

SECOND REGULAR SESSION

HOUSE BILL NO. 1139

92ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES VIEBROCK (Sponsor), REINHART, MUNZLINGER, LeVOTA, ERVIN, SMITH (118), TAYLOR, SCHLOTTACH, SCHNEIDER, DUSENBERG, MORRIS, STEVENSON, DEEKEN, KING, LEMBKE, WILSON (119), BEAN, KINGERY, SELF, TOWNLEY, WASSON, WOOD, WALLACE, DAVIS (19), BOUGH, QUINN, HOBBS, BRUNS, YATES, MAY, KUESSNER, ANGST, GUEST, COOPER (120), SCHAAF, HUNTER AND WHORTON (Co-sponsors).

Read 1st time January 15, 2004, and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

3320L.01I

AN ACT

To repeal section 135.327, RSMo, and to enact in lieu thereof two new sections relating to adoption tax credits.

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

Section A. Section 135.327, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 135.327 and 135.328, to read as follows:

135.327. 1. Any person residing in this state who legally adopts a special needs child on or after January 1, 1988, and before January 1, 2000, shall be eligible to receive a tax credit of up to ten thousand dollars for nonrecurring adoption expenses for each child adopted that may be applied to taxes due under chapter 143, RSMo. Any business entity providing funds to an employee to enable that employee to legally adopt a special needs child shall be eligible to receive a tax credit of up to ten thousand dollars for nonrecurring adoption expenses for each child adopted that may be applied to taxes due under such business entity's state tax liability, except that only one ten thousand dollar credit is available for each special needs child that is adopted.

2. Any person residing in this state who proceeds in good faith with the adoption of a special needs child on or after January 1, 2000, shall be eligible to receive a tax credit of up to ten thousand dollars for nonrecurring adoption expenses for each child that may be applied to taxes due under chapter 143, RSMo. Any business entity providing funds to an employee to

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

14 enable that employee to proceed in good faith with the adoption of a special needs child shall be
15 eligible to receive a tax credit of up to ten thousand dollars for nonrecurring adoption expenses
16 for each child that may be applied to taxes due under such business entity's state tax liability,
17 except that only one ten thousand dollar credit is available for each special needs child that is
18 adopted.

19 3. Individuals and business entities may claim a tax credit for their total nonrecurring
20 adoption expenses in each year that the expenses are incurred. A claim for fifty percent of the
21 credit shall be allowed when the child is placed in the home. A claim for the remaining fifty
22 percent shall be allowed when the adoption is final. The total of these tax credits shall not
23 exceed the maximum limit of ten thousand dollars per child. [The cumulative amount of tax
24 credits which may be claimed by taxpayers for nonrecurring adoption expenses in any one fiscal
25 year shall not exceed two million dollars.]

26 4. Notwithstanding any provision of law to the contrary, any individual or business entity
27 may assign, transfer or sell tax credits allowed in this section. Any sale of tax credits claimed
28 pursuant to this section shall be at a discount rate of seventy-five percent or greater of the amount
29 sold.

**135.328. 1. Section 135.327 and this section shall be known and may be cited as
2 "Rachael's Law".**

3 **2. Any person residing in this state who proceeds in good faith with the adoption**
4 **of a domestic special needs child on or after January 1, 2005, shall be eligible to receive a**
5 **tax credit of up to ten thousand dollars for nonrecurring adoption expenses for each child**
6 **that may be applied to taxes due under chapter 143, RSMo.**

7 **3. Any business providing funds to an employee to enable that employee to proceed**
8 **in good faith with the adoption of a domestic child shall be eligible to receive a tax credit**
9 **of up to five thousand dollars for nonrecurring adoption expenses for each child that may**
10 **be applied to taxes due under such business entity's state tax liability, except that only one**
11 **five thousand dollar credit is available for each domestic child that is adopted.**

12 **4. Individuals and business entities may claim a tax credit for their total**
13 **nonrecurring adoption expenses in each year that the expenses are incurred. A claim for**
14 **fifty percent of the credit shall be allowed when the child is placed in the home. A claim**
15 **for the remaining fifty percent shall be allowed when the adoption is final. The total of**
16 **these tax credits shall not exceed the maximum limit of five thousand dollars per child.**

17 **5. Notwithstanding any provision of law to the contrary, any individual or business**
18 **entity may assign, transfer, or sell tax credits allowed in this section. Any sale of tax credits**
19 **claimed pursuant to this section shall be at a discount rate of seventy-five percent or**
20 **greater of the amount sold.**

21 **6. Pursuant to section 23.253, RSMo, of the Missouri Sunset Act:**

22 **(1) The provisions of the new program authorized under this section shall**
23 **automatically sunset six years after the effective date of this section unless reauthorized by**
24 **an act of the general assembly; and**

25 **(2) If such program is reauthorized, the program authorized under this section**
26 **shall automatically sunset twelve years after the effective date of the reauthorization of this**
27 **section; and**

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