

FIRST REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

# HOUSE BILL NO. 1038

102ND GENERAL ASSEMBLY

1976H.02P

DANA RADEMAN MILLER, Chief Clerk

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## AN ACT

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

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*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", a student who is enrolled at an approved private or public  
8 institution, as defined in section 173.1102, and who has completed a minimum of thirty  
9 credit hours;**

**10 (3) "Qualified apprenticeship program", an approved apprenticeship program,  
11 as defined under 29 CFR Part 29 and 29 U.S.C. Section 50, certified by the United States  
12 Department of Labor, in partnership with the Missouri department of higher education  
13 and workforce development, and conducted in Missouri;**

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

**16 (5) "Taxpayer", any individual, firm, partner in a firm, corporation,  
17 partnership, shareholder in an S corporation, or member of a limited liability  
18 company subject to the state income tax imposed under chapter 143, 147, 148, or 153,**

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.

19 excluding the withholding tax imposed under sections 143.191 to 143.265, and that  
20 engages in business in the apprentice's or intern's chosen field of study.

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

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

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

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

34           4. Notwithstanding any provision of section 32.057 or any other confidentiality  
35 provision of state tax law to the contrary, the department of revenue may reveal the  
36 names and other necessary information of all prior employers who have claimed an  
37 individual as an intern or apprentice under this section, including the tax years in which  
38 such individual was claimed as a qualified apprentice.

39           5. 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           6. 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           7. 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           8. No tax credit claimed under this section shall be assigned, transferred, sold, or  
50 otherwise conveyed.

51           9. 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 **10. 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 **11. 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 **12. 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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