

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 391
97TH GENERAL ASSEMBLY

0899H.02C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to a tax credit for certain small businesses.

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
2 known as section 135.1161, to read as follows:

135.1161. 1. As used in this section, the following terms mean:

2 **(1) "Disabled employee", any person who is employed by the taxpayer claiming the**
3 **tax credit under this section for a minimum of forty weeks in each taxable year for which**
4 **the credit allowed under this section is claimed and who:**

5 **(a) Is determined to be at least fifty percent disabled by the Social Security**
6 **Administration or the Department of Veterans' Affairs; or**

7 **(b) Is determined to be disabled by the division of vocational rehabilitation and is**
8 **participating in the division's job placement program;**

9 **(2) "Small business", any business that employs fifty or fewer employees and that**
10 **hires a disabled person or a person recently discharged from a correctional facility;**

11 **(3) "Tax credit", a credit against the tax otherwise due under chapter 143,**
12 **excluding withholding tax imposed by sections 143.191 to 143.265;**

13 **(4) "Taxpayer", any small business subject to the tax imposed in chapter 143,**
14 **excluding withholding tax imposed by sections 143.191 to 143.265.**

15 **2. For all taxable years beginning on or after January 1, 2014, a taxpayer shall be**
16 **allowed a tax credit for hiring a disabled person or a person discharged from a state or**
17 **federal correctional facility within the twelve months immediately preceding the hiring.**

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 **The tax credit amount shall be equal to five hundred dollars for each such person**
19 **employed, subject to the following:**

20 **(1) In the case of a disabled person, such small business shall employ the person for**
21 **an average of twenty-five hours per week, and the person shall be employed for at least one**
22 **year before the small business is eligible for the tax credit;**

23 **(2) In the case of a person discharged from a correctional facility within the twelve**
24 **months immediately preceding the hiring, such small business shall employ the person for**
25 **an average of forty hours per week, and such small business shall employ such person for**
26 **at least one year before the small business is eligible for the tax credit. Upon meeting all**
27 **eligibility requirements, the small business shall be eligible to claim the tax credit for the**
28 **next three years.**

29 **3. The amount of the tax credit redeemed shall not exceed the amount of the**
30 **taxpayer's state tax liability for the tax year for which the credit is claimed. If the amount**
31 **of the tax credit redeemed exceeds the amount of the taxpayer's state tax liability for the**
32 **tax year for which the credit is claimed, the difference shall not be refundable but may be**
33 **carried forward to any of the taxpayer's three subsequent taxable years. No tax credit**
34 **redeemed under this section shall be transferred, sold, or assigned. The aggregate amount**
35 **of tax credits which may be redeemed under this section in any one fiscal year shall not**
36 **exceed ten million dollars. The tax credits redeemed under this section shall be redeemed**
37 **on a first-come, first-served filing basis.**

38 **4. The department of revenue may promulgate rules to implement the provisions**
39 **of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that**
40 **is created under the authority delegated in this section shall become effective only if it**
41 **complies with and is subject to all of the provisions of chapter 536 and, if applicable,**
42 **section 536.028. This section and chapter 536 are nonseverable and if any of the powers**
43 **vested with the general assembly pursuant to chapter 536 to review, to delay the effective**
44 **date, or to disapprove and annul a rule are subsequently held unconstitutional, then the**
45 **grant of rulemaking authority and any rule proposed or adopted after August 28, 2013,**
46 **shall be invalid and 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.**

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