

HB 2521 -- Missouri Earned Income Tax Credit Act

Sponsor: Oxford

This bill establishes the Missouri Earned Income Tax Credit Act which authorizes, beginning January 1, 2008, an individual income tax credit equal to 20% of any earned income tax credit claimed by the taxpayer on his or her federal income tax return. Any credit which exceeds the taxpayer's liability in any tax year will be refunded to the taxpayer. The Department of Revenue is required to notify taxpayers who may qualify for the credit and to contract with nonprofit groups to provide outreach to non-English speaking individuals, elderly, tenants, and low-income individuals who do not file tax returns annually to notify them of this credit. The department must prepare an annual report containing the number of credits issued and claimed, the total amount of revenue expended, and the average value of the credits issued within certain income ranges.

The provisions of the bill will expire December 31 six years from the effective date.