

HOUSE BILL NO. 1335

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE KELLY (141).

2686H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to a tax credit for the care of certain children.

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 135.2560, to read as follows:

135.2560. 1. This section shall be known and may be cited as the "Supporting Use of Child Care for Economic Stability and Security Tax Credit" or the "SUCCESS Tax Credit".

2. The general assembly of this state finds that the availability of childcare supports the well-being of children, families, the workforce, and society as a whole. The SUCCESS tax credit is intended to support the use of child care by Missouri parents who work or actively look for work, in order to promote economic stability and security.

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

(1) "Department", the department of revenue;

(2) "Eligible taxpayer", a resident individual who:

(a) Is subject to the tax imposed under chapter 143, excluding withholding tax imposed under sections 143.191 to 143.265; and

(b) Is eligible to receive a federal tax credit under 26 U.S.C. Section 21, as amended, relating to child and dependent care expenses;

(3) "Employment-related expenses", expenses for the care of a qualifying child paid by the eligible taxpayer to enable such taxpayer to work or actively look for work, as defined in 26 U.S.C. Section 21, as amended;

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 **(4) "Qualifying child", a qualifying child of the eligible taxpayer as defined in 26**
19 **U.S.C. Section 152, as amended, if the child was under six years of age at any time**
20 **during the tax year for which the tax credit is being sought;**

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

23 **3. For all tax years beginning on or after January 1, 2024, an eligible taxpayer**
24 **shall be allowed a nonrefundable tax credit equal to the employment-related expenses**
25 **for each qualifying child, but not exceeding:**

26 **(1) One thousand eight hundred dollars of such expenses for each such child who**
27 **was under two years of age at any time during the tax year for which the tax credit is**
28 **being sought; and**

29 **(2) One thousand two hundred dollars of such expenses for each such child who**
30 **was two years of age or older during all of the tax year and under six years of age at any**
31 **time during the tax year for which the tax credit is being sought.**

32 **4. The tax credit shall be claimed by an eligible taxpayer at the time such**
33 **taxpayer files a return and shall be applied against the income tax liability imposed by**
34 **chapter 143 after reduction for all other credits allowed thereon. The tax credit**
35 **authorized under this section shall be nontransferable and nonrefundable, and shall not**
36 **be carried back or forward to any other tax year.**

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

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