

House _____ Amendment NO. _____

Offered By _____

1 AMEND House Committee Substitute for Senate Committee Substitute for Senate Bill Nos. 632 &
2 675, Page 22, Section 135.647, Line 78, by inserting immediately after said line the following:

3
4 "135.740. 1. Sections 135.740 to 135.745 shall be known and may be cited as the "Show
5 Me Opportunity Scholarship Program".

6 2. As used in the show me opportunity scholarship program, the following terms mean:

7 (1) "Child with special needs" or "children with special needs", an individual or individuals
8 who are at least five years of age but less than twenty-two years of age who have been evaluated and
9 found to have at least one of the following disabilities and who, because of the disability, need
10 special education and related services:

11 (a) An autism spectrum disorder;

12 (b) Developmental delay;

13 (c) Emotional disability;

14 (d) Hearing impairment;

15 (e) Other health impairments;

16 (f) Specific learning disability;

17 (g) Mild, moderate, or severe intellectual disability;

18 (h) Multiple disabilities;

19 (i) Multiple disabilities with severe sensory impairment;

20 (j) Orthopedic impairment;

21 (k) Preschool severe delay;

22 (l) Speech or language impairment;

23 (m) Traumatic brain injury; or

24 (n) Visual impairment.

25
26 "Child with special needs" shall not include a child if the determining factor for the classification is
27 a lack of appropriate instruction in reading, including essential components of reading instruction; a
28 lack of appropriate instruction in mathematics; or difficulty in writing, speaking, or understanding
29 the English language due to an environmental background in which a language other than English is
30 primarily or exclusively used;

31 (2) "Contribution", a donation by a taxpayer of cash, stock, bonds, or other marketable
32 securities for the purpose of claiming a tax credit under the show me opportunity scholarship
33 program;

34 (3) "Education service provider", any accredited school, charter school that has an annual
35 performance report consistent with a classification of accredited, accredited homeschool, or school
36 organization or club;

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(4) "Eligible expenses", includes the following:

(a) Computer hardware or other technological devices that are used to help meet a qualified student's educational needs and that are approved by a qualified nonprofit;

(b) Curriculum;

(c) Educational therapies or services for the qualified student from a licensed or accredited practitioner or provider, including licensed or accredited paraprofessionals or educational aides;

(d) Fees for a nationally standardized norm-referenced achievement test, advanced placement examinations, international baccalaureate examinations, or any exams related to college or university admission;

(e) Fees for summer education programs and specialized after school education programs;

(f) Insurance or surety bond payments as required by the state treasurer;

(g) Services provided by a public school, including individual classes and extracurricular programs;

(h) Textbooks required by a education service provider;

(i) Tuition or fees at an education service provider;

(j) Tuition or fees for a private virtual school; and

(k) Tutoring services.

"Eligible expenses" shall not include consumable educational supplies including, but not limited to, paper, pens, pencils, or markers and shall not include tuition at a private school located outside of this state;

(5) "Parent", a parent, guardian, custodian, or other person with authority to act on behalf of the qualified student;

(6) "Qualified nonprofit", a charitable organization registered in this state that is exempt from federal taxation under the Internal Revenue Code of 1986, as amended; that is certified by the state treasurer; and that allocates its revenue derived from contributions to qualified students as allowed under subdivision (3) of subsection 3 of section 135.744;

(7) "Qualified student", a resident of this state who is eligible to attend a public school under section 160.051;

(8) "Taxpayer", an individual subject to the state income tax imposed in chapter 143; an individual, firm, partner in a firm, corporation, or shareholder in an S corporation doing business in this state and subject to the state income tax imposed by chapter 143; or an express company that pays an annual tax on its gross receipts in this state under chapter 153 that files a Missouri income tax return and is not a dependent of any other taxpayer.

3. Under section 23.253 of the Missouri sunset act:

(1) The program authorized under sections 135.740 to 135.745 shall expire on December 31, 2024, unless reauthorized by the general assembly;

(2) Sections 135.740 to 135.745 shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset; and

(3) The provisions of this subsection shall not be construed to limit or in any way impair the department's ability to redeem tax credits authorized on or before the date the program authorized under sections 135.740 to 135.745 expires or a taxpayer's ability to redeem such tax credits.

135.741. 1. For all tax years beginning on or after January 1, 2019, any taxpayer who makes a contribution to a qualified nonprofit may claim a credit against the tax otherwise due under chapter 143, other than taxes withheld under sections 143.191 to 143.265, and chapter 153 in an amount equal to seventy-five percent of the amount the taxpayer contributed during the tax year for which the credit is claimed. No taxpayer shall claim a credit under the show me opportunity

1 scholarship program for any contribution made by the taxpayer, or an agent of the taxpayer, on
 2 behalf of a dependent of such taxpayer or, in the case of a business taxpayer, on behalf of a
 3 dependent of an agent of such business taxpayer. To claim a credit, the taxpayer shall submit a tax
 4 certificate issued under subsection 3 of section 135.742 with the taxpayer's tax return.

5 2. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state
 6 tax liability for the tax year for which the credit is claimed. Any amount of tax credit that exceeds
 7 the taxpayer's state tax liability shall not be refundable but may be carried over for one succeeding
 8 tax year. No tax credit shall exceed ten thousand dollars for any individual taxpayer or one hundred
 9 thousand dollars for any other taxpayer entity. No tax credit authorized under the program shall be
 10 transferred, sold, or assigned.

11 3. The cumulative amount of tax credits that may be allocated to all taxpayers making a
 12 contribution in any one calendar year shall not exceed twenty-five million dollars. Certificates for
 13 tax credits shall be issued on a first-come, first-served basis.

14 4. The following taxpayers shall not be eligible to claim a tax credit under sections 135.740
 15 to 135.745 for the tax year in which the following conditions apply:

16 (1) Any taxpayer who is subject to the federal alternative minimum tax imposed under 26
 17 U.S.C. Section 55 and who claims a deduction under 26 U.S.C. Section 170;

18 (2) Any taxpayer or owner of a pass-through entity who claims a deduction under 26 U.S.C.
 19 Section 170 for a qualifying contribution under sections 135.712 to 135.719. For the purposes of
 20 this subsection, the term "pass-through entity" shall mean any entity organized under 26 U.S.C.
 21 Subchapter S, or any other entity for which taxable income is passed through to the owners of such
 22 entity.

23 135.742. 1. The state treasurer shall compile and publish a list of all entities it certifies as
 24 qualified nonprofits. The list shall be easily accessible by taxpayers who wish to make a
 25 contribution so that a taxpayer can verify that an entity is a qualified nonprofit.

26 2. (1) The state treasurer shall create a standardized format and make available to nonprofit
 27 entities a form to apply for certification as a qualified nonprofit.

28 (2) The state treasurer shall create a standardized format and make available to taxpayers a
 29 form for making contributions to a qualified nonprofit. The form shall require information
 30 identifying the taxpayer and the qualified nonprofit, the amount of the donation, and any other
 31 information the state treasurer requires.

32 (3) The state treasurer shall create a standardized format and make available to qualified
 33 nonprofits a form to report contributions received. The form shall require information identifying
 34 the taxpayer and the qualified nonprofit, the amount of the donation, the date the donation was
 35 received, and any other information the state treasurer requires.

36 3. Upon receiving a completed form described under subdivision (3) of subsection 2 of this
 37 section, the state treasurer shall issue a certificate to the taxpayer named in the form for the amount
 38 of the contribution stated in the form and certify the tax credit amount to the department of revenue.
 39 The state treasurer shall issue certificates on a first-come, first-served basis.

40 4. The state treasurer shall require a qualified nonprofit to be audited by an independent
 41 certified public accountant if the state treasurer possesses evidence of fraud committed by the
 42 organization.

43 5. (1) The state treasurer may ban a qualified nonprofit or education service provider from
 44 participating in the show me opportunity scholarship program if the state treasurer establishes that
 45 the qualified nonprofit or education service provider has intentionally and substantially failed to
 46 comply with the requirements of the program.

47 (2) The state treasurer shall create a fair process to determine whether a qualified nonprofit
 48 or education service provider shall be banned from participating in the program.

1 (3) If the state treasurer bans a qualified nonprofit or education service provider from the
 2 program under this subsection, it shall notify affected education service providers and qualified
 3 students and their parents of the decision as soon as possible after the determination is made.

4 (4) A qualified nonprofit or education service provider may appeal its ban from the program
 5 to the administrative hearing commission for a hearing in accordance with the provisions of chapter
 6 621.

7 6. By March 1, 2024, the state treasurer shall prepare a report regarding the first five years
 8 of the show me opportunity scholarship program and submit such report to the general assembly.
 9 The report shall include, but not be limited to:

10 (1) The amount of moneys contributed to qualified nonprofits;

11 (2) The number of students who received moneys from qualified nonprofits; and

12 (3) The number of students who received education from a program other than a public
 13 school and would have attended a public school but for the moneys received from a qualified
 14 nonprofit.

15 135.743. The state treasurer and the department of revenue may promulgate rules to
 16 implement the provisions of the show me opportunity scholarship program. Any rule or portion of a
 17 rule, as that term is defined in section 536.010, that is created under the authority delegated in this
 18 section shall become effective only if it complies with and is subject to all of the provisions of
 19 chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable, and
 20 if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the
 21 effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the
 22 grant of rulemaking authority and any rule proposed or adopted after August 28, 2018, shall be
 23 invalid and void.

24 135.744. 1. The state treasurer shall evaluate and certify as a qualified nonprofit any
 25 nonprofit entity that satisfies the requirements of the show me opportunity scholarship program.

26 2. To be certified as a qualified nonprofit, a nonprofit entity shall apply by submitting a
 27 form described under subdivision (1) of subsection 2 of section 135.742 and such other information
 28 as the state treasurer requires. At a minimum, a nonprofit entity shall:

29 (1) Notify the state treasurer of its intent to provide funds to qualified students;

30 (2) Demonstrate to the state treasurer that it is exempt from federal income tax under
 31 Section 501(c)(3) of the Internal Revenue Code of 1986, as amended;

32 (3) Provide the state treasurer, upon request, with criminal background checks on all its
 33 employees and board members and exclude from employment or governance any individual who
 34 might reasonably pose a risk to the appropriate use of contributed funds;

35 (4) Demonstrate its financial accountability by:

36 (a) Submitting to the state treasurer a financial information report for the organization that
 37 complies with uniform financial accounting standards established by the state treasurer and is
 38 conducted by a certified public accountant; and

39 (b) Having an auditor certify that the report is free of material misstatements; and

40 (5) Demonstrate its financial viability if it is to receive contributions of fifty thousand
 41 dollars or more during the tax year.

42 3. All qualified nonprofits shall:

43 (1) Provide a state treasurer-approved receipt to taxpayers for contributions made to the
 44 organization;

45 (2) Within three business days of receiving a contribution from a taxpayer, notify the state
 46 treasurer using a form as described under subdivision (3) of subsection 2 of section 135.742;

47 (3) Ensure that:

48 (a) One hundred percent of revenues from interest or investments of contribution funds are

1 provided to qualified students for eligible expenses;

2 (b) At least ninety percent of its revenues from contributions are provided to qualified
 3 students for eligible expenses; and

4 (c) Marketing and administrative expenses do not exceed the following limits of its
 5 remaining revenue from contributions: ten percent for the first two hundred fifty thousand dollars,
 6 eight percent for the next five hundred thousand dollars, and three percent thereafter; and

7 (4) Distribute contributions in each calendar quarter.

8 4. A qualified nonprofit shall distribute contributions it receives under the show me
 9 opportunity scholarship program to qualified students in any amount it deems fit. A qualified
 10 nonprofit may create and utilize an application process or other method to determine the recipients
 11 of its distributions. Distribution preferences shall be given in the following order:

12 (1) Students who received contributions under the program in the prior year;

13 (2) The siblings of students who received contributions under the program in the prior year;

14 (3) Children with special needs; and

15 (4) All other qualified students.

16 5. A qualified nonprofit shall publicly report to the state treasurer by June first of each year
 17 the following information prepared by a certified public accountant regarding its grants in the
 18 previous calendar year:

19 (1) The name and address of the qualified nonprofit;

20 (2) The name and address of each qualified student who received contribution funds from
 21 the qualified nonprofit;

22 (3) The total number and total dollar amount of contributions received during the previous
 23 calendar year; and

24 (4) The total number and total dollar amount of distributions to qualified students.

25 6. A qualified nonprofit may contract with private financial management firms to manage
 26 contributions funds with the supervision of the state.

27 7. Any funds collected from contributions that are unused by a qualified nonprofit in a fiscal
 28 year shall be distributed as follows:

29 (1) Seventy percent of such unused funds shall revert to the credit of the general revenue
 30 fund; and

31 (2) Thirty percent of such unused funds shall be retained by the qualified nonprofit.

32 135.745. 1. No qualified student shall receive a cumulative amount of funds under the
 33 show me opportunity scholarship program in any calendar year in excess of the following amounts
 34 if the adjusted gross income of the student's household in the previous year is:

35 (1) Less than or equal to the income eligibility guidelines of the National School Lunch
 36 Program administered by the United States Department of Agriculture, eight thousand dollars;

37 (2) Greater than one hundred percent but less than or equal to one hundred fifty percent of
 38 the income eligibility guidelines of the National School Lunch Program administered by the United
 39 States Department of Agriculture, six thousand dollars;

40 (3) Greater than one hundred fifty percent but less than or equal to two hundred percent of
 41 the income eligibility guidelines of the National School Lunch Program administered by the United
 42 States Department of Agriculture, four thousand dollars;

43 (4) Greater than two hundred percent but less than or equal to two hundred fifty percent of
 44 the income eligibility guidelines of the National School Lunch Program administered by the United
 45 States Department of Agriculture, two thousand dollars; and

46 (5) Greater than two hundred fifty percent of the income eligibility guidelines of the
 47 National School Lunch Program administered by the United States Department of Agriculture, no
 48 funds.

1 2. Notwithstanding subsection 1 of this section, a qualified student who is a child with
2 special needs is eligible to receive up to eight thousand dollars regardless of such student's
3 household's adjusted gross income.

4 3. Acceptance of moneys under the show me opportunity scholarship program shall have
5 the same effect as a parental placement under 20 U.S.C. Section 1412(a)(10)(A) of the Individuals
6 with Disabilities Education Act, except that it shall not relieve the student's district of residence
7 from the obligation to conduct an evaluation for disabilities.

8 4. Moneys received under the show me opportunity scholarship program shall not constitute
9 Missouri taxable income to the parent of the qualified student."; and

10
11 Further amend said bill by amending the title, enacting clause, and intersectional references
12 accordingly.