

# HOUSE BILL NO. 2914

## 102ND GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE PLANK.

5794H.011

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 for employment of formerly incarcerated persons.

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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 135.468, to read as follows:

3       **135.468. 1. This section shall be known and may be cited as the "Second Chance**  
4 **Employment Program Tax Credit".**

5       **2. As used in this section, the following terms mean:**

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

7       **(2) "Eligible employee", an individual who:**

8       **(a) Has been convicted of a felony under any statute of the United States or any**  
9 **state;**

10       **(b) Is on probation or parole;**

11       **(c) Earned a vocational trade or trade union certificate through a Missouri**  
12 **department of corrections approved program;**

13       **(d) Was hired to a full-time position on the taxpayer's payroll on or after**  
14 **January 1, 2025; and**

15       **(e) Remained and worked on a full-time basis for the taxpayer who is claiming**  
16 **the credit for at least twelve consecutive months or at least forty-six weeks out of the**  
**year if at least some portion of that employment occurs during the tax year for which**  
**the tax credit is claimed;**

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.

17           (3) "Full-time", an individual engaged in employment for at least forty hours  
18 per week;

19           (4) "Qualified taxpayer", any individual or employer subject to the state income  
20 tax imposed under chapter 143, excluding the withholding tax imposed under sections  
21 143.191 to 143.265, including any charitable organization which is exempt from federal  
22 income tax and whose Missouri unrelated business taxable income, if any, would be  
23 subject to the state income tax imposed under chapter 143, who is an employer that  
24 incurred or paid wages to an eligible employee who was employed in the state during the  
25 tax year for which the tax credit under this section is claimed;

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

28           3. For all tax years beginning on or after January 1, 2025, a qualified taxpayer  
29 shall be allowed to claim a tax credit against the taxpayer's state tax liability for each  
30 eligible employee in the amount of one thousand dollars. The total tax credits claimed  
31 by a qualified taxpayer under this section shall not exceed five tax credits for any given  
32 tax year.

33           4. The qualified taxpayer shall submit to the department of revenue  
34 documentation or other evidence of the eligible employee's vocational trade or trade  
35 union certification and the department may request any other information or  
36 documentation required by the department for verification of the tax credit from the  
37 qualified taxpayer or the department of corrections. The department shall design and  
38 publish an application for taxpayers to receive the credit authorized under this section.

39           5. The cumulative amount of tax credits allowed to all taxpayers under this  
40 section shall not exceed two hundred fifty thousand dollars per calendar year. If the  
41 amount of tax credits claimed in a calendar year under this section exceeds two hundred  
42 fifty thousand dollars, tax credits shall be allowed based on the order in which they are  
43 claimed.

44           6. Tax credits issued under the provisions of this section shall not be refundable.  
45 No tax credit claimed under this section shall be carried forward to any subsequent tax  
46 year.

47           7. No tax credit claimed under this section shall be assigned, transferred, sold, or  
48 otherwise conveyed.

49           8. The department of revenue shall promulgate all necessary rules and  
50 regulations for the administration of this section. Any rule or portion of a rule, as that  
51 term is defined in section 536.010, that is created under the authority delegated in this  
52 section shall become effective only if it complies with and is subject to all of the  
53 provisions of chapter 536 and, if applicable, section 536.028. This section and chapter

54 **536 are nonseverable and if any of the powers vested with the general assembly**  
55 **pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul**  
56 **a rule are subsequently held unconstitutional, then the grant of rulemaking authority**  
57 **and any rule proposed or adopted after August 28, 2024, shall be invalid and void.**

58 **9. Under section 23.253 of the Missouri sunset act:**

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

62 **(2) If such program is reauthorized, the program authorized under this section**  
63 **shall automatically sunset on December thirty-first, twelve years after the effective date**  
64 **of the reauthorization of this section;**

65 **(3) This section shall terminate on September first of the calendar year**  
66 **immediately following the calendar year in which the program authorized under this**  
67 **section is sunset; and**

68 **(4) Nothing in this subsection shall prevent a taxpayer from claiming a tax credit**  
69 **properly issued before this program was sunset in a tax year after the program is sunset.**

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