COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4828S.01I
Bill No.: SB 994
Subject: Tax Credits; Taxation and Revenue - Income
Type: Original
Date: January 19, 2026

Bill Summary: This proposal modifies provisions relating to the filing of income tax returns.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on General Revenue	**$0**	**$0**	**$0**

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on Other State Funds	**$0**	**$0**	**$0**

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on All Federal Funds	**$0**	**$0**	**$0**

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on FTE	**0**	**0**	**0**

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed $250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

☐ Estimated Net Effect (savings or increased revenues) expected to exceed $250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Local Government	**$0**	**$0**	**$0**

FISCAL ANALYSIS

ASSUMPTION

§143.511 - Income Tax Return Due Date

Officials from the **Office of Administration – Budget & Planning (B&P)** assume this provision would allow the annual income tax due date to change from April 15th to the date required for federal income tax returns. B&P notes that there are many years where the federal annual due date falls after April 15th. B&P further notes that DOR already matches the Missouri income tax due date with the federal due date. Therefore, this provision will not impact state revenues.

Officials from the **Department of Revenue (DOR)** assume:

This proposal would require income tax return's filing deadline to be the same as the federal deadline. It appears the intent is to allow the state filing deadline to move when the federal government moves their deadline. Currently, Missouri tax returns are due on April 15th each year unless moved by the Governor Office. Sometimes, the federal filing deadline is moved to another day.

DOR notes that some income tax returns are currently due at the federal level on March 15th but in Missouri it is due on April 15th. The MO-1065 is one such example. This proposal would require Missouri to make that form and any others with different deadlines to match the Internal Revenue Service's deadlines.

DOR notes this would require the change of the Department's tax forms and instructions as well as updating the computer programs. This would result in a cost of around 10,000 per form that needs changing. These would be one-time costs.

Oversight notes that DOR assumes due to the changes under the §143.511 the Department would be required to make changes to the form and any others with different deadlines to match the Internal Revenue Service's deadlines. Oversight notes that DOR assumes $10,000 cost for any such form that needs to be changed.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Oversight notes that B&P and DOR both assume the fiscal impact stemming from the income tax return due date change would be minimal. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

§143.512 - Tax Credit Balance Due Penalty

Officials from the **Office of Administration – Budget & Planning (B&P)** assume this proposal would waive any addition to tax, interest, and penalties on taxes due because of tax credits being apportioned, if the resulting tax due is paid within 60 days. B&P notes that this would only apply to tax credits that are apportioned among taxpayers when redemptions are greater than the amount allowed per statute or appropriation.

B&P notes that currently taxpayers are encouraged to remit their full tax liability, calculated before a tax credit, in case their tax credit claim is denied. However, based on additional information taxpayers are not actually able to remit a payment above the balance due amount shown on their original return until that amount has been amended by DOR. Therefore, taxpayers receiving apportioned credits end up with a tax due notice, with interest and penalties currently levied on the overdue amount.

Based on information provided by DOR, this provision could reduce TSR by an unknown, likely minimal, amount.

Officials from the **Department of Revenue (DOR)** assume this proposal appears to want to allow a taxpayer who attempts to claim a tax credit, that is denied from a lack of available funds, and that denial causes a balance due notice to be generated by DOR, to pay their balance due without paying a penalty or interest for sixty days. If the balance due is not paid within sixty days, the penalty and interest would still be owed.

DOR notes that tax credits can be denied for various reasons. Many of the state tax credit programs have caps that are first come, first serve, and taxpayers can be denied if their claim is filed later than others. Additionally, a balance due can be caused from an intentional disregard of rules and regulations which result in a deficiency. This proposal would require DOR to provide a grace period even when the taxpayer is willful to file a return that results in a balance due.

If the intent is to allow for a grace period only on apportioned tax credits, DOR notes there are four such credits. They are the Biodiesel Retailers, Champion for Children, Ethanol Retailers, and Food Pantry tax credit programs. These credits became apportioned credits because the annual cap was placed on the redemptions rather than on the issuance of the credits as it practices.

Apportioned credits allow people to apply for the tax credit and then the amount of the credit is adjusted downward should the number of credits redeemed exceed the cap. This practice results in taxpayers not knowing the amount of credit they are to receive, and unless the taxpayer pays their whole tax liability without regard for the tax credit, they have the potential to get an "assessment of unpaid tax notice" from DOR for the outstanding balance not covered by the credit.

DOR notes the Champion for Children tax credit program already grants DOR the authority to notify taxpayers and to give those taxpayers a sixty-day grace period to make an additional payment should their account require it. They are allowed this grace period only if their unpaid balance is a result of the credit being applied at a lesser rate. Therefore, this proposal would not impact the Champion for Children program.

DOR notes that the Food Pantry program does not allow for such a grace period. At this time, DOR notifies the taxpayer of the adjustment and then is required to assess penalties and interest. It appears this proposal attempts to allow DOR to give them a grace period. DOR assumes this would have minimal impact of less than $10,000 annually.

DOR notes that the Ethanol and Biodiesel Retailers credits have not been apportioned as the number of credits claimed is currently less than the cap amount. However, this proposal could impact them in the near future.

Oversight notes that B&P and DOR both assume the fiscal impact stemming from §143.511 would be minimal. Therefore, Oversight will reflect a zero impact in the fiscal note.

FISCAL IMPACT – State Government	FY 2027 (10 Mo.)	FY 2028	FY 2029
	$0	**$0**	**$0**

FISCAL IMPACT – Local Government	FY 2027 (10 Mo.)	FY 2028	FY 2029
	$0	**$0**	**$0**

FISCAL IMPACT – Small Business

No direct fiscal impact on small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration – Budget & Planning
Department of Revenue

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January 19, 2026

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