

SENATE BILL NO. 102

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR CIERPIOT.

0110S.01H

KRISTINA MARTIN, Secretary

AN ACT

To repeal section 143.1160, RSMo, and to enact in lieu thereof one new section relating to a tax deduction for savings accounts for long-term care.

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

Section A. Section 143.1160, RSMo, is repealed and one
2 new section enacted in lieu thereof, to be known as section
3 143.1160, to read as follows:

143.1160. 1. As used in this section, the following
2 terms mean:

3 (1) "Account holder", the same meaning as that term is
4 defined in section 191.1603;

5 (2) "Deduction", an amount subtracted from the
6 taxpayer's Missouri adjusted gross income to determine
7 Missouri taxable income for the tax year in which such
8 deduction is claimed;

9 (3) "Eligible expenses", the same meaning as that term
10 is defined in section 191.1603;

11 (4) "Long-term dignity savings account", the same
12 meaning as that term is defined in section 191.1603;

13 (5) "Qualified beneficiary", the same meaning as that
14 term is defined in section 191.1603;

15 (6) "Taxpayer", any individual who is a resident of
16 this state and subject to the income tax imposed under this
17 chapter, excluding withholding tax imposed under sections
18 143.191 to 143.265.

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

19 2. For all tax years beginning on or after January 1,
20 2021, a taxpayer shall be allowed a deduction of one hundred
21 percent of a participating taxpayer's contributions to a
22 long-term dignity savings account in the tax year of the
23 contribution. Each taxpayer claiming the deduction under
24 this section shall file an affidavit with the income tax
25 return verifying the amount of their contributions. The
26 amount of the deduction claimed shall not exceed the amount
27 of the taxpayer's Missouri adjusted gross income for the tax
28 year that the deduction is claimed, and shall not exceed
29 four thousand dollars per taxpayer claiming the deduction,
30 or eight thousand dollars if married filing combined.

31 3. Income earned or received as a result of assets in
32 a long-term dignity savings account shall not be subject to
33 state income tax imposed under this chapter. The exemption
34 under this section shall apply only to income maintained,
35 accrued, or expended pursuant to the requirements of
36 sections 191.1601 to 191.1607, and no exemption shall apply
37 to assets and income expended for any other purpose. The
38 amount of the deduction claimed shall not exceed the amount
39 of the taxpayer's Missouri adjusted gross income for the tax
40 year the deduction is claimed.

41 4. If any deductible contributions to or earnings from
42 any such programs referred to in this section are
43 distributed and not used to pay for eligible expenses or are
44 not held for the minimum length of time under subsection 2
45 of section 191.1605, the amount so distributed shall be
46 added to the Missouri adjusted gross income of the account
47 holder or, if the account holder is not living, the
48 qualified beneficiary, in the year of distribution.

49 5. The department of revenue shall promulgate rules to
50 implement the provisions of this section. Any rule or

51 portion of a rule, as that term is defined in section
52 536.010, that is created under the authority delegated in
53 this section shall become effective only if it complies with
54 and is subject to all of the provisions of chapter 536 and,
55 if applicable, section 536.028. This section and chapter
56 536 are nonseverable and if any of the powers vested with
57 the general assembly pursuant to chapter 536 to review, to
58 delay the effective date, or to disapprove and annul a rule
59 are subsequently held unconstitutional, then the grant of
60 rulemaking authority and any rule proposed or adopted after
61 August 28, 2020, shall be invalid and void.

62 6. Under section 23.253 of the Missouri sunset act:

63 (1) The provisions of the [new] program authorized
64 under this section shall automatically sunset on December
65 [thirty-first four years after August 28, 2020] **31, 2030,**
66 unless reauthorized by an act of the general assembly;

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

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

✓