

COMMITTEE OF ORIGIN: Standing Committee on Ways and Means

Beginning January 1, 2016, this bill authorizes a tax credit equal to 65% of a taxpayer's cash donations to the newly created Foster Child Education Fund, to be used solely for providing scholarships to eligible recipients to attend a private elementary or secondary school in this state. The donation must be at least \$100 and not more than \$50,000. The credit is limited to 50% of the taxpayer's state tax liability for the taxable year the credit is claimed, cannot exceed \$25,000 per taxpayer, per taxable year, and is capped at \$5 million per fiscal year and issued but not redeemed credit at \$15 million per fiscal year. The credit cannot be refunded, transferred, sold or assigned, but can be carried forward for three years.

The bill defines an eligible recipient as a school-aged child enrolled in K-12 grades in state protective custody for at least 12 of the last 36 months, and a taxpayer as a person, firm, partner in a partnership, member in a limited liability company, shareholder in an S corporation, a corporation doing business in Missouri, a corporation subject to the annual corporation franchise tax, an insurance company paying an annual tax on its gross premium receipts in this state, other financial institution paying taxes to Missouri, any political subdivision of this state under the provisions of Chapter 148, RSMo, an express company which pays an annual tax on its gross receipts in this state under Chapter 153, or 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.

A scholarship is defined as an annual grant to eligible recipients to cover all or part of the applicable tuition and fees at a qualified school, the amount must be the lesser of the previous year's tuition and fees for non-scholarship students at the qualified school or 90% of the previous year's average current expenditure per average daily attendance for the student's district of residence or the tuition amount set by the voluntary interdistrict coordinating council for the student's district of residence, if applicable. Any scholarship recipient will continue to be eligible to receive his or her scholarship upon a legal adoption, or after graduation from the qualified school he or she first received a scholarship if attending a new qualified school.

The Department of Elementary and Secondary Education will establish rules to implement this credit, issue tax credit certificates, grant scholarships, and prepare and maintain an easy-to-search database containing statewide assessment scores of all scholarship

recipients. A random identification number will be assigned to each recipient by the department so no personally identifiable data will be accessible on the database.

Beginning January 1, 2015, the bill authorizes a one-time income tax deduction to a taxpayer for the cost of the construction or \$5,000, whichever is less, of a storm shelter that was made in Missouri. The total amount of deductions, which will be issued on a first-come, first-served filing basis, cannot exceed \$2 million in any fiscal year.

The provisions of Section 143.115 will expire December 31 six years after the effective date.