

HB 1095 -- TAX CREDITS

SPONSOR: Deaton

This bill modifies numerous provision relating to tax credits.

NEIGHBORHOOD ASSISTANCE ACT (Section 32.110, RSMo)

Currently, tax credits awarded under the Neighborhood Assistance Act (Sections 32.100 to 32.125) shall not exceed \$26 million per fiscal year.

This bill increases that amount to \$30 million per fiscal year, beginning on July 1, 2021.

ADOPTION TAX CREDITS (Sections 135.325, 135.326, 135.327, 135.335, 135.800, and 191.975)

This bill renames and alters the current "Special Needs Adoption Tax Credit Act" to the "Adoption Tax Credit Act".

Currently, any person residing in this state who proceeds in good faith with the adoption of a special needs child who is a resident or ward of a resident of this state is eligible for a \$10,000 nonrefundable tax credit for nonrecurring adoption expenses for each child. Additionally, any business entity providing funds to an employee to enable that employee to proceed in good faith with the adoption of a special needs child is eligible to receive a tax credit of up to \$10,000 for nonrecurring adoption expenses for each child, except that only one \$10,000 credit is available for each special needs child that is adopted.

Beginning January 1, 2022, this bill removes the special needs and residency requirements for adoptions to be eligible for the tax credit. Priority will be given to applications to claim the tax credit for special needs children who are residents or wards of residents of this state at the time the adoption is initiated. This bill changes the definition of "handicap" to "disability" and modifies the definition of "special needs child". This bill defines a "child" as any individual under 18 years old or over 18 but is physically or mentally incapable of caring for themselves.

These provisions of the bill are similar to HB 430 (2021) and HB 2171 (2020).

CHAMPION FOR CHILDREN TAX CREDIT (Section 135.341)

Currently, taxpayers may claim a tax credit for contributions to certain qualified agencies under the Champion for Children Tax

Credit. The cumulative amount of tax credits redeemed per fiscal year shall not exceed \$1,500,000.

This bill increases that amount to \$3 million per fiscal year, beginning on July 1, 2021.

MISSOURI LOW-INCOME HOUSING TAX CREDIT (Sections 135.352 and 135.365)

Currently, no more than \$6 million in Missouri low-income housing tax credits shall be authorized each fiscal year for projects financed through tax-exempt bond issuance.

This bill reduces that amount to \$2 million and limits the aggregate amount of tax credits for projects not financed through tax-exempt bond issuance in each fiscal year to not exceed \$80 million, beginning July 1, 2021.

Under this bill, the amount of Missouri low-income housing tax credits allocated with respect to a qualified project shall be available to a taxpayer each year for five consecutive tax years beginning with the tax year in which a qualified project is placed into service.

Additionally, this bill sunsets the Missouri Low-Income Tax Credit Program on December 31, 2027, unless reauthorized by the General Assembly. This sunset shall not be construed to limit or in any way impair the Department of Revenue's ability to issue tax credits authorized on or before the date the program expires or a taxpayer's ability to redeem such tax credits.

YOUTH OPPORTUNITIES AND VIOLENCE PREVENTION ACT (Section 135.460)

Currently, a taxpayer may receive a tax credit for contributions to certain approved youth programs not to exceed \$200,000 per tax year, per taxpayer. Additionally, a taxpayer may receive a tax credit worth half of the amount paid to an intern or apprentice, not to exceed \$10,000, for certain approved employment/internship/apprenticeship programs in business or trades for persons less than 20 years of age.

This bill increases these limits to \$500,000 for contributions and \$20,000 for the amount paid to an intern or apprentice.

CONTRIBUTIONS TO SHELTERS FOR VICTIMS OF DOMESTIC VIOLENCE TAX CREDIT (Section 135.550)

Currently, a taxpayer may claim a tax credit in an amount equal to 50% of the amount such taxpayer contributed to a shelter for

victims of domestic violence. The cumulative amount of tax credits which may be claimed by all the taxpayers contributing to shelters for victims of domestic violence for each fiscal year shall not exceed \$2 million.

This bill increases that amount to \$4 million.

CONTRIBUTIONS TO MATERNITY HOMES TAX CREDIT (Section 135.600)

Currently, a taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability, in an amount equal to 50% of the amount such taxpayer contributed to a maternity home. The cumulative amount of tax credits which may be claimed by all the taxpayers contributing to maternity homes in any one fiscal year shall not exceed \$3.5 million.

This bill increases that amount to \$4 million.

CONTRIBUTIONS TO DIAPER BANKS TAX CREDIT (Section 135.621)

Currently, a taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability, in an amount equal to 50% of the amount such taxpayer contributed to a diaper bank. The cumulative amount of tax credits which may be claimed by all the taxpayers contributing to diaper banks in any one fiscal year shall not exceed \$500,000.

This bill increases that amount to \$2 million.

CONTRIBUTIONS TO PREGNANCY RESOURCE CENTERS TAX CREDIT (Section 135.630)

Currently, a taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability, in an amount equal to 70% of the amount such taxpayer contributed to a pregnancy resource center. The amount of tax credits which may be claimed by a taxpayer contributing to a pregnancy resource center shall not exceed \$50,000 per tax year.

This bill increases that amount to \$100,000.

DONATED FOOD TAX CREDIT (Section 135.647)

Currently, any donation of cash or food made to a local soup kitchen or local homeless shelter, unless such food is donated after the food's expiration date, shall be eligible for a tax credit in an amount equal to 50% of the value of the donations made to the extent such amounts that have been subtracted from federal adjusted gross income or federal taxable income are added back in

the determination of Missouri adjusted gross income or Missouri taxable income before the credit can be claimed. The cumulative amount of such tax credits which may be claimed by all the taxpayers contributing to in any one fiscal year shall not exceed \$1.75 million.

This bill increases that amount to \$4 million.

QUALIFIED BEEF TAX CREDIT (Section 135.679)

Currently, for all tax years ending on or before December 31, 2021, a taxpayer shall be allowed a tax credit for the first qualifying sale and for a subsequent qualifying sale of all qualifying beef animals. The tax credit amount for the first qualifying sale shall be \$0.10 per pound for qualifying sale weights under 600 pounds and \$0.25 per pound for qualifying sale weights of 600 pounds or greater, shall be based on the backgrounded weight of all qualifying beef animals at the time of the first qualifying sale, and shall be calculated as described in the bill. Additionally, the amount of tax credits that may be issued to all eligible applicants claiming tax credits authorized in this program and the Meat Processing Facility Investment Tax Credit Program in a calendar year shall not exceed \$2 million.

This bill changes that amount to \$4 million per fiscal year.

TAX CREDIT FOR FAMILY FARM LIVESTOCK PROGRAM (Section 348.505)

Currently, any eligible lender under the family farm livestock loan program under current law shall be entitled to receive a tax credit equal to 100% of the amount of interest waived by the lender under current law on a qualifying loan for the first year of the loan only. The amount of the tax credits that may be issued to all eligible lenders claiming tax credits authorized in a fiscal year shall not exceed \$300,000.

This bill increases that amount to \$2 million.