

SECOND REGULAR SESSION

HOUSE BILL NO. 1278

96TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES LONG (Sponsor), SCHOELLER, DAVIS, BERRY, HOUGH, BARNES, BERNSKOETTER, REDMON, HIGDON, DIEHL, DAY, NETH, RUZICKA, HAMPTON, ELMER, RIDDLE, JONES (117), OXFORD, ATKINS, WIELAND, RICHARDSON, McCAHERTY, FREDERICK, SWINGER, HODGES, BLACK, KELLEY (126), MOLENDORP, McGHEE, ZERR, GATSCHENBERGER, DENISON, POLLOCK, KORMAN, WALLINGFORD, SHUMAKE, ROWLAND, CIERPIOT, KRATKY, LICHTENEGGER, HARRIS, JONES (89), BURLISON, BROWN (85), BROWN (50), CASEY, SHIVELY, FALLERT, QUINN, McMANUS, MEADOWS AND CONWAY (27) (Co-sponsors).

4530L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 135.090, 135.327, 135.562, 135.630, 135.647, 135.800, 135.825, and 135.1150, RSMo, and to enact in lieu thereof nine new sections relating to certain benevolent tax credits, with an emergency clause for a certain section.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 135.090, 135.327, 135.562, 135.630, 135.647, 135.800, 135.825, 2 and 135.1150, RSMo, are repealed and nine new sections enacted in lieu thereof, to be known 3 as sections 135.090, 135.327, 135.562, 135.630, 135.647, 135.800, 135.825, 135.1150, and 4 135.1180, to read as follows:

135.090. 1. As used in this section, the following terms mean:

2 (1) "Homestead", the dwelling in Missouri owned by the surviving spouse and not 3 exceeding five acres of land surrounding it as is reasonably necessary for use of the dwelling as 4 a home. As used in this section, "homestead" shall not include any dwelling which is occupied 5 by more than two families;

6 (2) "Public safety officer", any firefighter, police officer, capitol police officer, parole 7 officer, probation officer, correctional employee, water patrol officer, park ranger, conservation 8 officer, commercial motor **vehicle** enforcement officer, emergency medical technician, first 9 responder, or highway patrolman employed by the state of Missouri or a political subdivision

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

10 thereof who is killed in the line of duty, unless the death was the result of the officer's own
11 misconduct or abuse of alcohol or drugs;

12 (3) "Surviving spouse", a spouse, who has not remarried, of a public safety officer.

13 2. For all tax years beginning on or after January 1, 2008, a surviving spouse shall be
14 allowed a credit against the tax otherwise due under chapter 143, excluding withholding tax
15 imposed by sections 143.191 to 143.265, in an amount equal to the total amount of the property
16 taxes on the surviving spouse's homestead paid during the tax year for which the credit is
17 claimed. A surviving spouse may claim the credit authorized under this section for each tax year
18 beginning the year of death of the public safety officer spouse until the tax year in which the
19 surviving spouse remarries. No credit shall be allowed for the tax year in which the surviving
20 spouse remarries. If the amount allowable as a credit exceeds the income tax reduced by other
21 credits, then the excess shall be considered an overpayment of the income tax.

22 3. The department of revenue shall promulgate rules to implement the provisions of this
23 section.

24 4. Any rule or portion of a rule, as that term is defined in section 536.010, that is created
25 under the authority delegated in this section shall become effective only if it complies with and
26 is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section
27 and chapter 536 are nonseverable and if any of the powers vested with the general assembly
28 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule
29 are subsequently held unconstitutional, then the grant of rulemaking authority and any rule
30 proposed or adopted after August 28, 2007, shall be invalid and void.

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

32 (1) [The provisions of the new program authorized under this section shall automatically
33 sunset six years after August 28, 2007, unless reauthorized by an act of the general assembly; and

34 (2) If such program is reauthorized,] The program authorized under this section shall
35 [automatically sunset twelve years after the effective date of the reauthorization of this section]
36 **expire on December 31, 2017; and**

37 [(3)] (2) This section shall terminate on September [first of the calendar year
38 immediately following the calendar year in which the program authorized under this section is
39 sunset] **1, 2018; and**

40 (3) **The provisions of this subsection shall not be construed to limit or in any way**
41 **impair the department's ability to issue tax credits authorized before January 1, 2018, or**
42 **a taxpayer's ability to redeem such tax credits.**

135.327. 1. As used in this section, the following terms shall mean:

2 (1) "CASA", an entity which receives funding from the court-appointed special advocate
3 fund established under section 476.777, including an association based in this state, affiliated

4 with a national association, organized to provide support to entities receiving funding from the
5 court-appointed special advocate fund;

6 (2) "Child advocacy centers", the regional child assessment centers listed in subsection
7 2 of section 210.001;

8 (3) "Contribution", the amount of a donation to a qualified agency;

9 (4) "Crisis care center", entities contracted with this state which provide temporary care
10 for children whose age ranges from birth through seventeen years of age whose parents or
11 guardian are experiencing an unexpected and unstable or serious condition that requires
12 immediate action resulting in short-term care, usually three to five continuous, uninterrupted
13 days, for children who may be at risk for child abuse, neglect, or in an emergency situation;

14 (5) "Department", the department of revenue;

15 (6) "Director", the director of the department of revenue;

16 (7) "Qualified agency", CASA, child advocacy centers, or a crisis care center;

17 (8) "Tax liability", the tax due under chapter 143 other than taxes withheld under
18 sections 143.191 to 143.265.

19 2. Any person residing in this state who legally adopts a special needs child on or after
20 January 1, 1988, and before January 1, 2000, shall be eligible to receive a tax credit of up to ten
21 thousand dollars for nonrecurring adoption expenses for each child adopted that may be applied
22 to taxes due under chapter 143. Any business entity providing funds to an employee to enable
23 that employee to legally adopt a special needs child shall be eligible to receive a tax credit of up
24 to ten thousand dollars for nonrecurring adoption expenses for each child adopted that may be
25 applied to taxes due under such business entity's state tax liability, except that only one ten
26 thousand dollar credit is available for each special needs child that is adopted.

27 3. Any person residing in this state who proceeds in good faith with the adoption of a
28 special needs child on or after January 1, 2000, shall be eligible to receive a tax credit of up to
29 ten thousand dollars for nonrecurring adoption expenses for each child that may be applied to
30 taxes due under chapter 143; provided, however, that beginning on or after July 1, 2004, two
31 million dollars of the tax credits allowed shall be allocated for the adoption of special needs
32 children who are residents or wards of residents of this state at the time the adoption is initiated.
33 Any business entity providing funds to an employee to enable that employee to proceed in good
34 faith with the adoption of a special needs child shall be eligible to receive a tax credit of up to
35 ten thousand dollars for nonrecurring adoption expenses for each child that may be applied to
36 taxes due under such business entity's state tax liability, except that only one ten thousand dollar
37 credit is available for each special needs child that is adopted.

38 4. Individuals and business entities may claim a tax credit for their total nonrecurring
39 adoption expenses in each year that the expenses are incurred. A claim for fifty percent of the

40 credit shall be allowed when the child is placed in the home. A claim for the remaining fifty
41 percent shall be allowed when the adoption is final. The total of these tax credits shall not
42 exceed the maximum limit of ten thousand dollars per child. The cumulative amount of tax
43 credits which may be claimed by taxpayers claiming the credit for nonrecurring adoption
44 expenses in any one fiscal year prior to July 1, 2004, shall not exceed two million dollars. The
45 cumulative amount of tax credits that may be claimed by taxpayers claiming the credit for
46 nonrecurring adoption expenses shall not be more than four million dollars but may be increased
47 by appropriation in any fiscal year beginning on or after July 1, 2004; provided, however, that
48 by December thirty-first following each July, if less than two million dollars in credits have been
49 issued for adoption of special needs children who are not residents or wards of residents of this
50 state at the time the adoption is initiated, the remaining amount of the cap shall be available for
51 the adoption of special needs children who are residents or wards of residents of this state at the
52 time the adoption is initiated. For all fiscal years beginning on or after July 1, 2006, applications
53 to claim the adoption tax credit for special needs children who are residents or wards of residents
54 of this state at the time the adoption is initiated shall be filed between July first and April
55 fifteenth of each fiscal year. For all fiscal years beginning on or after July 1, 2006, applications
56 to claim the adoption tax credit for special needs children who are not residents or wards of
57 residents of this state at the time the adoption is initiated shall be filed between July first and
58 December thirty-first of each fiscal year.

59 5. Notwithstanding any provision of law to the contrary, any individual or business entity
60 may assign, transfer or sell tax credits allowed in this section. Any sale of tax credits claimed
61 pursuant to this section shall be at a discount rate of seventy-five percent or greater of the amount
62 sold.

63 6. The director of revenue shall establish a procedure by which, for each fiscal year, the
64 cumulative amount of tax credits authorized in this section is equally apportioned among all
65 taxpayers within the two categories specified in subsection 3 of this section claiming the credit
66 in that fiscal year. To the maximum extent possible, the director of revenue shall establish the
67 procedure described in this subsection in such a manner as to ensure that taxpayers within each
68 category can claim all the tax credits possible up to the cumulative amount of tax credits
69 available for the fiscal year.

70 7. For all tax years beginning on or after January 1, 2006, a tax credit may be claimed
71 in an amount equal to up to fifty percent of a verified contribution to a qualified agency and shall
72 be named the children in crisis tax credit. The minimum amount of any tax credit issued shall
73 not be less than fifty dollars and shall be applied to taxes due under chapter 143, excluding
74 sections 143.191 to 143.265. A contribution verification shall be issued to the taxpayer by the
75 agency receiving the contribution. Such contribution verification shall include the taxpayer's

76 name, Social Security number, amount of tax credit, amount of contribution, the name and
77 address of the agency receiving the credit, and the date the contribution was made. The tax credit
78 provided under this subsection shall be initially filed for the year in which the verified
79 contribution is made.

80 8. The cumulative amount of the tax credits redeemed shall not exceed the unclaimed
81 portion of the resident adoption category allocation as described in this section. The director of
82 revenue shall determine the unclaimed portion available. The amount available shall be equally
83 divided among the three qualified agencies: CASA, child advocacy centers, or crisis care centers
84 to be used towards tax credits issued. In the event tax credits claimed under one agency do not
85 total the allocated amount for that agency, the unused portion for that agency will be made
86 available to the remaining agencies equally. In the event the total amount of tax credits claimed
87 for any one agency exceeds the amount available for that agency, the amount redeemed shall and
88 will be apportioned equally to all eligible taxpayers claiming the credit under that agency. After
89 all children in crisis tax credits have been claimed, any remaining unclaimed portion of the
90 reserved allocation for adoptions of special needs children who are residents or wards of
91 residents of this state shall then be made available for adoption tax credit claims of special needs
92 children who are not residents or wards of residents of this state at the time the adoption is
93 initiated.

94 9. Prior to December thirty-first of each year, [the entities listed under the definition of]
95 **each** qualified agency shall apply to the department of social services in order to verify their
96 qualified agency status. Upon a determination that the agency is eligible to be a qualified
97 agency, the department of social services shall provide a letter of eligibility to such agency. No
98 later than February first of each year, the department of social services shall provide a list of
99 qualified agencies to the department of revenue. All tax credit applications to claim the children
100 in crisis tax credit shall be filed between July first and April fifteenth of each fiscal year. A
101 taxpayer shall apply for the children in crisis tax credit by attaching a copy of the contribution
102 verification provided by a qualified agency to such taxpayer's income tax return.

103 10. The tax credits provided under this section shall be subject to the provisions of
104 section 135.333.

105 11. (1) In the event a credit denial, due to lack of available funds, causes a balance-due
106 notice to be generated by the department of revenue, or any other redeeming agency, the taxpayer
107 will not be held liable for any penalty or interest, provided the balance is paid, or approved
108 payment arrangements have been made, within sixty days from the notice of denial.

109 (2) In the event the balance is not paid within sixty days from the notice of denial, the
110 remaining balance shall be due and payable under the provisions of chapter 143.

111 12. The director shall calculate the level of appropriation necessary to issue all tax credits
112 for nonresident special needs adoptions applied for under this section and provide such
113 calculation to the speaker of the house of representatives, the president pro tempore of the senate,
114 and the director of the division of budget and planning in the office of administration by January
115 thirty-first of each year.

116 13. The department may promulgate such rules or regulations as are necessary to
117 administer the provisions of this section. Any rule or portion of a rule, as that term is defined
118 in section 536.010, that is created under the authority delegated in this section shall become
119 effective only if it complies with and is subject to all of the provisions of chapter 536 and, if
120 applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the
121 powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective
122 date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of
123 rulemaking authority and any rule proposed or adopted after August 28, 2006, shall be invalid
124 and void.

125 14. Pursuant to section 23.253 of the Missouri sunset act:

126 (1) [The provisions of the new program authorized under subsections 7 to 12 of this
127 section shall automatically sunset six years after August 28, 2006, unless reauthorized by an act
128 of the general assembly; and

129 (2) If such program is reauthorized,] The program authorized under this section shall
130 [automatically sunset twelve years after the effective date of the reauthorization of this section]
131 **expire on December 31, 2016;** and

132 [(3)] (2) This section shall terminate on September [first of the calendar year
133 immediately following the calendar year in which the program authorized under this section is
134 sunset] **1, 2017; and**

135 (3) **The provisions of this subsection shall not be construed to limit or in any way**
136 **impair the department's ability to issue tax credits authorized before January 1, 2017, or**
137 **a taxpayer's ability to redeem such tax credits.**

135.562. 1. If any taxpayer with a federal adjusted gross income of thirty thousand
2 dollars or less incurs costs for the purpose of making all or any portion of such taxpayer's
3 principal dwelling accessible to an individual with a disability who permanently resides with the
4 taxpayer, such taxpayer shall receive a tax credit against such taxpayer's Missouri income tax
5 liability in an amount equal to the lesser of one hundred percent of such costs or two thousand
6 five hundred dollars per taxpayer, per tax year.

7 2. Any taxpayer with a federal adjusted gross income greater than thirty thousand dollars
8 but less than sixty thousand dollars who incurs costs for the purpose of making all or any portion
9 of such taxpayer's principal dwelling accessible to an individual with a disability who

10 permanently resides with the taxpayer shall receive a tax credit against such taxpayer's Missouri
11 income tax liability in an amount equal to the lesser of fifty percent of such costs or two thousand
12 five hundred dollars per taxpayer per tax year. No taxpayer shall be eligible to receive tax credits
13 under this section in any tax year immediately following a tax year in which such taxpayer
14 received tax credits under the provisions of this section.

15 3. Tax credits issued pursuant to this section may be refundable in an amount not to
16 exceed two thousand five hundred dollars per tax year.

17 4. Eligible costs for which the credit may be claimed include:

- 18 (1) Constructing entrance or exit ramps;
- 19 (2) Widening exterior or interior doorways;
- 20 (3) Widening hallways;
- 21 (4) Installing handrails or grab bars;
- 22 (5) Moving electrical outlets and switches;
- 23 (6) Installing stairway lifts;
- 24 (7) Installing or modifying fire alarms, smoke detectors, and other alerting systems;
- 25 (8) Modifying hardware of doors; or
- 26 (9) Modifying bathrooms.

27 5. The tax credits allowed, including the maximum amount that may be claimed,
28 pursuant to this section shall be reduced by an amount sufficient to offset any amount of such
29 costs a taxpayer has already deducted from such taxpayer's federal adjusted gross income or to
30 the extent such taxpayer has applied any other state or federal income tax credit to such costs.

31 6. A taxpayer shall claim a credit allowed by this section in the same taxable year as the
32 credit is issued, and at the time such taxpayer files his or her Missouri income tax return;
33 provided that such return is timely filed.

34 7. The department may, in consultation with the department of social services,
35 promulgate such rules or regulations as are necessary to administer the provisions of this section.
36 Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the
37 authority delegated in this section shall become effective only if it complies with and is subject
38 to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and
39 chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant
40 to chapter 536 to review, to delay the effective date or to disapprove and annul a rule are
41 subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed
42 or adopted after August 28, 2007, shall be invalid and void.

43 8. The provisions of this section shall apply to all tax years beginning on or after
44 January 1, 2008.

45 9. The provisions of this section shall expire December 31, [2013] **2017, and this**
46 **section shall terminate on September 1, 2018. The provisions of this subsection shall not**
47 **be construed to limit or in any way impair the department's ability to issue tax credits**
48 **authorized before January 1, 2018, or a taxpayer's ability to redeem such tax credits.**

49 10. In no event shall the aggregate amount of all tax credits allowed pursuant to this
50 section exceed one hundred thousand dollars in any given fiscal year. The tax credits issued
51 pursuant to this section shall be on a first-come, first-served filing basis.

135.630. 1. As used in this section, the following terms mean:

2 (1) "Contribution", a donation of cash, stock, bonds, or other marketable securities, or
3 real property;

4 (2) "Director", the director of the department of social services;

5 (3) "Pregnancy resource center", a nonresidential facility located in this state:

6 (a) Established and operating primarily to provide assistance to women with crisis
7 pregnancies or unplanned pregnancies by offering pregnancy testing, counseling, emotional and
8 material support, and other similar services to encourage and assist such women in carrying their
9 pregnancies to term; and

10 (b) Where childbirths are not performed; and

11 (c) Which does not perform, induce, or refer for abortions and which does not hold itself
12 out as performing, inducing, or referring for abortions; and

13 (d) Which provides direct client services at the facility, as opposed to merely providing
14 counseling or referral services by telephone; and

15 (e) Which provides its services at no cost to its clients; and

16 (f) When providing medical services, such medical services must be performed in
17 accordance with Missouri statute; and

18 (g) Which is exempt from income taxation pursuant to the Internal Revenue Code of
19 1986, as amended;

20 (4) "State tax liability", in the case of a business taxpayer, any liability incurred by such
21 taxpayer pursuant to the provisions of chapters 143, 147, 148, and 153, excluding sections
22 143.191 to 143.265 and related provisions, and in the case of an individual taxpayer, any liability
23 incurred by such taxpayer pursuant to the provisions of chapter 143, excluding sections 143.191
24 to 143.265 and related provisions;

25 (5) "Taxpayer", a person, firm, a partner in a firm, corporation, or a shareholder in an
26 S corporation doing business in the state of Missouri and subject to the state income tax imposed
27 by the provisions of chapter 143, or a corporation subject to the annual corporation franchise tax
28 imposed by the provisions of chapter 147, or an insurance company paying an annual tax on its
29 gross premium receipts in this state, or other financial institution paying taxes to the state of

30 Missouri or any political subdivision of this state pursuant to the provisions of chapter 148, or
31 an express company which pays an annual tax on its gross receipts in this state pursuant to
32 chapter 153, or an individual subject to the state income tax imposed by the provisions of chapter
33 143, or any charitable organization which is exempt from federal income tax and whose Missouri
34 unrelated business taxable income, if any, would be subject to the state income tax imposed
35 under chapter 143.

36 2. For all tax years beginning on or after January 1, 2007, a taxpayer shall be allowed to
37 claim a tax credit against the taxpayer's state tax liability in an amount equal to fifty percent of
38 the amount such taxpayer contributed to a pregnancy resource center.

39 3. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's
40 state tax liability for the taxable year for which the credit is claimed, and such taxpayer shall not
41 be allowed to claim a tax credit in excess of fifty thousand dollars per taxable year. However,
42 any tax credit that cannot be claimed in the taxable year the contribution was made may be
43 carried over to the next four succeeding taxable years until the full credit has been claimed.

44 4. Except for any excess credit which is carried over pursuant to subsection 3 of this
45 section, a taxpayer shall not be allowed to claim a tax credit unless the total amount of such
46 taxpayer's contribution or contributions to a pregnancy resource center or centers in such
47 taxpayer's taxable year has a value of at least one hundred dollars.

48 5. The director shall determine, at least annually, which facilities in this state may be
49 classified as pregnancy resource centers. The director may require of a facility seeking to be
50 classified as a pregnancy resource center whatever information which is reasonably necessary
51 to make such a determination. The director shall classify a facility as a pregnancy resource
52 center if such facility meets the definition set forth in subsection 1 of this section.

53 6. The director shall establish a procedure by which a taxpayer can determine if a facility
54 has been classified as a pregnancy resource center. Pregnancy resource centers shall be permitted
55 to decline a contribution from a taxpayer. The cumulative amount of tax credits which may be
56 claimed by all the taxpayers contributing to pregnancy resource centers in any one fiscal year
57 shall not exceed two million dollars. Tax credits shall be issued in the order contributions are
58 received.

59 7. The director shall establish a procedure by which, from the beginning of the fiscal year
60 until some point in time later in the fiscal year to be determined by the director, the cumulative
61 amount of tax credits are equally apportioned among all facilities classified as pregnancy
62 resource centers. If a pregnancy resource center fails to use all, or some percentage to be
63 determined by the director, of its apportioned tax credits during this predetermined period of
64 time, the director may reapportion these unused tax credits to those pregnancy resource centers
65 that have used all, or some percentage to be determined by the director, of their apportioned tax

66 credits during this predetermined period of time. The director may establish more than one
67 period of time and reapportion more than once during each fiscal year. To the maximum extent
68 possible, the director shall establish the procedure described in this subsection in such a manner
69 as to ensure that taxpayers can claim all the tax credits possible up to the cumulative amount of
70 tax credits available for the fiscal year.

71 8. Each pregnancy resource center shall provide information to the director concerning
72 the identity of each taxpayer making a contribution to the pregnancy resource center who is
73 claiming a tax credit pursuant to this section and the amount of the contribution. The director
74 shall provide the information to the director of revenue. The director shall be subject to the
75 confidentiality and penalty provisions of section 32.057 relating to the disclosure of tax
76 information.

77 9. [Notwithstanding any other law to the contrary, any tax credits granted under this
78 section may be assigned, transferred, sold, or otherwise conveyed without consent or approval.
79 Such taxpayer, hereinafter the assignor for purposes of this section, may sell, assign, exchange,
80 or otherwise transfer earned tax credits:

81 (1) For no less than seventy-five percent of the par value of such credits; and

82 (2) In an amount not to exceed one hundred percent of annual earned credits.

83 10.] Pursuant to section 23.253 of the Missouri sunset act:

84 (1) [Any new program authorized under this section shall automatically sunset six years
85 after August 28, 2006, unless reauthorized by an act of the general assembly; and

86 (2) If such program is reauthorized,] The program authorized under this section shall
87 [automatically sunset twelve years after the effective date of the reauthorization of this section]
88 **expire on December 31, 2016;** and

89 [(3)] (2) This section shall terminate on September [first of the calendar year
90 immediately following the calendar year in which a program authorized under this section is
91 sunset] **1, 2017; and**

92 (3) **The provisions of this subsection shall not be construed to limit or in any way**
93 **impair the department's ability to issue tax credits authorized before January 1, 2017, or**
94 **a taxpayer's ability to redeem such tax credits.**

135.647. 1. As used in this section, the following terms shall mean:

2 (1) "Local food pantry", any food pantry that is:

3 (a) Exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986,
4 as amended; and

5 (b) Distributing emergency food supplies to Missouri low-income people who would
6 otherwise not have access to food supplies in the area in which the taxpayer claiming the tax
7 credit under this section resides;

8 (2) "Taxpayer", an individual, a firm, a partner in a firm, corporation, or a shareholder
9 in an S corporation doing business in this state and subject to the state income tax imposed by
10 chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265.

11 2. For all tax years beginning on or after January 1, 2007, any taxpayer who donates cash
12 or food, unless such food is donated after the food's expiration date, to any local food pantry shall
13 be allowed a credit against the tax otherwise due under chapter 143, excluding withholding tax
14 imposed by sections 143.191 to 143.265, in an amount equal to fifty percent of the value of the
15 donations made to the extent such amounts that have been subtracted from federal adjusted gross
16 income or federal taxable income are added back in the determination of Missouri adjusted gross
17 income or Missouri taxable income before the credit can be claimed. Each taxpayer claiming
18 a tax credit under this section shall file an affidavit with the income tax return verifying the
19 amount of their contributions. The amount of the tax credit claimed shall not exceed the amount
20 of the taxpayer's state tax liability for the tax year that the credit is claimed, and shall not exceed
21 two thousand five hundred dollars per taxpayer claiming the credit. Any amount of credit that
22 the taxpayer is prohibited by this section from claiming in a tax year shall not be refundable, but
23 may be carried forward to any of the taxpayer's three subsequent taxable years. No tax credit
24 granted under this section shall be transferred, sold, or assigned. No taxpayer shall be eligible
25 to receive a credit pursuant to this section if such taxpayer employs persons who are not
26 authorized to work in the United States under federal law.

27 3. The cumulative amount of tax credits under this section which may be allocated to all
28 taxpayers contributing to a local food pantry in any one fiscal year shall not exceed two million
29 dollars. The director of revenue shall establish a procedure by which the cumulative amount of
30 tax credits is apportioned among all taxpayers claiming the credit by April fifteenth of the fiscal
31 year in which the tax credit is claimed. To the maximum extent possible, the director of revenue
32 shall establish the procedure described in this subsection in such a manner as to ensure that
33 taxpayers can claim all the tax credits possible up to the cumulative amount of tax credits
34 available for the fiscal year.

35 4. Any local food pantry may accept or reject any donation of food made under this
36 section for any reason. For purposes of this section, any donations of food accepted by a local
37 food pantry shall be valued at fair market value, or at wholesale value if the taxpayer making the
38 donation of food is a retail grocery store, food broker, wholesaler, or restaurant.

39 5. The department of revenue shall promulgate rules to implement the provisions of this
40 section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created
41 under the authority delegated in this section shall become effective only if it complies with and
42 is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section
43 and chapter 536 are nonseverable and if any of the powers vested with the general assembly

44 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule
45 are subsequently held unconstitutional, then the grant of rulemaking authority and any rule
46 proposed or adopted after August 28, 2007, shall be invalid and void.

47 6. Under section 23.253 of the Missouri sunset act:

48 (1) [The provisions of the new program authorized under this section shall automatically
49 sunset four years after August 28, 2007, unless reauthorized by an act of the general assembly;
50 and

51 (2) If such program is reauthorized,] The program authorized under this section shall
52 [automatically sunset twelve years after the effective date of the reauthorization of this section]
53 **expire on December 31, 2016;** and

54 [(3)] (2) This section shall terminate on September [first of the calendar year
55 immediately following the calendar year in which the program authorized under this section is
56 sunset] **1, 2017; and**

57 (3) **The provisions of this subsection shall not be construed to limit or in any way**
58 **impair the department's ability to issue tax credits authorized before January 1, 2017, or**
59 **a taxpayer's ability to redeem such tax credits.**

135.800. 1. The provisions of sections 135.800 to 135.830 shall be known and may be
2 cited as the "Tax Credit Accountability Act of 2004".

3 2. As used in sections 135.800 to 135.830, the following terms mean:

4 (1) "Administering agency", the state agency or department charged with administering
5 a particular tax credit program, as set forth by the program's enacting statute; where no
6 department or agency is set forth, the department of revenue;

7 (2) "Agricultural tax credits", the agricultural product utilization contributor tax credit
8 created pursuant to section 348.430, the new generation cooperative incentive tax credit created
9 pursuant to section 348.432, the family farm breeding livestock loan tax credit created under
10 section 348.505, the qualified beef tax credit created under section 135.679, and the wine and
11 grape production tax credit created pursuant to section 135.700;

12 (3) "All tax credit programs", or "any tax credit program", the tax credit programs
13 included in the definitions of agricultural tax credits, business recruitment tax credits, community
14 development tax credits, domestic and social tax credits, entrepreneurial tax credits,
15 environmental tax credits, financial and insurance tax credits, housing tax credits, redevelopment
16 tax credits, and training and educational tax credits;

17 (4) "Business recruitment tax credits", the business facility tax credit created pursuant
18 to sections 135.110 to 135.150 and section 135.258, the enterprise zone tax benefits created
19 pursuant to sections 135.200 to 135.270, the business use incentives for large-scale development
20 programs created pursuant to sections 100.700 to 100.850, the development tax credits created

21 pursuant to sections 32.100 to 32.125, the rebuilding communities tax credit created pursuant
22 to section 135.535, the film production tax credit created pursuant to section 135.750, the
23 enhanced enterprise zone created pursuant to sections 135.950 to [135.975] **135.970**, and the
24 Missouri quality jobs program created pursuant to sections 620.1875 to 620.1900;

25 (5) "Community development tax credits", the neighborhood assistance tax credit created
26 pursuant to sections 32.100 to 32.125, the family development account tax credit created
27 pursuant to sections 208.750 to 208.775, the dry fire hydrant tax credit created pursuant to
28 section 320.093, and the transportation development tax credit created pursuant to section
29 135.545;

30 (6) "Domestic and social tax credits", the youth opportunities tax credit created pursuant
31 to section 135.460 and sections 620.1100 to 620.1103, the shelter for victims of domestic
32 violence created pursuant to section 135.550, the senior citizen or disabled person property tax
33 credit created pursuant to sections 135.010 to 135.035, the special needs adoption tax credit and
34 children in crisis tax credit created pursuant to sections 135.325 to 135.339, the maternity home
35 tax credit created pursuant to section 135.600, the surviving spouse tax credit created pursuant
36 to section 135.090, the residential treatment agency tax credit created pursuant to section
37 135.1150, the pregnancy resource center tax credit created pursuant to section 135.630, the food
38 pantry tax credit created pursuant to section 135.647, the health care access fund tax credit
39 created pursuant to section 135.575, the residential dwelling access tax credit created pursuant
40 to section 135.562, **the developmental disability care provider tax credit created under**
41 **section 135.1180**, and the shared care tax credit created pursuant to section 660.055;

42 (7) "Entrepreneurial tax credits", the capital tax credit created pursuant to sections
43 135.400 to 135.429, the certified capital company tax credit created pursuant to sections 135.500
44 to 135.529, the seed capital tax credit created pursuant to sections 348.300 to 348.318, the new
45 enterprise creation tax credit created pursuant to sections 620.635 to 620.653, the research tax
46 credit created pursuant to section 620.1039, the small business incubator tax credit created
47 pursuant to section 620.495, the guarantee fee tax credit created pursuant to section 135.766, and
48 the new generation cooperative tax credit created pursuant to sections 32.105 to 32.125;

49 (8) "Environmental tax credits", the charcoal producer tax credit created pursuant to
50 section 135.313, the wood energy tax credit created pursuant to sections 135.300 to 135.311, and
51 the alternative fuel stations tax credit created pursuant to section 135.710;

52 (9) "Financial and insurance tax credits", the bank franchise tax credit created pursuant
53 to section 148.030, the bank tax credit for S corporations created pursuant to section 143.471,
54 the exam fee tax credit created pursuant to section 148.400, the health insurance pool tax credit
55 created pursuant to section 376.975, the life and health insurance guaranty tax credit created
56 pursuant to section 376.745, the property and casualty guaranty tax credit created pursuant to

57 section 375.774, and the self-employed health insurance tax credit created pursuant to section
58 143.119;

59 (10) "Housing tax credits", the neighborhood preservation tax credit created pursuant to
60 sections 135.475 to 135.487, the low-income housing tax credit created pursuant to sections
61 135.350 to 135.363, and the affordable housing tax credit created pursuant to sections 32.105 to
62 32.125;

63 (11) "Recipient", the individual or entity who is the original applicant for and who
64 receives proceeds from a tax credit program directly from the administering agency, the person
65 or entity responsible for the reporting requirements established in section 135.805;

66 (12) "Redevelopment tax credits", the historic preservation tax credit created pursuant
67 to sections 253.545 to [253.561] **253.559**, the brownfield redevelopment program tax credit
68 created pursuant to sections 447.700 to 447.718, the community development corporations tax
69 credit created pursuant to sections 135.400 to 135.430, the infrastructure tax credit created
70 pursuant to subsection 6 of section 100.286, the bond guarantee tax credit created pursuant to
71 section 100.297, the disabled access tax credit created pursuant to section 135.490, the new
72 markets tax credit created pursuant to section 135.680, and the distressed areas land assemblage
73 tax credit created pursuant to section 99.1205;

74 (13) "Training and educational tax credits", the community college new jobs tax credit
75 created pursuant to sections 178.892 to 178.896.

135.825. 1. The administering agencies for all tax credit programs shall, in cooperation
2 with the department of revenue, implement a system for tracking the amount of tax credits
3 authorized, issued, and redeemed. Any such agency may promulgate rules for the
4 implementation of this section.

5 2. The provisions of **subsection 1** of this section shall not apply to any credit that is
6 issued and redeemed simultaneously.

7 3. **The joint committee on legislative research shall conduct a review of any tax**
8 **credit program, in the manner provided under sections 23.250 to 23.298, by September**
9 **first of the calendar year before the year in which tax credit authorizations or issuances**
10 **will be prohibited for such tax credit program.**

11 4. Any rule or portion of a rule, as that term is defined in section 536.010, that is created
12 under the authority delegated in this section shall become effective only if it complies with and
13 is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section
14 and chapter 536 are nonseverable and if any of the powers vested with the general assembly
15 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule
16 are subsequently held unconstitutional, then the grant of rulemaking authority and any rule
17 proposed or adopted after August 28, 2004, shall be invalid and void.

135.1150. 1. This section shall be known and may be cited as the "Residential Treatment Agency Tax Credit Act".

2. As used in this section, the following terms mean:

(1) "Certificate", a tax credit certificate issued under this section;

(2) "Department", the Missouri department of social services;

(3) "Eligible donation", donations received from a taxpayer by an agency that are used solely to provide direct care services to children who are residents of this state. Eligible donations may include cash, publicly traded stocks and bonds, and real estate that will be valued and documented according to rules promulgated by the department of social services. For purposes of this section, "direct care services" include but are not limited to increasing the quality of care and service for children through improved employee compensation and training;

(4) "Qualified residential treatment agency" or "agency", a residential care facility that is licensed under section 210.484, accredited by the Council on Accreditation (COA), the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), or the Commission on Accreditation of Rehabilitation Facilities (CARF), and is under contract with the Missouri department of social services to provide treatment services for children who are residents or wards of residents of this state, and that receives eligible donations. Any agency that operates more than one facility or at more than one location shall be eligible for the tax credit under this section only for any eligible donation made to facilities or locations of the agency which are licensed and accredited;

(5) "Taxpayer", [any of the following individuals or entities who make an eligible donation to an agency:

(a) A person, firm, partner in a firm, corporation, or a shareholder in an S corporation doing business in the state of Missouri and subject to the state income tax imposed in chapter 143;

(b) A corporation subject to the annual corporation franchise tax imposed in chapter 147;

(c) An insurance company paying an annual tax on its gross premium receipts in this state;

(d) Any other financial institution paying taxes to the state of Missouri or any political subdivision of this state under chapter 148;

(e) An individual subject to the state income tax imposed in chapter 143;

(f) Any charitable organization which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143] **an individual, firm, partner in a firm, sole proprietorship, partner in a limited or general partnership, member of a limited liability company, corporation as defined under section 143.441 or 143.471, shareholder in an S corporation**

37 **doing business in this state and subject to the state income tax imposed by chapter 143,**
38 **excluding withholding tax imposed by sections 143.191 to 143.265, or charitable**
39 **organization, trust, or public or private foundation which is exempt from federal income**
40 **tax and whose Missouri unrelated business taxable income, if any, would be subject to state**
41 **income tax imposed under chapter 143.**

42 3. For all taxable years beginning on or after January 1, 2007, any taxpayer shall be
43 allowed a credit against the taxes otherwise due under chapter 147, 148, or 143, excluding
44 withholding tax imposed by sections 143.191 to 143.265, in an amount equal to fifty percent of
45 the amount of an eligible donation, subject to the restrictions in this section. The amount of the
46 tax credit claimed shall not exceed the amount of the taxpayer's state income tax liability in the
47 tax year for which the credit is claimed. Any amount of credit that the taxpayer is prohibited by
48 this section from claiming in a tax year shall not be refundable, but may be carried forward to
49 any of the taxpayer's four subsequent taxable years.

50 4. To claim the credit authorized in this section, an agency may submit to the department
51 an application for the tax credit authorized by this section on behalf of taxpayers. The
52 department shall verify that the agency has submitted the following items accurately and
53 completely:

54 (1) A valid application in the form and format required by the department;

55 (2) A statement attesting to the eligible donation received, which shall include the name
56 and taxpayer identification number of the individual making the eligible donation, the amount
57 of the eligible donation, and the date the eligible donation was received by the agency; and

58 (3) Payment from the agency equal to the value of the tax credit for which application
59 is made. If the agency applying for the tax credit meets all criteria required by this subsection,
60 the department shall issue a certificate in the appropriate amount.

61 5. An agency may apply for tax credits in an aggregate amount that does not exceed
62 [forty percent of] the payments made by the department to the agency in the preceding twelve
63 months.

64 6. Tax credits issued under this section may be assigned, transferred, sold, or otherwise
65 conveyed, and the new owner of the tax credit shall have the same rights in the credit as the
66 taxpayer. Whenever a certificate is assigned, transferred, sold, or otherwise conveyed, a
67 notarized endorsement shall be filed with the department specifying the name and address of the
68 new owner of the tax credit or the value of the credit.

69 7. The department shall promulgate rules to implement the provisions of this section.
70 Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the
71 authority delegated in this section shall become effective only if it complies with and is subject
72 to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and

73 chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant
74 to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are
75 subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed
76 or adopted after August 28, 2006, shall be invalid and void.

77 8. Under section 23.253 of the Missouri sunset act:

78 (1) [The provisions of the new program authorized under this section shall automatically
79 sunset six years after August 28, 2006, unless reauthorized by an act of the general assembly; and

80 (2) If such program is reauthorized,] The program authorized under this section shall
81 [automatically sunset twelve years after the effective date of the reauthorization of this section]
82 **expire on December 31, 2016; and**

83 [(3)] (2) This section shall terminate on September [first of the calendar year
84 immediately following the calendar year in which the program authorized under this section is
85 sunset.] **1, 2017; and**

86 (3) **The provisions of this subsection shall not be construed to limit or in any way**
87 **impair the department's ability to issue tax credits authorized before January 1, 2017, or**
88 **a taxpayer's ability to redeem such tax credits.**

**135.1180. 1. This section shall be known and may be cited as the "Developmental
2 Disability Care Provider Tax Credit Program".**

3 **2. As used in this section, the following terms mean:**

4 (1) **"Certificate", a tax credit certificate issued under this section;**

5 (2) **"Department", the Missouri department of social services;**

6 (3) **"Eligible donation", donations received by a provider from a taxpayer that are**
7 **used solely to provide direct care services to persons with developmental disabilities who**
8 **are residents of this state. Eligible donations may include cash, publicly traded stocks and**
9 **bonds, and real estate that will be valued and documented according to rules promulgated**
10 **by the department of social services. For purposes of this section, direct care services**
11 **include, but are not limited to, increasing the quality of care and service for persons with**
12 **developmental disabilities through improved employee compensation and training;**

13 (4) **"Qualified developmental disability care provider" or "provider", a care**
14 **provider that provides assistance to persons with developmental disabilities, and is under**
15 **contract with the Missouri department of social services or department of mental health**
16 **to provide treatment services for such persons, and that receives eligible donations. Any**
17 **provider that operates more than one facility or at more than one location shall be eligible**
18 **for the tax credit under this section only for any eligible donation made to facilities or**
19 **locations of the provider which are licensed and accredited;**

20 (5) "Taxpayer", any of the following individuals or entities who make an eligible
21 donation to a provider:

22 (a) A person, firm, partner in a firm, corporation, or a shareholder in an S
23 corporation doing business in the state of Missouri and subject to the state income tax
24 imposed in chapter 143;

25 (b) A corporation subject to the annual corporation franchise tax imposed in
26 chapter 147;

27 (c) An insurance company paying an annual tax on its gross premium receipts in
28 this state;

29 (d) Any other financial institution paying taxes to the state of Missouri or any
30 political subdivision of this state under chapter 148;

31 (e) An individual subject to the state income tax imposed in chapter 143;

32 (f) Any charitable organization which is exempt from federal income tax and whose
33 Missouri unrelated business taxable income, if any, would be subject to the state income
34 tax imposed under chapter 143.

35 3. For all taxable years beginning on or after January 1, 2012, any taxpayer shall
36 be allowed a credit against the taxes otherwise due under chapter 143, 147, or 148
37 excluding withholding tax imposed by sections 143.191 to 143.265 in an amount equal to
38 fifty percent of the amount of an eligible donation, subject to the restrictions in this section.
39 The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state
40 income tax liability in the tax year for which the credit is claimed. Any amount of credit
41 that the taxpayer is prohibited by this section from claiming in a tax year shall not be
42 refundable, but may be carried forward to any of the taxpayer's four subsequent taxable
43 years.

44 4. To claim the credit authorized in this section, a provider shall submit to the
45 department an application for the tax credit authorized by this section on behalf of
46 taxpayers. The department shall verify that the provider has submitted the following items
47 accurately and completely:

48 (1) A valid application in the form and format required by the department;

49 (2) A statement attesting to the eligible donation received, which shall include the
50 name and taxpayer identification number of the individual making the eligible donation,
51 the amount of the eligible donation, and the date the eligible donation was received by the
52 provider; and

53 (3) Payment from the provider equal to the value of the tax credit for which
54 application is made. If the provider applying for the tax credit meets all criteria required
55 by this subsection, the department shall issue a certificate in the appropriate amount.

56 **5. Tax credits issued under this section may be assigned, transferred, sold, or**
57 **otherwise conveyed, and the new owner of the tax credit shall have the same rights in the**
58 **credit as the taxpayer. Whenever a certificate is assigned, transferred, sold, or otherwise**
59 **conveyed, a notarized endorsement shall be filed with the department specifying the name**
60 **and address of the new owner of the tax credit or the value of the credit.**

61 **6. The department shall promulgate rules to implement the provisions of this**
62 **section. Any rule or portion of a rule, as that term is defined in section 536.010, that is**
63 **created under the authority delegated in this section shall become effective only if it**
64 **complies with and is subject to all of the provisions of chapter 536, and, if applicable,**
65 **section 536.028. This section and chapter 536, are nonseverable and if any of the powers**
66 **vested with the general assembly pursuant to chapter 536, to review, to delay the effective**
67 **date, or to disapprove and annul a rule are subsequently held unconstitutional, then the**
68 **grant of rulemaking authority and any rule proposed or adopted after the effective date**
69 **of this act, shall be invalid and void.**

70 **7. Under section 23.253 of the Missouri sunset act:**

71 **(1) The provisions of the new program authorized under this section shall**
72 **automatically sunset on December 31, 2016, unless reauthorized by an act of the general**
73 **assembly; and**

74 **(2) If such program is reauthorized, the program authorized under this section**
75 **shall automatically sunset on December thirty-first four years after the effective date of the**
76 **reauthorization of this section; and**

77 **(3) This section shall terminate on September first of the calendar year immediately**
78 **following the calendar year in which the program authorized under this section is sunset;**
79 **and**

80 **(4) The provisions of this subsection shall not be construed to limit or in any way**
81 **impair the department's ability to issue tax credits authorized before January 1, 2017, or**
82 **a taxpayer's ability to redeem such tax credits.**

Section B. Because immediate action is necessary to provide food for poor and hungry
2 people in this state, the repeal and reenactment of section 135.647 of this act is deemed necessary
3 for the immediate preservation of the public health, welfare, peace, and safety, and is hereby
4 declared to be an emergency act within the meaning of the constitution, and the repeal and
5 reenactment of section 135.647 of this act shall be in full force and effect upon its passage and
6 approval.

✓