

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 614
93RD GENERAL ASSEMBLY

Reported from the Committee on Ways and Means April 6, 2006 with recommendation that House Committee Substitute for Senate Committee Substitute for Senate Bill No. 614 Do Pass. Referred to the Committee on Rules pursuant to Rule 25(26)(f).

STEPHEN S. DAVIS, Chief Clerk

3603L.03C

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to residential treatment agency tax credits.

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

Section A. Chapter 135, RSMo, is amended by adding thereto one new section, to be known as section 135.1142, to read as follows:

- 135.1142. 1. This section shall be known and may be cited as the "Residential Treatment Agency Tax Credit Act".**
- 2. As used in this section, the following terms mean:**
- (1) "Certificate", a tax credit certificate issued under this section;**
 - (2) "Department", the Missouri department of social services;**
 - (3) "Eligible monetary donation", donations received from a taxpayer by an agency that are used solely to provide direct care services to children who are residents of this state. For purposes of this section, direct care services include but are not limited to increasing the quality of care and service for children through improved employee compensation and training;**
 - (4) "Qualified residential treatment agency" or "agency", a residential care facility that is licensed under section 210.484, RSMo, accredited by the Council on Accreditation (COA), the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), or**

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

14 the Commission on Accreditation of Rehabilitation Facilities (CARF), and is under
15 contract with the Missouri department of social services to provide treatment services for
16 children who are residents or wards of residents of this state, and that receives eligible
17 monetary donations. Any agency that operates more than one facility or at more than one
18 location shall be eligible for the tax credit under this section only for any eligible monetary
19 donations made to facilities or locations of the agency which are licensed and accredited;

20 (5) "Taxpayer", any of the following individuals or entities who make eligible
21 monetary donations to an agency:

22 (a) A person, firm, partner in a firm, corporation, or a shareholder in an S
23 corporation doing business in the state of Missouri and subject to the state income tax
24 imposed in chapter 143, RSMo;

25 (b) A corporation subject to the annual corporation franchise tax imposed in
26 chapter 147, RSMo;

27 (c) An insurance company paying an annual tax on its gross premium receipts in
28 this state;

29 (d) Any other financial institution paying taxes to the state of Missouri or any
30 political subdivision of this state under chapter 148, RSMo;

31 (e) An individual subject to the state income tax imposed in chapter 143, RSMo.

32 3. For all taxable years beginning on or after January 1, 2007, any taxpayer shall
33 be allowed a credit against the taxes otherwise due under chapter 147, 148, or 143, RSMo,
34 excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, in an amount
35 equal to fifty percent of the amount of an eligible monetary donation, subject to the
36 restrictions in this section. The amount of the tax credit claimed shall not exceed the
37 amount of the taxpayer's state income tax liability in the tax year for which the credit is
38 claimed. Any amount of credit that the taxpayer is prohibited by this section from
39 claiming in a tax year shall not be refundable, but may be carried forward to any of the
40 taxpayer's four subsequent taxable years.

41 4. To claim the credit authorized in this section, an agency may submit to the
42 department an application for the tax credit authorized by this section on behalf of
43 taxpayers. The department shall verify that the agency has submitted the following items
44 accurately and completely:

45 (1) A valid application in the form and format required by the department;

46 (2) A statement attesting to the eligible monetary donation received, which shall
47 include the name and taxpayer identification number of the individual making the eligible
48 monetary donation, the amount of the eligible monetary donation, and the date the eligible
49 monetary donation was received by the agency; and

50 (3) Payment from the agency equal to the value of the tax credit for which
51 application is made.

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53 If the agency applying for the tax credit meets all criteria required by this subsection, the
54 department shall issue a certificate in the appropriate amount.

55 5. An agency may apply for tax credits in an aggregate amount that does not exceed
56 forty percent of the payments made by the department to the agency in the preceding
57 twelve months.

58 6. Tax credits issued under this section may be assigned, transferred, sold, or
59 otherwise conveyed, and the new owner of the tax credit shall have the same rights in the
60 credit as the taxpayer. Whenever a certificate is assigned, transferred, sold, or otherwise
61 conveyed, a notarized endorsement shall be filed with the department specifying the name
62 and address of the new owner of the tax credit or the value of the credit.

63 7. The department shall promulgate rules to implement the provisions of this
64 section. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,
65 that is created under the authority delegated in this section shall become effective only if
66 it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if
67 applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable
68 and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo,
69 to review, to delay the effective date, or to disapprove and annul a rule are subsequently
70 held unconstitutional, then the grant of rulemaking authority and any rule proposed or
71 adopted after August 28, 2006, shall be invalid and void.

72 8. Under section 23.253, RSMo, of the Missouri Sunset Act:

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

76 (2) If such program is reauthorized, the program authorized under this section
77 shall automatically sunset twelve years after the effective date of the reauthorization of this
78 section; and

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

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