

FIRST EXTRAORDINARY SESSION OF THE
SECOND REGULAR SESSION

HOUSE BILL NO. 7

101ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE CUPPS.

5991H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to an income tax credit.

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 135.1800, to read as follows:

135.1800. 1. As used in this section, the following terms mean:

2 **(1) "Eligible individual", any individual or married couple who:**

3 **(a) Cannot be claimed as a dependent on any other taxpayer's federal income tax**
4 **return for a tax year beginning in the calendar year in which the individual's tax year**
5 **begins;**

6 **(b) Has a Missouri adjusted gross income of less than one hundred fifty**
7 **thousand dollars in the case of an individual filing an individual income tax return or**
8 **less than three hundred thousand dollars in the case of a married couple filing a**
9 **combined income tax return;**

10 **(c) Is not an estate or trust;**

11 **(d) Is not delinquent on child support obligations;**

12 **(e) Is a resident of the state, as defined in section 143.101; and**

13 **(f) Files a Missouri individual or combined income tax return for the tax year**
14 **ending in calendar year 2021 and has filed such return with the state by October 17,**
15 **2022, or such return was postmarked by October 17, 2022;**

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.

16 (2) "Qualified taxpayer", any individual subject to the state income tax imposed
17 under chapter 143, excluding the withholding tax imposed under sections 143.191 to
18 143.265, who is an eligible individual as defined under this section;

19 (3) "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 2. For the 2021 tax year, a qualified taxpayer shall be allowed to claim a one-
22 time, nonrefundable tax credit against the taxpayer's state tax liability in an amount
23 equal to the lesser of each qualified taxpayer's Missouri income tax due for the tax year
24 ending in calendar year 2021, or five hundred dollars in the case of individuals filing an
25 individual Missouri income tax return, or one thousand dollars in the case of married
26 couples filing a combined Missouri income tax return, whichever is less.

27 3. The department of revenue shall automatically adjust each qualified
28 taxpayer's tax return for the 2021 tax year and shall issue refunds, if necessary, to
29 qualified taxpayers via check or electronic fund transfer.

30 4. No tax credit claimed under this section shall be carried forward to any
31 subsequent tax year.

32 5. No tax credit claimed under this section shall be assigned, transferred, sold, or
33 otherwise conveyed.

34 6. Notwithstanding any provision of this section to the contrary, the director of
35 revenue shall not authorize more than five hundred million dollars in tax credits under
36 this section. In the event the aggregate amount of tax credits claimed by qualified
37 taxpayers exceeds five hundred million dollars, the value of the tax credit shall be
38 reduced by the smallest uniform percentage such that the total of all tax credits issued
39 under this section is equal to five hundred million dollars.

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

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