

HCS HB 429 -- TAX DEDUCTION FOR FOSTER PARENTS

SPONSOR: Kelly (141)

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Children and Families by a vote of 9 to 0. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 10 to 0.

The following is a summary of the House Committee Substitute for HB 429.

Beginning on January 1, 2022, a taxpayer will be allowed a tax deduction for expenses incurred directly by the taxpayer in providing care as a foster parent to one or more children in this state. The amount of the deduction will be equal to the amount of expenses directly incurred by the taxpayer in providing such care; provided that:

(1) If the taxpayer provides care as a foster parent for at least six months during the tax year, the total amount of the deduction claimed under this bill will not exceed \$2,500 per taxpayer, or \$5,000 if married and filing a combined return; and

(2) If the taxpayer provides care as a foster parent for less than six months during the tax year, the maximum deduction limits described will still apply, but the limits will be reduced on a pro rata basis.

The Department of Revenue will collaborate with the Children's Division of the Department of Social Services in order to establish and implement a procedure to verify that a taxpayer claiming the deduction is a foster parent.

Each taxpayer claiming the deduction must file an affidavit with their income tax return. The affidavit will affirm that they are a foster parent and that they are entitled to the deduction in the amount claimed on their tax return.

The provisions of this bill sunset on December 31st, six years after the effective date.

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPOSERS: Supporters say that there are multiple expenses associated with being a foster parent and many of those are not covered by the state stipend or clothing allowance. This bill will

incentivize more families to consider being a foster family, which is preferred over group home placement.

Testifying for the bill were Representative Kelly; Missouri Coalition of Childrens Agencies; Wayne Lee; Fosteradopt Connect; Family Forward; Office Of Child Advocate; and Foster And Adoptive Care Coalition.

OPPONENTS: There was no opposition voiced to the committee.