

HB 345 -- Tax Credits for Education-Related Charitable Donations

Co-Sponsors: Cunningham (86), Lembke (85), Villa, George, Jetton, Schlottach, Rupp, St. Onge

Beginning in 2006 or for all tax years beginning after the fiscal year following a determination that total state revenues have exceeded 120% of total state revenue for Fiscal Year 2000, a taxpayer who makes a contribution of more than \$100 to a scholarship charity may claim an income tax (Chapter 143, RSMo), corporation franchise tax (Chapter 147), or express company tax (Chapter 153) credit of up to 50% of the contributed amount, as long as the amount does not exceed the taxpayer's tax liability, with an absolute cap of \$50,000. The cumulative amount of tax credits must not exceed \$2 million. Scholarship charities are defined in the bill, as are qualified elementary and secondary schools and students. Scholarship charities provide funds to assist in payment of tuition, transportation, instructional materials, and fees relating to extracurricular activities, among others. This bill contains provisions relating to reapportionment of unused tax credits and the determination of how charities are classified as scholarship charities for purposes of making the information available to taxpayers.