

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

Offered By \_\_\_\_\_

1 AMEND House Committee Substitute for House Bill No. 2540, Page 127, Section 135.313, Line  
2 26, 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 who 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) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding  
14 withholding tax imposed under sections 143.191 to 143.265.

15 3. For all tax years beginning on or after January 1, 2019, an eligible taxpayer shall be  
16 allowed a tax credit in an amount equal to twenty percent of the amount such taxpayer would  
17 receive under the federal earned income tax credit. The tax credit allowed by this section shall be  
18 claimed by such taxpayer at the time such taxpayer files a return and shall be applied against the  
19 income tax liability imposed by chapter 143 after reduction for all other credits allowed thereon. If  
20 the amount of the credit exceeds the tax liability, the difference shall not be refunded to the taxpayer  
21 and shall not be carried forward to any subsequent tax year.

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

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

35 6. The department shall contract with one or more nonprofit group to provide notice of the  
36 earned income tax credit to eligible taxpayers. The department shall require evidence of the

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

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

9 7. The director of the department shall promulgate rules and regulations to administer the  
10 provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010,  
11 that is created under the authority delegated in this section shall become effective only if it complies  
12 with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This  
13 section and chapter 536 are nonseverable, and if any of the powers vested with the general assembly  
14 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are  
15 subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or  
16 adopted after August 28, 2018, shall be invalid and void."; and

17  
18 Further amend said bill by amending the title, enacting clause, and intersectional references  
19 accordingly.