

HOUSE BILL NO. 2643

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE QUADE.

4727H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 135, RSMo, by adding thereto three new sections relating to tax credits for care of vulnerable persons.

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

Section A. Chapter 135, RSMo, is amended by adding thereto three new sections, to be known as sections 135.320, 135.1170, and 135.1175, 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 seventeen 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;

(4) "Qualified taxpayer", any resident individual with a filing status of single, head of household, widow(er), or married filing combined who is subject to the state

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.

17 **income tax imposed under chapter 143, who bears a relationship to the qualified child as**
18 **defined under this section, and who is not a dependent of another individual;**

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

21 **3. For all tax years beginning on or after January 1, 2024, a qualified taxpayer**
22 **shall be allowed to claim a refundable tax credit against the taxpayer's state tax liability**
23 **for each qualified child in the following amounts:**

24 **(1) One thousand eight hundred dollars for each qualified child who is under six**
25 **years of age as of the close of the calendar year in which the tax year of the taxpayer**
26 **begins; or**

27 **(2) One thousand five hundred dollars for each qualified child six years of age or**
28 **older but under seventeen years of age as of the close of the calendar year in which the**
29 **tax year of the taxpayer begins.**

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

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

39 **6. For a given tax year, a qualified taxpayer shall be allowed to claim a**
40 **cumulative amount of up to six tax credits or ten thousand dollars total, whichever is**
41 **less, under this section.**

42 **7. (1) The qualified taxpayer may apply to receive such tax credit in advance of**
43 **filing the taxpayer's Missouri income tax return using an application or process**
44 **prescribed by rule or regulation or on the department's website and may elect to receive**
45 **such credit, upon approval by the department, in the form of equal monthly**
46 **disbursements, prorated based upon the number of months left in the calendar year.**

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

50 **(3) If a qualified taxpayer applies for advanced monthly installment refund**
51 **payments of tax credit under this section, any additional amount remaining may be**
52 **added to the last advanced refund payment of the calendar year, or applied against the**

53 **qualified taxpayer's Missouri income tax return for the tax year against which the credit**
54 **was claimed.**

55 **(4) A qualified taxpayer applying for the advanced refund shall include the**
56 **qualified taxpayer's reasonably estimated Missouri adjusted gross income and**
57 **reasonably expected filing status in the form, application, or other documentation**
58 **established by the department.**

59 **8. (1) The department shall establish a program for making periodic payments**
60 **to qualified taxpayers that, in the aggregate during any calendar year, are equal to the**
61 **total amount of refundable tax credits determined with respect to such qualified**
62 **taxpayer for such calendar year.**

63 **(2) The department shall begin accepting advanced refund applications for the**
64 **tax credit authorized under this section on or before October 1, 2024, and shall allow**
65 **advanced refund applications for the 2025 tax year through June 30, 2025. For each tax**
66 **year thereafter, such application period shall begin on or before October first preceding**
67 **the tax year for which the credit is claimed and end June thirtieth of such year, with**
68 **exceptions for amendments, supplemental information, and other reasons that the**
69 **department may allow by rule.**

70 **(3) The department may begin monthly advanced refund installment payments**
71 **for the 2025 tax year beginning on or after January 1, 2025, or immediately upon**
72 **approval of the application to each qualified taxpayer claiming a credit under this**
73 **section each year, whichever is later; and for all tax years thereafter, beginning on or**
74 **after each January first of the calendar year for which the tax credit is claimed in**
75 **advance, or immediately upon approval of the application to each qualified taxpayer**
76 **claiming a credit under this section each year, whichever is later.**

77 **(4) The department may modify, during any calendar year, the advance refund**
78 **amount with respect to any qualified taxpayer for such calendar year to take into**
79 **account:**

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

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

82 **(5) In the case of any modification under subdivision (4) of this subsection, the**
83 **department may adjust the amount of any advanced refund installment payment made**
84 **after the date of such modification to properly take into account the amount by which**
85 **any payment made before such date was greater than or less than the amount that such**
86 **payment would have been on the basis of the advanced refund amount as so modified.**

87 **(6) Any refunds issued from this tax credit shall be offset against a qualified**
88 **taxpayer's outstanding state tax liabilities or certain other debts as described under**
89 **section 143.611 and sections 143.781 to 143.790. The department may promulgate rules**

90 addressing excess advance payments, recapture, reconciliation, clerical errors, how to
91 update addresses or banking information, applying for additional qualifying children
92 throughout the year, and any other provisions necessary to effectuate the program
93 under this section.

94 9. No credit shall be allowed under this section to a qualified taxpayer with
95 respect to any qualified child unless the qualified taxpayer includes the name, Social
96 Security number, custody decrees or arrangements if applicable, and any other
97 identification documents for such qualifying child that the department determines to be
98 necessary to be submitted with the application for advanced payment or on the Missouri
99 income tax return for the tax year that the tax credit is claimed.

100 10. Notwithstanding the provisions of section 32.057 to the contrary, the
101 department or any duly authorized employee or agent shall determine whether any
102 taxpayer filing a report or return with the department who did not apply for the credit
103 authorized under this section may qualify for the credit and, if the department or such
104 authorized employee or agent determines a taxpayer may qualify for the credit, the
105 department or such employee or agent shall notify such taxpayer of his or her potential
106 eligibility. In making a determination of eligibility under this section, the department
107 shall use any appropriate and available data.

108 11. Notwithstanding any provision of law to the contrary, the refundable tax
109 credit and its payment authorized under this section shall be in addition to any federal
110 child tax credits under 24 U.S.C. Section 26 claimed by the qualified taxpayer, and any
111 amounts of the credit paid to the taxpayer shall not be considered as assets, income, or
112 resources to the same extent the federal credit and its payment would be disregarded
113 under 26 U.S.C. Section 6409, not taxable as state or federal income, and not taken into
114 account as income for the purposes of determining eligibility of an individual for
115 benefits or assistance or the amount or extent of benefits or assistance under any state
116 program and, to the extent permitted by federal law, under any state program financed
117 in whole or in part with federal funds.

118 12. No tax credit claimed under this section shall be carried forward to any
119 subsequent tax year. No tax credit claimed under this section shall be assigned,
120 transferred, sold, or otherwise conveyed.

121 13. Tax credits authorized under this section shall not be subject to the
122 requirements of sections 135.800 to 135.830.

123 14. The department shall prepare an annual report containing statistical
124 information regarding the tax credits issued under this section for the previous tax year
125 including, but not limited to, the number of taxpayers claiming the tax credit; the
126 number of total credits claimed and credit amount; the average claimant's income; the

127 average credit amount per child and per claimant; and the total amount of revenue
128 expended. No data shall be disclosed in any form that allows the personal identification
129 of any child or taxpayer to any individual or entity.

130 15. Notwithstanding any provision of section 105.1500 to the contrary, any
131 requirement to provide information, documents, or records under this section, and any
132 requirement established by the department to provide information, documents, or
133 records for the purpose of administering and enforcing this section shall be exempt from
134 section 105.1500.

135 16. The department of revenue shall promulgate all necessary rules and
136 regulations for the administration of this section including, but not limited to, rules
137 relating to the verification of a taxpayer's qualified amount. Any rule or portion of a
138 rule, as that term is defined in section 536.010, that is created under the authority
139 delegated in this section shall become effective only if it complies with and is subject to
140 all of the provisions of chapter 536 and, if applicable, section 536.028. This section and
141 chapter 536 are nonseverable and if any of the powers vested with the general assembly
142 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul
143 a rule are subsequently held unconstitutional, then the grant of rulemaking authority
144 and any rule proposed or adopted after August 28, 2024, shall be invalid and void.

145 17. Under section 23.253 of the Missouri sunset act:

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

149 (2) If such program is reauthorized, the program authorized under this section
150 shall automatically sunset twelve years after the effective date of the reauthorization of
151 this section; and

152 (3) This section shall terminate on September first of the calendar year
153 immediately following the calendar year in which the provisions authorized under this
154 section are sunset.

155 18. Notwithstanding the provisions of section 1.140 to the contrary, the
156 provisions of this section shall be nonseverable, and if any provision is for any reason
157 held to be invalid, such decision shall invalidate all of the remaining provisions of this
158 section.

135.1170. 1. As used in this section, the following terms mean:

2 (1) "Eligible caregiver", any individual who for ten or more hours per week
3 provides reasonable personal care services to a qualified care recipient who requires
4 assistance with the activities of daily living including, but not limited to:

5 (a) Assistance with bathing;

6 (b) Food preparation;
7 (c) Personal cleaning services or house cleaning services;
8 (d) Transportation services;
9 (e) Assistance with medical appointments; or
10 (f) Any other personal care services the qualified individual may require
11 assistance with;

12 (2) "Qualified care recipient", any individual requiring personal care assistance
13 from an eligible caregiver with activities of daily living who:

14 (a) Has attained the age of sixty-five years of age before the close of the tax year;
15 or

16 (b) Is under sixty-five years of age but has been determined to be disabled by the
17 Social Security Administration or by any other applicable federal or state agency or
18 department;

19 (3) "Qualified taxpayer", any individual subject to the state income tax imposed
20 under chapter 143, excluding the withholding tax imposed under sections 143.191 to
21 143.265, who is an eligible caregiver who provides personal care assistance to a qualified
22 care recipient;

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

25 2. For all tax years beginning on or after January 1, 2025, a qualified taxpayer
26 shall be allowed to claim a refundable tax credit against the taxpayer's state tax liability
27 in an amount equal to five thousand dollars.

28 3. In the event the qualified taxpayer provides personal care services to multiple
29 qualified care recipients and meets all the requirements under this section, the qualified
30 taxpayer is eligible for only one tax credit per tax year under this section.

31 4. (1) The qualified taxpayer shall complete and sign a sworn affidavit, under
32 penalty of perjury, outlining who is the qualified care recipient of the personal care
33 services provided by the taxpayer, where the qualified care recipient resides, what
34 personal care services the taxpayer provided, how many hours per week services were
35 provided, and the total amount of hours of personal care services the taxpayer provided
36 in the tax year for which the tax credit is being claimed.

37 (2) All affidavits, applications, and any other paperwork required by the
38 department to claim the credit under this section shall be filed with the department on
39 or before February first of each year for the preceding year's personal care services.

40 5. No tax credit claimed under this section shall be carried forward to any
41 subsequent tax year. No tax credit claimed under this section shall be assigned,
42 transferred, sold, or otherwise conveyed.

43 **6. The department of revenue shall promulgate all necessary rules and**
44 **regulations for the administration of this section. Any rule or portion of a rule, as that**
45 **term is defined in section 536.010, that is created under the authority delegated in this**
46 **section shall become effective only if it complies with and is subject to all of the**
47 **provisions of chapter 536 and, if applicable, section 536.028. This section and chapter**
48 **536 are nonseverable and if any of the powers vested with the general assembly**
49 **pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul**
50 **a rule are subsequently held unconstitutional, then the grant of rulemaking authority**
51 **and any rule proposed or adopted after August 28, 2024, shall be invalid and void.**

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

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

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

59 **(3) This section shall terminate on September first of the calendar year**
60 **immediately following the calendar year in which the program authorized under this**
61 **section is sunset; and**

62 **(4) Nothing in this subsection shall prevent a taxpayer from claiming a tax credit**
63 **properly issued before this program was sunset in a tax year after the program is sunset.**

135.1175. 1. As used in this section, the following terms mean:

2 **(1) "Qualified individual", any individual who:**

3 **(a) Is a resident of this state;**

4 **(b) Is not currently receiving MO HealthNet benefits;**

5 **(c) Has a Missouri adjusted gross income of one hundred thousand dollars or**
6 **less;**

7 **(d) Is sixty-five years of age or older by the close of the tax year or, if under sixty-**
8 **five years of age, is determined to be disabled by an agency of the state or the U.S. Social**
9 **Security Administration; and**

10 **(e) Requires assistance in at least one of the following areas including, but not**
11 **limited to:**

12 **a. Bathing services;**

13 **b. Food preparation;**

14 **c. Personal or household cleaning services;**

15 **d. Transportation services;**

16 **e. Assistance with medical appointments; or**

17 f. Any other personal care the individual requires assistance with;

18 (2) "Qualified taxpayer", any individual subject to the state income tax imposed
19 under chapter 143, excluding the withholding tax imposed under sections 143.191 to
20 143.265, who meets all the requirements of a qualified individual as defined under this
21 section;

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

24 2. For all tax years beginning on or after January 1, 2025, a qualified taxpayer
25 shall be allowed to claim a refundable tax credit against the taxpayer's state tax liability
26 in an amount equal to five thousand dollars.

27 3. (1) The qualified taxpayer shall complete and sign a sworn affidavit, under
28 penalty of perjury, outlining who provides the personal care services to the taxpayer,
29 where the personal care services are received, what personal care services are provided,
30 and the total amount of hours of personal care services that were provided for the
31 taxpayer in the tax year for which the tax credit is being claimed.

32 (2) If the qualified taxpayer is unable to sign the forms required under this
33 section or by rules promulgated by the department, a third-party individual, including
34 the caregiver providing the personal care services to the taxpayer, is authorized to assist
35 the taxpayer with such documentation, provided that the third party individual
36 provides an additional sworn affidavit, under penalty of perjury, that all statements are
37 true and accurate.

38 (3) All affidavits, applications, and any other paperwork required by the
39 department to claim the credit under this section shall be filed with the department on
40 or before February first of each year for the preceding year's personal care services.

41 4. No tax credit claimed under this section shall be carried forward to any
42 subsequent tax year. No tax credit claimed under this section shall be assigned,
43 transferred, sold, or otherwise conveyed.

44 5. The department of revenue shall promulgate all necessary rules and
45 regulations for the administration of this section. Any rule or portion of a rule, as that
46 term is defined in section 536.010, that is created under the authority delegated in this
47 section shall become effective only if it complies with and is subject to all of the
48 provisions of chapter 536 and, if applicable, section 536.028. This section and chapter
49 536 are nonseverable and if any of the powers vested with the general assembly
50 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul
51 a rule are subsequently held unconstitutional, then the grant of rulemaking authority
52 and any rule proposed or adopted after August 28, 2024, shall be invalid and void.

53 6. Under section 23.253 of the Missouri sunset act:

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

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

60 **(3) This section shall terminate on September first of the calendar year**
61 **immediately following the calendar year in which the program authorized under this**
62 **section is sunset; and**

63 **(4) Nothing in this subsection shall prevent a taxpayer from claiming a tax credit**
64 **properly issued before this program was sunset in a tax year after the program is sunset.**

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