

SECOND REGULAR SESSION

HOUSE BILL NO. 1133

96TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE BARNES.

4574L.03I

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 143.111, RSMo, and to enact in lieu thereof two new sections relating to an income tax deduction for educational expenses.

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

Section A. Section 143.111, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 143.111 and 143.135, to read as follows:

143.111. The Missouri taxable income of a resident shall be such resident's Missouri adjusted gross income less:

- (1) Either the Missouri standard deduction or the Missouri itemized deduction;
- (2) The Missouri deduction for personal exemptions;
- (3) The Missouri deduction for dependency exemptions;
- (4) The deduction for federal income taxes provided in section 143.171; [and]
- (5) The deduction for a self-employed individual's health insurance costs provided in section 143.113;
- (6) The deduction for educational expenses incurred on behalf of dependents provided in section 143.135.**

143.135. 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) "Dependent", any dependent of a taxpayer claiming a credit under this section who is enrolled in grades kindergarten through twelve in any public, private, or parochial elementary or secondary school or any home school located in this state;**

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.

8 **(3) "Education expenses", includes the following:**

9 **(a) Educational software that assists a dependent in improving knowledge in core**
10 **curriculum areas of the school attended;**

11 **(b) Fees for after-school enrichment programs;**

12 **(c) School fees and tuition;**

13 **(d) School supplies required for use during the regular school day;**

14 **(e) Tutoring;**

15 **(4) "Taxpayer", any resident individual subject to the income tax imposed in this**
16 **chapter.**

17 **2. In addition to all other deductions listed in this chapter, for all taxable years**
18 **beginning on or after January 1, 2013, a taxpayer shall be allowed a deduction for all**
19 **amounts paid to others for education expenses for such taxpayer's dependents. The**
20 **deduction amount shall be equal to the full amount expended for education expenses in the**
21 **taxable year for which the deduction is claimed, but shall not exceed two thousand five**
22 **hundred dollars for each dependent.**

23 **3. The department of revenue shall establish the procedure by which the deduction**
24 **provided in this section may be claimed, and may promulgate rules to implement the**
25 **provisions of this section. Any rule or portion of a rule, as that term is defined in section**
26 **536.010, that is created under the authority delegated in this section shall become effective**
27 **only if it complies with and is subject to all of the provisions of chapter 536 and, if**
28 **applicable, section 536.028. This section and chapter 536 are nonseverable and if any of**
29 **the powers vested with the general assembly pursuant to chapter 536 to review, to delay**
30 **the effective date, or to disapprove and annul a rule are subsequently held**
31 **unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted**
32 **after August 28, 2012, shall be invalid and void.**

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