

FIRST REGULAR SESSION

# HOUSE BILL NO. 1345

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE HARDWICK.

2558H.011

DANA RADEMAN MILLER, Chief Clerk

## AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to a work opportunity tax credit.

*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 known as section 135.465, to read as follows:

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

(1) "Barriers to employment", the same meaning as such term is used for the federal work opportunity tax credit for a member of a targeted group under Section 51 of the Internal Revenue Code;

(2) "Federal work opportunity credit", the work opportunity tax credit allowed under Section 51 of the Internal Revenue Code;

(3) "Qualified taxpayer", any individual or entity subject to the state income tax imposed under chapter 143, 147, 148, or 153, excluding the withholding tax imposed under sections 143.191 to 143.265, who is an employer that incurred or paid wages to an individual with barriers to employment and was employed in the state during the tax year for which the tax credit under this section is claimed;

(4) "Tax credit", a credit against the tax otherwise due under chapter 143, 147, 148, or 153, excluding withholding tax imposed under sections 143.191 to 143.265.

2. For all tax years beginning on or after January 1, 2024, a qualified taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability for wages paid or incurred by the qualified taxpayer during the tax year to an individual with barriers to employment who is employed in the state in an amount equal to the lesser of:

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           **(1) One hundred percent of the federal work opportunity credit properly**  
19 **claimed for the tax year by a qualified taxpayer on such taxpayer's federal income tax**  
20 **return with respect to such wages, excluding any amount carried back or forward from**  
21 **another tax year in accordance with Section 39 of the Internal Revenue Code; or**

22           **(2) The Missouri income tax imposed for that tax year, except in the case of an**  
23 **employer that is an organization exempt from taxation under Section 501(c) of the**  
24 **Internal Revenue Code.**

25           **3. An employer that is an organization exempt from taxation under Section 501**  
26 **(c) of the Internal Revenue Code may apply the credit under this section as a credit for**  
27 **the payment of taxes that the organization is required to withhold from the wages of**  
28 **employees and required to pay to the state.**

29           **4. Tax credits issued under the provisions of this section shall not be refundable.**  
30 **No tax credit claimed under this section shall be carried forward to any subsequent tax**  
31 **year.**

32           **5. No tax credit claimed under this section shall be assigned, transferred, sold, or**  
33 **otherwise conveyed.**

34           **6. The department of revenue shall promulgate all necessary rules and**  
35 **regulations for the administration of this section. Any rule or portion of a rule, as that**  
36 **term is defined in section 536.010, that is created under the authority delegated in this**  
37 **section shall become effective only if it complies with and is subject to all of the**  
38 **provisions of chapter 536 and, if applicable, section 536.028. This section and chapter**  
39 **536 are nonseverable and if any of the powers vested with the general assembly**  
40 **pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul**  
41 **a rule are subsequently held unconstitutional, then the grant of rulemaking authority**  
42 **and any rule proposed or adopted after August 28, 2023, shall be invalid and void.**

43           **7. Under section 23.253 of the Missouri sunset act:**

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

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

50           **(3) This section shall terminate on September first of the calendar year**  
51 **immediately following the calendar year in which the program authorized under this**  
52 **section is sunset.**