

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 654
102ND GENERAL ASSEMBLY

1148H.02C

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to a tax credit for certain charitable donations.

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 135.640, to read as follows:

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

2 **(1) "Local hospital foundation", any hospital foundation that:**

3 **(a) Is exempt from taxation under Section 501(c)(3) of the Internal Revenue**
4 **Code of 1986, as amended; and**

5 **(b) Provides financial relief for unpaid hospital bills for services provided at not-**
6 **for-profit hospitals to any person whom the foundation deems to be in need of relief in**
7 **the area in which the taxpayer claiming the tax credit under this section resides;**

8 **(2) "Qualified amount", for any qualified taxpayer in a given tax year, an**
9 **amount equal to fifty percent of the value of the donations made to a local hospital**
10 **foundation, to the extent such amounts that have been subtracted from federal adjusted**
11 **gross income or federal taxable income are back in the determination of Missouri**
12 **adjusted gross income or Missouri taxable income before the credit can be claimed;**

13 **(3) "Qualified taxpayer", any individual subject to the state income tax imposed**
14 **under chapter 143, excluding the withholding tax imposed under sections 143.191 to**
15 **143.265, who makes a donation to a local hospital foundation and such donation is**
16 **eligible for a tax credit under this section;**

17 **(4) "Tax credit", a credit against the tax otherwise due under chapter 143,**
18 **excluding withholding tax imposed under sections 143.191 to 143.265.**

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.

19 **2. For all tax years beginning on or after January 1, 2024, a qualified taxpayer**
20 **shall be allowed to claim a tax credit against the taxpayer's state tax liability in an**
21 **amount equal to the taxpayer's qualified amount. Each taxpayer claiming a tax credit**
22 **under this section shall file an affidavit with the income tax return verifying the amount**
23 **of the taxpayer's donations. The amount of the tax credit claimed shall not exceed the**
24 **amount of the taxpayer's state tax liability for the tax year that the credit is claimed and**
25 **shall not exceed two thousand five hundred dollars per taxpayer claiming the credit.**

26 **3. The cumulative amount of tax credits allowed to all taxpayers under this**
27 **section shall not exceed two million dollars per tax year. If the amount of tax credits**
28 **claimed in a tax year under this section exceeds two million dollars, tax credits shall be**
29 **allowed based on the order in which they are claimed.**

30 **4. No tax credit claimed under this section shall be refundable, but may be**
31 **carried forward to any of the taxpayer's three subsequent tax years.**

32 **5. No tax credit claimed under this section shall be assigned, transferred, sold, or**
33 **otherwise conveyed.**

34 **6. The department of revenue shall promulgate all necessary rules and**
35 **regulations for the administration of this section including, but not limited to, rules**
36 **relating to the verification of a taxpayer's qualified amount. Any rule or portion of a**
37 **rule, as that term is defined in section 536.010, that is created under the authority**
38 **delegated in this section shall become effective only if it complies with and is subject to**
39 **all of the provisions of chapter 536 and, if applicable, section 536.028. This section and**
40 **chapter 536 are nonseverable and if any of the powers vested with the general assembly**
41 **pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul**
42 **a rule are subsequently held unconstitutional, then the grant of rulemaking authority**
43 **and any rule proposed or adopted after August 28, 2023, shall be invalid and void.**

44 **7. Under section 23.253 of the Missouri sunset act:**

45 **(1) The provisions of the new program authorized under this section shall**
46 **automatically sunset six years after the effective date of this section unless reauthorized**
47 **by an act of the general assembly;**

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

51 **(3) This section shall terminate on September first of the calendar year**
52 **immediately following the calendar year in which the provisions authorized under this**
53 **section are sunset.**