

FIRST REGULAR SESSION  
SENATE COMMITTEE SUBSTITUTE FOR  
HOUSE COMMITTEE SUBSTITUTE FOR

# HOUSE BILL NO. 668

102ND GENERAL ASSEMBLY

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KRISTINA MARTIN, Secretary

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## AN ACT

To amend chapters 135 and 620, RSMo, by adding thereto five new sections relating to financial incentives for employers.

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*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Chapters 135 and 620, RSMo, are amended by  
2 adding thereto five new sections, to be known as sections  
3 135.1310, 135.1325, 135.1350, 620.2500, and 620.2550, to read  
4 as follows:

135.1310. 1. This section shall be known and may be  
2 cited as the "Child Care Contribution Tax Credit Act".

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

5 (1) "Child care", the same as defined in section  
6 210.201;

7 (2) "Child care desert", a census tract that has a  
8 poverty rate of at least twenty percent or a median family  
9 income of less than eighty percent of the statewide average  
10 and where at least five hundred people or thirty-three  
11 percent of the population are located at least one-half mile  
12 away from a child care provider in urbanized areas or at  
13 least ten miles away in rural areas;

14 (3) "Child care provider", a child care provider as  
15 defined in section 210.201 that is licensed pursuant to

16 section 210.221, or that is unlicensed and that is  
17 registered with the department of elementary and secondary  
18 education;

19 (4) "Contribution", an eligible donation of cash,  
20 stock, bonds or other marketable securities, or real  
21 property;

22 (5) "Department", the Missouri department of economic  
23 development;

24 (6) "Person related to the taxpayer", an individual  
25 connected with the taxpayer by blood, adoption, or marriage,  
26 or an individual, corporation, partnership, limited  
27 liability company, trust, or association controlled by, or  
28 under the control of, the taxpayer directly, or through an  
29 individual, corporation, limited liability company,  
30 partnership, trust, or association under the control of the  
31 taxpayer;

32 (7) "Rural area", a town or community within the state  
33 that is not within a metropolitan statistical area and has a  
34 population of six thousand or fewer inhabitants as  
35 determined by the last preceding federal decennial census or  
36 any unincorporated area not within a metropolitan  
37 statistical area;

38 (8) "State tax liability", in the case of a business  
39 taxpayer, any liability incurred by such taxpayer pursuant  
40 to chapter 143 and chapter 148, exclusive of the provisions  
41 relating to the withholding of tax as provided for in  
42 sections 143.191 to 143.265 and related provisions, and in  
43 the case of an individual taxpayer, any liability incurred  
44 by such taxpayer pursuant to chapter 143;

45 (9) "Tax credit", a credit against the taxpayer's  
46 state tax liability;

47           (10) "Taxpayer", a corporation as defined in section  
48 143.441 or 143.471, any charitable organization that is  
49 exempt from federal income tax and whose Missouri unrelated  
50 business taxable income, if any, would be subject to the  
51 state income tax imposed under chapter 143, or individuals  
52 or partnerships subject to the state income tax imposed by  
53 the provisions of chapter 143.

54           3. For all tax years beginning on or after January 1,  
55 2023, a taxpayer may claim the tax credit authorized in this  
56 section against the taxpayer's state tax liability for the  
57 tax year in which a verified contribution was made in an  
58 amount equal to up to seventy-five percent of the verified  
59 contribution to a child care provider. The minimum amount  
60 of any tax credit issued shall not be less than one hundred  
61 dollars and shall not exceed two hundred thousand dollars  
62 per tax year.

63           (1) The child care provider receiving a contribution  
64 shall, within sixty days of the date it received the  
65 contribution, issue the taxpayer a contribution verification  
66 and file a copy of the contribution verification with the  
67 department. The contribution verification shall be in the  
68 form established by the department and shall include the  
69 taxpayer's name, taxpayer's state or federal tax  
70 identification number or last four digits of the taxpayer's  
71 Social Security number, amount of tax credit, amount of  
72 contribution, legal name and address of the child care  
73 provider receiving the tax credit, the child care provider's  
74 federal employer identification number, the child care  
75 provider's departmental vendor number or license number, and  
76 the date the child care provider received the contribution  
77 from the taxpayer. The contribution verification shall

78 include a signed attestation stating the child care provider  
79 will use the contribution solely to promote child care.

80 (2) The failure of the child care provider to timely  
81 issue the contribution verification to the taxpayer or file  
82 it with the department shall entitle the taxpayer to a  
83 refund of the contribution from the child care provider.

84 4. A donation is eligible when:

85 (1) The donation is used directly by a child care  
86 provider to promote child care for children twelve years of  
87 age or younger, including by acquiring or improving child  
88 care facilities, equipment, or services, or improving staff  
89 salaries, staff training, or the quality of child care;

90 (2) The donation is made to a child care provider in  
91 which the taxpayer or a person related to the taxpayer does  
92 not have a direct financial interest; and

93 (3) The donation is not made in exchange for care of a  
94 child or children in the case of an individual taxpayer that  
95 is not an employer making a contribution on behalf of its  
96 employees.

97 5. A child care provider that uses the contribution  
98 for an ineligible purpose shall repay to the department the  
99 value of the tax credit for the contribution amount used for  
100 an ineligible purpose.

101 6. The tax credits authorized by this section shall  
102 not be refundable and shall not be transferred, sold, or  
103 otherwise conveyed. Any amount of approved tax credits that  
104 a taxpayer is prohibited by this subsection from using for  
105 the tax year in which the credit is first claimed may be  
106 carried back to the taxpayer's immediately prior tax year  
107 and carried forward to the taxpayer's subsequent tax year  
108 for up to five succeeding tax years.

109           7. Notwithstanding any provision of subsection 6 of  
110 this section to the contrary, a taxpayer that is exempt,  
111 under 26 U.S.C. Section 501(c)(3), and any amendments  
112 thereto, from all or part of the federal income tax shall be  
113 eligible for a refund of its tax credit issued under this  
114 section, without regard to whether it has incurred any state  
115 tax liability. Such exempt taxpayer may claim a refund of  
116 the tax credit on its tax return required to be filed under  
117 the provisions of chapter 143, exclusive of the return for  
118 the withholding of tax under sections 143.191 to 143.265.  
119 If such exempt taxpayer is not required to file a tax return  
120 under the provisions of chapter 143, the exempt taxpayer may  
121 claim a refund of the tax credit on a refund claim form  
122 prescribed by the department of revenue. The department of  
123 revenue shall prescribe such forms, instructions, and rules  
124 as it deems appropriate to carry out the provisions of this  
125 subsection.

126           8. (1) The cumulative amount of tax credits  
127 authorized pursuant to this section shall not exceed twenty  
128 million dollars for each calendar year. The department  
129 shall approve tax credit applications on a first-come, first-  
130 served basis until the cumulative tax credit authorization  
131 limit is reached for the calendar year. A taxpayer shall  
132 apply to the department for the child care contribution tax  
133 credit by submitting a copy of the contribution verification  
134 provided by a child care provider to such taxpayer. Upon  
135 receipt of the contribution verification, the department  
136 shall issue a tax credit certificate to the applicant.

137           (2) If the maximum amount of tax credits allowed in  
138 any calendar year as provided pursuant to subdivision (1) of  
139 this subsection is authorized, the maximum amount of tax  
140 credits allowed pursuant to subdivision (1) of this

141 subsection shall be increased by fifteen percent, provided  
142 that all such increases in the allowable amount of tax  
143 credits shall be reserved for contributions made to child  
144 care providers located in a child care desert. The director  
145 of the department shall publish such adjusted amount.

146 9. The tax credits allowed under this section shall be  
147 considered a domestic and social tax credit under  
148 subdivision (5) of subsection 2 of section 135.800.

149 10. All action and communication undertaken or  
150 required under this section shall be exempt from section  
151 105.1500.

152 11. The department may promulgate rules to implement  
153 and administer the provisions of this section. Any rule or  
154 portion of a rule, as that term is defined in section  
155 536.010, that is created pursuant to the authority delegated  
156 in this section shall become effective only if it complies  
157 with and is subject to all of the provisions of chapter 536  
158 and, if applicable, section 536.028. This section and  
159 chapter 536 are nonseverable and if any of the powers vested  
160 with the general assembly pursuant to chapter 536 to review,  
161 to delay the effective date, or to disapprove and annul a  
162 rule are subsequently held unconstitutional, then the grant  
163 of rulemaking authority and any rule proposed or adopted  
164 after August 28, 2023, shall be invalid and void.

165 12. Pursuant to section 23.253 of the Missouri sunset  
166 act:

167 (1) The program authorized under this section shall  
168 expire on December 31, 2029, unless reauthorized by the  
169 general assembly;

170 (2) The act shall terminate on September first of the  
171 calendar year immediately following the calendar year in  
172 which the program authorized under this section is sunset;

173           (3) If such program is reauthorized, the program  
174 authorized under this act shall automatically sunset six  
175 years after the effective date of the reauthorization of  
176 this section; and

177           (4) The provisions of this subsection shall not be  
178 construed to limit or in any way impair the department of  
179 revenue's ability to redeem tax credits authorized on or  
180 before the date the program authorized pursuant to this  
181 section expires or a taxpayer's ability to redeem such tax  
182 credits.

          135.1325. 1. This section shall be known and may be  
2 cited as the "Employer Provided Child Care Assistance Tax  
3 Credit Act".

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

6           (1) "Child care desert", a census tract that has a  
7 poverty rate of at least twenty percent or a median family  
8 income of less than eighty percent of the statewide average  
9 and where at least five hundred people or thirty-three  
10 percent of the population are located at least one-half mile  
11 away from a child care provider in urbanized areas or at  
12 least ten miles away in rural areas;

13           (2) "Child care facility", a child care facility as  
14 defined in section 210.201 that is licensed pursuant to  
15 section 210.221, or that is unlicensed and that is  
16 registered with the department of elementary and secondary  
17 education;

18           (3) "Department", the Missouri department of economic  
19 development;

20           (4) "Employer matching contribution", a contribution  
21 made by the taxpayer to a cafeteria plan, as that term is  
22 used in 26 U.S.C. Section 125, of an employee of the

23 taxpayer, which matches a dollar amount or percentage of the  
24 employee's contribution to the cafeteria plan. "Employer  
25 matching contribution" shall not include the amount of any  
26 salary reduction or other compensation foregone by the  
27 employee in connection with the cafeteria plan;

28 (5) "Qualified child care expenditure", an amount paid  
29 of reasonable costs incurred that meet any of the following:

30 (a) To acquire, construct, rehabilitate, or expand  
31 property that will be, or is, used as part of a child care  
32 facility that is either operated by the taxpayer or  
33 contracted with by the taxpayer and which does not  
34 constitute part of the principal residence of the taxpayer  
35 or any employee of the taxpayer;

36 (b) For the operating costs of a child care facility  
37 of the taxpayer, including costs relating to the training of  
38 employees, scholarship programs, and for compensation to  
39 employees;

40 (c) Under a contract with a child care facility to  
41 provide child care services to employees of the taxpayer; or

42 (d) As an employer matching contribution, but only to  
43 the extent such employer matching contribution is restricted  
44 by the taxpayer solely for the taxpayer's employee to obtain  
45 child care services at a child care facility and is used for  
46 that purpose during the tax year;

47 (6) "Rural area", a town or community within the state  
48 that is not within a metropolitan statistical area and has a  
49 population of six thousand or fewer inhabitants as  
50 determined by the last preceding federal decennial census or  
51 any unincorporated area not within a metropolitan  
52 statistical area;

53 (7) "State tax liability", in the case of a business  
54 taxpayer, any liability incurred by such taxpayer pursuant



55 to the provisions of chapter 143 and chapter 148, exclusive  
56 of the provisions relating to the withholding of tax as  
57 provided for in sections 143.191 to 143.265 and related  
58 provisions, and in the case of an individual taxpayer, any  
59 liability incurred by such taxpayer pursuant to the  
60 provisions of chapter 143;

61 (8) "Tax credit", a credit against the taxpayer's  
62 state tax liability;

63 (9) "Taxpayer", a corporation as defined in section  
64 143.441 or 143.471, any charitable organization that is  
65 exempt from federal income tax and whose Missouri unrelated  
66 business taxable income, if any, would be subject to the  
67 state income tax imposed under chapter 143, or individuals  
68 or partnerships subject to the state income tax imposed by  
69 the provisions of chapter 143.

70 3. For all tax years beginning on or after January 1,  
71 2023, a taxpayer may claim a tax credit authorized in this  
72 section in an amount equal to thirty percent of the  
73 qualified child care expenditures paid or incurred with  
74 respect to a child care facility. The maximum amount of any  
75 tax credit issued under this section shall not exceed two  
76 hundred thousand dollars per taxpayer per tax year.

77 4. A facility shall not be treated as a child care  
78 facility with respect to a taxpayer unless the following  
79 conditions have been met:

80 (1) Enrollment in the facility is open to employees of  
81 the taxpayer during the tax year; and

82 (2) If the facility is the principal business of the  
83 taxpayer, at least thirty percent of the enrollees of such  
84 facility are dependents of employees of the taxpayer.

85 5. The tax credits authorized by this section shall  
86 not be refundable or transferable. The tax credits shall

87 not be sold, assigned, or otherwise conveyed. Any amount of  
88 approved tax credits that a taxpayer is prohibited by this  
89 subsection from using for the tax year in which the credit  
90 is first claimed may be carried back to the taxpayer's  
91 immediately prior tax year and carried forward to the  
92 taxpayer's subsequent tax year for up to five succeeding tax  
93 years.

94 6. Notwithstanding any provision of subsection 5 of  
95 this section to the contrary, a taxpayer that is exempt,  
96 under 26 U.S.C. Section 501(c)(3), and any amendments  
97 thereto, from all or part of the federal income tax shall be  
98 eligible for a refund of its tax credit issued under this  
99 section, without regard to whether it has incurred any state  
100 tax liability. Such exempt taxpayer may claim a refund of  
101 the tax credit on its tax return required to be filed under  
102 the provisions of chapter 143, exclusive of the return for  
103 the withholding of tax under sections 143.191 to 143.265.  
104 If such exempt taxpayer is not required to file a tax return  
105 under the provisions of chapter 143, the exempt taxpayer may  
106 claim a refund of the tax credit on a refund claim form  
107 prescribed by the department of revenue. The department of  
108 revenue shall prescribe such forms, instructions, and rules  
109 as it deems appropriate to carry out the provisions of this  
110 subsection.

111 7. (1) The cumulative amount of tax credits  
112 authorized pursuant to this section shall not exceed twenty  
113 million dollars for each calendar year. The department  
114 shall approve tax credit applications on a first-come, first-  
115 served basis until the cumulative tax credit authorization  
116 limit is reached for the calendar year.

117 (2) If the maximum amount of tax credits allowed in  
118 any calendar year as provided pursuant to subdivision (1) of

119 this subsection is authorized, the maximum amount of tax  
120 credits allowed pursuant to subdivision (1) of this  
121 subsection shall be increased by fifteen percent, provided  
122 that all such increases in the allowable amount of tax  
123 credits shall be reserved for qualified child care  
124 expenditures for child care facilities located in a child  
125 care desert. The director of the department shall publish  
126 such adjusted amount.

127 8. A taxpayer who has claimed a tax credit under this  
128 section shall notify the department within sixty days of any  
129 cessation of operation, change in ownership, or agreement to  
130 assume recapture liability as such terms are defined by 26  
131 U.S.C. Section 45F, in the form and manner prescribed by  
132 department rule or instruction. If there is a cessation of  
133 operation or change in ownership relating to a child care  
134 facility, the taxpayer shall repay the department the  
135 applicable recapture percentage of the credit allowed under  
136 this section, but this recapture amount shall be limited to  
137 the tax credit allowed under this section. The recapture  
138 amount shall be considered a tax liability arising on the  
139 tax payment due date for the tax year in which the cessation  
140 of operation, change in ownership, or agreement to assume  
141 recapture liability occurred and shall be assessed and  
142 collected under the same provisions that apply to a tax  
143 liability under chapter 143 or chapter 148.

144 9. The tax credit allowed pursuant to this section  
145 shall be considered a domestic and social tax credit under  
146 subdivision (5) of subsection 2 of section 135.800.

147 10. All action and communication undertaken or  
148 required under this section shall be exempt from section  
149 105.1500.

150           11. The department may promulgate rules to implement  
151 and administer the provisions of this section. Any rule or  
152 portion of a rule, as that term is defined in section  
153 536.010, that is created pursuant to the authority delegated  
154 in this section shall become effective only if it complies  
155 with and is subject to all of the provisions of chapter 536  
156 and, if applicable, section 536.028. This section and  
157 chapter 536 are nonseverable and if any of the powers vested  
158 with the general assembly pursuant to chapter 536 to review,  
159 to delay the effective date, or to disapprove and annul a  
160 rule are subsequently held unconstitutional, then the grant  
161 of rulemaking authority and any rule proposed or adopted  
162 after August 28, 2023, shall be invalid and void.

163           12. Pursuant to section 23.253 of the Missouri sunset  
164 act:

165           (1) The program authorized under this act shall expire  
166 on December 31, 2029, unless reauthorized by the general  
167 assembly;

168           (2) The act shall terminate on September first of the  
169 calendar year immediately following the calendar year in  
170 which the program authorized under the act is sunset;

171           (3) If such program is reauthorized, the program  
172 authorized under this act shall automatically sunset six  
173 years after the effective date of the reauthorization of the  
174 act; and

175           (4) The provisions of this subsection shall not be  
176 construed to limit or in any way impair the department of  
177 revenue's ability to redeem tax credits authorized on or  
178 before the date the program authorized pursuant to this  
179 section expires or a taxpayer's ability to redeem such tax  
180 credits.

135.1350. 1. This section shall be known and may be cited as the "Child Care Providers Tax Credit Act".

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

(1) "Capital expenditures", expenses incurred by a child care provider, during the tax year for which a tax credit is claimed pursuant to this section, for the construction, renovation, or rehabilitation of a child care facility to the extent necessary to operate a child care facility and comply with applicable child care facility regulations promulgated by the department of elementary and secondary education;

(2) "Child care desert", a census tract that has a poverty rate of at least twenty percent or a median family income of less than eighty percent of the statewide average and where at least five hundred people or thirty-three percent of the population are located at least one-half mile away from a child care provider in urbanized areas or at least ten miles away in rural areas;

(3) "Child care facility", the same as defined in section 210.201;

(4) "Child care provider", a child care provider as defined in section 210.201 that is licensed pursuant to section 210.221, or that is unlicensed and that is registered with the department of elementary and secondary education;

(5) "Department", the department of elementary and secondary education;

(6) "Employee", an employee, as that term is used in subsection 2 of section 143.191, of a child care provider who worked for the child care provider for an average of at least ten hours per week for at least a three-month period

33 during the tax year for which a tax credit is claimed  
34 pursuant to this section and who is not an immediate family  
35 member of the child care provider;

36 (7) "Eligible employer withholding tax", the total  
37 amount of tax that the child care provider was required,  
38 under section 143.191, to deduct and withhold from the wages  
39 it paid to employees during the tax year for which the child  
40 care provider is claiming a tax credit pursuant to this  
41 section, to the extent actually paid;

42 (8) "Rural area", a town or community within the state  
43 that is not within a metropolitan statistical area and has a  
44 population of six thousand or fewer inhabitants as  
45 determined by the last preceding federal decennial census or  
46 any unincorporated area not within a metropolitan  
47 statistical area;

48 (9) "State tax liability", any liability incurred by  
49 the taxpayer pursuant to the provisions of chapter 143,  
50 exclusive of the provisions relating to the withholding of  
51 tax as provided for in sections 143.191 to 143.265 and  
52 related provisions;

53 (10) "Tax credit", a credit against the taxpayer's  
54 state tax liability;

55 (11) "Taxpayer", a corporation as defined in section  
56 143.441 or 143.471, any charitable organization that is  
57 exempt from federal income tax and whose Missouri unrelated  
58 business taxable income, if any, would be subject to the  
59 state income tax imposed under chapter 143, or an individual  
60 or partnership subject to the state income tax imposed by  
61 the provisions of chapter 143.

62 3. For all tax years beginning on or after January 1,  
63 2024, a child care provider with three or more employees may  
64 claim a tax credit authorized in this section in an amount

65 equal to the child care provider's eligible employer  
66 withholding tax, and may also claim a tax credit in an  
67 amount up to thirty percent of the child care provider's  
68 capital expenditures. No tax credit for capital  
69 expenditures shall be allowed if the capital expenditures  
70 are less than one thousand dollars. The amount of any tax  
71 credit issued under this section shall not exceed two  
72 hundred thousand dollars per child care provider per tax  
73 year.

74 4. To claim a tax credit authorized pursuant to this  
75 section, a child care provider shall submit to the  
76 department, for preliminary approval, an application for the  
77 tax credit on a form provided by the department and at such  
78 times as the department may require. If the child care  
79 provider is applying for a tax credit for capital  
80 expenditures, the child care provider shall present proof  
81 acceptable to the department that the child care provider's  
82 capital expenditures satisfy the requirements of subdivision  
83 (1) of subsection 2 of this section. Upon final approval of  
84 an application, the department shall issue the child care  
85 provider a certificate of tax credit.

86 5. The tax credits authorized by this section shall  
87 not be refundable and shall not be transferred, sold,  
88 assigned, or otherwise conveyed. Any amount of credit that  
89 exceeds the child care provider's state tax liability for  
90 the tax year for which the tax credit is issued may be  
91 carried back to the child care provider's immediately prior  
92 tax year or carried forward to the child care provider's  
93 subsequent tax year for up to five succeeding tax years.

94 6. Notwithstanding any provision of subsection 5 of  
95 this section to the contrary, a child care provider that is  
96 exempt, under 26 U.S.C. Section 501(c)(3), and any

97 amendments thereto, from all or part of the federal income  
98 tax shall be eligible for a refund of its tax credit issued  
99 under this section, without regard to whether it has  
100 incurred any state tax liability. Such exempt child care  
101 provider may claim a refund of the tax credit on its tax  
102 return required to be filed under the provisions of chapter  
103 143, exclusive of the return for the withholding of tax  
104 under sections 143.191 to 143.265. If such exempt child  
105 care provider is not required to file a tax return under the  
106 provisions of chapter 143, the exempt child care provider  
107 may claim a refund of the tax credit on a refund claim form  
108 prescribed by the department of revenue. The department of  
109 revenue shall prescribe such forms, instructions, and rules  
110 as it deems appropriate to carry out the provisions of this  
111 subsection.

112         7. (1) The cumulative amount of tax credits  
113 authorized pursuant to this section shall not exceed twenty  
114 million dollars for each calendar year. The department  
115 shall approve tax credit applications on a first-come, first-  
116 served basis until the cumulative tax credit authorization  
117 limit is reached for the calendar year.

118         (2) If the maximum amount of tax credits allowed in  
119 any calendar year as provided pursuant to subdivision (1) of  
120 this subsection is authorized, the maximum amount of tax  
121 credits allowed pursuant to subdivision (1) of this  
122 subsection shall be increased by fifteen percent, provided  
123 that all such increases in the allowable amount of tax  
124 credits shall be reserved for child care providers located  
125 in a child care desert. The director of the department  
126 shall publish such adjusted amount.



127           8. The tax credit authorized by this section shall be  
128 considered a domestic and social tax credit under  
129 subdivision (5) of subsection 2 of section 135.800.

130           9. All action and communication undertaken or required  
131 with respect to this section shall be exempt from section  
132 105.1500. Notwithstanding section 32.057 or any other tax  
133 confidentiality law to the contrary, the department of  
134 revenue may disclose tax information to the department for  
135 the purpose of the verification of a child care provider's  
136 eligible employer withholding tax under this section.

137           10. The department may promulgate rules and adopt  
138 statements of policy, procedures, forms and guidelines to  
139 implement and administer the provisions of this section.  
140 Any rule or portion of a rule, as that term is defined in  
141 section 536.010, that is created pursuant to the authority  
142 delegated in this section shall become effective only if it  
143 complies with and is subject to all of the provisions of  
144 chapter 536 and, if applicable, section 536.028. This  
145 section and chapter 536 are nonseverable and if any of the  
146 powers vested with the general assembly pursuant to chapter  
147 536 to review, to delay the effective date, or to disapprove  
148 and annul a rule are subsequently held unconstitutional,  
149 then the grant of rulemaking authority and any rule proposed  
150 or adopted after August 28, 2023, shall be invalid and void.

151           11. Pursuant to section 23.253 of the Missouri sunset  
152 act:

153           (1) The program authorized under this section shall  
154 expire on December 31, 2029, unless reauthorized by the  
155 general assembly;

156           (2) The act shall terminate on September first of the  
157 calendar year immediately following the calendar year in  
158 which the program authorized under this section is sunset;

159           (3) If such program is reauthorized, the program  
160 authorized under this section shall automatically sunset six  
161 years after the effective date of the reauthorization of  
162 this section; and

163           (4) The provisions of this subsection shall not be  
164 construed to limit or in any way impair the department of  
165 revenue's ability to redeem tax credits authorized on or  
166 before the date the program authorized pursuant to this  
167 section expires or a taxpayer's ability to redeem such tax  
168 credits.

          620.2500. 1. For purposes of this section, the  
2 following terms mean:

3           (1) "Employee", any person employed by a qualifying  
4 employer or any person who is a prospective employee of a  
5 qualifying employer, provided such person is not an  
6 independent contractor;

7           (2) "Health care-focused credential", a credential  
8 that demonstrates the competencies necessary to succeed in  
9 an occupation related to the delivery of health care  
10 services;

11           (3) "Public body", the state of Missouri, any  
12 department, division, commission, board, or political  
13 subdivision thereof including, but not limited to,  
14 institutions of postsecondary education that offer required  
15 courses and training necessary for an employee to obtain  
16 upskill credentials. The term "public body" shall be  
17 construed to exclude any:

18           (a) Facility that meets the definition of hospital in  
19 section 197.020;

20           (b) Long-term care facility licensed under chapter  
21 198; or

22 (c) Public hospital established and maintained under  
23 chapter 205;

24 (4) "Qualifying employer", any employer registered to  
25 do business in the state of Missouri, provided the employer  
26 is not a public body;

27 (5) "Technology-focused credential", a credential that  
28 demonstrates the competencies necessary to succeed in an  
29 occupation that utilizes technology to develop, build, and  
30 deliver products and services;

31 (6) "Training provider", any entity that provides  
32 training in upskill credentials;

33 (7) "Upskill credential", includes, but is not limited  
34 to:

35 (a) Health care-focused credentials;

36 (b) Technology-focused credentials; and

37 (c) Any other credential indicated by a qualifying  
38 employer as necessary for improving the skills of its  
39 current and prospective employees.

40 2. The department of economic development may  
41 distribute to any qualifying employer a reimbursement not to  
42 exceed two thousand dollars for each employee who obtains  
43 upskill credentials, provided that no qualifying employer  
44 shall receive more than thirty thousand dollars under this  
45 section in any fiscal year. A qualifying employer shall  
46 submit an application for an award for such reimbursement as  
47 provided in this section in order to receive such funds.

48 3. The department of economic development shall design  
49 an application form for qualifying employers to apply for an  
50 award for reimbursement. The application form shall contain  
51 all information that the department deems necessary to  
52 fulfill the provisions of this section.

53           4. (1) There is hereby created in the state treasury  
54 the "Upskill Credential Training Fund", which shall consist  
55 of moneys appropriated by the general assembly, which shall  
56 not exceed six million dollars per fiscal year. The state  
57 treasurer shall be custodian of the fund. In accordance  
58 with sections 30.170 and 30.180, the state treasurer may  
59 approve disbursements. The fund shall be a dedicated fund  
60 and, upon appropriation, moneys in this fund shall be used  
61 solely as provided in this section.

62           (2) Notwithstanding the provisions of section 33.080  
63 to the contrary, any moneys remaining in the fund at the end  
64 of the biennium shall not revert to the credit of the  
65 general revenue fund.

66           (3) The state treasurer shall invest moneys in the  
67 fund in the same manner as other funds are invested. Any  
68 interest and moneys earned on such investments shall be  
69 credited to the fund.

70           5. (1) The department of economic development shall  
71 evaluate all applications submitted by qualifying employers  
72 on a competitive basis using the following criteria:

73           (a) The pledged average wage increase that employees  
74 or prospective employees will realize after obtaining the  
75 upskill credential in relation to the cost of obtaining the  
76 upskill credential;

77           (b) The level of economic distress in the qualifying  
78 employer's region and the balance of awards made to the  
79 various regions of the state; and

80           (c) The contribution made by the qualifying employer  
81 toward the cost of obtaining the upskill credential.

82           (2) Applications shall be evaluated at the close of  
83 the application period, as determined by the department, and  
84 shall not be awarded on a first-come, first-served basis.

85 The department may make preliminary awards for reimbursement  
86 only after the application period has closed.

87 (3) Except as provided in subdivision (4) of this  
88 subsection, in making awards under this section, the  
89 department shall reserve:

90 (a) Thirty-three and one-third percent of the moneys  
91 in the upskill credential training fund to be awarded  
92 exclusively to qualifying employers with at least one but  
93 not more than fifty employees; and

94 (b) Thirty-three and one-third percent of the moneys  
95 in the upskill credential training fund to be awarded  
96 exclusively to qualifying employers with at least fifty-one  
97 but not more than two hundred employees.

98 (4) Any moneys reserved under paragraph (a) or (b) of  
99 subdivision (3) of this subsection that are not issued or  
100 awarded by March first of the fiscal year shall no longer be  
101 reserved and may be issued to any qualifying employer  
102 eligible for an award under this section.

103 (5) Applications shall be considered during  
104 application periods as determined by the department.

105 6. (1) Upon being given a preliminary award for  
106 reimbursement under this section, each qualifying employer  
107 shall sponsor a current or prospective employee to obtain an  
108 upskill credential within twelve months of the preliminary  
109 award. A current or prospective employee shall not commence  
110 the process of obtaining the upskill credential until after  
111 a preliminary award has been made.

112 (2) Upon obtaining the upskill credential, the  
113 qualifying employer shall submit proof of the upskill  
114 credential to the department of economic development.

115 (3) To receive the reimbursement, the qualifying  
116 employer shall provide to the department proof that the

117 individual who completed the upskill credential is a  
118 Missouri resident with a verifiable Missouri address. Such  
119 proof shall be submitted to the department in the manner  
120 requested by the department within six weeks of completing  
121 the upskill credential.

122 (4) If the department is satisfied that the current or  
123 prospective employee has obtained the upskill credential  
124 based upon evidence provided under subdivision (2) of this  
125 subsection and the provisions of subdivision (3) of this  
126 subsection have been satisfied, the department shall grant  
127 the qualifying employer the reimbursement indicated in the  
128 preliminary award.

129 7. Training providers shall not be eligible for awards  
130 issued under this section unless employees are trained by an  
131 outside training provider.

132 8. The director of the department of economic  
133 development may promulgate all necessary rules and  
134 regulations for the administration of this section. Any  
135 rule or portion of a rule, as that term is defined in  
136 section 536.010, that is created under the authority  
137 delegated in this section shall become effective only if it  
138 complies with and is subject to all of the provisions of  
139 chapter 536 and, if applicable, section 536.028. This  
140 section and chapter 536 are nonseverable and if any of the  
141 powers vested with the general assembly pursuant to chapter  
142 536 to review, to delay the effective date, or to disapprove  
143 and annul a rule are subsequently held unconstitutional,  
144 then the grant of rulemaking authority and any rule proposed  
145 or adopted after August 28, 2023, shall be invalid and void.

146 9. Under section 23.253 of the Missouri sunset act:

147 (1) The provisions of the new program authorized under  
148 this section shall automatically sunset six years after the

149 effective date of this section unless reauthorized by an act  
150 of the general assembly;

151 (2) If such program is reauthorized, the program  
152 authorized under this section shall automatically sunset  
153 twelve years after the effective date of the reauthorization  
154 of this section; and

155 (3) This section shall terminate on September first of  
156 the calendar year immediately following the calendar year in  
157 which the program authorized under this section is sunset.

620.2550. 1. The department of economic development  
2 shall distribute to any employer a one-time grant for the  
3 purpose of enhancing cybersecurity, subject to the  
4 requirements of this section. No employer shall receive  
5 more than one grant under this section.

6 2. Grants distributed under this section shall not  
7 exceed ninety percent of the total cost of the cybersecurity  
8 enhancement.

9 3. (1) In making grants to employers under this  
10 section, the department of economic development shall  
11 reserve fifty percent of the funding for qualifying  
12 employers with at least one but not more than fifty  
13 employees. Any reserved amount not issued or awarded to an  
14 employer with at least one but not more than fifty employees  
15 by January first may be issued to an employer otherwise  
16 eligible for an award under this section.

17 (2) Notwithstanding subdivision (1) of this  
18 subsection, priority shall be given to any company  
19 contracting with the state for the purpose of protecting  
20 critical infrastructure.

21 4. Subject to appropriation, no more than ten million  
22 dollars shall be distributed under this section in any

23 fiscal year. No more than fifteen thousand dollars shall be  
24 distributed to any one employer.

25         5. (1) The department of economic development shall  
26 create an online application form as part of its website,  
27 which shall be the sole means of applying for grants under  
28 this section. Any employer seeking a grant under this  
29 section shall submit an application to the department using  
30 such form on the department's website. The employer shall  
31 submit documents showing how the employer plans to enhance  
32 cybersecurity, including plans for how the employer will  
33 cover the remaining costs for its cybersecurity enhancement.

34         (2) In assessing an employer's plans for covering the  
35 remaining costs, the department shall consider only costs  
36 for the following:

- 37           (a) Hardware;
- 38           (b) Software, whether leased or purchased;
- 39           (c) Contracts for an external cybersecurity provider;
- 40           (d) Installation costs for cybersecurity;
- 41           (e) Costs related to increased square footage in the  
42 employer's place of business;
- 43           (f) Employee training costs;
- 44           (g) New employee salaries; and
- 45           (h) Existing employee salaries due to new  
46 cybersecurity duties.

47         (3) Any employer applying for a grant shall submit  
48 documentation to the department showing how grant funds will  
49 be used.

50         6. The department shall prescribe the time of filing  
51 applications and supervise the processing thereof, provided  
52 that applications shall be accepted by the department  
53 beginning March 1, 2024.



54           7. The department shall select qualified recipients to  
55 receive grants and determine the manner and method of  
56 payment to the recipients.

57           8. Any employer who receives a grant under this  
58 section shall submit documentation to the department no  
59 later than one year after the distribution showing how the  
60 grant funds were spent.

61           9. In the case of employers with employees and  
62 locations in more than one state, grant funds distributed  
63 under this section shall be used only for locations in  
64 Missouri and employees residing in Missouri.

65           10. For purposes of this section, the terms "enhancing  
66 cybersecurity" and "cybersecurity enhancement" mean:

- 67           (1) Cybersecurity improvement investments;  
68           (2) Cybersecurity risk assessment costs;  
69           (3) Costs associated with cyber-attack prevention  
70 employee training programs; and  
71           (4) Costs associated with upskilling employees with  
72 cybersecurity-related certifications or credentials.

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