

FIRST REGULAR SESSION

HOUSE BILL NO. 56

96TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE BROWN (50).

0399L.011

D. ADAM CRUMBLISS, Chief Clerk

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, who met the minimum attendance requirements of section 167.031 and earned a grade point average of at least two-point zero on a four-point scale or equivalent in the school year immediately preceding such summer employment, and who is eligible for a free or reduced price school lunch under the National School Lunch Act, 42 U.S.C. 1751 et seq.;

(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, excluding withholding tax imposed by sections 143.191 to 143.265, and related provisions, and in the case of an individual taxpayer, any liability incurred by such taxpayer under the provisions of chapter 143;

(3) **"Taxpayer"**, a person, firm, a partner in a firm, corporation or a shareholder in an S corporation doing business in the state of Missouri and subject to the state income tax imposed by the provisions of chapter 143, or a corporation subject to the annual corporation franchise tax imposed by the provisions of chapter 147, or an insurance company paying an annual tax on its gross premium receipts in this state, or other

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.

18 financial institution paying taxes to the state of Missouri or any political subdivision of this
19 state under the provisions of chapter 148, or an express company which pays an annual tax
20 on its gross receipts in this state under chapter 153, or an individual subject to the state
21 income tax imposed by the provisions of chapter 143.

22 2. For all tax years beginning on or after January 1, 2012, 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 forward to the next four succeeding taxable years until the full
31 credit has been claimed.

32 4. Except for any excess credit which is carried forward 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, that is created under the authority delegated in this section shall
44 become effective only if it complies with and is subject to all of the provisions of chapter
45 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and
46 if any of the powers vested with the general assembly pursuant to chapter 536 to review,
47 to delay the effective date, or to disapprove and annul a rule are subsequently held
48 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted
49 after August 28, 2011, shall be invalid and void.

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

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

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

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

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