

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for House Bill No. 798, Pages 4-6, Section 143.177, Lines 1-
2 66, by deleting said section and lines and inserting in lieu thereof the following:

3
4 "143.177. 1. This section shall be known and may be cited as the "Missouri
5 Working Family Tax Credit Act".

6 2. For purposes of this section, the following terms shall mean:

7 (1) "Department", the department of revenue;

8 (2) "Eligible taxpayer", a resident individual with a filing status of single, head of
9 household, widowed, or married filing combined who is subject to the tax imposed under this
10 chapter, excluding withholding tax imposed under sections 143.191 to 143.265, and who is allowed
11 a federal earned income tax credit under 26 U.S.C. Section 32, as amended;

12 (3) "Tax credit", a credit against the tax otherwise due under this chapter, excluding
13 withholding tax imposed under sections 143.191 to 143.265.

14 3. (1) Beginning with the 2023 calendar year, an eligible taxpayer shall be allowed a tax
15 credit in an amount equal to a percentage of the amount such taxpayer would receive under the
16 federal earned income tax credit as such credit existed under 26 U.S.C. Section 32 as of January 1,
17 2021, as provided pursuant to subdivision (2) of this subsection. The tax credit allowed by this
18 section shall be claimed by such taxpayer at the time such taxpayer files a return and shall be
19 applied against the income tax liability imposed by this chapter after reduction for all other credits
20 allowed thereon. For all tax years beginning on or before December 31, 2025, if the amount of the
21 credit exceeds the tax liability, the difference shall not be refunded to the taxpayer and shall not be
22 carried forward to any subsequent tax year, but for all tax years beginning on or after January 1,
23 2026, tax credits issued under the provisions of this section shall be refundable.

24 (2) Subject to the provisions of subdivision (3) of this subsection, the percentage of the
25 federal earned income tax credit to be allowed as a tax credit pursuant to subdivision (1) of this
26 subsection shall be ten percent, which may be increased to twenty percent subject to the provisions
27 of subdivision (3) of this subsection. The maximum percentage that may be claimed as a tax credit
28 pursuant to this section shall be twenty percent of the federal earned income tax credit that may be
29 claimed by such taxpayer. Any increase in the percentage that may be claimed as a tax credit shall
30 take effect on January first of a calendar year and such percentage shall continue in effect until the

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1 next percentage increase occurs. An increase shall only apply to tax years that begin on or after the
2 increase takes effect.

3 (3) The initial percentage to be claimed as a tax credit and any increase in the percentage
4 that may be claimed pursuant to subdivision (2) of this subsection shall only occur if the amount of
5 net general revenue collected in the previous fiscal year exceeds the highest amount of net general
6 revenue collected in any of the three fiscal years prior to such fiscal year by at least one hundred
7 fifty million dollars.

8 4. Notwithstanding the provisions of section 32.057 to the contrary, the department shall
9 determine whether any taxpayer filing a report or return with the department who did not apply for
10 the credit authorized under this section may qualify for the credit and, if so, determines a taxpayer
11 may qualify for the credit, shall notify such taxpayer of his or her potential eligibility. In making a
12 determination of eligibility under this section, the department shall use any appropriate and
13 available data including, but not limited to, data available from the Internal Revenue Service, the
14 U.S. Department of Treasury, and state income tax returns from previous tax years.

15 5. The department shall prepare an annual report containing statistical information regarding
16 the tax credits issued under this section for the previous tax year, including the total amount of
17 revenue expended, the number of credits claimed, and the average value of the credits issued to
18 taxpayers whose earned income falls within various income ranges determined by the department.

19 6. The director of the department may promulgate rules and regulations to administer the
20 provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010,
21 that is created under the authority delegated in this section shall become effective only if it complies
22 with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This
23 section and chapter 536 are nonseverable and if any of the powers vested with the general assembly
24 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are
25 subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or
26 adopted after January 1, 2023, shall be invalid and void.

27 7. Tax credits authorized under this section shall not be subject to the requirements of
28 sections 135.800 to 135.830."; and

29
30 Further amend said bill by amending the title, enacting clause, and intersectional references
31 accordingly.