

SECOND REGULAR SESSION

# HOUSE BILL NO. 1809

97TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE CURTIS.

4686L.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 certain students.

*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 known as section 143.128, to read as follows:

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

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

(2) **"Last credit hours or their equivalent", the remaining credit hours or their equivalent necessary to complete the taxpayer's associate or bachelor degree requirements after the resumption of the degree program, not to exceed thirty credit hours;**

(3) **"Taxpayer", any individual subject to the income tax imposed in this chapter who:**

(a) **Has been a resident of this state for at least the year immediately preceding the claim for a deduction under this section;**

(b) **Has not been enrolled as a student for at least three consecutive calendar years before the year in which the taxpayer resumes the degree program;**

(c) **Enrolls at any public two-year or four-year higher educational institution in this state;**

(d) **Provides proof to the department of revenue of achieving passing grades, as determined by the institution, in each class completed after resuming the degree program**

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 at the public two-year or four-year higher educational institution conferring the taxpayer's  
19 associate or bachelor degree;

20 (4) "Tuition costs", the amount expended for tuition for the last credit hours or  
21 their equivalent at any public two-year or four-year higher educational institution in this  
22 state, but not to exceed the average tuition for the same number of last credit hours or their  
23 equivalent if the taxpayer were enrolled at the University of Missouri.

24 2. In addition to all deductions listed in this chapter, for all taxable years beginning  
25 on or after January 1, 2015, a taxpayer shall be allowed a deduction for tuition costs for  
26 the taxpayer's last hours or their equivalent incurred by the taxpayer.

27 3. The deduction provided in this section may be claimed for each taxable year in  
28 which the taxpayer is enrolled at the higher educational institution and is completing the  
29 taxpayer's last credit hours or their equivalent. If the taxpayer fails to complete the  
30 taxpayer's last credit hours or their equivalent within three years after enrolling for the  
31 purpose of completing the taxpayer's associate or bachelor degree requirements, the  
32 amount of all deductions claimed under this section by the taxpayer shall be added to the  
33 taxpayer's income tax liability at the same time the taxpayer next files a state income tax  
34 return as required by law.

35 4. The department of revenue shall establish the procedure by which the deduction  
36 provided in this section may be claimed, and may promulgate rules to implement the  
37 provisions of this section. The department may confer with public two-year or four-year  
38 higher educational institutions in this state to develop such procedures. Any rule or  
39 portion of a rule, as that term is defined in section 536.010, that is created under the  
40 authority delegated in this section shall become effective only if it complies with and is  
41 subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This  
42 section and chapter 536 are nonseverable and if any of the powers vested with the general  
43 assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove  
44 and annul a rule are subsequently held unconstitutional, then the grant of rulemaking  
45 authority and any rule proposed or adopted after August 28, 2014, shall be invalid and  
46 void.

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

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

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

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

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