

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 said line and section 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 under sections 143.191 to 143.265
9 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 employer", a sole proprietorship, general partnership, limited partnership,
16 limited liability company, corporation, other legally recognized business entity or public entity
17 registered to do business in this state and whose principal business activity involves the engineering
18 sector;

19 (4) "Qualified institution", any public or private institution of higher education that is
20 accredited by a regional accrediting body or the engineering accreditation commission of the
21 accreditation board for engineering and technology (ABET);

22 (5) "Qualified program":

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

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

28 (6) "Qualified worker", any person newly employed on a full-time basis by or first
29 contracting with a qualified employer on a full-time basis on or after January 1, 2025, who has been

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1 awarded an undergraduate or graduate degree, or a technical degree or certificate from a qualified
2 program by a qualified institution;

3 (7) "State tax liability", any liability pursuant to the provisions of chapter 143, exclusive of
4 the provisions relating to the withholding of tax as provided for in sections 143.191 to 143.265 and
5 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 qualified employer shall be
15 allowed a tax credit against the qualified employer's state tax liability for tuition reimbursed to a
16 qualified worker.

17 (2) The tax credit may be claimed only if the qualified worker 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 worker remains employed or under contract
21 up to the fourth year of such employment or contract.

22 (3) The tax credit shall be in an amount equal to fifty percent of the tuition reimbursed to a
23 qualified worker during the tax year for which the tax credit is claimed, except that in no event shall
24 the tax credit exceed fifty percent of the average annual amount paid by a qualified worker for
25 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 qualified employer shall be
30 allowed a tax credit against the qualified employer's state tax liability for compensation paid during
31 the tax year to a qualified worker. The tax credit may be allowed for the first through fifth
32 consecutive years of employment or contract of the qualified worker. For qualified workers who
33 received an undergraduate or graduate degree or technical degree or certificate from a qualified
34 program awarded by a qualified institution, the tax credit amount shall be equal to ten percent of the
35 compensation paid.

36 (2) Tax credits authorized by this subsection shall not exceed fifteen thousand dollars for
37 any single qualified worker in any given tax year and shall not exceed a total of seventy-five
38 thousand dollars for any single qualified worker.

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

4 (4) No tax credit shall be claimed for compensation paid to a qualified worker after the fifth
5 year of employment of the qualified worker or the fifth year of the worker's contract.

6 4. (1) For all tax years beginning on or after January 1, 2025, a taxpayer who becomes a
7 qualified worker during the tax year shall be allowed a tax credit against the taxpayer's state tax
8 liability in an amount equal to five thousand dollars. The tax credit may be claimed each year the
9 taxpayer achieves the status of a qualified worker for five consecutive tax years beginning with the
10 tax year in which the taxpayer becomes a qualified worker. No taxpayer shall claim tax credits
11 pursuant to this subsection that exceed a total of twenty-five thousand dollars.

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

16 5. (1) The department may adopt rules and regulations necessary or convenient for the
17 implementation and administration of this section. Any rule or portion of a rule, as that term is
18 defined in section 536.010, that is created under the authority delegated in this section shall become
19 effective only if it complies with and is subject to all of the provisions of chapter 536 and, if
20 applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers
21 vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to
22 disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking
23 authority and any rule proposed or adopted after August 28, 2024, shall be invalid and void.

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

28 6. Under section 23.253 of the Missouri sunset act:

29 (1) The program authorized pursuant to this section shall automatically sunset on December
30 31, 2030, unless reauthorized by an act of the general assembly; and

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

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

35 (4) The provisions of this subsection shall not be construed to limit or in any way impair the
36 department's ability to redeem tax credits authorized on or before the date the program authorized
37 pursuant to this section expires, or a taxpayer's ability to redeem such tax credits." ; and

38
39 Further amend said bill by amending the title, enacting clause, and intersectional references
40 accordingly.