

House _____ Amendment NO. _____

Offered By

AMEND House Committee Substitute for House Bill No. 326, Page 1, Section A, Line 2, by inserting after all of said section and line the following:

"135.320. 1. This section shall be known and may be cited as the "Missouri Child Tax Credit Act".

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

(1) "Child", an individual who bears a relationship to the qualified taxpayer as a biological child, adopted child, stepchild, foster child, or a descendant of any of the foregoing; or a brother, sister, half-brother, half-sister, stepbrother, stepsister, or a descendant of the foregoing;

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

(3) "Qualified child", any child of the qualified taxpayer who:

(a) Is properly listed as a dependent of the taxpayer on the taxpayer's federal income tax return;

(b) Is under eighteen years of age at the end of the tax year;

(c) Did not provide more than half the costs of his or her own support; and

(d) Lived with the taxpayer for more than half of the tax year in the state of Missouri;

(4) "Qualified taxpayer", any resident individual who:

(a) Has a filing status of:

a. Single, head of household, or widow(er) and a Missouri adjusted gross income of seventy-five thousand dollars or less; or

b. Married filing combined and a combined Missouri adjusted gross income of one hundred fifty thousand dollars or less; and

(b) Is subject to the state income tax imposed under chapter 143;

(c) Bears a relationship to the qualified child as defined under this section; and

(d) Is not a dependent of another individual;

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

3. For all tax years beginning on or after January 1, 2026, a qualified taxpayer shall be allowed to claim a refundable tax credit against the taxpayer's state tax liability for each qualified child in the following amounts:

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1 (1) Seven thousand two hundred dollars for each qualified child who is under seven years of
2 age as of the close of the calendar year in which the tax year of the taxpayer begins; or

3 (2) Three thousand six hundred dollars for each qualified child seven years of age or older
4 but under eighteen years of age as of the close of the calendar year in which the tax year of the
5 taxpayer begins.

6 4. Except in the case of a tax year closed by reason of the death of the qualified taxpayer, no
7 tax credit under this section shall be allowed in the case of a tax year covering a period of less than
8 twelve months.

9 5. No qualified child shall be claimed for more than one tax credit in the same tax year. If a
10 child may be claimed as a qualified child by two or more taxpayers for a tax year beginning in the
11 same calendar year, the department may adopt rules and regulations addressing such instance and
12 reference the provisions of the Internal Revenue Code of 1986, as amended, or other provisions of
13 the laws of the United States relating to federal income taxes.

14 6. For a given tax year, a qualified taxpayer shall be allowed to claim a cumulative amount
15 of up to six tax credits under this section.

16 7. (1) The department shall establish a program for making monthly advance payments to
17 qualified taxpayers. A qualified taxpayer may apply to receive such tax credit in advance of filing
18 the taxpayer's Missouri income tax return using an application or process prescribed by rule or
19 regulation or on the department's website and may elect to receive such credit, upon approval by the
20 department, in the form of advanced equal monthly disbursements. Qualified taxpayers opting for
21 advanced monthly disbursements shall receive:

22 (a) Six hundred dollars per month for each qualified child under seven years of age; or

23 (b) Three hundred dollars per month for each qualified child seven years of age or older but
24 under eighteen years of age.

25 (2) If the qualified taxpayer elects not to receive advance payments of the tax credit or did
26 not apply for the advance payments, the qualified taxpayer may claim this tax credit when filing his
27 or her Missouri income tax return.

28 (3) If a qualified taxpayer applies for advanced payments of the tax credit under this section,
29 any additional amount remaining may be applied against the qualified taxpayer's Missouri income
30 tax return for the tax year against which the credit was claimed.

31 (4) A qualified taxpayer applying for the advanced payments shall include the qualified
32 taxpayer's reasonably estimated Missouri adjusted gross income and reasonably expected filing
33 status in the form, application, or other documentation established by the department.

34 8. (1) The department shall begin accepting 2026 tax year advanced payment applications
35 for the tax credit authorized under this section on or before October 1, 2025, and shall allow
36 advanced payment applications for the 2026 tax year through June 30, 2026. For each tax year
37 thereafter, such application period shall begin on or before July first preceding the tax year for
38 which the credit is claimed and end June thirtieth of the tax year for which the credit is claimed,

1 with exceptions for amendments, supplemental information, and other reasons that the department
2 may allow by rule.

3 (2) The department may begin monthly advanced payments for the 2026 tax year beginning
4 on or after January 1, 2026, or immediately upon approval of the application to each qualified
5 taxpayer claiming a credit under this section each year, whichever is later; and for all tax years
6 thereafter, beginning on or after each January first of the calendar year for which the tax credit is
7 claimed in advance, or immediately upon approval of the application to each qualified taxpayer
8 claiming a credit under this section each year, whichever is later. The advanced payments shall be
9 paid on or before the last day of each month, beginning the first month of the tax year for which the
10 credit is claimed in advance or the month following approval of the application, whichever is later.

11 (3) The department may modify, during any calendar year, the advanced payment amount
12 with respect to any qualified taxpayer for such calendar year to take into account:

13 (a) A Missouri income tax return filed by such taxpayer; and

14 (b) Any other information provided by the taxpayer to the department.

15 (4) In the case of any modification under subdivision (3) of this subsection, the department
16 may adjust the amount of any advanced payment made after the date of such modification to
17 properly take into account the amount by which any advanced payment made before such date was
18 greater than or less than the amount that such payment would have been on the basis of the
19 advanced payment amount as so modified.

20 (5) Any refunds issued from this tax credit shall be offset against a qualified taxpayer's
21 outstanding state tax liabilities or certain other debts as described under section 143.611 and sections
22 143.781 to 143.790. The department may promulgate rules addressing excess advance payments,
23 recapture, reconciliation, clerical errors, how to update addresses or banking information, applying
24 for additional qualifying children throughout the year, and any other provisions necessary to
25 effectuate the program under this section.

26 9. No tax credit shall be allowed under this section to a qualified taxpayer with respect to
27 any qualified child unless the qualified taxpayer includes the name, Social Security number, custody
28 decrees or arrangements if applicable, and any other identification documents for such qualifying
29 child that the department determines to be necessary to be submitted with the application for
30 advanced payment of the tax credit or on the Missouri income tax return for the tax year that the tax
31 credit is claimed.

32 10. Notwithstanding the provisions of section 32.057 to the contrary, the department or any
33 duly authorized employee or agent shall determine whether any taxpayer filing a report or return
34 with the department who did not apply for the credit authorized under this section may qualify for
35 the credit and, if the department or such authorized employee or agent determines a taxpayer may
36 qualify for the credit, the department or such employee or agent shall notify such taxpayer of his or
37 her potential eligibility. In making a determination of eligibility under this section, the department
38 shall use any appropriate and available data.

1 11. Notwithstanding any provision of law to the contrary, the refundable tax credit and its
2 payment authorized under this section shall be in addition to any federal child tax credits under 24
3 U.S.C. Section 26 claimed by the qualified taxpayer, and any amounts of the credit paid to the
4 taxpayer shall not be considered as assets, income, or resources to the same extent the federal credit
5 and its payment would be disregarded under 26 U.S.C. Section 6409, not taxable as state or federal
6 income, and not taken into account as income for the purposes of determining eligibility of an
7 individual for benefits or assistance or the amount or extent of benefits or assistance under any state
8 program and, to the extent permitted by federal law, under any state program financed in whole or in
9 part with federal funds.

10 12. No tax credit claimed under this section shall be carried forward to any subsequent tax
11 year. No tax credit claimed under this section shall be assigned, transferred, sold, or otherwise
12 conveyed.

13 13. Tax credits authorized under this section shall not be subject to the requirements of
14 sections 135.800 to 135.830.

15 14. The department shall prepare an annual report containing information on the
16 effectiveness and reach of the tax credit and statistical information regarding the tax credits issued
17 under this section for the previous tax year including, but not limited to, the number of taxpayers
18 claiming the tax credit; the number of total credits claimed and credit amount; the average
19 claimant's income; the average credit amount per child and per claimant; the total amount of
20 revenue expended; impact on family economic stability; and recommendations for improvements to
21 the tax credit program. No data shall be disclosed in any form that allows the personal identification
22 of any child or taxpayer to any individual or entity.

23 15. Beginning with the 2027 calendar year, the department of revenue shall assess the
24 income eligibility thresholds, tax credit amount, monthly advanced payment amounts, and other
25 provisions of the Missouri child tax credit under this section and shall increase such amounts
26 annually for inflation based on the Consumer Price Index for All Urban Consumers for the United
27 States, as reported by the Bureau of Labor Statistics, or its successor index. Modifications to the tax
28 credit under this section shall take effect on January first of each calendar year and shall apply to tax
29 years beginning on or after the effective date of the modifications.

30 16. Notwithstanding any provision of section 105.1500 to the contrary, any requirement to
31 provide information, documents, or records under this section, and any requirement established by
32 the department to provide information, documents, or records for the purpose of administering and
33 enforcing this section shall be exempt from section 105.1500.

34 17. The department of revenue shall promulgate all necessary rules and regulations for the
35 administration of this section. Any rule or portion of a rule, as that term is defined in section
36 536.010, that is created under the authority delegated in this section shall become effective only if it
37 complies with and is subject to all of the provisions of chapter 536 and, if applicable, section
38 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the
39 general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and

1 annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any
2 rule proposed or adopted after August 28, 2025, shall be invalid and void.

3 18. Under section 23.253 of the Missouri sunset act:

4 (1) The provisions of the new program authorized under this section shall automatically
5 sunset six years after the effective date of this section unless reauthorized by an act of the general
6 assembly;

7 (2) If such program is reauthorized, the program authorized under this section shall
8 automatically sunset twelve years after the effective date of the reauthorization of this section; and

9 (3) This section shall terminate on September first of the calendar year immediately
10 following the calendar year in which the provisions authorized under this section are sunset.

11 19. Notwithstanding the provisions of section 1.140 to the contrary, the provisions of this
12 section shall be nonseverable, and if any provision is for any reason held to be invalid, such decision
13 shall invalidate all of the remaining provisions of this section."; and

14
15 Further amend said bill by amending the title, enacting clause, and intersectional references
16 accordingly.