

HOUSE BILL NO. 1446

96TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES McNEIL (Sponsor), SIFTON, McGEOGHEGAN, SCHUPP,
PACE, SPRENG AND OXFORD (Co-sponsors).

4718L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 143, RSMo, by adding thereto one new section relating to an income tax deduction for certain tuition costs.

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

Section A. Chapter 143, RSMo, is amended by adding thereto one new section, to be known as section 143.129, to read as follows:

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

(1) "Deduction", an amount subtracted from the taxpayer's Missouri adjusted gross income to determine Missouri taxable income for the tax year in which such deduction is claimed;

(2) "Last credit hours or their equivalent", the credit hours completed after the resumption of the degree program;

(3) "Taxpayer", any individual subject to the income tax imposed in this chapter who:

(a) Has been a resident of this state for at least the year immediately preceding the claim for a deduction under this section;

(b) Paid tuition at the resident rate at any public two-year or four-year higher educational institution in this state;

(c) Has not been enrolled as a full-time student for at least four consecutive calendar years before the year in which the degree program is resumed;

(d) Provides proof of graduation from the public two-year or four-year higher educational institution conferring the taxpayer's associate or bachelor degree;

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.

17 **(4) "Tuition costs", the amount expended for tuition and fees for the last credit**
18 **hours or their equivalent necessary to complete the taxpayer's associate or bachelor degree**
19 **requirements at any public two-year or four-year higher educational institution in this**
20 **state, but not to exceed nine credit hours for an associate's degree or eighteen credit hours**
21 **for a bachelor's degree. In no case shall a deduction be granted for tuition costs for more**
22 **than eighteen credit hours per taxpayer.**

23 **2. In addition to all deductions listed in this chapter, for all taxable years beginning**
24 **on or after January 1, 2013, a taxpayer shall be allowed a deduction for tuition costs. The**
25 **deduction amount shall be equal to one hundred percent of the amounts of the taxpayer's**
26 **tuition costs.**

27 **3. The department of revenue shall establish the procedure by which the deduction**
28 **provided in this section may be claimed, and may promulgate rules to implement the**
29 **provisions of this section. The department may confer with public two-year or four-year**
30 **higher educational institutions in this state to develop such procedures. Any rule or**
31 **portion of a rule, as that term is defined in section 536.010, that is created under the**
32 **authority delegated in this section shall become effective only if it complies with and is**
33 **subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This**
34 **section and chapter 536 are nonseverable and if any of the powers vested with the general**
35 **assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove**
36 **and annul a rule are subsequently held unconstitutional, then the grant of rulemaking**
37 **authority and any rule proposed or adopted after August 28, 2012, shall be invalid and**
38 **void.**

39 **4. Under section 23.253 of the Missouri sunset act:**

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

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

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

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