

House \_\_\_\_\_ Amendment NO. \_\_\_\_\_

Offered By

1 AMEND House Committee Substitute for Senate Committee Substitute for Senate Bill No. 794,  
2 Page 5, Section 67.410, Line 138, by 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  
5 Tax 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  
9 household, widowed, or married filing combined that is subject to the tax imposed under chapter  
10 143, excluding withholding tax imposed under sections 143.191 to 143.265 and who is allowed a  
11 federal earned income tax credit under Section 32 of the Internal Revenue Code of 1986, as  
12 amended;

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

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

17 3. For all tax years beginning on or after January 1, 2019, an eligible taxpayer shall be  
18 allowed a tax credit in the amount equal to twenty percent of the allowable federal earned income  
19 tax credit. The tax credit allowed by this section shall be claimed by such taxpayer at the time such  
20 taxpayer files a return and shall be applied against the income tax liability imposed by chapter 143  
21 after reduction for all other credits allowed thereon. If the amount of the credit exceeds the tax  
22 liability, the difference shall not be refunded to the taxpayer nor shall it be carried forward to any  
23 subsequent tax year.

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

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

Standing Action Taken \_\_\_\_\_ Date \_\_\_\_\_

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1           6. The department shall contract with one or more nonprofit groups to provide notice of the  
2 earned income tax credit to eligible taxpayers. The department shall require evidence of the  
3 effectiveness of the nonprofit group, the connection with the community in which the group  
4 operates, and the ability to contact taxpayers that are unlikely to claim the federal earned income tax  
5 credit including, but not limited to, non-English speakers, elderly, tenants, and very low-income  
6 taxpayers who do not file tax returns annually. The department shall give preference to nonprofit  
7 groups with members in low- and moderate-income areas, nonprofit groups with at least fifty-one  
8 percent of the board of directors having low- to moderate-incomes and residents of target  
9 communities, and to nonprofit groups that have a record of effective door-to-door outreach for  
10 similar community projects.

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

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

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

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

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

28           135.1160. 1. As used in this section, the following terms mean:

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

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

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

39           2. For all tax years beginning on or after January 1, 2019, a taxpayer shall be allowed a tax  
40 credit for eligible costs incurred in renovating the taxpayer's rented dwelling or residence. The tax  
41 credit amount shall be equal to twenty percent of such eligible costs, but shall not exceed two  
42 thousand five hundred dollars per taxpayer. The amount of the tax credit issued shall not exceed the  
43 amount of the taxpayer's state tax liability for the tax year for which the credit is claimed. If the  
44 amount of the tax credit allowed exceeds the amount of the taxpayer's state tax liability for the tax  
45 year for which the credit is claimed, the difference shall not be refundable but may be carried  
46 forward to any of the taxpayer's three subsequent tax years. No tax credit issued under this section  
47 shall be transferred, sold, or assigned. The aggregate amount of tax credits that may be issued under  
48 this section in any one fiscal year shall not exceed five million dollars. The tax credits issued under

1 this section shall be issued on a first-come, first-served filing basis.

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

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

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

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

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

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

22 135.1910. 1. As used in this section, the following terms mean:

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

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

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

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

33 (5) "Taxpayer", a person, firm, a partner in a firm, corporation, or a shareholder in an S  
34 corporation doing business in the state of Missouri and subject to the state income tax imposed  
35 under the provisions of chapter 143; an insurance company paying an annual tax on its gross  
36 premium receipts in this state, or other financial institution paying taxes to the state of Missouri or  
37 any political subdivision of this state under the provisions of chapter 148; an express company  
38 which pays an annual tax on its gross receipts in this state under chapter 153; an individual subject  
39 to the state income tax imposed under the provisions of chapter 143; or any charitable organization  
40 that is exempt from federal income tax and whose Missouri unrelated business taxable income, if  
41 any, would be subject to the state income tax imposed under chapter 143.

42 2. For all tax years beginning on or after January 1, 2019, a taxpayer shall be allowed to  
43 claim a tax credit against the taxpayer's state tax liability in an amount equal to fifty percent of the  
44 taxpayer's contribution to a qualified organization. The qualified organization shall use the  
45 taxpayer's contribution solely for the unmet health, hunger, and hygiene needs of children in school.

46 3. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state  
47 tax liability for the taxable year for which the credit is claimed, and such taxpayer shall not be  
48 allowed to claim a tax credit in excess of fifty thousand dollars per taxable year. However, any tax

1 credit that cannot be claimed in the taxable year in which the contribution was made may be carried  
 2 over to the next four succeeding taxable years until the full credit has been claimed.

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

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

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

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

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

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

24  
 25 If the provider applying for the tax credit meets all criteria required by this subsection, the  
 26 department shall issue a certificate in the appropriate amount.

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

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

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

36 (1) The program established under this section shall automatically expire on December 31,  
 37 2022, unless reauthorized by an act of the general assembly;

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

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

42 143.1100. 1. This section shall be known and may be cited as the "Bring Jobs Home Act".

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

44 (1) "Business unit":

45 (a) Any trade or business; and

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

47 (2) "Deduction":

48 (a) For individuals, an amount subtracted from the taxpayer's Missouri adjusted gross

1 income to determine Missouri taxable income for the tax year in which such deduction is claimed;  
 2 and

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

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

6 (4) "Eligible expenses":

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

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

14 (5) "Eligible insourcing expenses":

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

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

22  
 23 For purposes of this subdivision, expenses shall be eligible if such elimination of the business unit  
 24 in another state or country occurs in a different taxable year from the establishment of the business  
 25 unit in Missouri;

26 (6) "Expanded affiliated group", an affiliated group as defined under Section 1504(a) of the  
 27 Internal Revenue Code of 1986, as amended, except to be determined without regard to Section  
 28 1504(b)(3) of the Internal Revenue Code of 1986, as amended, and determined by substituting "at  
 29 least eighty percent" with "more than fifty percent" each place the phrase appears under Section  
 30 1504(a) of the Internal Revenue Code of 1986, as amended. A partnership or any other entity other  
 31 than a corporation shall be treated as a member of an expanded affiliated group if such entity is  
 32 controlled by members of such group including any entity treated as a member of such group by  
 33 reason of this subdivision;

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

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

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

42 3. For all taxable years beginning on or after January 1, 2019, a taxpayer shall be allowed a  
 43 deduction equal to fifty percent of the taxpayer's eligible insourcing expenses in the taxable year  
 44 chosen under subsection 5 of this section. The amount of the deduction claimed shall not exceed the  
 45 amount of:

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

48 (2) For corporations, the taxpayer's Missouri taxable income for the taxable year the

1 deduction is claimed.

2  
3 However, any amount of the deduction that cannot be claimed in the taxable year may be carried  
4 over to the next five succeeding taxable years until the full deduction has been claimed.

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

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

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

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

13  
14 shall be used to calculate the deduction allowed under this section.

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

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

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

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

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

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

38 (1) The provisions of the new program authorized under this section shall automatically  
39 sunset six years after the effective date, unless reauthorized by an act of the general assembly; and

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

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

44  
45 Further amend said bill by amending the title, enacting clause, and intersectional references  
46 accordingly.