

HB 1028 -- TAX CREDIT

SPONSOR: Smith (155)

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Corrections and Public Institutions by a vote of 9 to 0. Voted "Do Pass" by the Standing Committee on Rules- Regulatory Oversight by a vote of 9 to 0.

Beginning January 1, 2024, this bill authorizes a tax credit in an amount equal to 50% of a taxpayer's contribution to a qualified organization. A qualified organization is defined as a non-profit organization that provides recovery support services and assistance to justice-involved individuals, as such terms are defined in the bill, and people in recovery from substance use disorders. Contributions to qualified organizations shall not be used to purchase goods or services from, or to produce a direct financial benefit for, the contributor. Contributions shall be used to assist people in recovery from substance use disorders by providing such people with recovery support services including, but not limited to, supportive housing.

Tax credits shall not be refundable, but may be carried forward to four subsequent tax years. Tax credits shall not be transferred, sold, or assigned.

The Director of the Department of Mental Health shall determine which organizations in the state are qualified organizations on an annual basis. Qualified organizations shall issue to a taxpayer a statement evidencing the receipt of a contribution, and shall be permitted to decline a contribution.

The total amount of tax credits that may be authorized in a calendar year shall not exceed \$2.5 million, and no more than 20% of the total tax credits authorized shall be authorized for contributions to any given qualified organization. This bill shall sunset on December 31, 2029.

This bill is similar to SB 547 (2023) and HB 2527 (2022).

PROPONENTS: Supporters say that this supports organizations that are coordinating services for rehabilitation, reintegration, family reunification, halfway houses, and more, for folks recently released from prison. This allows those being helped by these organizations get back on their feet and build a more stable foundation for their families and personal wellbeing.

Testifying in person for the bill were Representative Smith; Jennifer Osborn; Rebecca Schuessler; Marsha Hawkings-Hourd, Child

and Family Empowerment Center; Angela Quick; MO Coaliton of Recovery Support Providers; Joyce Fields; Lawrence Walker; and James Fields.

OPPONENTS: There was no opposition voiced to the committee.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.