FIRST REGULAR SESSION

HOUSE BILL NO. 970

94TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES DIXON (Sponsor), EL-AMIN, NOLTE, BIVINS, MOORE, STREAM, MEADOWS, MEINERS AND WALLACE (Co-sponsors).

Read 1st time February 26, 2007 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

1995L.01I

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to a tax credit for donations to public school foundations.

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 135.637, to read as follows:

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

(1) "Public school foundation", a charitable organization registered in this state that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, that was created to secure donations to be used for the benefit of a public school district, and that has been in existence for at least two years;

(2) "Tax credit", a credit against the tax otherwise due under chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, or otherwise due under chapter 147, 148, or 153, RSMo;

(3) "Taxpayer", any individual or entity subject to the tax imposed in chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, or the tax imposed in chapter 147, 148, or 153, RSMo. "Taxpayer" shall not include any individual serving as a board member or employee of a public school foundation if such individual claims a tax credit for any donation made to the public school foundation for which the individual is a board member or employee.

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.

2. For all taxable years beginning on or after January 1, 2007, a taxpayer shall be allowed a tax credit for donations made to public school foundations. The tax credit amount shall be equal to fifty percent of the donations made in the tax year for which the tax credit is claimed. The amount of the tax credit issued shall not exceed the amount of the taxpayer's state tax liability for the tax year for which the credit is claimed. No amount of credit that the taxpayer is prohibited by this section from claiming in a tax year shall be refundable, nor shall any tax credit granted under this section be transferred, sold, or assigned.

3. The cumulative amount of tax credits which may be issued under this section in any one fiscal year shall not exceed twenty million dollars, with no more than eight million dollars issued to taxpayers residing in school districts with ten thousand or more students, and no more than twelve million dollars issued to taxpayers residing in school districts with fewer than ten thousand students. Each taxpayer claiming a tax credit shall, at the same time the taxpayer's income tax return is filed, submit receipts from each public school foundation to which the taxpayer donated indicating the following:

(1) The amount of the donation to the public school foundation;

(2) The school district benefitted by the public school foundation.

4. The department of revenue may promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

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

(1) The provisions of the new program authorized under this section shall automatically sunset on December thirty-first six years after the effective date of this section unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset on December thirty-first twelve years after the effective date of the reauthorization of this section; and

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

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