

HB 2886 -- TAX CREDITS

SPONSOR: Burnett

For all tax years beginning on or after January 1, 2023, any employer subject to the state income tax who pays for or provides child day care services, including the provision of the service of locating such services, to its employees or that provides facilities and necessary equipment for child day care services can claim a tax credit against the qualified taxpayer's state tax liability as follows:

- (1) Thirty percent of the total amount expended in the state during the tax year by a qualified taxpayer for child day care services purchased to provide care for the dependent children of the qualified taxpayer's employees or for the provision of the service of locating such services for such children;
- (2) In the tax year in which a facility providing child day care services in the state for use primarily by the dependent children of the qualified taxpayer's employees is established, 50% of the total amount expended during such year by a qualified taxpayer in the establishment and operation of such facility;
- (3) In the tax years other than the tax year in which a facility providing child day care services in the state for use primarily by the dependent, 50% of the total amount expended during the tax year by a qualified taxpayer for the operation of a facility described in this subdivision less the amount of moneys received by the qualified taxpayer for use of such facility for child day care services;
- (4) In the tax year in which a facility providing child day care services in the state for use primarily by the dependent children of the qualified taxpayer's employees is established in conjunction with one or more other qualified taxpayers, 50% of the total amount expended during such year by a qualified taxpayer in the establishment and operation of such facility;
- (5) In the tax years other than the tax year in which a facility providing child day care services in the state for use primarily by the dependent children of the qualified taxpayer's employees is established in conjunction with one or more other qualified taxpayers, 50% of the total amount expended during the tax year by a qualified taxpayer for the operation of a facility described in this subdivision less the amount of moneys received by the qualified taxpayer for use of such facility for child day care services; and

(6) Fifty percent of the total amount expended during the tax year by a qualified taxpayer as payments to an organization providing access to available child day care services for the qualified taxpayer's employees.

No credit will be allowed unless the child day care facility or provider is licensed or registered under Missouri law.

If the qualified taxpayer is a corporation having an election in effect under Subchapter S of the federal Internal Revenue Code or a partnership, the credit provided by this bill will be claimed by the shareholders of such corporation or the partners of such partnership in the same manner as such shareholders or partners account for their proportionate shares of the income or loss of the corporation or partnership.

The credit allowed under (1), (3), and (5) will not exceed \$30,000 per taxpayer. The credit allowed under (2), (4), and (6) will not exceed \$45,000. The cumulative amount of all tax credits allowed under this bill will not exceed \$3 million per tax year. In the event the amount of tax credits claimed in a tax year exceed \$3 million, tax credits will be allowed based on the order in which they are claimed.

The amount of the credit that exceeds the tax liability for the tax year will be refunded to the qualified taxpayer. No tax credit claimed under this section shall be carried forward to any subsequent tax year. No tax credit claimed under this section shall be assigned, transferred, sold, or otherwise conveyed.

This bill will sunset six years after the effective date.

This bill is similar to HB 2867 (2022).