

HCS SCS SB 71 -- INCOME TAXES

SPONSOR: Stouffer (Icet)

COMMITTEE ACTION: Voted "do pass" by the Committee on Tax Reform by a vote of 7 to 3.

This substitute establishes the Mentally Retarded and Developmental Type Disability Care Provider Tax Credit Program which, beginning January 1, 2010, authorizes an income tax credit equal to 50% of the amount of an eligible donation given to a qualifying developmental disability care provider. To qualify for the credit, a care provider must apply for the tax credit to the Department of Social Services and forward a payment equal to the value of the tax credit. The credit is not refundable but can be carried forward four years or transferred.

The substitute also reduces individual income tax rates for tax years 2009 and 2010 by .5% with the maximum individual income tax rate reduced from 6% to 5.5%.

The provisions regarding the tax credit for donations to developmental disability care providers will expire six years from the effective date.

FISCAL NOTE: Estimated Cost on General Revenue Fund of \$463,382,877 in FY 2010, \$463,300,000 in FY 2011, and \$87,924 in FY 2012. No impact on Other State Funds in FY 2010, FY 2011, and FY 2012.

PROPOSERS: Supporters say that the credit will help bring in donations for organizations that serve the developmentally disabled. Facilities get donors, apply for and buy tax credits from the state, and then give the credits to their donors. The most vulnerable in our society will benefit from this credit. The donor gets a federal deduction for the donation and a state income tax credit for 50% of the donation. The credit encourages large donations.

Testifying for the bill were Senator Stouffer; Raymond Kenison, Missouri Baptist Children's Home; and Missouri Association of Rehabilitation Facilities.

OPPOSERS: There was no opposition voiced to the committee.