

# HOUSE BILL NO. 813

## 103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE REED.

1442H.011

JOSEPH ENGLER, Chief Clerk

### AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to the Missouri child tax credit.

*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 known as section 135.320, to read as follows:

**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:**

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.

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

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

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

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

24           **(d) Is not a dependent of another individual;**

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

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

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

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

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

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

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

47           **7. (1) The department shall establish a program for making monthly advance**  
48 **payments to qualified taxpayers. A qualified taxpayer may apply to receive such tax**  
49 **credit in advance of filing the taxpayer's Missouri income tax return using an**  
50 **application or process prescribed by rule or regulation or on the department's website**  
51 **and may elect to receive such credit, upon approval by the department, in the form of**  
52 **advanced equal monthly disbursements. Qualified taxpayers opting for advanced**  
53 **monthly disbursements shall receive:**

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

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

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

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

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

69           **8. (1) The department shall begin accepting 2026 tax year advanced payment**  
70 **applications for the tax credit authorized under this section on or before October 1,**  
71 **2025, and shall allow advanced payment applications for the 2026 tax year through June**  
72 **30, 2026. For each tax year thereafter, such application period shall begin on or before**  
73 **July first preceding the tax year for which the credit is claimed and end June thirtieth of**  
74 **the tax year for which the credit is claimed, with exceptions for amendments,**  
75 **supplemental information, and other reasons that the department may allow by rule.**

76           **(2) The department may begin monthly advanced payments for the 2026 tax**  
77 **year beginning on or after January 1, 2026, or immediately upon approval of the**  
78 **application to each qualified taxpayer claiming a credit under this section each year,**  
79 **whichever is later; and for all tax years thereafter, beginning on or after each January**  
80 **first of the calendar year for which the tax credit is claimed in advance, or immediately**  
81 **upon approval of the application to each qualified taxpayer claiming a credit under this**  
82 **section each year, whichever is later. The advanced payments shall be paid on or before**  
83 **the last day of each month, beginning the first month of the tax year for which the credit**  
84 **is claimed in advance or the month following approval of the application, whichever is**  
85 **later.**

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

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

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

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

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

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

109           **10. Notwithstanding the provisions of section 32.057 to the contrary, the**  
110 **department or any duly authorized employee or agent shall determine whether any**  
111 **taxpayer filing a report or return with the department who did not apply for the credit**  
112 **authorized under this section may qualify for the credit and, if the department or such**  
113 **authorized employee or agent determines a taxpayer may qualify for the credit, the**  
114 **department or such employee or agent shall notify such taxpayer of his or her potential**  
115 **eligibility. In making a determination of eligibility under this section, the department**  
116 **shall use any appropriate and available data.**

117           **11. Notwithstanding any provision of law to the contrary, the refundable tax**  
118 **credit and its payment authorized under this section shall be in addition to any federal**  
119 **child tax credits under 24 U.S.C. Section 26 claimed by the qualified taxpayer, and any**  
120 **amounts of the credit paid to the taxpayer shall not be considered as assets, income, or**  
121 **resources to the same extent the federal credit and its payment would be disregarded**  
122 **under 26 U.S.C. Section 6409, not taxable as state or federal income, and not taken into**  
123 **account as income for the purposes of determining eligibility of an individual for**  
124 **benefits or assistance or the amount or extent of benefits or assistance under any state**  
125 **program and, to the extent permitted by federal law, under any state program financed**  
126 **in whole or in part with federal funds.**

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

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

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

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

149           **16. Notwithstanding any provision of section 105.1500 to the contrary, any**  
150 **requirement to provide information, documents, or records under this section, and any**  
151 **requirement established by the department to provide information, documents, or**  
152 **records for the purpose of administering and enforcing this section shall be exempt from**  
153 **section 105.1500.**

154           **17. The department of revenue shall promulgate all necessary rules and**  
155 **regulations for the administration of this section. Any rule or portion of a rule, as that**  
156 **term is defined in section 536.010, that is created under the authority delegated in this**  
157 **section shall become effective only if it complies with and is subject to all of the**  
158 **provisions of chapter 536 and, if applicable, section 536.028. This section and chapter**  
159 **536 are nonseverable and if any of the powers vested with the general assembly**  
160 **pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul**  
161 **a rule are subsequently held unconstitutional, then the grant of rulemaking authority**  
162 **and any rule proposed or adopted after August 28, 2025, shall be invalid and void.**

163           **18. Under section 23.253 of the Missouri sunset act:**

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

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

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

173           **19. Notwithstanding the provisions of section 1.140 to the contrary, the**  
174 **provisions of this section shall be nonseverable, and if any provision is for any reason**  
175 **held to be invalid, such decision shall invalidate all of the remaining provisions of this**  
176 **section.**

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