

# HOUSE BILL NO. 862

## 98TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE KRATKY.

1988L.011

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

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

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*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 employee 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, 2016, a taxpayer shall be**  
16 **allowed a tax credit for hiring a disabled employee 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 employee, such small business shall employ the person**  
21 **for an average of twenty-five hours per week, and the person shall be employed for at least**  
22 **one 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 issued shall not exceed the amount of the taxpayer's**  
30 **state tax liability for the tax year for which the credit is claimed. If the amount of the tax**  
31 **credit allowed exceeds the amount of the taxpayer's state tax liability for the tax year for**  
32 **which the credit is claimed, the difference shall not be refundable but may be carried**  
33 **forward to any of the taxpayer's three subsequent taxable years. No tax credit issued**  
34 **under this section shall be transferred, sold, or assigned. The aggregate amount of tax**  
35 **credits which may be issued under this section in any one fiscal year shall not exceed ten**  
36 **million dollars. The tax credits issued under this section shall be issued on a first-come,**  
37 **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, 2015,**  
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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