

SECOND REGULAR SESSION

HOUSE BILL NO. 1808

97TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE CURTIS.

5892L.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 expenses incurred in creating or forming certain businesses.

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
2 known as section 143.132, to read as follows:

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

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

5 **(2) "Taxpayer", any individual subject to the income tax imposed in this chapter**
6 **who incurs any expenses in creating or forming a limited liability company or sole**
7 **proprietorship in this state.**

8 **2. In addition to all deductions listed in this chapter, for all taxable years beginning**
9 **on or after January 1, 2015, a taxpayer shall be allowed a deduction for expenses the**
10 **taxpayer incurred in creating or forming a limited liability company or sole proprietorship.**
11 **The deduction amount shall be equal to the amount of such expenses, but shall not exceed**
12 **five thousand dollars.**

13 **3. The department of revenue shall establish the procedure by which the deduction**
14 **provided in this section may be claimed, and may promulgate rules to implement the**
15 **provisions of this section. Any rule or portion of a rule, as that term is defined in section**
16 **536.010, that is created under the authority delegated in this section shall become effective**
17 **only if it complies with and is subject to all of the provisions of chapter 536 and, if**

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 applicable, section 536.028. This section and chapter 536 are nonseverable and if any of
19 the powers vested with the general assembly under chapter 536 to review, to delay the
20 effective date, or to disapprove and annul a rule are subsequently held unconstitutional,
21 then the grant of rulemaking authority and any rule proposed or adopted after August 28,
22 2014, shall be invalid and void.

23 4. Under section 23.253 of the Missouri sunset act:

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

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

30 (3) This section shall terminate on September first of the calendar year immediately
31 following the calendar year in which the program authorized under this section is sunset.
32 The termination of the program as described in this subsection shall not be construed to
33 preclude any taxpayer who claims any benefit under any program that is sunset under this
34 subsection from claiming such benefit for all allowable activities related to such claim that
35 were completed before the program was sunset, or to eliminate any responsibility of the
36 administering agency to verify the continued eligibility of projects receiving tax credits and
37 to enforce other requirements of law that applied before the program was sunset.

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