

SENATE BILL NO. 1020

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SIFTON.

Read 1st time February 3, 2016, and ordered printed.

ADRIANE D. CROUSE, Secretary.

6132S.02I

AN ACT

To amend chapter 143, RSMo, by adding thereto one new section relating to a tax deduction for certain small businesses.

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

Section A. Chapter 143, RSMo, is amended by adding thereto one new section, to be known as section 143.116, to read as follows:

143.116. 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, or federal taxable income in the case of a corporation, for the tax year for which such deduction is claimed;

(2) "Disabled employee", a person employed by the taxpayer employed for at least one year who:

(a) Is determined to be at least fifty percent disabled by the Social Security Administration or the Department of Veterans Affairs;

or

(b) Is determined to be disabled by the division of vocational rehabilitation and is participating in the division's job placement program;

(3) "Eligible small business", a business that employs fifty or fewer employees and that employs a disabled employee or an ex-offender employee for at least forty weeks during the tax year for which the deduction allowed under this section is claimed;

(4) "Ex-offender employee", a person employed by the taxpayer for at least one year who was discharged from a correctional facility during the twelve months preceding such employment;

(5) "Taxpayer", any eligible small business subject to the tax

22 imposed under chapter 143, excluding withholding tax imposed by
23 sections 143.191 to 143.265.

24 2. For all tax years beginning on or after January 1, 2017, a
25 taxpayer shall be allowed a deduction for employing a disabled
26 employee or an ex-offender employee. The deduction amount shall be
27 equal to five thousand dollars for each such person employed, subject
28 to the following:

29 (1) If a disabled employee, such taxpayer shall employ the person
30 for at least twenty-five hours per week; or

31 (2) If an ex-offender employee, such taxpayer shall employ the
32 person for an average of at least forty hours per week.

33 Upon satisfying either of these requirements, the taxpayer shall be
34 eligible to claim the deduction for the next three tax years.

35 3. The amount of the deduction issued shall not exceed the
36 amount of the taxpayer's state tax liability for the tax year for which
37 the deduction is claimed. If the amount of the deduction allowed
38 exceeds the amount of the taxpayer's state tax liability for the tax year
39 for which the deduction is claimed, the difference shall not be
40 refundable but may be carried forward to any of the taxpayer's three
41 subsequent tax years. No deduction issued under this section shall be
42 transferred, sold, or assigned. The aggregate amount of deductions
43 which may be issued under this section in any one fiscal year shall not
44 exceed ten million dollars. The deductions issued under this section
45 shall be issued on a first-come, first-served filing basis.

46 4. The department of revenue may promulgate rules to
47 implement the provisions of this section. Any rule or portion of a rule,
48 as that term is defined in section 536.010, that is created under the
49 authority delegated in this section shall become effective only if it
50 complies with and is subject to all of the provisions of chapter 536 and,
51 if applicable, section 536.028. This section and chapter 536 are
52 nonseverable, and if any of the powers vested with the general
53 assembly pursuant to chapter 536 to review, to delay the effective date,
54 or to disapprove and annul a rule are subsequently held
55 unconstitutional, then the grant of rulemaking authority and any rule
56 proposed or adopted after August 28, 2016, shall be invalid and void.

57 5. Under section 23.253 of the Missouri sunset act:

58 (1) The provisions of the new program authorized under this

59 section shall automatically sunset on December thirty-first six years
60 after the effective date of this section unless reauthorized by an act of
61 the general assembly;

62 (2) If such program is reauthorized, the program authorized
63 under this section shall automatically sunset on December thirty-first
64 twelve years after the effective date of the reauthorization of this
65 section; and

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

Unofficial ✓

Bill

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