

HCS HB 1713 -- CAPITOL COMPLEX TAX CREDIT ACT

SPONSOR: Griffith

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Ways and Means by a vote of 7 to 0. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 10 to 0.

The following is a summary of the House Committee Substitute for HB 1713.

This bill establishes the "Capitol Complex Tax Credit Act" and creates the "Capitol Complex Fund". The Capitol Complex Fund is authorized to receive any eligible monetary donation, as defined in the bill, and will be segregated into two accounts consisting of a rehabilitation and renovation account and a maintenance account. Of the revenues deposited into the fund, 90% will be placed into the rehabilitation and renovation account and 7.5% of revenues deposited into the fund will be placed in the maintenance account. The remaining 2.5% of the funds may be used for the purposes of fundraising, advertising, and administrative costs.

The choice of projects for which money is to be used, as well as the determination of the methods of carrying out the project and the procurement of goods and services, will be made by the Commissioner of the Office of Administration. No moneys will be released from the fund for any expense without the approval of the commissioner.

For all taxable years beginning on or after January 1, 2020, any qualified donor, as defined in the bill, will be allowed a credit against any state income tax (except employer withheld taxes) or state taxes imposed on financial institutions for an amount equal to 50% of the monetary donation amount. Any amount of tax credit that exceeds the qualified donor's state income tax liability may be refunded or carried forward for the following four years.

For all taxable years beginning on or after January 1, 2020, a qualified donor will be allowed a credit against any state income tax (except employer withheld taxes) or state taxes imposed on financial institutions for an amount equal to 30% of the value of the eligible artifact donation, as defined in the bill. Any amount of tax credit that exceeds the donor's tax liability will not be refunded for artifacts, but the credit may be carried forward for four subsequent years.

The Department of Economic Development will not issue tax credits for donations to the Capitol Complex Fund in excess of \$10 million

per year in the aggregate. Donations received in excess of the cap will be placed in line for tax credits the following year. Alternatively, a donor may donate without receiving the credit or may request that their donation is returned.

Tax credits issued for donations as specified in the bill are not subject to any fee. Tax credits issued in this bill may be assigned, transferred, sold, or otherwise conveyed.

The provisions of this bill will sunset six years from the effective date.

This bill is similar to SB 586 (2020) and HCS HB 842 (2019).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

**PROPONENTS:** Supporters say that this bill will allow the state to leverage private donations in order to rehabilitate, renovate, and maintain the capitol complex. It has also been claimed that this bill will save the state money because 50% of the costs of maintaining the capitol complex will come from private donors, and those associated costs will not have to be considered in the budget process.

Testifying for the bill were Representative Griffith; Dana Rademan Miller, Missouri State Capitol Commission; Historic Revitalization For Missouri; and the City of Jefferson.

**OPPONENTS:** There was no opposition voiced to the committee.