

SECOND REGULAR SESSION

HOUSE BILL NO. 2581

101ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE ALDRIDGE.

5034H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to a tax credit for the care of certain dependents.

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 135.345, to read as follows:

135.345. 1. This section shall be known and may be cited as the "Affordable Child Care for Families Tax Credit Act".

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

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

(2) "Eligible taxpayer", a resident individual with a filing status of single, head of household, widowed, or married filing combined who is subject to the tax imposed under chapter 143, excluding withholding tax imposed under sections 143.191 to 143.265, and who has a federal adjusted gross income of less than fifty thousand dollars if filing single, head of household, or widowed, or eighty thousand dollars if married filing combined in the tax year for which a tax credit is claimed;

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

3. (1) For all tax years beginning on or after January 1, 2023, an eligible taxpayer shall be allowed a tax credit in an amount equal to a percentage of the amount such taxpayer would receive under a federal tax credit received under 26 U.S.C. Section 21, as amended. The tax credit allowed by this section shall be claimed by such taxpayer at the time such taxpayer files a return and shall be applied against the income tax

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 liability imposed by chapter 143 after reduction for all other credits allowed thereon. If
19 the amount of the credit exceeds the tax liability, the difference shall be refunded to the
20 taxpayer and shall not be carried forward to any subsequent tax year.

21 (2) The amount of the tax credit authorized under this section shall be equal to
22 the following percentage of the amount received under 26 U.S.C. Section 21, as
23 amended:

24 (a) For the tax year beginning on or after January 1, 2023, and ending on or
25 before December 31, 2023, ten percent of such federal tax credit;

26 (b) For the tax year beginning on or after January 1, 2024, and ending on or
27 before December 31, 2024, twenty percent of such federal tax credit; and

28 (c) For all tax years beginning on or after January 1, 2025, thirty percent of such
29 federal tax credit.

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

35 5. The director of the department may promulgate rules and regulations to
36 administer the provisions of this section. Any rule or portion of a rule, as that term is
37 defined in section 536.010, that is created under the authority delegated in this section
38 shall become effective only if it complies with and is subject to all of the provisions of
39 chapter 536 and, if applicable, section 536.028. This section and chapter 536 are
40 nonseverable, and if any of the powers vested with the general assembly pursuant to
41 chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are
42 subsequently held unconstitutional, then the grant of rulemaking authority and any rule
43 proposed or adopted after August 28, 2022, shall be invalid and void.

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