

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for Senate Bill No. 738, Page 15, Section 100.710, Line 133, by
2 inserting after all of said section and line the following:

3
4 "135.760. 1. This section shall be known and may be cited as the "Missouri Earned Income Tax
5 Credit Act".

6 2. For purposes of this section, the following terms mean:

7 (1) "Department", the department of revenue;

8 (2) "Eligible taxpayer", a resident individual with a filing status of single, head of household,
9 widowed, or married filing combined that is subject to the tax imposed under chapter 143, excluding
10 withholding tax imposed under sections 143.191 to 143.265 and who is allowed a federal earned income tax
11 credit under Section 32 of the Internal Revenue Code of 1986, as amended;

12 (3) "Qualifying child", a dependent child for whom the taxpayer is entitled to a dependency
13 deduction for federal income tax purposes;

14 (4) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding withholding tax
15 imposed under sections 143.191 to 143.265.

16 3. For all tax years beginning on or after January 1, 2017, an eligible taxpayer shall be allowed a tax
17 credit in the amount equal to twenty percent of the allowable federal earned income tax credit. The tax credit
18 allowed by this section shall be claimed by such taxpayer at the time such taxpayer files a return and shall be
19 applied against the income tax liability imposed by chapter 143 after reduction for all other credits allowed
20 thereon. If the amount of the credit exceeds the tax liability, the difference shall not be refunded to the
21 taxpayer nor shall it be carried forward to any subsequent tax year.

22 4. Notwithstanding the provision of subsection 4 of section 32.057 to the contrary, the department of
23 revenue or any duly authorized employee or agent shall determine whether any taxpayer filing a report or
24 return with the department of revenue who has not applied for the credit allowed under this section may
25 qualify for the credit and shall notify any qualified claimant of the claimant's potential eligibility if the
26 department determines such potential eligibility exists. In making a determination of eligibility under this
27 section, the department shall use any appropriate and available data including, but not limited to, data
28 available from the Internal Revenue Service, the U.S. Department of Treasury, and state income tax returns
29 from previous tax years.

30 5. The department shall prepare an annual report containing statistical information regarding the tax
31 credits issued under this section for the previous tax year, including the total amount of revenue expended on
32 the earned income tax credit, the number of credits claimed, and the average value of the credits issued to
33 taxpayers whose earned income falls within various income ranges determined by the department.

34 6. The department shall contract with one or more nonprofit groups to provide notice of the earned
35 income tax credit to eligible taxpayers. The department shall require evidence of the effectiveness of the
36 nonprofit group, the connection with the community in which the group operates, and the ability to contact
37 taxpayers that are unlikely to claim the federal earned income tax credit including, but not limited to, non-
38 English speakers, elderly, tenants, and very low-income taxpayers who do not file tax returns annually. The
39 department shall give preference to nonprofit groups with members in low- and moderate-income areas,

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1 nonprofit groups with at least fifty-one percent of the board of directors having low- to moderate-incomes
2 and residents of target communities, and to nonprofit groups that have a record of effective door-to-door
3 outreach for similar community projects.

4 7. The director of the department of revenue shall promulgate rules and regulations to administer the
5 provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is
6 created under the authority delegated in this section shall become effective only if it complies with and is
7 subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter
8 536 are nonseverable, and if any of the powers vested with the general assembly pursuant to chapter 536 to
9 review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional,
10 then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2016, shall be
11 invalid and void.

12 8. Under section 23.253 of the Missouri sunset act:

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

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

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

20 135.1160. 1. As used in this section, the following terms mean:

21 (1) "Eligible costs", the purchase costs of materials or labor for cabinets, carpentry, carpeting,
22 ceramic tile, concrete, counter and vanity tops, drywall, electrical work, exterior siding, heating and cooling,
23 insulation, masonry, painting, plaster, plumbing, plumbing fixtures, roofing, tuckpointing, waterproofing,
24 windows, and wood flooring;

25 (2) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding withholding tax
26 under sections 143.191 to 143.265;

27 (3) "Taxpayer", any individual subject to the tax imposed under chapter 143, excluding withholding
28 tax under sections 143.191 to 143.265, who owns a multifamily dwelling or residence with at least two or
29 more units that is operated as rental property, who renovates the rental property, and who lives in one of the
30 units in the renovated rented dwelling or residence.

31 2. For all tax years beginning on or after January 1, 2017, a taxpayer shall be allowed a tax credit for
32 eligible costs incurred in renovating the taxpayer's rented dwelling or residence. The tax credit amount shall
33 be equal to twenty percent of such eligible costs, but shall not exceed two thousand five hundred dollars per
34 taxpayer. The amount of the tax credit issued shall not exceed the amount of the taxpayer's state tax liability
35 for the tax year for which the credit is claimed. If the amount of the tax credit allowed exceeds the amount of
36 the taxpayer's state tax liability for the tax year for which the credit is claimed, the difference shall not be
37 refundable but may be carried forward to any of the taxpayer's three subsequent tax years. No tax credit
38 issued under this section shall be transferred, sold, or assigned. The aggregate amount of tax credits that may
39 be issued under this section in any one fiscal year shall not exceed five million dollars. The tax credits
40 issued under this section shall be issued on a first-come, first-served filing basis.

41 3. To claim the tax credit allowed under this section, the taxpayer shall include with the taxpayer's
42 income tax return any documentation and information required by the department to verify that the taxpayer
43 has actually incurred the eligible costs.

44 4. The department of revenue may promulgate rules to implement the provisions of this section.
45 Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority
46 delegated in this section shall become effective only if it complies with and is subject to all of the provisions
47 of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable, and if any
48 of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date,
49 or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking
50 authority and any rule proposed or adopted after August 28, 2016, shall be invalid and void.

51 5. Under section 23.253 of the Missouri sunset act:

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

1 general assembly;

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

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

6 135.1910. 1. As used in this section, the following terms mean:

7 (1) "Contribution", a donation of cash; stock, bonds, or other marketable securities; or real property;

8 (2) "Director", the director of the department of social services;

9 (3) "Qualified organization", an organization that provides funding for unmet health, hunger, and
10 hygiene needs for children in school;

11 (4) "State tax liability", in the case of a business taxpayer, any liability incurred by such taxpayer
12 under the provisions of chapters 143, 148, and 153, excluding sections 143.191 to 143.265 and related
13 provisions, and in the case of an individual taxpayer, any liability incurred by such taxpayer under the
14 provisions of chapter 143, excluding sections 143.191 to 143.265 and related provisions;

15 (5) "Taxpayer", a person, firm, a partner in a firm, corporation, or a shareholder in an S corporation
16 doing business in the state of Missouri and subject to the state income tax imposed under the provisions of
17 chapter 143; an insurance 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 state under the
19 provisions of chapter 148; an express company which pays an annual tax on its gross receipts in this state
20 under chapter 153; an individual subject to the state income tax imposed under the provisions of chapter 143;
21 or any charitable organization that is exempt from federal income tax and whose Missouri unrelated business
22 taxable income, if any, would be subject to the state income tax imposed under chapter 143.

23 2. For all tax years beginning on or after January 1, 2017, a taxpayer shall be allowed to claim a tax
24 credit against the taxpayer's state tax liability in an amount equal to fifty percent of the taxpayer's
25 contribution to a qualified organization. The qualified organization shall use the taxpayer's contribution
26 solely for the unmet health, hunger, and hygiene needs of children in school.

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

32 4. Except for any excess credit that is carried over under subsection 3 of this section, a taxpayer
33 shall not be allowed to claim a tax credit unless the total amount of such taxpayer's contribution or
34 contributions to a qualified organization or organizations in such taxpayer's taxable year has a value of at
35 least one hundred dollars.

36 5. The director shall determine, at least annually, which organizations in this state may be classified
37 as qualified organizations. The director may require of an organization seeking to be classified as a qualified
38 organization whatever information that is reasonably necessary to make such a determination. The director
39 shall classify an organization as a qualified organization if such organization meets the definition set forth in
40 subsection 1 of this section.

41 6. The director shall establish a procedure by which a taxpayer can determine if an organization has
42 been classified as a qualified organization. Qualified organizations shall be permitted to decline a
43 contribution from a taxpayer. To claim the tax credit authorized in this section, a qualified organization may
44 submit to the department an application for the tax credit authorized by this section on behalf of taxpayers.
45 The department shall verify that the qualified organization has submitted the following items accurately and
46 completely:

47 (1) A valid application in the form and format required by the department;

48 (2) A statement attesting to the contribution received, which shall include the name and taxpayer
49 identification number of the individual making the contribution, the amount of the contribution, and the date
50 the contribution was received by the provider; and

51 (3) Payment from the qualified organization equal to the value of the tax credit for which application
52 is made.

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1 If the provider applying for the tax credit meets all criteria required by this subsection, the department shall
 2 issue a certificate in the appropriate amount.

3 7. Each qualified organization shall provide information to the director concerning the identity of
 4 each taxpayer making a contribution to the qualified organization who is claiming a tax credit under this
 5 section and the amount of the contribution. The director shall provide the information to the director of
 6 revenue. The director shall be subject to the confidentiality and penalty provisions of section 32.057 relating
 7 to the disclosure of tax information.

8 8. The provisions of this section shall not be construed to limit or in any way impair the
 9 department's ability to issue tax credits authorized on or before the date the program authorized under this
 10 section expires or a taxpayer's ability to redeem such tax credits.

11 9. Under section 23.253 of the Missouri sunset act:

12 (1) The program established under this section shall automatically expire on December 31, 2022,
 13 unless reauthorized by an act of the general assembly;

14 (2) If such program is reauthorized, the program authorized under this section shall automatically
 15 sunset twelve years after the effective date of the reauthorization of this section; and

16 (3) This section shall terminate on September first of the calendar year immediately following the
 17 calendar year in which a program authorized under this section is sunset."; and

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 19 Further amend said bill, Page 16, Section 143.1016, Line 31, by inserting after all of said section and line the
 20 following:

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 22 "143.1100. 1. This section shall be known and may be cited as the "Bring Jobs Home Act".

23 2. As used in this section, the following terms shall mean:

24 (1) "Business unit":

25 (a) Any trade or business; and

26 (b) Any line of business or function unit which is part of any trade or business;

27 (2) "Deduction":

28 (a) For individuals, an amount subtracted from the taxpayer's Missouri adjusted gross income to
 29 determine Missouri taxable income for the tax year in which such deduction is claimed; and

30 (b) For corporations, an amount subtracted from the taxpayer's Federal taxable income to determine
 31 Missouri taxable income for the tax year in which such deduction is claimed;

32 (3) "Department", the department of economic development;

33 (4) "Eligible expenses":

34 (a) Any amount for which a deduction is allowed to the taxpayer under Section 162 of the Internal
 35 Revenue Code of 1986, as amended, provided that such amounts shall be deductible to the extent that such
 36 amounts are not deducted on the taxpayer's federal income tax return for that taxable year; and

37 (b) Permit and license fees, lease brokerage fees, equipment installation costs, and other similar
 38 expenses, provided that such expenses shall be deductible to the extent that such expenses are not deducted
 39 on the taxpayer's federal income tax return for the taxable year;

40 (5) "Eligible insourcing expenses":

41 (a) Eligible expenses paid or incurred by the taxpayer in connection with the elimination of any
 42 business unit of the taxpayer or of any member of any expanded affiliated group in which the taxpayer is also
 43 a member located outside the state of Missouri; and

44 (b) Eligible expenses paid or incurred by the taxpayer in connection with the establishment of any
 45 business unit of the taxpayer or of any member of any expanded affiliated group in which the taxpayer is also
 46 a member located within the state of Missouri if such establishment constitutes the relocation of the business
 47 unit so eliminated.

48
 49 For purposes of this subdivision, expenses shall be eligible if such elimination of the business unit in another
 50 state or country occurs in a different taxable year from the establishment of the business unit in Missouri;

51 (6) "Expanded affiliated group", an affiliated group as defined under Section 1504(a) of the Internal
 52 Revenue Code of 1986, as amended, except to be determined without regard to Section 1504(b)(3) of the
 53 Internal Revenue Code of 1986, as amended, and determined by substituting "at least eighty percent" with

1 “more than fifty percent” each place the phrase appears under Section 1504(a) of the Internal Revenue Code
2 of 1986, as amended. A partnership or any other entity other than a corporation shall be treated as a member
3 of an expanded affiliated group if such entity is controlled by members of such group including any entity
4 treated as a member of such group by reason of this subdivision;

5 (7) "Full-time equivalent employee", a number of employees equal to the number determined by
6 dividing the total number of hours of service for which wages were paid by the employer to employees
7 during the taxable year, by two thousand eighty;

8 (8) "Insourcing plan", a written plan to carry out the establishment of a business unit in Missouri as
9 described in subdivision (5) of this subsection;

10 (9) "Taxpayer", any individual, firm, partner in a firm, corporation, partnership, shareholder in an S
11 corporation, or member of a limited liability company subject to the income tax imposed under chapter 143,
12 excluding withholding tax imposed under sections 143.191 to 143.265.

13 3. For all taxable years beginning on or after January 1, 2016, a taxpayer shall be allowed a
14 deduction equal to fifty percent of the taxpayer's eligible insourcing expenses in the taxable year chosen
15 under subsection 5 of this section. The amount of the deduction claimed shall not exceed the amount of:

16 (1) For individuals, the taxpayer's Missouri adjusted gross income for the taxable year the deduction
17 is claimed; and

18 (2) For corporations, the taxpayer's Missouri taxable income for the taxable year the deduction is
19 claimed.

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21 However, any amount of the deduction that cannot be claimed in the taxable year may be carried over to the
22 next five succeeding taxable years until the full deduction has been claimed.

23 4. No deduction shall be allowed under this section until the department determines that the number
24 of full-time equivalent employees of the taxpayer in the taxable year the deduction is claimed exceeds the
25 number of full-time equivalent employees of the taxpayer in the taxable year prior to the taxpayer incurring
26 any eligible insourcing expenses.

27 5. Only eligible insourcing expenses that occur in the taxable year such expenses are paid or
28 incurred and:

29 (1) The taxpayer's insourcing plan is completed; or

30 (2) The first taxable year after the taxpayer's insourcing plan is completed;

31
32 shall be used to calculate the deduction allowed under this section.

33 6. Notwithstanding any other provision of law to the contrary, no deduction shall be allowed for any
34 expenses incurred due to dissolving a business unit in Missouri and relocating such business unit to another
35 state.

36 7. The total amount of deductions authorized under this section shall not exceed five million dollars
37 in any taxable year. In the event that more than five million dollars in deductions are claimed in a taxable
38 year, deductions shall be issued on a first-come, first-served filing basis.

39 8. A taxpayer who receives a deduction under the provisions of this section shall be ineligible to
40 receive incentives under the provisions of any other state tax deduction program for the same expenses
41 incurred.

42 9. Any taxpayer allowed a deduction under this section who, within ten years of receiving such
43 deduction, eliminates the business unit for which the deduction was allowed shall repay the amount of tax
44 savings realized from the deduction to the state, prorated by the number of years the business unit was in this
45 state.

46 10. The department of economic development and the department of revenue shall promulgate rules
47 to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section
48 536.010, that is created under the authority delegated in this section shall become effective only if it
49 complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This
50 section and chapter 536 are nonseverable, and if any of the powers vested with the general assembly pursuant
51 to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held
52 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28,
53 2016, shall be invalid and void.

- 1 11. Under section 23.253 of the Missouri sunset act:
- 2 (1) The provisions of the new program authorized under this section shall automatically sunset six
- 3 years after the effective date, unless reauthorized by an act of the general assembly; and
- 4 (2) If such program is reauthorized, the program authorized under this section shall automatically
- 5 sunset twelve years after the effective date of the reauthorization of this section; and
- 6 (3) This section shall terminate on September first of the calendar year immediately following the
- 7 calendar year in which the program authorized under this section is sunset."; and
- 8
- 9 Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.