

SENATE BILL NO. 455

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOUGH.

1493S.01H

KRISTINA MARTIN, Secretary

AN ACT

To amend chapter 135, RSMo, by adding thereto three new sections relating to tax credits for child care.

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 three new sections, to be known as sections 135.1310, 135.1325,
3 and 135.1350, to read as follows:

135.1310. 1. This section shall be known and may be
2 cited as the "Child Care Contribution Tax Credit Act".

3 2. For purposes of this section, the following terms
4 shall mean:

5 (1) "Child care", the same as defined in section
6 210.201;

7 (2) "Child care desert", a census tract that has a
8 poverty rate of at least twenty percent or a median family
9 income of less than eighty percent of the statewide average
10 and where at least five hundred people or thirty-three
11 percent of the population are located at least one-half mile
12 away from a child care provider in urbanized areas or at
13 least ten miles away in rural areas;

14 (3) "Child care provider", a child care provider as
15 defined in section 210.201 that is licensed pursuant to
16 section 210.221, or that is unlicensed and that is
17 registered with the department of elementary and secondary
18 education;

19 (4) "Contribution", an eligible donation of cash,
20 stock, bonds or other marketable securities, or real
21 property. "Contribution" shall include the reasonable
22 purchase price paid for an employer's purchase of child care
23 from a child care provider for the children of the
24 employer's employees;

25 (5) "Department", the Missouri department of economic
26 development;

27 (6) "Intermediary", a nonprofit organization that is,
28 or agrees to become, subject to the jurisdiction of this
29 state for the purposes of the administration and enforcement
30 of this section, and that distributes funds for the purposes
31 of supporting a child care provider;

32 (7) "Person related to the taxpayer", an individual
33 connected with the taxpayer by blood, adoption, or marriage,
34 or an individual, corporation, partnership, limited
35 liability company, trust, or association controlled by, or
36 under the control of, the taxpayer directly, or through an
37 individual, corporation, limited liability company,
38 partnership, trust, or association under the control of the
39 taxpayer;

40 (8) "Rural area", a town or community within the state
41 that is not within a metropolitan statistical area and has a
42 population of six thousand or fewer inhabitants as
43 determined by the last preceding federal decennial census or
44 any unincorporated area not within a metropolitan
45 statistical area;

46 (9) "State tax liability", any liability incurred by a
47 taxpayer pursuant to chapter 143 or chapter 148, exclusive
48 of the provisions relating to the withholding of tax as
49 provided for in sections 143.191 to 143.265 and related
50 provisions;

51 (10) "Tax credit", a credit against the taxpayer's
52 state tax liability;

53 (11) "Taxpayer", a corporation as defined in section
54 143.441 or 143.471, any charitable organization that is
55 exempt from federal income tax and whose Missouri unrelated
56 business taxable income, if any, would be subject to the
57 state income tax imposed pursuant to chapter 143, or
58 individuals or partnerships subject to the state income tax
59 imposed by the provisions of chapter 143.

60 3. For all tax years beginning on or after January 1,
61 2026, a taxpayer may claim the tax credit authorized in this
62 section against the taxpayer's state tax liability for the
63 tax year in which a verified contribution was made in an
64 amount equal to seventy-five percent of the verified
65 contribution to a child care provider or intermediary. The
66 minimum amount of any tax credit issued shall not be less
67 than one hundred dollars and shall not exceed two hundred
68 thousand dollars per tax year.

69 (1) A child care provider or intermediary shall apply
70 to the department to participate in the program established
71 in this section, using a form prescribed by the department.
72 The department shall determine eligibility and enter into an
73 agreement that meets the requirements of section 620.017
74 with an eligible child care facility or intermediary. Only
75 contributions to child care providers and intermediaries
76 that have entered into an agreement with the department may
77 receive a tax credit pursuant to this section.

78 (2) The child care provider or intermediary receiving
79 a contribution shall, within sixty days of the date it
80 received the contribution, file a contribution verification
81 with the department and issue a copy of the contribution
82 verification to the taxpayer. The contribution verification

83 shall be in the form established by the department and shall
84 include the taxpayer's name, taxpayer's state or federal tax
85 identification number or last four digits of the taxpayer's
86 Social Security number, amount of tax credit sought, amount
87 or description of contribution, legal name and address of
88 the child care provider receiving the tax credit, the child
89 care provider's federal employer identification number, the
90 child care provider's department of elementary and secondary
91 education vendor number or license number, the date the
92 child care provider received the contribution from the
93 taxpayer, and any other information requested by the
94 department. The contribution verification shall include a
95 signed attestation stating, in the case of a child care
96 provider, that the child care provider will use the
97 contribution solely to promote child care and, in the case
98 of an intermediary, that the intermediary will distribute
99 the contribution and any income thereon in full to one or
100 more child care providers within two years of receipt.

101 (3) The failure of the child care provider or
102 intermediary to timely issue the contribution verification
103 to the taxpayer or file it with the department shall entitle
104 the taxpayer to a refund of the contribution from the child
105 care provider or intermediary.

106 4. A contribution, whether received from the taxpayer
107 claiming the tax credit pursuant to this section or from an
108 intermediary, is eligible when:

109 (1) The contribution is used directly by the child
110 care provider to promote child care for children twelve
111 years of age or younger, including by acquiring or improving
112 child care facilities, equipment, or services, staff
113 salaries, staff training, or improving the quality of child
114 care;

115 (2) The contribution, if made to an intermediary, is
116 distributed in full by the intermediary within two years of
117 receipt to one or more child care providers for the sole
118 purpose of promoting child care for children twelve years of
119 age or younger;

120 (3) The contribution is made to a child care provider
121 or intermediary in which the taxpayer or a person related to
122 the taxpayer does not have a direct financial interest;

123 (4) The contribution made to an intermediary is not
124 designated for a child care provider in which the taxpayer
125 or a person related to the taxpayer has a direct financial
126 interest; and

127 (5) The contribution is not made in exchange for care
128 of a child or children, unless the contribution is made by
129 an employer in purchasing child care for the children of the
130 employer's employees.

131 5. A child care provider or intermediary that uses the
132 contribution for an ineligible purpose shall repay to the
133 department the value of the tax credit for the contribution
134 amount used for such ineligible purpose. An intermediary
135 that accepts a contribution and issues a taxpayer a
136 contribution verification is itself permanently ineligible
137 to claim or redeem a tax credit pursuant to this section.

138 6. (1) The tax credits authorized by this section
139 shall not be refundable and shall not be transferred, sold,
140 or otherwise conveyed. Any amount of approved tax credits
141 that a taxpayer is prohibited by this subsection from using
142 for the tax year in which the credit is first claimed may be
143 carried forward to the taxpayer's subsequent tax year for up
144 to six succeeding tax years.

145 (2) In the case of a taxpayer that has or elects pass-
146 through taxation pursuant to federal income tax law, the tax

147 credits issued pursuant to this section shall be apportioned
148 in proportion to the share of ownership of the taxpayer on
149 the last day of the taxpayer's tax period for which such tax
150 credits will be issued, to the following:

- 151 (a) The shareholders of the S corporation;
152 (b) The partners in a partnership; or
153 (c) The members of a limited liability company that
154 has or elects pass-through taxation pursuant to federal
155 income tax law.

156 (3) A taxpayer shall not claim a tax credit pursuant
157 to this section and a tax credit pursuant to section
158 135.1325 for the same contribution or expenditure.

159 7. Notwithstanding any provision of subsection 6 of
160 this section to the contrary, a taxpayer that is exempt,
161 under 26 U.S.C. Section 501(c)(3), and any amendments
162 thereto, from all or part of the federal income tax shall be
163 eligible for a refund of its tax credit issued under this
164 section, without regard to whether it has incurred any state
165 tax liability. Such exempt taxpayer may claim a refund of
166 the tax credit on its tax return required to be filed under
167 the provisions of chapter 143, exclusive of the return for
168 the withholding of tax under sections 143.191 to 143.265.
169 If such exempt taxpayer is not required to file a tax return
170 under the provisions of chapter 143, the exempt taxpayer may
171 claim a refund of the tax credit on a refund claim form
172 prescribed by the department of revenue. The department of
173 revenue shall prescribe such forms, instructions, and rules
174 as it deems appropriate to carry out the provisions of this
175 subsection.

176 8. (1) The amount of tax credits authorized pursuant
177 to this section shall not exceed twenty million dollars for
178 each calendar year. The department shall approve tax credit

179 applications on a first-come, first-served basis until the
180 tax credit authorization limit is reached for the calendar
181 year. A taxpayer shall apply to the department for the
182 child care contribution tax credit by submitting a copy of
183 the contribution verification provided by a child care
184 provider or intermediary to such taxpayer. Upon receipt of
185 such contribution verification, the department shall issue a
186 tax credit certificate to the taxpayer.

187 (2) If the maximum amount of tax credits allowed in
188 any calendar year as provided pursuant to subdivision (1) of
189 this subsection is authorized, the maximum amount of tax
190 credits allowed pursuant to subdivision (1) of this
191 subsection shall be increased by fifteen percent, provided
192 that all such increases in the allowable amount of tax
193 credits shall be reserved for contributions made to child
194 care providers located in a child care desert. The director
195 of the department shall publish such adjusted amount.

196 9. The tax credits allowed under this section shall be
197 considered a domestic and social tax credit under
198 subdivision (5) of subsection 2 of section 135.800.

199 10. All action and communication undertaken or
200 required under this section shall be exempt from section
201 105.1500.

202 11. The department may promulgate rules to implement
203 and administer the provisions of this section. Any rule or
204 portion of a rule, as that term is defined in section
205 536.010, that is created pursuant to the authority delegated
206 in this section shall become effective only if it complies
207 with and is subject to all of the provisions of chapter 536
208 and, if applicable, section 536.028. This section and
209 chapter 536 are nonseverable and if any of the powers vested
210 with the general assembly pursuant to chapter 536 to review,

211 to delay the effective date, or to disapprove and annul a
212 rule are subsequently held unconstitutional, then the grant
213 of rulemaking authority and any rule proposed or adopted
214 after August 28, 2025, shall be invalid and void.

215 12. Pursuant to section 23.253 of the Missouri sunset
216 act:

217 (1) The program authorized under this section shall
218 expire on December 31, 2031, unless reauthorized by the
219 general assembly;

220 (2) The act shall terminate on September first of the
221 calendar year immediately following the calendar year in
222 which the program authorized under this section is sunset;

223 (3) If such program is reauthorized, the program
224 authorized under this act shall automatically sunset six
225 years after the effective date of the reauthorization of
226 this section; and

227 (4) The provisions of this subsection shall not be
228 construed to limit or in any way impair the department of
229 revenue's ability to redeem tax credits authorized on or
230 before the date the program authorized pursuant to this
231 section expires or a taxpayer's ability to redeem such tax
232 credits.

135.1325. 1. This section shall be known and may be
2 cited as the "Employer-Provided Child Care Assistance Tax
3 Credit Act".

4 2. For purposes of this section, the following terms
5 shall mean:

6 (1) "Child care desert", a census tract that has a
7 poverty rate of at least twenty percent or a median family
8 income of less than eighty percent of the statewide average
9 and where at least five hundred people or thirty-three
10 percent of the population are located at least one-half mile

11 away from a child care provider in urbanized areas or at
12 least ten miles away in rural areas;

13 (2) "Child care facility", a child care facility as
14 defined in section 210.201 that is licensed pursuant to
15 section 210.221, or that is unlicensed and that is
16 registered with the department of elementary and secondary
17 education;

18 (3) "Child care provider", a child care provider as
19 defined in section 210.201 that is licensed pursuant to
20 section 210.221, or that is unlicensed and that is
21 registered with the department of elementary and secondary
22 education;

23 (4) "Department", the Missouri department of economic
24 development;

25 (5) "Employer matching contribution", a contribution
26 made by the taxpayer to a cafeteria plan, as that term is
27 used in 26 U.S.C. Section 125, of an employee of the
28 taxpayer, which matches a dollar amount or percentage of the
29 employee's contribution to the cafeteria plan. "Employer
30 matching contribution" shall not include the amount of any
31 salary reduction or other compensation foregone by the
32 employee in connection with the cafeteria plan;

33 (6) "Qualified child care expenditure", an amount paid
34 of reasonable costs incurred that meets any of the following:

35 (a) To acquire, construct, rehabilitate, or expand
36 property that will be, or is, used as part of a child care
37 facility that is either operated by the taxpayer or
38 contracted with by the taxpayer and which does not
39 constitute part of the principal residence of the taxpayer
40 or any employee of the taxpayer;

41 (b) For the operating costs of a child care facility
42 of the taxpayer, including costs relating to the training of

43 child care employees, scholarship programs, and for
44 compensation to child care employees;

45 (c) Under a contract with a child care facility to
46 provide child care services to employees of the taxpayer; or

47 (d) As an employer matching contribution, but only to
48 the extent such employer matching contribution is restricted
49 by the taxpayer solely for the taxpayer's employee to obtain
50 child care services at a child care facility and is used for
51 that purpose during the tax year;

52 (7) "Rural area", a town or community within the state
53 that is not within a metropolitan statistical area and has a
54 population of six thousand or fewer inhabitants as
55 determined by the last preceding federal decennial census or
56 any unincorporated area not within a metropolitan
57 statistical area;

58 (8) "State tax liability", any liability incurred by
59 the taxpayer pursuant to the provisions of chapter 143 or
60 chapter 148, exclusive of the provisions relating to the
61 withholding of tax as provided for in sections 143.191 to
62 143.265 and related provisions;

63 (9) "Tax credit", a credit against the taxpayer's
64 state tax liability;

65 (10) "Taxpayer", a corporation as defined in section
66 143.441 or 143.471, any charitable organization that is
67 exempt from federal income tax and whose Missouri unrelated
68 business taxable income, if any, would be subject to the
69 state income tax imposed under chapter 143, or individuals
70 or partnerships subject to the state income tax imposed by
71 the provisions of chapter 143.

72 3. For all tax years beginning on or after January 1,
73 2026, a taxpayer with two or more employees may claim a tax
74 credit authorized in this section in an amount equal to

75 thirty percent of the qualified child care expenditures paid
76 or incurred with respect to a child care facility in order
77 to provide child care to the taxpayer's employees. The
78 maximum amount of any tax credit issued under this section
79 shall not exceed two hundred thousand dollars per taxpayer
80 per tax year.

81 4. A facility shall not be treated as a child care
82 facility with respect to a taxpayer unless enrollment in the
83 facility is open to the dependents of employees of the
84 taxpayer during the tax year, provided that the dependents
85 fall within the age range ordinarily cared for by, and only
86 require a level of care ordinarily provided by, such
87 facility.

88 5. (1) The tax credits authorized by this section
89 shall not be refundable or transferable. The tax credits
90 shall not be sold, assigned, or otherwise conveyed. Any
91 amount of approved tax credits that a taxpayer is prohibited
92 by this subsection from using for the tax year in which the
93 credit is first claimed may be carried forward to the
94 taxpayer's subsequent tax year for up to six succeeding tax
95 years.

96 (2) In the case of a taxpayer that has or elects pass-
97 through taxation pursuant to federal income tax law, the tax
98 credits issued pursuant to this section shall be apportioned
99 in proportion to the share of ownership of the taxpayer on
100 the last day of the taxpayer's tax period for which such tax
101 credits will be issued, to the following:

- 102 (a) The shareholders of the S corporation;
103 (b) The partners in a partnership; or
104 (c) The members of a limited liability company that
105 has or elects pass-through taxation pursuant to federal
106 income tax law.

107 (3) A taxpayer shall not claim a tax credit pursuant
108 to this section and a tax credit pursuant to section
109 135.1310 or 135.1350 for the same contribution or
110 expenditure.

111 6. Notwithstanding any provision of subsection 5 of
112 this section to the contrary, a taxpayer that is exempt,
113 under 26 U.S.C. Section 501(c)(3), and any amendments
114 thereto, from all or part of the federal income tax shall be
115 eligible for a refund of its tax credit issued under this
116 section, without regard to whether it has incurred any state
117 tax liability. Such exempt taxpayer may claim a refund of
118 the tax credit on its tax return required to be filed under
119 the provisions of chapter 143, exclusive of the return for
120 the withholding of tax under sections 143.191 to 143.265.
121 If such exempt taxpayer is not required to file a tax return
122 under the provisions of chapter 143, the exempt taxpayer may
123 claim a refund of the tax credit on a refund claim form
124 prescribed by the department of revenue. The department of
125 revenue shall prescribe such forms, instructions, and rules
126 as it deems appropriate to carry out the provisions of this
127 subsection.

128 7. (1) The amount of tax credits authorized pursuant
129 to this section shall not exceed twenty million dollars for
130 each calendar year. The department shall approve tax credit
131 applications on a first-come, first-served basis until the
132 tax credit authorization limit is reached for the calendar
133 year.

134 (2) If the maximum amount of tax credits allowed in
135 any calendar year as provided pursuant to subdivision (1) of
136 this subsection is authorized, the maximum amount of tax
137 credits allowed pursuant to subdivision (1) of this
138 subsection shall be increased by fifteen percent, provided

139 that all such increases in the allowable amount of tax
140 credits shall be reserved for qualified child care
141 expenditures for child care facilities located in a child
142 care desert. The director of the department shall publish
143 such adjusted amount.

144 8. A taxpayer who has been issued a tax credit under
145 this section shall notify the department within sixty days
146 of any cessation of operation, change in ownership, or
147 agreement to assume recapture liability, as such terms are
148 defined by 26 U.S.C. Section 45F, in the form and manner
149 prescribed by department rule or instruction. If there is a
150 cessation of operation or change in ownership relating to a
151 child care facility, the department may require the taxpayer
152 to repay the department an amount equal to the credit issued
153 under this section, but this recapture amount shall be
154 limited to the tax credit allowed under this section. The
155 recapture amount shall be considered a tax liability arising
156 on the tax payment due date for the tax year in which the
157 cessation of operation, change in ownership, or agreement to
158 assume recapture liability occurred and shall be assessed
159 and collected under the same provisions that apply to a tax
160 liability under chapter 143 or chapter 148, provided that no
161 interest shall be assessed against any amounts recaptured
162 pursuant to this subsection.

163 9. The tax credit allowed pursuant to this section
164 shall be considered a domestic and social tax credit under
165 subdivision (5) of subsection 2 of section 135.800.

166 10. All action and communication undertaken or
167 required under this section shall be exempt from section
168 105.1500.

169 11. The department may promulgate rules to implement
170 and administer the provisions of this section. Any rule or

171 portion of a rule, as that term is defined in section
172 536.010, that is created pursuant to the authority delegated
173 in this section shall become effective only if it complies
174 with and is subject to all of the provisions of chapter 536
175 and, if applicable, section 536.028. This section and
176 chapter 536 are nonseverable and if any of the powers vested
177 with the general assembly pursuant to chapter 536 to review,
178 to delay the effective date, or to disapprove and annul a
179 rule are subsequently held unconstitutional, then the grant
180 of rulemaking authority and any rule proposed or adopted
181 after August 28, 2025, shall be invalid and void.

182 12. Pursuant to section 23.253 of the Missouri sunset
183 act:

184 (1) The program authorized under this act shall expire
185 on December 31, 2031, unless reauthorized by the general
186 assembly;

187 (2) The act shall terminate on September first of the
188 calendar year immediately following the calendar year in
189 which the program authorized under the act is sunset;

190 (3) If such program is reauthorized, the program
191 authorized under this act shall automatically sunset six
192 years after the effective date of the reauthorization of the
193 act; and

194 (4) The provisions of this subsection shall not be
195 construed to limit or in any way impair the department of
196 revenue's ability to redeem tax credits authorized on or
197 before the date the program authorized pursuant to this
198 section expires or a taxpayer's ability to redeem such tax
199 credits.

2 135.1350. 1. This section shall be known and may be
cited as the "Child Care Providers Tax Credit Act".

3 2. For purposes of this section, the following terms
4 shall mean:

5 (1) "Capital expenditures", expenses incurred by a
6 child care provider, during the tax year for which a tax
7 credit is claimed pursuant to this section, for the
8 construction, renovation, or rehabilitation of a child care
9 facility to the extent necessary to operate a child care
10 facility and comply with applicable child care facility
11 regulations promulgated by the department of elementary and
12 secondary education;

13 (2) "Child care desert", a census tract that has a
14 poverty rate of at least twenty percent or a median family
15 income of less than eighty percent of the statewide average
16 and where at least five hundred people or thirty-three
17 percent of the population are located at least one-half mile
18 away from a child care provider in urbanized areas or at
19 least ten miles away in rural areas;

20 (3) "Child care facility", a child care facility as
21 defined in section 210.201 that is licensed pursuant to
22 section 210.221, or that is unlicensed and that is
23 registered with the department of elementary and secondary
24 education;

25 (4) "Child care provider", a child care provider as
26 defined in section 210.201 that is licensed pursuant to
27 section 210.221, or that is unlicensed and that is
28 registered with the department of elementary and secondary
29 education;

30 (5) "Department", the department of elementary and
31 secondary education;

32 (6) "Employee", an employee, as that term is used in
33 subsection 2 of section 143.191, of a child care provider
34 who worked for the child care provider for an average of at

35 least ten hours per week for at least a three-month period
36 during the tax year for which a tax credit is claimed
37 pursuant to this section and who is not an immediate family
38 member of the child care provider;

39 (7) "Eligible employer withholding tax", the total
40 amount of tax that the child care provider was required,
41 under section 143.191, to deduct and withhold from the wages
42 it paid to employees during the tax year for which the child
43 care provider is claiming a tax credit pursuant to this
44 section, to the extent actually paid. "Eligible employer
45 withholding tax" shall not include any additional voluntary
46 withholding requested by an employee;

47 (8) "Rural area", a town or community within the state
48 that is not within a metropolitan statistical area and has a
49 population of six thousand or fewer inhabitants as
50 determined by the last preceding federal decennial census or
51 any unincorporated area not within a metropolitan
52 statistical area;

53 (9) "State tax liability", any liability incurred by
54 the taxpayer pursuant to the provisions of chapter 143,
55 exclusive of the provisions relating to the withholding of
56 tax as provided for in sections 143.191 to 143.265 and
57 related provisions;

58 (10) "Tax credit", a credit against the taxpayer's
59 state tax liability;

60 (11) "Taxpayer", a corporation as defined in section
61 143.441 or 143.471, any charitable organization that is
62 exempt from federal income tax and whose Missouri unrelated
63 business taxable income, if any, would be subject to the
64 state income tax imposed under chapter 143, or an individual
65 or partnership subject to the state income tax imposed by
66 the provisions of chapter 143.

67 3. For all tax years beginning on or after January 1,
68 2026, a child care provider with three or more employees may
69 claim a tax credit authorized in this section in an amount
70 equal to the child care provider's eligible employer
71 withholding tax, and may also claim a tax credit in an
72 amount up to thirty percent of the child care provider's
73 capital expenditures. No tax credit for capital
74 expenditures shall be allowed if the capital expenditures
75 are less than one thousand dollars. The amount of any tax
76 credit issued under this section shall not exceed two
77 hundred thousand dollars per child care provider per tax
78 year.

79 4. To claim a tax credit authorized pursuant to this
80 section, a child care provider shall submit to the
81 department, for preliminary approval, an application for the
82 tax credit on a form provided by the department and at such
83 times as the department may require. If the child care
84 provider is applying for a tax credit for capital
85 expenditures, the child care provider shall present proof
86 acceptable to the department that the child care provider's
87 capital expenditures satisfy the requirements of subdivision
88 (1) of subsection 2 of this section. Upon final approval of
89 an application, the department shall issue the child care
90 provider a certificate of tax credit.

91 5. (1) The tax credits authorized by this section
92 shall not be refundable and shall not be transferred, sold,
93 assigned, or otherwise conveyed. Any amount of credit that
94 exceeds the child care provider's state tax liability for
95 the tax year for which the tax credit is issued may be
96 carried forward to the child care provider's subsequent tax
97 year for up to six succeeding tax years.

98 (2) In the case of a taxpayer that has or elects pass-
99 through taxation pursuant to federal income tax law, the tax
100 credits issued pursuant to this section shall be apportioned
101 in proportion to the share of ownership of the taxpayer on
102 the last day of the taxpayer's tax period for which such tax
103 credits will be issued, to the following:

104 (a) The shareholders of the S corporation;

105 (b) The partners in a partnership; or

106 (c) The members of a limited liability company that
107 has or elects pass-through taxation pursuant to federal
108 income tax law.

109 (3) A taxpayer shall not claim a tax credit pursuant
110 to this section and a tax credit pursuant to section
111 135.1325 for the same contribution or expenditure.

112 6. Notwithstanding any provision of subsection 5 of
113 this section to the contrary, a child care provider that is
114 exempt, under 26 U.S.C. Section 501(c)(3), and any
115 amendments thereto, from all or part of the federal income
116 tax shall be eligible for a refund of its tax credit issued
117 under this section, without regard to whether it has
118 incurred any state tax liability. Such exempt child care
119 provider may claim a refund of the tax credit on its tax
120 return required to be filed under the provisions of chapter
121 143, exclusive of the return for the withholding of tax
122 under sections 143.191 to 143.265. If such exempt child
123 care provider is not required to file a tax return under the
124 provisions of chapter 143, the exempt child care provider
125 may claim a refund of the tax credit on a refund claim form
126 prescribed by the department of revenue. The department of
127 revenue shall prescribe such forms, instructions, and rules
128 as it deems appropriate to carry out the provisions of this
129 subsection.

130 7. (1) The amount of tax credits authorized pursuant
131 to this section shall not exceed twenty million dollars for
132 each calendar year. The department shall approve tax credit
133 applications on a first-come, first-served basis until the
134 tax credit authorization limit is reached for the calendar
135 year.

136 (2) If the maximum amount of tax credits allowed in
137 any calendar year as provided pursuant to subdivision (1) of
138 this subsection is authorized, the maximum amount of tax
139 credits allowed pursuant to subdivision (1) of this
140 subsection shall be increased by fifteen percent, provided
141 that all such increases in the allowable amount of tax
142 credits shall be reserved for child care providers located
143 in a child care desert. The director of the department
144 shall publish such adjusted amount.

145 8. The tax credit authorized by this section shall be
146 considered a domestic and social tax credit under
147 subdivision (5) of subsection 2 of section 135.800.

148 9. All action and communication undertaken or required
149 with respect to this section shall be exempt from section
150 105.1500. Notwithstanding section 32.057 or any other tax
151 confidentiality law to the contrary, the department of
152 revenue may disclose tax information to the department for
153 the purpose of the verification of a child care provider's
154 eligible employer withholding tax under this section.

155 10. The department may promulgate rules and adopt
156 statements of policy, procedures, forms, and guidelines to
157 implement and administer the provisions of this section.
158 Any rule or portion of a rule, as that term is defined in
159 section 536.010, that is created pursuant to the authority
160 delegated in this section shall become effective only if it
161 complies with and is subject to all of the provisions of

162 chapter 536 and, if applicable, section 536.028. This
163 section and chapter 536 are nonseverable and if any of the
164 powers vested with the general assembly pursuant to chapter
165 536 to review, to delay the effective date, or to disapprove
166 and annul a rule are subsequently held unconstitutional,
167 then the grant of rulemaking authority and any rule proposed
168 or adopted after August 28, 2025, shall be invalid and void.

169 11. Pursuant to section 23.253 of the Missouri sunset
170 act:

171 (1) The program authorized under this section shall
172 expire on December 31, 2031, unless reauthorized by the
173 general assembly;

174 (2) The act shall terminate on September first of the
175 calendar year immediately following the calendar year in
176 which the program authorized under this section is sunset;

177 (3) If such program is reauthorized, the program
178 authorized under this section shall automatically sunset six
179 years after the effective date of the reauthorization of
180 this section; and

181 (4) The provisions of this subsection shall not be
182 construed to limit or in any way impair the department of
183 revenue's ability to redeem tax credits authorized on or
184 before the date the program authorized pursuant to this
185 section expires or a taxpayer's ability to redeem such tax
186 credits.

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