

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 71
95TH GENERAL ASSEMBLY

0326L.06C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 143.011, RSMo, and to enact in lieu thereof two new sections relating to income taxes.

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

Section A. Section 143.011, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 135.1180 and 143.011, to read as follows:

135.1180. 1. This section shall be known and may be cited as the "Mentally Retarded and Developmental Type Disability Care Provider Tax Credit program".

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 donation", donations received, by a provider, from a taxpayer that are used solely to provide direct care services to the mentally retarded and persons with developmental type disabilities who are residents of this state. Eligible donations may include cash, publicly traded stocks and bonds, and real estate that will be valued and documented according to rules promulgated by the department of social services. For purposes of this section, "direct care services" include, but are not limited to, increasing the quality of care and service for the mentally retarded and persons with developmental type disabilities through improved employee compensation and training;

(4) "Qualified mentally retarded and developmental type disability care provider" or "provider", a care provider that provides assistance to the mentally retarded or persons with developmental type disabilities, and is under contract with the Missouri department of social services to provide treatment services for such persons, and that receives eligible

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.

18 **donations. Any provider that operates more than one facility or at more than one location**
19 **shall be eligible for the tax credit under this section only for any eligible donation made to**
20 **facilities or locations of the provider which are licensed and accredited;**

21 **(5) "Taxpayer", any of the following individuals or entities who make an eligible**
22 **donation to a provider:**

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

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

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

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

32 **(e) An individual subject to the state income tax imposed in chapter 143, RSMo;**

33 **(f) Any charitable organization which is exempt from federal income tax and whose**
34 **Missouri unrelated business taxable income, if any, would be subject to the state income**
35 **tax imposed under chapter 143, RSMo.**

36 **3. For all taxable years beginning on or after January 1, 2010, any taxpayer shall**
37 **be allowed a credit against the taxes otherwise due under chapter 143, 147, or 148, RSMo,**
38 **excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, in an amount**
39 **equal to fifty percent of the amount of an eligible donation, subject to the restrictions in**
40 **this section. The amount of the tax credit claimed shall not exceed the amount of the**
41 **taxpayer's state income tax liability in the tax year for which the credit is claimed. Any**
42 **amount of credit that the taxpayer is prohibited by this section from claiming in a tax year**
43 **shall not be refundable, but may be carried forward to any of the taxpayer's four**
44 **subsequent taxable years.**

45 **4. To claim the credit authorized in this section, a provider may submit to the**
46 **department an application for the tax credit authorized by this section on behalf of**
47 **taxpayers. The department shall verify that the provider has submitted the following items**
48 **accurately and completely:**

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

50 **(2) A statement attesting to the eligible donation received, which shall include the**
51 **name and taxpayer identification number of the individual making the eligible donation,**
52 **the amount of the eligible donation, and the date the eligible donation was received by the**
53 **provider; and**

54 (3) Payment from the provider equal to the value of the tax credit for which
55 application is made.

56 If the provider applying for the tax credit meets all criteria required by this subsection, the
57 department shall issue a certificate in the appropriate amount.

58 5. 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 6. 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, 2009, shall be invalid and void.

72 7. 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 August 28, 2009, unless reauthorized by an act of the
75 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.

81 143.011. 1. A tax is hereby imposed for every taxable year on the Missouri taxable
82 income of every resident.

83 2. Except as provided in subsection 3 of this section, the tax shall be determined by
84 applying the tax table or the rate provided in section 143.021, which is based upon the following
85 rates:

86	If the Missouri taxable income is:	The tax is:
87	Not over \$1,000.00	1 1/2% of the
88		Missouri taxable income
89	Over \$1,000 but not over \$2,000	\$15 plus 2% of
90		excess over \$1,000

91	Over \$2,000 but not over \$3,000	\$35 plus 2 1/2% of
92		excess over \$2,000
93	Over \$3,000 but not over \$4,000	\$60 plus 3% of
94		excess over \$3,000
95	Over \$4,000 but not over \$5,000	\$90 plus 3 1/2% of
96		excess over \$4,000
97	Over \$5,000 but not over \$6,000	\$125 plus 4% of
98		excess over \$5,000
99	Over \$6,000 but not over \$7,000	\$165 plus 4 1/2%
100		of excess over \$6,000
101	Over \$7,000 but not over \$8,000	\$210 plus 5% of
102		excess over \$7,000
103	Over \$8,000 but not over \$9,000	\$260 plus 5 1/2%
104		of excess over \$8,000
105	Over \$9,000	\$315 plus 6% of
106		excess over \$9,000

107 **3. For the taxable years beginning on or after January 1, 2009, but ending on or**
 108 **before December 31, 2010, the tax shall be determined by applying the tax table or the rate**
 109 **provided in section 143.021, which is based upon the following rates:**

110	If the Missouri taxable income is:	The tax is:
111	Not over \$1,000.00	1% of the Missouri
112		taxable income
113	Over \$1,000 but not over \$2,000	\$10 plus 1 1/2% of
114		excess over \$1,000
115	Over \$2,000 but not over \$3,000	\$25 plus 2% of
116		excess over \$2,000
117	Over \$3,000 but not over \$4,000	\$45 plus 2 1/2%
118		of excess over \$3,000
119	Over \$4,000 but not over \$5,000	\$70 plus 3% of
120		excess over \$4,000
121	Over \$5,000 but not over \$6,000	\$100 plus 3 1/2%
122		of excess over \$5,000
123	Over \$6,000 but not over \$7,000	\$135 plus 4% of
124		excess over \$6,000
125	Over \$7,000 but not over \$8,000	\$175 plus 4 1/2%
126		of excess over \$7,000

127	Over \$8,000 but not over \$9,000	\$220 plus 5% of
128		excess over \$8,000
129	Over \$9,000	\$270 plus 5 1/2%
130		of excess over \$9,000

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