

# SENATE BILL NO. 1136

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR ROBERTS.

5386S.02I

ADRIANE D. CROUSE, Secretary

## AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to a tax credit for providing educational assistance to employees.

*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 one new section, to be known as section 135.1690, to read as  
3 follows:

135.1690. 1. For the purposes of this section, the  
2 following terms shall mean:

3 (1) "Department", the Missouri department of revenue;

4 (2) "Educational assistance", the payment by a  
5 taxpayer, whether paid to an employee or to a lender, of  
6 principal or interest on any qualified education loan, as  
7 defined in 26 U.S.C. Section 221(d)(1), incurred by the  
8 employee for the education of the employee;

9 (3) "Tax credit", a credit against the tax otherwise  
10 due under chapter 143, excluding withholding tax imposed  
11 under sections 143.191 to 143.265;

12 (4) "Taxpayer", any sole proprietorship, partnership,  
13 limited liability company, or corporation that is subject to  
14 the tax imposed under chapter 143, excluding withholding tax  
15 imposed under sections 143.191 to 143.265, or any charitable  
16 organization that is exempt from federal income tax and  
17 whose Missouri unrelated business taxable income, if any,  
18 would be subject to the state income tax imposed under

19 chapter 143, that maintains an educational assistance  
20 program as described in 26 U.S.C. Section 127, as amended.

21 2. For all tax years beginning on or after January 1,  
22 2023, a taxpayer shall be allowed to claim a tax credit for  
23 amounts paid to employees who are residents of this state,  
24 as defined in section 143.101, for educational assistance.  
25 The amount of the tax credit shall not exceed the amount  
26 provided in 26 U.S.C. Section 127(a)(2), as amended, per  
27 employee.

28 3. A tax credit authorized by this section shall be  
29 claimed by a taxpayer at the time such taxpayer files a  
30 return. The department shall publish any forms necessary  
31 for a taxpayer to provide the information required to  
32 calculate the tax credit authorized by this section. Any  
33 amount of the tax credit which exceeds the tax due shall not  
34 be refundable, but may be carried forward to subsequent tax  
35 years until the full amount of the credit is claimed. Tax  
36 credits authorized by this section shall not be  
37 transferrable.

38 4. The department shall promulgate any rules necessary  
39 to implement the provisions of this section. Any rule or  
40 portion of a rule, as that term is defined in section  
41 536.010, that is created under the authority delegated in  
42 this section shall become effective only if it complies with  
43 and is subject to all of the provisions of chapter 536 and,  
44 if applicable, section 536.028. This section and chapter  
45 536 are nonseverable and if any of the powers vested with  
46 the general assembly pursuant to chapter 536 to review, to  
47 delay the effective date, or to disapprove and annul a rule  
48 are subsequently held unconstitutional, then the grant of  
49 rulemaking authority and any rule proposed or adopted after  
50 August 28, 2022, shall be invalid and void.

51           5. Pursuant to section 23.253 of the Missouri sunset  
52 act:

53           (1) The provisions of this section shall sunset  
54 automatically on December 31, 2028, unless reauthorized by  
55 an act of the general assembly;

56           (2) If such program is reauthorized, the program  
57 authorized under this section shall sunset automatically  
58 twelve years after the effective date of the reauthorization  
59 of this section;

60           (3) This section shall terminate on September first of  
61 the calendar year immediately following the calendar year in  
62 which the program authorized under this section is sunset;  
63 and

64           (4) The provisions of this subsection shall not be  
65 construed to limit or in any way impair the department's  
66 ability to redeem tax credits authorized on or before the  
67 date the program authorized pursuant to this section  
68 expires, or a taxpayer's ability to redeem such tax credits.

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