

SENATE BILL NO. 1207

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOSKINS.

3677S.01H

KRISTINA MARTIN, Secretary

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to a work opportunity 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
2 one new section, to be known as section 135.465, to read as
3 follows:

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

3 (1) "Federal work opportunity credit", the work
4 opportunity tax credit allowed under 26 U.S.C. Section 51,
5 as amended;

6 (2) "Qualified taxpayer", any individual or entity
7 subject to the state income tax imposed under chapter 143,
8 148, or 153, excluding the withholding tax imposed under
9 sections 143.191 to 143.265, who is an employer that paid
10 wages to an individual who is in a targeted group and was
11 employed in the state during the tax year for which the tax
12 credit under this section is claimed;

13 (3) "Targeted group", the same meaning as defined in
14 26 U.S.C. Section 51, as amended;

15 (4) "Tax credit", a credit against the tax otherwise
16 due under chapter 143, 147, 148, or 153, excluding
17 withholding tax imposed under sections 143.191 to 143.265.

18 2. For all tax years beginning on or after January 1,
19 2025, a qualified taxpayer shall be allowed to claim a tax
20 credit against the taxpayer's state tax liability for wages
21 paid by the qualified taxpayer during the tax year to an
22 individual who is in a targeted group and who is employed in
23 the state in an amount equal to the lesser of:

24 (1) One hundred percent of the federal work
25 opportunity credit properly claimed for the tax year by the
26 qualified taxpayer on such taxpayer's federal income tax
27 return with respect to such wages, excluding any amount
28 carried back or forward from another tax year in accordance
29 with 26 U.S.C. Section 51, as amended; or

30 (2) The Missouri state income tax liability of the
31 taxpayer for that tax year, except in the case of an
32 employer that is an organization exempt from taxation under
33 26 U.S.C. Section 501(c), as amended.

34 3. An employer that is an organization exempt from
35 taxation under 26 U.S.C. Section 501(c), as amended, may
36 apply the credit authorized under this section as a credit
37 for the payment of taxes that the organization is required
38 to withhold from the wages of employees and required to pay
39 to the state.

40 4. Tax credits issued under the provisions of this
41 section shall not be refundable. No tax credit claimed
42 under this section shall be carried forward to any
43 subsequent tax year.

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

46 6. The department of revenue shall promulgate all
47 necessary rules and regulations for the administration of
48 this section. Any rule or portion of a rule, as that term
49 is defined in section 536.010, that is created under the

50 authority delegated in this section shall become effective
51 only if it complies with and is subject to all of the
52 provisions of chapter 536 and, if applicable, section
53 536.028. This section and chapter 536 are nonseverable and
54 if any of the powers vested with the general assembly
55 pursuant to chapter 536 to review, to delay the effective
56 date, or to disapprove and annul a rule are subsequently
57 held unconstitutional, then the grant of rulemaking
58 authority and any rule proposed or adopted after August 28,
59 2024, shall be invalid and void.

60 7. Under section 23.253 of the Missouri sunset act:

61 (1) The provisions of the new program authorized under
62 this section shall automatically sunset December thirty-
63 first six years after the effective date of this section
64 unless reauthorized by an act of the general assembly;

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

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

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