

SECOND REGULAR SESSION

HOUSE BILL NO. 1032

92ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES COOPER (120) (Sponsor), WILSON (119), REINHART, LUETKEMEYER, HANAWAY, DUSENBERG, MUCKLER, MOORE, SUTHERLAND, STEFANICK, MUNZLINGER, ERVIN, SMITH (118) AND HOBBS (Co-sponsors).

Read 1st time January 12, 2004, and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

3427L.01I

AN ACT

To repeal sections 135.327 and 135.339, 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Section A. Sections 135.327 and 135.339, RSMo, are repealed and two new sections
2 enacted in lieu thereof, to be known as sections 135.327 and 135.339, to read as follows:

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

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

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.

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.

135.339. The [director of revenue] **children's division within the department of social**
2 **services**, in consultation with the [division of family services] **director of revenue**, shall
3 prescribe such rules and regulations necessary to carry out the provisions of sections 135.325 to
4 135.339. No rule or portion of a rule promulgated under the authority of sections 135.325 to
5 135.339 shall become effective unless it has been promulgated pursuant to the provisions of
6 [section 536.024] **chapter 536**, RSMo.