

House _____ Amendment NO. _____

Offered By

1 AMEND Senate Substitute for Senate Bill No. 802, Page 1, Section A, Line 4, by inserting after all
2 of the said section and line the following:

3
4 "135.005. 1. For the purposes of this section, the following terms shall mean:

5 (1) "Compensation":

6 (a) Payments in the form of contract labor for which the payer is required to provide a
7 federal tax form 1099 to the person paid;

8 (b) Wages that are subject to withholding tax imposed pursuant to sections 143.191 to
9 143.265 and paid to a part-time employee or full-time employee; and

10 (c) Any other salary or other remuneration.

11
12 "Compensation" shall not include employer-provided retirement, medical or health care benefits,
13 reimbursement for travel, meals, lodging, or any other expense;

14 (2) "Department", the Missouri department of economic development;

15 (3) "Qualified employee", any person newly employed on a full-time basis by or first
16 contracting with a qualified employer on a full-time basis on or after January 1, 2025, who has been
17 awarded an undergraduate or graduate degree, or a technical degree or certificate from a qualified
18 program by a qualified institution;

19 (4) "Qualified employer", a sole proprietorship, general partnership, limited partnership,
20 limited liability company, corporation, other legally recognized business entity or public entity
21 registered to do business in this state and whose principal business activity involves the engineering
22 sector;

23 (5) "Qualified institution", any public or private institution of higher education that is
24 accredited by a regional accrediting body or the engineering accreditation commission of the
25 accreditation board for engineering and technology (ABET);

26 (6) "Qualified program":

27 (a) A program that has been accredited by the engineering accreditation commission of the
28 accreditation board for engineering and technology (ABET) or a regional accrediting body and that
29 awards an undergraduate or graduate degree in engineering; or

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1 (b) A program that results in the awarding of a degree or certificate that prepares the
2 graduate for gainful employment with a qualified employer;

3 (7) "State tax liability", any liability incurred by a taxpayer pursuant to the provisions of
4 chapter 143, exclusive of the provisions relating to the withholding of tax as provided for in sections
5 143.191 to 143.265 and related provisions;

6 (8) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding
7 withholding tax imposed under sections 143.191 to 143.265;

8 (9) "Taxpayer", any individual subject to the state income tax imposed under chapter 143,
9 excluding the withholding tax imposed under sections 143.191 to 143.265;

10 (10) "Tuition", the amount paid for enrollment, program specific course fees, and instruction
11 in a qualified program that includes both amounts paid during participation in a qualified program or
12 tuition debt upon completion of a qualified program. "Tuition" shall not include the cost of books,
13 fees other than program specific course fees, or room and board.

14 2. (1) For all tax years beginning on or after January 1, 2025, a taxpayer who is a qualified
15 employer shall be allowed a tax credit against the qualified employer's state tax liability for tuition
16 reimbursed to a qualified employee.

17 (2) The tax credit may be claimed only if the qualified employee has been awarded an
18 undergraduate or graduate degree, or technical degree or certificate from a qualified program within
19 one year prior to or following the commencement of employment with a qualified employer, and
20 may be claimed each year thereafter that the qualified employee remains employed up to the fourth
21 year of employment.

22 (3) The tax credit shall be in an amount equal to fifty percent of the tuition reimbursed to a
23 qualified employee during the tax year for which the tax credit is claimed, except that in no event
24 shall the tax credit exceed fifty percent of the average annual amount paid by a qualified employee
25 for enrollment and instruction in a qualified program, as determined by the department.

26 (4) The tax credit shall be applied against the qualified employer's state tax liability after all
27 other tax credits have been applied. Tax credits authorized by this subsection shall not be
28 transferred, sold, or assigned, and shall not be refundable or carried forward to any other tax year.

29 3. (1) For all tax years beginning on or after January 1, 2025, a taxpayer who is a qualified
30 employer shall be allowed a tax credit against the qualified employer's state tax liability for
31 compensation paid during the tax year to a qualified employee. The tax credit may be allowed for
32 the first through fifth consecutive years of employment of the qualified employee. The tax credit
33 shall be equal to the following amounts:

34 (a) For qualified employees who received an undergraduate or graduate degree, or technical
35 degree or certificate from a qualified program awarded by a qualified institution not located in this
36 state, five percent of the compensation paid; or

37 (b) For qualified employees who received an undergraduate or graduate degree, or technical
38 degree or certificate from a qualified program awarded by a qualified institution located in this state,
39 ten percent of the compensation paid.

1 (2) Tax credits authorized by this subsection shall not exceed fifteen thousand dollars for
2 any single qualified employee in any given tax year, and shall not exceed a total of seventy-five
3 thousand dollars for any single qualified employee.

4 (3) The tax credit shall be applied against the qualified employer's state tax liability after all
5 other tax credits have been applied. Tax credits authorized by this subsection shall not be
6 transferred, sold, or assigned, and shall not be refundable or carried forward to any other tax year.

7 (4) No tax credit shall be claimed for compensation paid to a qualified employee after the
8 fifth year of employment of the qualified employee.

9 4. (1) For all tax years beginning on or after January 1, 2025, a taxpayer who becomes a
10 qualified employee during the tax year shall be allowed a tax credit against the taxpayer's state tax
11 liability in an amount equal to five thousand dollars. The tax credit may be claimed each year the
12 taxpayer achieves the status of a qualified employee for five consecutive tax years beginning with
13 the tax year in which the taxpayer becomes a qualified employee. No taxpayer shall claim tax
14 credits pursuant to this subsection that exceed a total of twenty-five thousand dollars.

15 (2) Tax credits authorized by this subsection shall not be transferred, sold, or assigned, and
16 shall not be refundable, but may be carried forward to subsequent tax years, provided that a tax
17 credit shall not be carried forward beyond the fourth tax year succeeding the tax year in which the
18 taxpayer initially claimed the tax credit.

19 5. (1) The department may adopt rules and regulations necessary or convenient for the
20 implementation and administration of this section. Any rule or portion of a rule, as that term is
21 defined in section 536.010, that is created under the authority delegated in this section shall become
22 effective only if it complies with and is subject to all of the provisions of chapter 536 and, if
23 applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers
24 vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to
25 disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking
26 authority and any rule proposed or adopted after August 28, 2024, shall be invalid and void.

27 (2) The department shall annually submit a written report to the general assembly
28 containing information regarding the cost and effectiveness of the provisions of this section. The
29 department also may include in the report any recommendations for changes to state law necessary
30 to implement the provisions of this section.

31 6. Pursuant to section 23.253 of the Missouri sunset act:

32 (1) The program authorized pursuant to this section shall automatically sunset on December
33 31, 2030, unless reauthorized by an act of the general assembly; and

34 (2) If such program is reauthorized, the program authorized pursuant to this section shall
35 automatically sunset twelve years after the effective date of the reauthorization; and

36 (3) This section shall terminate on September first of the calendar year immediately
37 following the calendar year in which the program authorized pursuant to this section is sunset; and

1 (4) The provisions of this subsection shall not be construed to limit or in any way impair the
2 department's ability to redeem tax credits authorized on or before the date the program authorized
3 pursuant to this section expires, or a taxpayer's ability to redeem such tax credits."; and
4
5 Further amend said bill by amending the title, enacting clause, and intersectional references
6 accordingly.