

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 98
99TH GENERAL ASSEMBLY

0547H.02C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to a tax credit for contributions to organizations meeting hunger, health, and hygiene needs of schoolchildren.

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
2 known as section 135.1910, to read as follows:

135.1910. 1. As used in this section, the following terms mean:

- 2 **(1) "Contribution", a donation of cash; stock, bonds, or other marketable**
3 **securities; or real property;**
4 **(2) "Director", the director of the department of social services;**
5 **(3) "Qualified organization", an organization that provides funding for unmet**
6 **health, hunger, and hygiene needs of children in school;**
7 **(4) "State tax liability", in the case of a business taxpayer, any liability incurred by**
8 **such taxpayer under the provisions of chapters 143, 148, and 153, excluding sections**
9 **143.191 to 143.265 and related provisions, and in the case of an individual taxpayer, any**
10 **liability incurred by such taxpayer under the provisions of chapter 143, excluding sections**
11 **143.191 to 143.265 and related provisions;**
12 **(5) "Taxpayer", a person, firm, a partner in a firm, corporation, or a shareholder**
13 **in an S corporation doing business in the state of Missouri and subject to the state income**
14 **tax imposed under the provisions of chapter 143; an insurance company paying an annual**
15 **tax on its gross premium receipts in this state, or other financial institution paying taxes**
16 **to the state of Missouri or any political subdivision of this state under the provisions of**
17 **chapter 148; an express company which pays an annual tax on its gross receipts in this**

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 state under chapter 153; an individual subject to the state income tax imposed under the
19 provisions of chapter 143; or any charitable organization that is exempt from federal
20 income tax and whose Missouri unrelated business taxable income, if any, would be subject
21 to the state income tax imposed under chapter 143.

22 2. For all tax years beginning on or after January 1, 2018, a taxpayer shall be
23 allowed to claim a tax credit against the taxpayer's state tax liability in an amount equal
24 to fifty percent of the taxpayer's contribution to a qualified organization. The qualified
25 organization shall use the taxpayer's contribution solely for the unmet health, hunger, and
26 hygiene needs of children in school.

27 3. The amount of the tax credit claimed shall not exceed the amount of the
28 taxpayer's state tax liability for the taxable year for which the credit is claimed, and such
29 taxpayer shall not be allowed to claim a tax credit in excess of fifty thousand dollars per
30 taxable year. However, any tax credit that cannot be claimed in the taxable year in which
31 the contribution was made may be carried over to the next four succeeding taxable years
32 until the full credit has been claimed. No tax credit claimed under this section shall be
33 transferred, sold, or assigned.

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

38 5. The director shall determine, at least annually, which organizations in this state
39 may be classified as qualified organizations. The director may require of an organization
40 seeking to be classified as a qualified organization whatever information that is reasonably
41 necessary to make such a determination. The director shall classify an organization as a
42 qualified organization if such organization meets the definition set forth in subsection 1 of
43 this section.

44 6. The director shall establish a procedure by which a taxpayer can determine if
45 an organization has been classified as a qualified organization. Qualified organizations
46 shall be permitted to decline a contribution from a taxpayer. To claim the tax credit
47 authorized in this section, a qualified organization may submit to the department an
48 application for the tax credit authorized by this section on behalf of taxpayers. The
49 department shall verify that the qualified organization has submitted the following items
50 accurately and completely:

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

(2) A statement attesting to the contribution received, which shall include the name and taxpayer identification number of the individual making the contribution, the amount of the contribution, and the date the contribution was received by the provider; and

(3) Payment from the qualified organization equal to the value of the tax credit for which application is made.

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

7. Each qualified organization shall provide information to the director concerning the identity of each taxpayer making a contribution to the qualified organization who is claiming a tax credit under this section and the amount of the contribution. The director shall provide the information to the director of revenue. The director shall be subject to the confidentiality and penalty provisions of section 32.057 relating to the disclosure of tax information.

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

9. Under section 23.253 of the Missouri sunset act:

(1) The program established under this section shall automatically expire on December 31, 2023, unless reauthorized by an act of the general assembly;

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset 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 a program authorized under this section is sunset.

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