

HB 2643 -- TAX CREDITS

SPONSOR: Quade

This bill establishes the "Missouri Child Tax Credit Act".

Beginning January 1, 2024, qualified taxpayers may claim a refundable tax credit for each qualified child in the following amounts:

- (1) A credit of \$1,800 for each child who is under six years of age;
- (2) A credit of \$1,500 for each child who is between the ages of six and 17 years.

No qualified child can be claimed for more than one tax credit in the same tax year. The Department of Revenue (DOR) may adopt rules and regulations addressing instances when a child may be claimed as a qualified child by two or more taxpayers for a tax year beginning in the same calendar year.

A qualified taxpayer will be allowed to claim a cumulative amount of up to six tax credits or \$10,000 total, whichever is less.

Qualified taxpayers may apply to receive such tax credit in advance of filing their Missouri income tax return, and may elect to receive the tax credit in monthly disbursements. In the alternative, a qualified taxpayer may claim this tax credit when filing his or her Missouri income tax return. The application process for the tax credits is described in the bill.

No credit will be allowed unless the qualified taxpayer includes the name, Social Security number, custody decrees or arrangements if applicable, and any other identification documents for such qualifying child that DOR determines to be necessary.

In the event that a qualified taxpayer does not apply for the credit, DOR will notify such taxpayer of his or her potential eligibility.

The tax credit is refundable tax credit, however no tax credit claimed can be carried forward to any subsequent tax year. Nor can any tax credit claimed be assigned, transferred, sold, or otherwise conveyed.

The provisions of the Act will sunset six years after its effective date (Section 135.320, RSMo).

Beginning January 1, 2025, this bill also allows qualified taxpayers who provides personal care assistance to a qualified care recipient to claim a tax credit equal to \$5,000.

To qualify for the tax credit, an eligible caregiver must provide reasonable personal care services for 10 or more hours per week to a qualified care recipient who:

- (1) Has attained the age of 65 before the close of the tax year;  
or
- (2) Is under 65, but has been determined to be disabled.

In the event that the qualified taxpayer provides personal care services to multiple qualified care recipients, the taxpayer will be eligible for only one tax credit per year.

The qualified taxpayer must complete and sign a sworn affidavit outlining:

- (1) Who the qualified care recipient is;
- (2) Where the qualified care recipient resides;
- (3) What personal care services the taxpayer provided;
- (4) How many hours per week services were provided; and
- (5) The total amount of hours of personal care services the taxpayer provided in the tax year for which the credit is being claimed.

All required paperwork to claim the tax credit must be filed on or before February 1 of each year for the preceding year's personal care services. The tax credit will be refundable, however no credit can be carried forward to any subsequent tax year, nor can any credit be assigned, transferred, sold, or otherwise conveyed.

The provisions of this program will sunset December 31st, six years after the effective date (Section 135.1170).

Beginning January 1, 2025, this bill also allows qualified taxpayers to claim a tax credit equal to \$5,000 who:

- (1) Is a Missouri resident;
- (2) Is not currently receiving MO HealthNet benefits;
- (3) Has an adjusted gross income of \$100,000 or less;

(4) Is 65 or older or, if under 65, is determined to be disabled;  
and

(5) Requires assistance in at least one of the following areas:

(a) Bathing services;

(b) Food preparation;

(c) Personal or household cleaning services;

(d) Transportation services;

(e) Assistance with medical appointments; or

(f) Any other personal care the individual requires assistance with.

The qualified taxpayer must complete and sign a sworn affidavit outlining:

(1) Who provides the personal care services to the taxpayer;

(2) Where the personal care services are received;

(3) What personal care services are provided;

(4) How many hours per week services were provided; and

(5) The total amount of hours of personal care services that were provided for the taxpayer in the tax year for which the credit is being claimed.

If the qualified taxpayer is unable to sign any forms, a third-party individual may assist the taxpayer, provided that the third-party provides an additional sworn affidavit.

No credit can be carried forward to any subsequent tax year, nor can any credit be assigned, transferred, sold, or otherwise conveyed.

The provisions of this program will sunset on December 31st, six years after the effective date (Section 135.1175).

This bill is similar to HB 1014 (2023).