

FIRST REGULAR SESSION

HOUSE BILL NO. 758

94TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES BROWN (50) (Sponsor), DARROUGH, HOSKINS, GEORGE, SHIVELY, CASEY, WILDBERGER, CURLS, QUINN (9), TODD, PEARCE, JOHNSON, WRIGHT-JONES, OXFORD, NORR, COX, MUNZLINGER, SCHARNHORST, NIEVES, McGHEE, SILVEY, GRISAMORE, RICHARD, ROORDA, PRATT, HAYWOOD, LIESE, WOOD, SCAVUZZO, SCHOEMEHL, EL-AMIN, CORCORAN, MEADOWS, KUESSNER, DOUGHERTY, ROBINSON, SWINGER, WITTE, HUGHES, KRATKY, NASHEED, YAEGER, STORCH, JONES (89), FUNDERBURK, RUZICKA, TILLEY AND MOORE (Co-sponsors).

Read 1st time February 6, 2007 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

1853L.01I

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to a tax credit for employers who hire high school students for summer jobs.

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 known as section 135.1169, to read as follows:

135.1169. 1. As used in this section, the following terms mean:

- (1) "Qualified high school student", a student hired for summer employment who is currently enrolled for junior or senior year in high school, or home school under section 167.042, RSMo, who met the minimum attendance requirements of section 167.031, RSMo, and earned at least a 2.0 grade point average or equivalent in the school year immediately preceding such summer employment, and who is eligible for the free or reduced lunch program;
- (2) "State tax liability", in the case of a business taxpayer, any liability incurred by such taxpayer under the provisions of chapters 143, 147, 148, and 153, RSMo, exclusive of the provisions relating to the withholding of tax as provided for in sections 143.191 to

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.

11 143.265, RSMo, and related provisions, and in the case of an individual taxpayer, any
12 liability incurred by such taxpayer under the provisions of chapter 143, RSMo;

13 (3) "Taxpayer", a person, firm, a partner in a firm, corporation or a shareholder
14 in an S corporation doing business in the state of Missouri and subject to the state income
15 tax imposed by the provisions of chapter 143, RSMo, or a corporation subject to the annual
16 corporation franchise tax imposed by the provisions of chapter 147, RSMo, or an insurance
17 company paying an annual tax on its gross premium receipts in this state, or other
18 financial institution paying taxes to the state of Missouri or any political subdivision of this
19 state under the provisions of chapter 148, RSMo, or an express company which pays an
20 annual tax on its gross receipts in this state under chapter 153, RSMo, or an individual
21 subject to the state income tax imposed by the provisions of chapter 143, RSMo.

22 2. For all tax years beginning on or after January 1, 2008, a taxpayer shall be
23 allowed to claim a tax credit against the taxpayer's state tax liability in an amount equal
24 to thirty-five percent of the amount such taxpayer paid to a qualified high school student
25 in wages for summer employment.

26 3. The amount of the tax credit issued shall not exceed the amount of the taxpayer's
27 state tax liability for the taxable year for which the credit is claimed, and such taxpayer
28 shall not be allowed to claim a tax credit in excess of fifty thousand dollars per taxable
29 year. However, any tax credit that cannot be claimed in the taxable year the contribution
30 was made may be carried over to the next four succeeding taxable years until the full credit
31 has been claimed.

32 4. Except for any excess credit which is carried over under subsection 3 of this
33 section, a taxpayer shall not be allowed to claim a tax credit unless the total amount the
34 taxpayer paid to a qualified high school student was at least one hundred dollars.

35 5. The department of elementary and secondary education shall establish a
36 procedure by which a taxpayer can determine if a student is a qualified high school
37 student, and by which such taxpayer can then claim a tax credit. The cumulative amount
38 of tax credits which may be claimed by all the taxpayers under this program in any one
39 fiscal year shall not exceed three million dollars. The department shall also establish a
40 procedure for tracking students for which employers receive tax credits under this section.

41 6. The department of elementary and secondary education may promulgate rules
42 to implement the provisions of this section. Any rule or portion of a rule, as that term is
43 defined in section 536.010, RSMo, that is created under the authority delegated in this
44 section shall become effective only if it complies with and is subject to all of the provisions
45 of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter
46 536, RSMo, are nonseverable and if any of the powers vested with the general assembly

47 pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove and
48 annul a rule are subsequently held unconstitutional, then the grant of rulemaking
49 authority and any rule proposed or adopted after August 28, 2007, shall be invalid and
50 void.

51 7. Under section 23.253, RSMo, of the Missouri Sunset Act:

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

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

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

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