

SECOND REGULAR SESSION

HOUSE BILL NO. 1081

91ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES BEARDEN, CUNNINGHAM, PORTWOOD (Co-sponsors),
NAEGER, LEVIN, DOLAN, JETTON, REINHART AND BERKSTRESSER.

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TED WEDEL, Chief Clerk

2363L.011

AN ACT

To repeal section 143.111, RSMo, and to enact in lieu thereof two new sections relating to a deduction from Missouri adjusted gross income for qualified education expenses.

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

Section A. Section 143.111, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 143.111 and 143.115, to read as follows:

143.111. The Missouri taxable income of a resident shall be such resident's Missouri adjusted gross income less:

- (1) Either the Missouri standard deduction or the Missouri itemized deduction;
- (2) The Missouri deduction for personal exemptions;
- (3) The Missouri deduction for dependency exemptions;
- (4) The deduction for federal income taxes provided in section 143.171; [and]
- (5) The deduction for a self-employed individual's health insurance costs provided in section 143.113; **and**

(6) **The deduction for qualified education expenses provided in section 143.115.**

143.115. 1. For all tax years beginning on or after January 1, 2002, an individual taxpayer who is the custodian of one or more qualifying pupils shall be allowed a deduction from the taxpayer's Missouri adjusted gross income for qualified education expenses incurred on behalf of qualifying pupils. The deduction shall be equal to twenty-five percent of qualified education expenses, but in no event may the total deduction claimed pursuant to this section by a custodian of qualifying pupils exceed five hundred dollars.

2. As used in this section the following terms mean:

EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

8 (1) "Custodian", any resident of Missouri who is a parent or the legal guardian,
9 or any residents of Missouri who are the parents or legal guardians, of the qualifying
10 pupils;

11 (2) "Qualified education expense", the amount incurred on behalf of a qualifying
12 pupil in excess of two hundred fifty dollars for tuition, book fees, and lab fees at the school
13 in which the pupil is enrolled during the regular school year;

14 (3) "Qualifying pupils", individuals who:

15 (a) Are residents of the state of Missouri;

16 (b) Are under age twenty-one at the close of the taxable year for which a deduction
17 is sought; and

18 (c) Were full-time pupils enrolled in a kindergarten through twelfth grade
19 education program at any school during the calendar year for which a deduction is sought;

20 (4) "School", any public or nonpublic elementary or secondary school in Missouri
21 that is in compliance with Title VI, Public Law 88-352, The Civil Rights Act of 1964, as
22 amended, and attendance at such school satisfies the requirements of section 167.031,
23 RSMo, except that nothing in this section shall be construed to require a child to attend
24 any particular public or nonpublic school to qualify for the deduction allowed pursuant
25 to this section.

26 3. The director of the department of revenue shall promulgate rules and regulations
27 to administer the provisions of this section. No rule or portion of a rule promulgated
28 pursuant to the authority of this section shall become effective unless it has been
29 promulgated pursuant to chapter 536, RSMo.