

HB 1028 -- TAX CREDIT

SPONSOR: Smith (155)

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).