

SECOND REGULAR SESSION

HOUSE BILL NO. 1709

91ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES BOYKINS, THOMPSON, WALTON, SHELTON, HILGEMANN,
BLAND, BOWMAN (Co-sponsors), HAYWOOD, CARNAHAN AND JOHNSON (61).

Read 1st time January 30, 2002, and 1000 copies ordered printed.

TED WEDEL, Chief Clerk

4039L.011

AN ACT

To repeal section 135.348, RSMo, and to enact in lieu thereof one new section relating to a tax credit for sponsorship and mentoring program.

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

Section A. Section 135.348, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 135.348, to read as follows:

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

- (1) "Approved program", a sponsorship and mentoring program **or a business dropout abatement pilot program, including education efforts and work related programs for students** established pursuant to this section and approved by the department of elementary and secondary education;
- (2) "Eligible student", a resident pupil of a school district who is determined by the local school board to be eligible to participate in a sponsorship and mentoring program pursuant to this section and who participates in such program for no less than eight calendar months in the tax year for which a return is filed claiming a credit authorized in this section;
- (3) "Net expenditures", only those amounts paid or incurred for the participation of an eligible student participating in an approved [sponsorship and mentoring] program less any amounts received by the qualified taxpayer from any source for the provision of [a sponsorship and mentoring] **an approved** program for an eligible student;
- (4) "Qualified taxpayer", an employer who makes expenditures pursuant to this section.
2. For taxable years commencing on or after January 1, 1998, **but before December 21,**

EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

16 **2002**, a qualified taxpayer shall be allowed a credit against the tax imposed by chapter 143,
17 RSMo, exclusive of the provisions relating to the withholding of tax as provided in sections
18 143.191 to 143.265, RSMo, to the extent of the lesser of two thousand dollars times the number
19 of eligible students for which the qualified taxpayer is allowed a credit pursuant to this section
20 or the net expenditures made directly or through a fund during a taxable year by the qualified
21 taxpayer for the participation of an eligible student in an approved [sponsorship and mentoring]
22 program established pursuant to this section. No credit shall be allowed for any amounts for
23 which any other credit is claimed or allowed under any other provision of state law for the same
24 net expenditures. **For all tax years beginning on or after January 1, 2003, a qualified**
25 **taxpayer shall be allowed a credit against the tax imposed by chapter 143, RSMo,**
26 **excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, to the extent of**
27 **the lesser of five thousand dollars times the number of eligible students for which the**
28 **qualified taxpayer is allowed a credit pursuant to this section or the net expenditures made**
29 **directly or through a fund during a taxable year by the qualified taxpayer for the**
30 **participation of an eligible student in an approved program established pursuant to this**
31 **section. No credit shall be allowed for any amounts for which any other credit is claimed**
32 **or allowed by any other provision of state law for the same net expenditures.**

33 3. The tax credit allowed by this section shall be claimed by the qualified taxpayer at the
34 time such taxpayer files a return and shall be applied against the income tax liability imposed by
35 chapter 143, RSMo, after all other credits provided by law have been applied. Where the amount
36 of the credit exceeds the tax liability, the difference between the credit and the tax liability shall
37 not be refundable but may be carried forward to any of the taxpayer's four subsequent taxable
38 years.

39 4. The department of elementary and secondary education shall establish, by rule,
40 guidelines and criteria for approval of [sponsorship and mentoring programs] **an approved**
41 **program** established by school districts and for determining the eligibility of students for
42 participation in [sponsorship and mentoring programs] **an approved program** established
43 pursuant to this section. Such determinations for eligibility of students shall be based upon a
44 definition of an at-risk student as established by the department by rule.

45 5. A local school board may establish a [sponsorship and mentoring] program and apply
46 to the department of elementary and secondary education for approval of such program. A tax
47 credit may only be received pursuant to this section for expenditures for [sponsorship and
48 mentoring programs] **a program** approved by the department. The school board of each district
49 which has an approved program shall annually certify to the department of elementary and
50 secondary education the number of eligible students participating in the program. The principal
51 of any school in a district which has an approved program may recommend, to the local school

52 board, those students who do not meet the definition of "at-risk" students established pursuant
53 to this section, and the school board may submit the names of such students and the
54 circumstances which justify the student's participation in an approved program to the department
55 of elementary and secondary education for approval of such student's participation. If approved
56 by the department, such students shall be considered eligible students for participation in an
57 approved program.

58 6. The department of elementary and secondary education shall provide written
59 notification to the department of revenue of each eligible student participating in an approved
60 program pursuant to this section, the student's school district, the name of the qualified taxpayer
61 approved to receive a tax credit on the basis of such eligible student's participation in an
62 approved program pursuant to this section and the amount of such credit as determined in
63 subsection 2 of this section. This section is subject to appropriations.