

HCS HBs 2034 & 2081 -- WORKFORCE DEVELOPMENT

SPONSOR: Sassmann

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Workforce and Infrastructure Development by a vote of 8 to 4, with 1 voting present.

CERTAIN ENGINEERING DEGREES (Section 135.050)

For all tax years beginning on or after January 1, 2025, this bill authorizes three tax credits to qualified employers and qualified workers. A "Qualified employer" is defined as a business entity registered to do business in this state and whose principal business activity involves the engineering sector. A "Qualified worker" is defined as newly employed on a full-time basis with a qualified employer on or after January 1, 2025, with an engineering degree or certificate from a qualified program from a qualified institution, as specified in the bill.

A qualified employer is allowed a tax credit for tuition reimbursed to a qualified worker who has received his or her degree or certificate within one year prior to or following the commencement of employment with the qualified employer. The tax credit will be equal to 50% of the amount of tuition reimbursed and may be claimed for the first four years of the qualified worker's employment. Such tax credits cannot be transferred, sold, or assigned, and shall not be refundable or carried forward to any other tax year.

A qualified employer will also be allowed a tax credit for compensation paid to a qualified worker for the first five years of such worker's employment. The tax credit will be equal to 10% of compensation paid to a qualified worker who received his or her degree or certificate from a qualified program at a qualified institution. Such tax credits cannot exceed \$15,000 for a qualified worker in a tax year, and cannot exceed a total of \$75,000 for any given qualified worker. Such tax credits cannot be transferred, sold, or assigned, and shall not be refundable or carried forward to any other tax year.

A taxpayer who becomes a qualified worker will be allowed a tax credit in an amount equal to \$5,000. The tax credit may be claimed for five consecutive tax years beginning with the tax year in which the taxpayer becomes a qualified worker. No taxpayer shall claim a total of more than \$25,000 in tax credits. Such tax credits cannot be transferred, sold, or assigned, and cannot be refundable, but may be carried forward to subsequent tax years, provided that a tax credit cannot be carried forward beyond the fourth tax year.

succeeding the tax year in which the taxpayer initially claimed the tax credit.

The Department of Economic Development must annually submit a report to the General Assembly with information regarding the cost and effectiveness of the program and any recommendations.

This portion of the bill sunsets on December 31, 2030.

UNEMPLOYMENT COMPENSATION (Section 288.050)

The bill also revises the reasons a claimant may be disqualified for unemployment compensation by adding that if the designated representative of the Division of Employment Security within the Department of Labor and Industrial Relations finds that a claimant failed without good cause to appear for a scheduled job interview or skills test. The bill also revises the method of notifying the claimant by deleting the current requirement of certified mail and referring to notification in writing or by email or telephone. The Division must establish a method allowing employers to report by email or telephone individuals who do not accept or respond to offers or do not appear for scheduled interviews or tests.

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 the people receiving unemployment compensation who schedule interviews or skills tests and then don't show up as scheduled place a burden on the potential employer, particularly smaller employers who may not have a full-time human resource person. Some people may have legitimate reasons.

Testifying in person for the bill were Representative Sassmann; NFIB (National Federation of Independent Business); Missouri Grocers Association; Missouri Retailers Association; and Opportunity Solutions Project.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say the Department monitors new hires to prevent overpayment.

Testifying in person on the bill was Logan Hobbs, Department of Labor and Industrial Relations.

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