

HCS SB 463 -- TAXATION

SPONSOR: Dixon (Hoskins)

COMMITTEE ACTIONS: Voted "Do Pass with Amendments" by the Standing Committee on Ways and Means by a vote of 7 to 2. Voted "Do Pass with HCS" by the Select Committee on Financial Institutions and Taxation by a vote of 7 to 1.

This bill establishes the Missouri Earned Income Tax Credit Act which authorizes, beginning January 1, 2021, an individual income tax credit equal to 20% of any earned income tax credit claimed by the taxpayer on his or her federal income tax return. Any credit that exceeds the taxpayer's liability in any tax year will not be refunded to the taxpayer. The Department of Revenue must notify taxpayers who may qualify for the credit and must contract with one or more nonprofit groups to contact non-English speaking individuals, elderly residents, tenants, and very low-income individuals who do not file tax returns to notify them annually of the credit. The department must prepare an annual report containing the number of credits issued and claimed, the total amount of revenue expended, and the average value of the credits issued within certain income ranges.

The provisions of the Missouri Earned Income Tax Credit Act will expire December 31 six years after the effective date.

Currently, the Residential Treatment Agency Tax Credit is set to expire on December 31, 2015, and the Developmental Disability Care Provider Tax Credit is set to expire on December 31, 2016. This bill extends both programs indefinitely.

PROPOSERS: Supporters say that this bill originally extended the sunset on the two credits but with the amendment added in the Senate, the sunsets have been removed. These credits do not cost the state any money. Nonprofit organizations pay the state for the credits. This bill will continue the ability to raise funds through this tax credit program.

Testifying for the bill were Senator Dixon; Missouri Coalition of Children Agencies; and Missouri Association of Rehabilitation Facilities.

OPPOSERS: There was no opposition voiced to the committee.