

SECOND REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 1981**  
**101ST GENERAL ASSEMBLY**

4470H.03C

DANA RADEMAN MILLER, Chief Clerk

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**AN ACT**

To repeal section 143.111, RSMo, and to enact in lieu thereof two new sections relating to a tax deduction for educator expenses.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Section 143.111, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 143.111 and 143.1390, to read as follows:

143.111. The Missouri taxable income of a resident shall be such resident's Missouri adjusted gross income less:

- (1) Either the Missouri standard deduction or the Missouri itemized deduction;
- (2) The Missouri deduction for personal exemptions;
- (3) The Missouri deduction for dependency exemptions;
- (4) The deduction for federal income taxes provided in section 143.171; ~~and~~
- (5) The deduction for a self-employed individual's health insurance costs provided in section 143.113; **and**
- (6) **The deduction for educator expenses provided in section 143.1390.**

**143.1390. 1. As used in this section, the following terms mean:**

- (1) **"Deduction", an amount subtracted from the taxpayer's Missouri adjusted gross income to determine Missouri taxable income for the tax year in which such deduction is claimed;**
- (2) **"Educator expenses", expenses incurred by an eligible educator that qualify for a federal deduction under 26 U.S.C. Section 62(a)(2)(D), as amended, less the amount of such expenses actually deducted on the eligible educator's federal tax return;**
- (3) **"Eligible educator", an eligible educator as defined under 26 U.S.C. Section 62, as amended.**

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.

10           **2. For all tax years beginning on or after January 1, 2023, an eligible educator**  
11 **shall be allowed a deduction of one hundred percent of all unreimbursed educator**  
12 **expenses incurred by an eligible educator during the tax year, not to exceed five**  
13 **hundred dollars.**

14           **3. The department of revenue shall promulgate all necessary rules and**  
15 **regulations for the administration of this section. Any rule or portion of a rule, as that**  
16 **term is defined in section 536.010, that is created under the authority delegated in this**  
17 **section shall become effective only if it complies with and is subject to all of the**  
18 **provisions of chapter 536 and, if applicable, section 536.028. This section and chapter**  
19 **536 are nonseverable, and if any of the powers vested with the general assembly**  
20 **pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul**  
21 **a rule are subsequently held unconstitutional, then the grant of rulemaking authority**  
22 **and any rule proposed or adopted after August 28, 2022, shall be invalid and void.**

23           **4. Under section 23.253 of the Missouri sunset act:**

24           **(1) The provisions of this section shall automatically sunset six years after the**  
25 **effective date of this section unless reauthorized by an act of the general assembly;**

26           **(2) If such provisions are reauthorized, the provisions of this section shall**  
27 **automatically sunset twelve years after the effective date of the reauthorization of this**  
28 **section; and**

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

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