

FIRST REGULAR SESSION

HOUSE BILL NO. 1038

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE CHRIST.

1976H.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 135.457, to read as follows:

**135.457. 1. This section shall be known and may be cited as the "Intern and
2 Apprentice Recruitment Act".**

3 2. As used in this section, the following terms mean:

**4 (1) "Apprentice", an individual registered and participating in a qualified
5 apprenticeship program in Missouri who has completed at least one year in such
6 qualified apprenticeship program;**

7 (2) "Intern": an individual who:

**8 (a) Is an undergraduate student enrolled in classes, full time or part time, at a
9 private or public college or university located in Missouri and has completed a
10 minimum of thirty credit hours, verified by a copy of an official transcript;**

**11 (b) Graduated from a private or public college or university located in Missouri
12 within the previous twelve months, verified by a copy of an official transcript; or**

**13 (c) Is currently enrolled in classes, full time or part time, in a graduate-level
14 program at a private or public college or university located in Missouri, verified by a
15 copy of an official transcript;**

**16 (3) "Qualified apprenticeship program", an approved apprenticeship program,
17 as defined under 29 CFR Part 29 and 29 U.S.C. Section 50, certified by the United States**

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 Department of Labor, in partnership with the Missouri department of higher education
19 and workforce development, and conducted in Missouri;

20 (4) "Tax credit", a credit against the tax otherwise due under chapter 143,
21 excluding withholding tax imposed under sections 143.191 to 143.265;

22 (5) "Taxpayer", any individual, firm, partner in a firm, corporation,
23 partnership, shareholder in an S corporation, or member of a limited liability
24 company subject to the state income tax imposed under chapter 143, 147, 148, or 153,
25 excluding the withholding tax imposed under sections 143.191 to 143.265.

26 3. For all tax years beginning on or after January 1, 2024, a taxpayer shall be
27 allowed to claim a tax credit against the taxpayer's state tax liability in an amount equal
28 to one thousand five hundred dollars for each intern or apprentice hired at a pay rate
29 equal to or greater than minimum wage, provided that the following criteria are met:

30 (1) The total number of interns or apprentices employed for the tax year that the
31 credit is claimed exceeds the average number of interns or apprentices employed by the
32 taxpayer over the previous three years;

33 (2) Interns shall work a minimum of sixty hours per month for two consecutive
34 months during the tax year for which the credit is claimed and a copy of each intern's
35 official transcript is submitted with the claim for such tax credit; and

36 (3) Apprentices shall complete a minimum of one hundred forty-four hours of
37 work in a calendar year and a copy of the qualified apprenticeship program
38 certification is submitted with the claim for such tax credit.

39 4. The total amount of tax credits claimed by a taxpayer under this section shall
40 not exceed nine thousand dollars in any given tax year.

41 5. The cumulative amount of tax credits allowed to all taxpayers under this
42 section shall not exceed one million dollars per tax year. If the amount of tax credits
43 claimed in a tax year under this section exceeds one million dollars, priority shall be
44 given to taxpayers that have been in business for less than five years, with the remaining
45 tax credits to be distributed based on the order in which they are claimed.

46 6. Tax credits issued under the provisions of this section shall not be refundable.
47 No tax credit claimed under this section shall be carried forward to any subsequent tax
48 year.

49 7. No tax credit claimed under this section shall be assigned, transferred, sold, or
50 otherwise conveyed.

51 8. The application for the tax credits under this section shall be made to the
52 department of economic development and shall include information on participation in
53 the qualified apprenticeship program or a copy of the official transcript for the intern
54 being claimed, if applicable, and any other such information that the department deems

55 necessary. The department of economic development shall prescribe the method for
56 claiming the tax credits allowed in this section and shall certify to the department of
57 revenue each applicant that qualifies for a tax credit under this section.

58 9. The department of economic development shall prepare an annual report
59 containing statistical information regarding the tax credits issued under this section for
60 the previous tax year, including the total amount of tax credits claimed in the tax year,
61 the average number of tax credits claimed per taxpayer, the total number of interns
62 claimed, the total number of apprentices claimed, and the total amount expended on the
63 program.

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

73 11. Under section 23.253 of the Missouri sunset act:

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

77 (2) If such program is reauthorized, the program authorized under this section
78 shall automatically sunset December thirty-first twelve years after the effective date of
79 the reauthorization of this section; and

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

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