

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 117
91ST GENERAL ASSEMBLY

Reported from the Committee on Ways and Means, April 9, 2001, with recommendation that the House Committee Substitute for House Bill No. 117 Do Pass.

TED WEDEL, Chief Clerk

0219L.03C

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating solely to the creation of an earned income tax credit.

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

Section A. Chapter 135, RSMo, is amended by adding thereto one new section, to be known as section 135.760, to read as follows:

135.760. 1. For all taxable years beginning on or after January 1, 2002, a resident individual who is allowed a federal earned income tax credit pursuant to Section 32 of the Internal Revenue Code shall be allowed a credit against the tax otherwise due pursuant to chapter 143, RSMo, not including sections 143.191 to 143.265, RSMo, in an amount equal to one-half of one percent of the allowable federal earned income tax credit. For all taxable years beginning on or after January 1, 2004, a resident individual who is allowed a federal earned income tax credit pursuant to Section 32 of the Internal Revenue Code shall be allowed a credit against the tax otherwise due pursuant to chapter 143, RSMo, not including sections 143.191 to 143.265, RSMo, in an amount equal to two and one-half percent of the allowable federal earned income tax credit. For all taxable years beginning on or after January 1, 2006, a resident individual who is allowed a federal earned income tax credit pursuant to Section 32 of the Internal Revenue Code shall be allowed a credit against the tax otherwise due pursuant to chapter 143, RSMo, not including sections 143.191 to 143.265, RSMo, in an amount equal to five percent of the allowable federal earned income tax credit. For all taxable years beginning on or after January 1, 2008, a resident individual who is allowed a federal earned income tax credit pursuant to Section 32 of the Internal Revenue Code shall be allowed a credit against the tax otherwise due pursuant to chapter 143, RSMo, not including sections 143.191 to 143.265, RSMo, in an

19 amount equal to seven and one-half percent of the allowable federal earned income tax
20 credit. For all taxable years beginning on or after January 1, 2010, a resident individual
21 who is allowed a federal earned income tax credit pursuant to Section 32 of the Internal
22 Revenue Code shall be allowed a credit against the tax otherwise due pursuant to chapter
23 143, RSMo, not including sections 143.191 to 143.265, RSMo, in an amount equal to ten
24 percent of the allowable federal earned income tax credit. The tax credit allowed by this
25 section shall be claimed by such individual at the time such individual files a return and
26 shall be applied against the income tax liability imposed by chapter 143, RSMo. Where the
27 amount of the credit exceeds the tax liability, the difference shall be refunded to the
28 taxpayer or carried forward into each subsequent taxable year until such credit is fully
29 used.

30 **2. The director of the department of revenue shall promulgate rules and regulations**
31 **to administer the provisions of this section. No rule or portion of a rule promulgated**
32 **pursuant to the authority of this section shall become effective unless it has been**
33 **promulgated pursuant to the provisions of chapter 536, RSMo.**

34 **3. Notwithstanding the provision of subsection 4 of section 32.057, RSMo, the**
35 **department of revenue or any duly authorized employee or agent shall determine whether**
36 **any taxpayer filing a report or return with the department of revenue who has not applied**
37 **for the credit allowed pursuant to subsection 1 of this section may qualify for the credit,**
38 **and shall notify any qualified claimant of his or her potential eligibility, where the**
39 **department determines such potential eligibility exists.**