

SENATE BILL NO. 565

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR KOENIG.

2171S.02I

KRISTINA MARTIN, Secretary

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to parental choice in educational opportunities.

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

Section A. Chapter 135, RSMo, is amended by adding thereto
2 one new section, to be known as section 135.1675, to read as
3 follows:

**135.1675. 1. For the purposes of this section, the
2 following terms shall mean:**

3 (1) "Department", the Missouri department of revenue;

4 (2) "District", the same meaning as defined in section
5 160.011;

6 (3) "Eligible education expenses":

7 (a) Textbooks required by a home school;

8 (b) Educational therapies or services from a licensed
9 or accredited practitioner or provider including, but not
10 limited to, licensed or accredited paraprofessionals or
11 educational aides;

12 (c) Tutoring services;

13 (d) Curriculum;

14 (e) Fees for a nationally standardized norm-referenced
15 achievement test, advanced placement examinations,
16 international baccalaureate examinations, or any
17 examinations related to college or university admission;

18 (f) Services provided by a public school including,
19 but not limited to, individual classes and extracurricular
20 programs;

21 (g) Computer hardware or other technological devices
22 that are used to help meet a student's educational needs; and

23 (h) Fees for summer education programs and specialized
24 after-school education programs;

25 (4) "Home school", the same meaning as defined in
26 section 167.031;

27 (5) "Private school", a school that is not a part of
28 the public school system of the state of Missouri and that
29 charges tuition for the rendering of elementary or secondary
30 educational services;

31 (6) "Property tax liability", the amount of property
32 taxes actually paid by a taxpayer that are attributable to a
33 qualified student's district of residence;

34 (7) "Qualified school", a home school as defined in
35 section 167.031 or any of the following entities that is
36 incorporated in Missouri and that does not discriminate on
37 the basis of race, color, or national origin:

38 (a) A charter school as defined in section 160.400;

39 (b) A private school;

40 (c) A public school as defined in section 160.011; or

41 (d) A public or private virtual school;

42 (8) "Qualified student", any elementary or secondary
43 school student who is a resident of this state and:

44 (a) Attended a public school as a full-time student
45 for at least one semester during the previous twelve months;

46 or

47 (b) Is a child who is eligible to begin kindergarten
48 or first grade under sections 160.051 to 160.055;

49 (9) "Tax credit", a credit against the tax otherwise
50 due under chapter 143, excluding withholding tax imposed
51 under sections 143.191 to 143.265;

52 (10) "Taxpayer", any individual that is subject to the
53 tax imposed under chapter 143.

54 2. (1) For all tax years beginning on or after
55 January 1, 2024, a taxpayer shall be allowed to claim a tax
56 credit against the taxpayer's state tax liability for the
57 taxpayer's eligible education expenses incurred for
58 educating a qualified student at a qualified school,
59 provided that such qualified school is not a public school
60 operated by, or a charter school located within, the
61 qualified student's district of residence.

62 (2) The amount of the tax credit authorized by this
63 section shall be equal to:

64 (a) For taxpayers with a property tax liability of two
65 thousand dollars or less, one hundred percent of the
66 taxpayer's eligible education expenses minus two thousand
67 dollars; or

68 (b) For taxpayers with a property tax liability of
69 greater than two thousand dollars, one hundred percent of
70 the taxpayer's eligible education expenses minus the amount
71 of property tax liability, or zero, whichever is greater.

72 (3) No tax credit authorized pursuant to this section
73 for a given tax year for a given taxpayer shall exceed six
74 thousand five hundred dollars.

75 3. Any amount of the tax credit claimed that exceeds
76 the amount of the taxpayer's state tax liability in the tax
77 year for which the credit is claimed shall be considered an
78 overpayment of taxes and shall be refunded to the taxpayer.

79 4. Tax credits issued under the provisions of this
80 section shall not be transferred, sold, or assigned.

81 5. Tax credits claimed pursuant to this section shall
82 be claimed by the taxpayer at the time such taxpayer files a
83 return. The taxpayer shall submit with the taxpayer's return:

84 (1) An itemized list of eligible education expenses
85 incurred during the most recent completed tax year;

86 (2) A receipt evidencing the property tax paid by the
87 taxpayer; and

88 (3) Any other information required by the department,
89 on a form to be developed by the department.

90 6. The department shall issue to a taxpayer receiving
91 a tax credit pursuant to this section a statement indicating
92 the amount of tax credit issued to the taxpayer.

93 7. (1) In addition to the tax credit authorized by
94 this section, a taxpayer claiming such tax credit shall be
95 entitled to a refund of the taxpayer's property tax
96 liability. In order to claim such refund, a taxpayer shall,
97 at the time of paying such taxes, make full payment of the
98 current tax bill before the delinquency date and shall file
99 with the collector a written statement notifying the
100 collector that the taxpayer intends to apply for the tax
101 credit authorized by this section.

102 (2) Upon receiving payment of current taxes before the
103 delinquency date and receiving the statement required by
104 subdivision (1) of this subsection, the collector shall
105 disburse to the proper official all portions of taxes not
106 attributable to the qualified student's district of
107 residence and shall impound in a separate fund all portions
108 of such taxes which are attributable to the qualified
109 student's district of residence. A taxpayer claiming a
110 refund pursuant to this subsection shall, by no later than
111 May first, remit to the collector the statement issued to
112 the taxpayer by the department pursuant to subsection 6 of

113 this section, at which time the collector shall issue the
114 refund. If a taxpayer fails to remit such statement by May
115 first, such claim for refund shall become null and void and
116 of no effect, and the collector shall then disburse to the
117 qualified student's district of residence the taxes
118 impounded, and any interest earned thereon.

119 (3) The amount of the property tax refund authorized
120 by this subsection shall be equal to:

121 (a) For taxpayers with a property tax liability of two
122 thousand dollars or less, two thousand dollars; or

123 (b) For taxpayers with a property tax liability of
124 greater than two thousand dollars, the amount of the
125 taxpayer's property tax liability.

126 (4) Notwithstanding the provisions of subdivision (3)
127 of this subsection to the contrary, no taxpayer shall
128 receive a total combined amount of property tax refund
129 pursuant to this subsection and state tax credits pursuant
130 to subsection 2 of this section that exceeds eight thousand
131 five hundred dollars.

132 8. A taxpayer shall not be eligible to receive a tax
133 credit or a property tax refund pursuant to this section if
134 such taxpayer is a participant in the Missouri empowerment
135 scholarship accounts program pursuant to sections 135.712 to
136 135.719 and sections 166.700 to 166.720 for the same
137 qualified student. Before issuing the statement described
138 in subsection 6 of this section, the department shall verify
139 with the state treasurer that the taxpayer applying for tax
140 relief is not a participant in and does not have a pending
141 application for the Missouri empowerment scholarship
142 accounts program for the same qualified student.

143 9. The department may promulgate rules to implement
144 the provisions of this section. Any rule or portion of a

145 rule, as that term is defined in section 536.010, that is
146 created under the authority delegated in this section shall
147 become effective only if it complies with and is subject to
148 all of the provisions of chapter 536 and, if applicable,
149 section 536.028. This section and chapter 536 are
150 nonseverable and if any of the powers vested with the
151 general assembly pursuant to chapter 536 to review, to delay
152 the effective date, or to disapprove and annul a rule are
153 subsequently held unconstitutional, then the grant of
154 rulemaking authority and any rule proposed or adopted after
155 August 28, 2023, shall be invalid and void.

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