

House \_\_\_\_\_ Amendment NO. \_\_\_\_\_

Offered By \_\_\_\_\_

1 AMEND House Committee Substitute for House Bill Nos. 1589 & 2307, Page 1, In the Title, Line  
2 3, by deleting the words "educational scholarships" and inserting in lieu thereof the words "tax  
3 credits"; and

4  
5 Further amend said bill, page, Section A, Line 3, by inserting after all of said section and line the  
6 following:

7  
8 "135.435. 1. As used in this section, the following terms mean:

9 (1) "Contribution", a donation of cash; stock, bonds, or other marketable securities; or real  
10 property;

11 (2) "Department", the department of corrections;

12 (3) "Director", the director of the department of corrections;

13 (4) "Ex-offender", a person who is paroled, discharged, or otherwise released from any  
14 correctional facility of the department of corrections or any mental health institution where such  
15 person was confined;

16 (5) "Qualified organization", an organization exempt from taxation under section 501(c)(3)  
17 of the Internal Revenue Code including, but not limited to, any faith-based organization, that  
18 provides assistance to ex-offenders to promote or encourage healthy reintegration into society and  
19 avoid reincarceration that has operated in this capacity for longer than five years and enrolls a  
20 minimum of twenty ex-offenders per year;

21 (6) "State tax liability", in the case of a business taxpayer, any liability incurred by such  
22 taxpayer pursuant to the provisions of chapters 143, 148, and 153, excluding sections 143.191 to  
23 143.265 and related provisions, and, in the case of an individual taxpayer, any liability incurred by  
24 such taxpayer under the provisions of chapter 143, excluding sections 143.191 to 143.265 and  
25 related provisions;

26 (7) "Taxpayer", a person, firm, a partner in a firm, corporation, or a shareholder in an S  
27 corporation doing business in the state of Missouri and subject to the state income tax imposed by  
28 the provisions of chapter 143, or an insurance company paying an annual tax on its gross premium  
29 receipts in this state, or other financial institution paying taxes to the state of Missouri or any  
30 political subdivision of this state under the provisions of chapter 148, or an express company which  
31 pays an annual tax on its gross receipts in this state pursuant to chapter 153, or an individual subject

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1 to the state income tax imposed by the provisions of chapter 143, or any charitable organization  
2 which is exempt from federal income tax and whose Missouri unrelated business taxable income, if  
3 any, would be subject to the state income tax imposed under chapter 143.

4 2. For all tax years beginning on or after January 1, 2017, a taxpayer shall be allowed to  
5 claim a tax credit against the taxpayer's state tax liability in an amount equal to fifty percent of the  
6 taxpayer's contribution to a qualified organization. The qualified organization shall use the  
7 taxpayer's contribution to assist ex-offenders with the goal of reducing recidivism.

8 3. Tax credits issued under this section are not refundable, however any tax credit that  
9 cannot be claimed for the tax year in which the contribution was made may be carried over to the  
10 next four succeeding tax years until the full credit has been claimed.

11 4. Except for any excess credit which is carried over under subsection 3 of this section, a  
12 taxpayer shall not be allowed to claim a tax credit unless the total amount of such taxpayer's  
13 contribution or contributions to a qualified organization or organizations in such taxpayer's tax year  
14 has a value of at least one hundred dollars.

15 5. The director shall determine, at least annually, which organizations in this state may be  
16 classified as qualified organizations. The director may require of an organization seeking to be  
17 classified as a qualified organization whatever information which is reasonably necessary to make  
18 such a determination. The director shall classify an organization as a qualified organization if such  
19 organization meets the definition set forth in subsection 1 of this section.

20 6. The director shall establish a procedure by which a taxpayer can determine if an  
21 organization has been classified as a qualified organization. Qualified organizations shall be  
22 permitted to decline a contribution from a taxpayer. Upon receipt of a contribution, the qualified  
23 organization shall issue to the taxpayer a statement evidencing receipt of such donation, including  
24 the value of such donation.

25 7. Each qualified organization shall provide information to the director of revenue  
26 concerning the identity of each taxpayer making a contribution to the qualified organization who is  
27 claiming a tax credit under this section and the amount of the contribution. The director of revenue  
28 shall not authorize more than two million dollars in tax credits provided under this section in any  
29 calendar year. Contributions shall be processed on a first come, first serve basis. Contributions in  
30 excess of the tax credit cap shall be placed in line for tax credits issued the following year, or shall  
31 be given the opportunity to complete their donation without the expectation of a tax credit, or shall  
32 request to have their donation returned.

33 8. (1) The department shall develop metrics based on recidivism that show the major factors  
34 that increase the probability of an inmate being re-incarcerated. Such factors shall include but not  
35 be limited to the number of years since release, types of offenses, and numbers of previous  
36 incarceration commitments.

37 (2) Using this data, the department shall create a practical number of categories with  
38 average recidivism percentages, by year, assigned to each category.

39 (3) The department shall also track the ex-offenders assigned to 501(c)(3) aftercare  
40 programs, and for the second through fifth years after release from prison calculate the recidivism  
41 rates for former inmates served by these programs.

1       (4) The recidivism rates for these aftercare programs shall be made available to the public to  
2 allow study of best practices and to evaluate the effectiveness of the benevolent tax credit program  
3 created by this bill.

4       9. The provisions of this section shall not be construed to limit or in any way impair the  
5 department of revenue's ability to issue tax credits authorized on or before the date the program  
6 authorized under this section expires or a taxpayer's ability to redeem such tax credits.

7       10. Under section 23.253 of the Missouri sunset act:

8       (1) The program established under this section shall automatically expire on December 31,  
9 2022, unless reauthorized by an act of the general assembly;

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

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

14  
15 Further amend said bill by amending the title, enacting clause, and intersectional references  
16 accordingly.