

# SENATE BILL NO. 720

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOSKINS.

2755S.01H

KRISTINA MARTIN, Secretary

## AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to a work opportunity tax credit.

*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 known as section 135.465, to read as follows:

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

(1) "Federal work opportunity credit", the work opportunity tax credit allowed under 26 U.S.C. Section 51, as amended;

(2) "Qualified taxpayer", any individual or entity subject to the state income tax imposed under chapter 143, 148, or 153, excluding the withholding tax imposed under sections 143.191 to 143.265, who is an employer that paid wages to an individual who is in a targeted group and was employed in the state during the tax year for which the tax credit under this section is claimed;

(3) "Targeted group", the same meaning as defined in 26 U.S.C. Section 51, as amended;

(4) "Tax credit", a credit against the tax otherwise due under chapter 143, 147, 148, or 153, excluding withholding tax imposed under sections 143.191 to 143.265.

18           2. For all tax years beginning on or after January 1,  
19 2024, a qualified taxpayer shall be allowed to claim a tax  
20 credit against the taxpayer's state tax liability for wages  
21 paid by the qualified taxpayer during the tax year to an  
22 individual who is in a targeted group and who is employed in  
23 the state in an amount equal to the lesser of:

24           (1) One hundred percent of the federal work  
25 opportunity credit properly claimed for the tax year by the  
26 qualified taxpayer on such taxpayer's federal income tax  
27 return with respect to such wages, excluding any amount  
28 carried back or forward from another tax year in accordance  
29 with 26 U.S.C. Section 51, as amended; or

30           (2) The Missouri state income tax liability of the  
31 taxpayer for that tax year, except in the case of an  
32 employer that is an organization exempt from taxation under  
33 26 U.S.C. Section 501(c), as amended.

34           3. An employer that is an organization exempt from  
35 taxation under 26 U.S.C. Section 501(c), as amended may  
36 apply the credit authorized under this section as a credit  
37 for the payment of taxes that the organization is required  
38 to withhold from the wages of employees and required to pay  
39 to the state.

40           4. Tax credits issued under the provisions of this  
41 section shall not be refundable. No tax credit claimed  
42 under this section shall be carried forward to any  
43 subsequent tax year.

44           5. No tax credit claimed under this section shall be  
45 assigned, transferred, sold, or otherwise conveyed.

46           6. The department of revenue shall promulgate all  
47 necessary rules and regulations for the administration of  
48 this section. Any rule or portion of a rule, as that term  
49 is defined in section 536.010, that is created under the

50 authority delegated in this section shall become effective  
51 only if it complies with and is subject to all of the  
52 provisions of chapter 536 and, if applicable, section  
53 536.028. This section and chapter 536 are nonseverable and  
54 if any of the powers vested with the general assembly  
55 pursuant to chapter 536 to review, to delay the effective  
56 date, or to disapprove and annul a rule are subsequently  
57 held unconstitutional, then the grant of rulemaking  
58 authority and any rule proposed or adopted after August 28,  
59 2023, shall be invalid and void.

60 7. Under section 23.253 of the Missouri sunset act:

61 (1) The provisions of the new program authorized under  
62 this section shall automatically sunset December thirty-  
63 first six years after the effective date of this section  
64 unless reauthorized by an act of the general assembly;

65 (2) If such program is reauthorized, the program  
66 authorized under this section shall automatically sunset  
67 December thirty-first twelve years after the effective date  
68 of the reauthorization of this section; and

69 (3) This section shall terminate on September first of  
70 the calendar year immediately following the calendar year in  
71 which the program authorized under this section is sunset.

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