

FIRST REGULAR SESSION

HOUSE BILL NO. 164

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE ELLINGTON.

0451H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to the small business equality act.

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
2 known as section 135.1624, to read as follows:

**135.1624. 1. This section shall be known and may be cited as the "Small Business
2 Equality Act".**

**3 2. As used in this section, the term "small business" means any business in this state
4 with an annual Missouri adjusted gross income of no more than five hundred thousand
5 dollars.**

**6 3. For all tax years beginning on or after January 1, 2020, any small business shall
7 be allowed to claim any tax credit, tax deduction, and any other exemption from tax that
8 any corporation, as that term is defined under chapter 143, in this state is allowed to claim
9 under state law. Such small businesses shall be eligible for such credits, deductions, and
10 exemptions in direct proportion of the small business's taxable income to one-third of the
11 credit, deduction, or exemption amount over the average Missouri taxable income of
12 corporations reported in the preceding tax year.**

**13 4. Any small business trying to claim a tax credit through this section shall be
14 deemed to automatically satisfy any eligibility requirement regarding the size of the
15 business or minimum revenue.**

**16 5. The owner of a small business who claims the business's income as the owner's
17 income shall be deemed a small business under this section.**

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 **6. The department of revenue may promulgate rules to implement the provisions**
19 **of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that**
20 **is created under the authority delegated in this section shall become effective only if it**
21 **complies with and is subject to all of the provisions of chapter 536 and, if applicable,**
22 **section 536.028. This section and chapter 536 are nonseverable, and if any of the powers**
23 **vested with the general assembly pursuant to chapter 536 to review, to delay the effective**
24 **date, or to disapprove and annul a rule are subsequently held unconstitutional, then the**
25 **grant of rulemaking authority and any rule proposed or adopted after August 28, 2019,**
26 **shall be invalid and void.**

27 **7. Under section 23.253 of the Missouri sunset act:**

28 **(1) The provisions of the new program authorized under this section shall**
29 **automatically sunset on December thirty-first six years after the effective date of this**
30 **section unless reauthorized by an act of the general assembly;**

31 **(2) If such program is reauthorized, the program authorized under this section**
32 **shall automatically sunset on December thirty-first twelve years after the effective date of**
33 **the reauthorization of this section; and**

34 **(3) This section shall terminate on September first of the calendar year immediately**
35 **following the calendar year in which the program authorized under this section is sunset.**

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37 **The termination of the program under this subsection shall not preclude any taxpayer**
38 **from claiming a benefit under this program after the program is sunset if all allowable**
39 **activities related to such claim were completed before the program was sunset; it also shall**
40 **not eliminate any responsibility of the administering agency to verify the continued**
41 **eligibility of projects receiving tax credits and to enforce other requirements of law that**
42 **applied before the program was sunset.**

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