

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 428
98TH GENERAL ASSEMBLY

1205H.02C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to a tax credit for contributions to organizations meeting hunger, health, and hygiene needs of schoolchildren.

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

Section A. Chapter 135, RSMo, is amended by adding thereto one new section, to be
2 known as section 135.1910, to read as follows:

135.1910. 1. As used in this section, the following terms mean:

- 2 **(1) "Contribution", a donation of cash; stock, bonds, or other marketable**
3 **securities; or real property;**
4 **(2) "Director", the director of the department of social services;**
5 **(3) "Qualified organization", an organization that provides funding for unmet**
6 **health, hunger, and hygiene needs for children in school;**
7 **(4) "State tax liability", in the case of a business taxpayer, any liability incurred by**
8 **such taxpayer pursuant to the provisions of chapters 143, 147, 148, and 153, excluding**
9 **sections 143.191 to 143.265 and related provisions, and in the case of an individual**
10 **taxpayer, any liability incurred by such taxpayer under the provisions of chapter 143,**
11 **excluding sections 143.191 to 143.265 and related provisions;**
12 **(5) "Taxpayer", a person, firm, a partner in a firm, corporation, or a shareholder**
13 **in an S corporation doing business in the state of Missouri and subject to the state income**
14 **tax imposed by the provisions of chapter 143, or a corporation subject to the annual**
15 **corporation franchise tax imposed by the provisions of chapter 147, or an insurance**
16 **company paying an annual tax on its gross premium receipts in this state, or other**
17 **financial institution paying taxes to the state of Missouri or any political subdivision of this**

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.

18 state under the provisions of chapter 148, or an express company which pays an annual tax
19 on its gross receipts in this state pursuant to chapter 153, or an individual subject to the
20 state income tax imposed by the provisions of chapter 143, or any charitable organization
21 which is exempt from federal income tax and whose Missouri unrelated business taxable
22 income, if any, would be subject to the state income tax imposed under chapter 143.

23 2. For all tax years beginning on or after January 1, 2016, a taxpayer shall be
24 allowed to claim a tax credit against the taxpayer's state tax liability in an amount equal
25 to fifty percent of the taxpayer's contribution to a qualified organization. The qualified
26 organization shall use the taxpayer's contribution solely for the unmet health, hunger, and
27 hygiene needs of children in school.

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

34 4. Except for any excess credit which is carried over under subsection 3 of this
35 section, a taxpayer shall not be allowed to claim a tax credit unless the total amount of such
36 taxpayer's contribution or contributions to a qualified organization or organizations in
37 such taxpayer's taxable year has a value of at least one hundred dollars.

38 5. The director shall determine, at least annually, which organizations in this state
39 may be classified as qualified organizations. The director may require of an organization
40 seeking to be classified as a qualified organization whatever information which is
41 reasonably necessary to make such a determination. The director shall classify an
42 organization as a qualified organization if such organization meets the definition set forth
43 in subsection 1 of this section.

44 6. The director shall establish a procedure by which a taxpayer can determine if
45 an organization has been classified as a qualified organization. Qualified organizations
46 shall be permitted to decline a contribution from a taxpayer. The cumulative amount of
47 tax credits which may be claimed by all the taxpayers contributing to qualified
48 organizations in any one fiscal year shall not exceed two million five hundred thousand
49 dollars for all fiscal years beginning on or after July 1, 2016. Tax credits shall be issued
50 in the order contributions are received.

51 7. The director shall establish a procedure by which, from the beginning of the
52 fiscal year until some point in time later in the fiscal year to be determined by the director,
53 the cumulative amount of tax credits are equally apportioned among all organizations

54 classified as qualified organizations. If a qualified organization fails to use all, or some
55 percentage to be determined by the director, of its apportioned tax credits during this
56 predetermined period of time, the director may reapportion these unused tax credits to
57 those qualified organizations that have used all, or some percentage to be determined by
58 the director, of their apportioned tax credits during this predetermined period of time.
59 The director may establish more than one period of time and reapportion more than once
60 during each fiscal year. To the maximum extent possible, the director shall establish the
61 procedure described in this subsection in such a manner as to ensure that taxpayers can
62 claim all the tax credits possible up to the cumulative amount of tax credits available for
63 the fiscal year.

64 8. Each qualified organization shall provide information to the director concerning
65 the identity of each taxpayer making a contribution to the qualified organization who is
66 claiming a tax credit under this section and the amount of the contribution. The director
67 shall provide the information to the director of revenue. The director shall be subject to
68 the confidentiality and penalty provisions of section 32.057 relating to the disclosure of tax
69 information.

70 9. The provisions of this section shall not be construed to limit or in any way impair
71 the department's ability to issue tax credits authorized on or before the date the program
72 authorized under this section expires or a taxpayer's ability to redeem such tax credits.

73 10. Under section 23.253 of the Missouri sunset act:

74 (1) The program established under this section shall automatically expire on
75 December 31, 2021, unless reauthorized by an act of the general assembly;

76 (2) If such program is reauthorized, the program authorized under this section
77 shall automatically sunset twelve years after the effective date of the reauthorization of this
78 section; and

79 (3) This section shall terminate on September first of the calendar year immediately
80 following the calendar year in which a program authorized under this section is sunset.

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