NURRENBERN.

0167H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to tax credits.

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
2 known as section 135.347, to read as follows:

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

2 **(1) "Qualified taxpayer", any employer subject to the state income tax imposed**
3 **under chapter 143, excluding the withholding tax imposed under sections 143.191 to**
4 **143.265, who pays for or provides child day care services, including the provision of the**
5 **service of locating such services, to its employees or who provides facilities and**
6 **necessary equipment for child day care services;**

7 **(2) "Tax credit", a credit against the tax otherwise due under chapter 143,**
8 **excluding withholding tax imposed under sections 143.191 to 143.265.**

9 **2. For all tax years beginning on or after January 1, 2024, a qualified taxpayer**
10 **shall be allowed to claim a tax credit against the qualified taxpayer's state tax liability as**
11 **follows:**

12 **(1) Thirty percent of the total amount expended in the state during the tax year**
13 **by a qualified taxpayer for child day care services purchased to provide care for the**
14 **dependent children of the qualified taxpayer's employees or for the provision of the**
15 **service of locating such services for such children;**

16 **(2) (a) In the tax year in which a facility providing child day care services in the**
17 **state for use primarily by the dependent children of the qualified taxpayer's employees**

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 is established, fifty percent of the total amount expended during such year by a qualified
19 taxpayer in the establishment and operation of such facility;

20 (b) For all tax years beginning on or after January 1, 2024, in the tax years other
21 than the tax year to which paragraph (a) of this subdivision applies, fifty percent of the
22 total amount expended during the tax year by a qualified taxpayer for the operation of a
23 facility described in this subdivision less the amount of moneys received by the qualified
24 taxpayer for use of such facility for child day care services;

25 (3) (a) In the tax year in which a facility providing child day care services in the
26 state for use primarily by the dependent children of the qualified taxpayer's employees
27 is established in conjunction with one or more other qualified taxpayers, fifty percent of
28 the total amount expended during such year by a qualified taxpayer in the
29 establishment and operation of such facility;

30 (b) For all tax years beginning on or after January 1, 2024, in the tax years other
31 than the tax year to which paragraph (a) of this subdivision applies, fifty percent of the
32 total amount expended during the tax year by a qualified taxpayer for the operation of a
33 facility described in this subdivision less the amount of moneys received by the qualified
34 taxpayer for use of such facility for child day care services; and

35 (4) For all tax years beginning on or after January 1, 2024, fifty percent of the
36 total amount expended during the tax year by a qualified taxpayer as payments to an
37 organization providing access to available child day care services for the qualified
38 taxpayer's employees.

39 3. No credit shall be allowed under this section unless the child day care facility
40 or provider is licensed or registered under Missouri law.

41 4. The credit allowed by subdivision (1) of subsection 2, paragraph (b) of
42 subdivision (2) of subsection 2, and paragraph (b) of subdivision (3) of subsection 2 shall
43 not exceed thirty thousand dollars for any qualified taxpayer during any tax year. The
44 credit allowed by paragraph (a) of subdivision (2) of subsection 2, paragraph (a) of
45 subdivision (3) of subsection 2, and subdivision (4) of subsection 2 shall not exceed forty-
46 five thousand dollars for any qualified taxpayer during any tax year.

47 5. The amount of the credit that exceeds the tax liability for the tax year shall be
48 refunded to the qualified taxpayer.

49 6. If the qualified taxpayer is a corporation having an election in effect under
50 Subchapter S of the federal Internal Revenue Code or a partnership, the credit provided
51 by this section shall be claimed by the shareholders of such corporation or the partners
52 of such partnership in the same manner as such shareholders or partners account for
53 their proportionate shares of the income or loss of the corporation or partnership.

54 **7. The cumulative amount of tax credits allowed to all qualified taxpayers under**
55 **this section shall not exceed ten million dollars per tax year. If the amount of tax credits**
56 **claimed in a tax year under this section exceeds ten million dollars, tax credits shall be**
57 **allowed based on the order in which they are claimed.**

58 **8. No tax credit claimed under this section shall be carried forward to any**
59 **subsequent tax year.**

60 **9. No tax credit claimed under this section shall be assigned, transferred, sold, or**
61 **otherwise conveyed.**

62 **10. The department of revenue shall promulgate all necessary rules and**
63 **regulations for the administration of this section. Any rule or portion of a rule, as that**
64 **term is defined in section 536.010, that is created under the authority delegated in this**
65 **section shall become effective only if it complies with and is subject to all of the**
66 **provisions of chapter 536 and, if applicable, section 536.028. This section and chapter**
67 **536 are nonseverable and if any of the powers vested with the general assembly**
68 **pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul**
69 **a rule are subsequently held unconstitutional, then the grant of rulemaking authority**
70 **and any rule proposed or adopted after August 28, 2023, shall be invalid and void.**

71 **11. Under section 23.253 of the Missouri sunset act:**

72 **(1) The provisions of the new program authorized under this section shall**
73 **automatically sunset six years after the effective date of this section unless reauthorized**
74 **by an act of the general assembly;**

75 **(2) If such program is reauthorized, the program authorized under this section**
76 **shall automatically sunset twelve years after the effective date of the reauthorization of**
77 **this section; and**

78 **(3) This section shall terminate on September first of the calendar year**
79 **immediately following the calendar year in which the provisions authorized under this**
80 **section are sunset.**

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