

FIRST REGULAR SESSION

# HOUSE BILL NO. 1028

## 102ND GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE SMITH (155).

2177H.011

DANA RADEMAN MILLER, Chief Clerk

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### AN ACT

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

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*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 135.440, to read as follows:

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

- 2       **(1) "Contribution", a donation of cash; stocks, bonds, or other marketable**  
3 **securities; or real property valued at the current property tax-assessed valuation of the**  
4 **property. If a property has not been assessed or has no assessed valuation, no credit**  
5 **shall be authorized for the donation of the property;**  
6       **(2) "Department", the department of mental health;**  
7       **(3) "Director", the director of the department of mental health;**  
8       **(4) "Justice-involved individual", a person who is on probation, paroled,**  
9 **discharged, or otherwise released from any correctional facility of the department of**  
10 **corrections, any county jail, or any mental health institution, where such person has**  
11 **been confined within the previous year;**  
12       **(5) "Qualified organization", an organization exempt from taxation under**  
13 **Section 501(c)(3) of the Internal Revenue Code, including any faith-based organization,**  
14 **peer- or community-based organization, or recovery community center or outreach that**  
15 **provides recovery support services and assistance to justice-involved individuals and**  
16 **people in recovery from substance use disorders. A qualified organization shall not**  
17 **have an annual budget in excess of five million dollars and shall not have any employees**

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 who receive more than one hundred thousand dollars in compensation annually. A  
19 qualified organization does not need to be contracted with this state as a recovery  
20 support services provider, but shall meet the qualifications to be contracted with this  
21 state as such a provider. No housing organization shall be a qualified organization  
22 unless accredited by the National Alliance of Recovery Residences (NARR) or Adult and  
23 Teen Challenge (ATC) USA;

24 (6) "Recovery support services", includes care coordination, recovery coaching,  
25 spiritual counseling, group support, employment services, job training, educational  
26 services, and recovery housing and transportation, in coordination with substance use  
27 disorder service providers. Recovery support services may be offered in a variety of  
28 settings, including community, faith-based, and peer recovery organizations. Recovery  
29 support programs shall be person-centered and self-directed, allowing a recovering  
30 individual to choose the provider;

31 (7) "State tax liability", in the case of a business taxpayer, any liability incurred  
32 by such taxpayer under the provisions of chapters 143, 148, and 153, excluding the  
33 provisions of sections 143.191 to 143.265 and related provisions; and in the case of an  
34 individual taxpayer, any liability incurred by such taxpayer under the provisions of  
35 chapter 143, excluding the provisions of sections 143.191 to 143.265 and related  
36 provisions;

37 (8) "Substance use disorder", any disorder identified in the Diagnostic and  
38 Statistical Manual of Mental Disorders, Fifth Edition (DSM-V or DSM 5), relating to  
39 one of ten classes of drugs, including alcohol; caffeine; cannabis; hallucinogens;  
40 inhalants; opioids; sedatives, hypnotics, or anxiolytics; stimulants, including  
41 amphetamine-type substances, cocaine, and other stimulants; tobacco; and other or  
42 unknown substances. Repeated use of a substance shall be considered a substance use  
43 disorder if the repeated use causes significant impairment, disability, a failure to meet  
44 responsibilities, health problems, impaired control, social problems, or other risks;

45 (9) "Taxpayer", a person, firm, partner in a firm, corporation, or shareholder in  
46 an S corporation doing business in the state of Missouri and subject to the state income  
47 tax imposed by the provisions of chapter 143; an insurance company paying an annual  
48 tax on its gross premium receipts in this state; a financial institution paying taxes to the  
49 state of Missouri or to any political subdivision of this state under the provisions of  
50 chapter 148; an express company that pays an annual tax on its gross receipts in this  
51 state under chapter 153; an individual subject to the state income tax imposed by the  
52 provisions of chapter 143; or any charitable organization that is exempt from federal  
53 income tax and whose Missouri unrelated business taxable income, if any, would be  
54 subject to the state income tax imposed under chapter 143.

55           2. Subject to appropriation, for all tax years beginning on or after January 1,  
56 2024, a taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax  
57 liability in an amount equal to fifty percent of the taxpayer's contribution to a qualified  
58 organization. No contribution shall be used to purchase goods or services from or to  
59 produce a direct financial benefit for the contributor. The qualified organization shall  
60 use the taxpayer's contribution to assist people in recovery from substance use disorders  
61 by providing such people with recovery support services including, but not limited to,  
62 supportive housing.

63           3. Tax credits issued under this section shall not be refundable; however, any tax  
64 credit that cannot be claimed for the tax year in which the contribution is made may be  
65 carried forward to the next four succeeding tax years until the full credit has been  
66 claimed. No tax credits issued under the provisions of this section shall be assigned,  
67 transferred, or sold.

68           4. Except for any excess credit carried forward under subsection 3 of this  
69 section, a taxpayer shall not be allowed to claim a tax credit under this section unless the  
70 total amount of the taxpayer's contribution or contributions in the tax year to one or  
71 more qualified organizations has a value of at least two hundred fifty dollars.

72           5. The director shall determine, at least annually, which organizations in this  
73 state may be classified as qualified organizations, according to the definition provided  
74 under subsection 1 of this section. The director may require an organization seeking to  
75 be classified as a qualified organization to provide any information that is reasonably  
76 necessary for the director to make such a determination.

77           6. The director shall establish a procedure, in consultation with the department  
78 of revenue, by which a taxpayer can determine if an organization has been classified as a  
79 qualified organization.

80           7. (1) Upon receipt and acceptance of a contribution from a taxpayer, a qualified  
81 organization shall issue to the taxpayer a statement evidencing the receipt of such  
82 contribution, including the monetary value of such contribution.

83           (2) A qualified organization shall be permitted to decline a contribution from a  
84 taxpayer.

85           8. Each qualified organization shall provide information to the director of  
86 revenue relating to the identity of each taxpayer making a contribution to the qualified  
87 organization who is claiming a tax credit under this section and the amount of such  
88 taxpayer's contribution.

89           9. Notwithstanding any provision of this section to the contrary, the director of  
90 revenue shall not authorize more than two million five hundred thousand dollars in tax  
91 credits under this section in any calendar year. Tax credits shall be authorized on a

92 **first-come, first-served basis. In any given tax year, no more than twenty percent of the**  
93 **total tax credits available under this section shall be authorized for contributions to any**  
94 **particular qualified organization.**

95 **10. Under section 23.253 of the Missouri sunset act:**

96 **(1) The new program established under this section shall automatically sunset on**  
97 **December thirty-first six years after the effective date of this section unless reauthorized**  
98 **by an act of the general assembly;**

99 **(2) If such program is reauthorized, the program authorized under this section**  
100 **shall automatically sunset on December thirty-first twelve years after the effective date**  
101 **of the reauthorization of this section; and**

102 **(3) This section shall terminate on September first of the calendar year**  
103 **immediately following the calendar year in which the program authorized under this**  
104 **section is sunset.**

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