

HB 813 -- MISSOURI CHILD TAX CREDIT

SPONSOR: Reed

Beginning January 1, 2026, a qualified taxpayer, as described in the bill, can claim a refundable tax credit for each qualified child in the following amounts:

- (1) \$7,200 for each qualified child under seven years of age; or
- (2) \$3,600 for each qualified child between the ages of seven and eighteen.

No tax credits can be allowed in a tax year covering less than 12 months. No qualified child can be claimed for more than one tax credit in the same tax year. If a child is claimed as a qualified child by two or more taxpayers, the Department of Revenue (DOR) can adopt rules to address such an instance.

A qualified taxpayer must be allowed to claim a cumulative amount of up to six tax credits. The DOR must establish a program for making monthly advance payments to qualified taxpayers. A qualified taxpayer can apply to receive such credits in advance using an application or other process development by DOR, and can receive the credits in equal monthly disbursements. Qualified taxpayers opting for advanced monthly disbursements will receive:

- (1) \$600 per month for each qualified child under seven years of age; or
- (2) \$300 per month for each qualified child between the ages of seven and eighteen.

If the qualified taxpayer does not elect to receive advance payments, he or she can claim the credit when filing his or her Missouri income tax return. If the qualified taxpayer applies for advance payments, any additional amount remaining can be applied against the taxpayer's Missouri income tax return.

The DOR will begin accepting 2026 tax year advanced payment applications on or before October 1, 2025, and must allow such applications for the 2026 tax year through June 30, 2026. For each tax year thereafter, the application period must begin on or before July 1st of the preceding tax year and end on June 30th of the tax year for which the credit is claimed.

The DOR can begin monthly advance payments for the 2026 tax year on January 1, 2026, or immediately upon approval of the application, whichever is later. For all tax years thereafter, monthly advance

payments can be dispersed on or after each January 1st of the calendar year for which the credit is claimed in advance, or immediately upon approval, whichever is later. The advance payments must be paid on or before the last day of each month, the month following approval of the application, whichever is later.

The DOR can modify the advance payment amount so as to account for the following:

- (1) A Missouri income tax return filed by the taxpayer; or
- (2) Any other information provided by the taxpayer to DOR.

Any refunds issued must be offset against the qualified taxpayer's outstanding state tax liabilities or certain other debts.

No tax credits can be allowed unless the qualified taxpayer includes the following information with the application for advance payments:

- (1) The name of the qualified child;
- (2) The child's Social Security number;
- (3) Any custody decrees or arrangements; and
- (4) Any other identification documents.

If an otherwise qualifying taxpayer files a Missouri income tax return, but does not apply for the tax credits available under this program, DOR must notify such taxpayer of his or her potential eligibility.

This tax credit and its payments will be in addition to any federal child tax credit claimed by the qualified taxpayer. No credits will be carried forward, nor will any credits be assigned, transferred, sold, or otherwise conveyed.

The DOR will prepare annual reports that detail the effectiveness and reach of the tax credits, as described in the bill. Beginning with the 2027 calendar year, DOR must conduct an assessment of this program and increase the credit amounts annually for inflation based on the Consumer Price Index. Such modifications will take effect on January 1st of each calendar year.

The provisions of this program will sunset six years after the effective date unless reauthorized.

This bill is similar to HB 2643 (2024) and HB 1014 (2023).