

HCS HB 1981 -- TAX DEDUCTION FOR EDUCATOR EXPENSES

SPONSOR: Kelley (127)

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Ways and Means by a vote of 9 to 0.

The following is a summary of the House Committee Substitute for HB 1981.

For all tax years beginning on or after January 1, 2023, this bill provides that an eligible educator will be allowed to subtract an amount of up to \$500 for unreimbursed educator expenses, less the amount of such expenses deducted on their federal tax return, from their Missouri adjusted gross income to determine Missouri taxable income.

An eligible educator is defined as an individual who is a K-12 teacher, instructor, counselor, principal, or aide in a school for at least 900 hours during a school year.

Educator expenses are expenses incurred as a result of the participation by the educator in professional development courses related to the curriculum in which the educator provides instruction, and expenses in connection with books, supplies, computer equipment and other equipment, and supplementary materials used by the eligible educator in the classroom.

This bill will sunset six years after the effective date.

This bill is similar to HB 314 (2021).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPONENTS: Supporters say that every year, teachers spend money on their classrooms and this is a way to give back to these teachers. This would recognize teachers that spend their own money to support their classrooms and improve their practice.

Testifying for the bill were Representative Kelley; Missouri Alliance for Art Educators; Gifted Association of Missouri; Missouri State Teachers Association; Missouri NEA; and Arnie Dienoff

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say that this bill may be more beneficial as a subtraction rather than a deduction that requires an itemized return.

Testifying on the bill was the Department Of Revenue.

Written testimony has been submitted for this bill. The full written testimony can be found under Testimony on the bill page on the House website.