

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0797S.02C  
Bill No.: SCS for HB 121  
Subject: Children and Minors; Tax Credits  
Type: Original  
Date: April 27, 2025

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Bill Summary: This proposal modifies provisions relating to perinatal resources.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General	<b><u>\$0 to (Unknown)</u></b>	<b>Could exceed (<u>\$3,060,345</u>)</b>	<b>Could exceed (<u>\$3,060,345</u>)</b>
<b>Total Estimated Net Effect on General Revenue</b>	<b>*<u>\$0 to (Unknown)</u></b>	<b>**Could exceed (<u>\$3,060,345</u>)</b>	<b>**Could exceed (<u>\$3,060,345</u>)</b>

\***Oversight** is uncertain how much would be appropriated and transferred into the Safe Place for Newborns Fund, if any, but notes the total amount available to the fund from state sources under such a match program shall be up to \$10,000 for each newborn safety incubator installed. Therefore, Oversight assumes the fiscal impact of “\$0 to Unknown” for the transfer from General Revenue is not likely to exceed the \$250,000 threshold annually.

\*\*Oversight reflects the difference between current 70% and proposed 100% in contribution tax credits available to taxpayers beginning in FY 2027.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Safe Place for Newborns Fund*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\***Oversight** assumes funds in the Safe Place for Newborns Fund will be disbursed in the same year it is received. Therefore, Oversight will reflect the income and expenses to the fund as “\$0 to Unknown” and net to \$0. Because the total amount available to the fund from state sources and donations under such a match program shall be up to \$10,000 for each newborn safety incubator installed, Oversight assumes income and expenses of under \$250,000 annually.

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- ☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- ☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
Local Government Entities*	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<b>Local Government</b>	<b>\$0 to Unknown</b>	<b>\$0 to Unknown</b>	<b>\$0 to Unknown</b>

\*Because the total amount available to the fund from state sources and donations under such a match program shall be up to \$10,000 for each newborn safety incubator installed, **Oversight** assumes income to local government entities of under \$250,000 annually.

## FISCAL ANALYSIS

### ASSUMPTION

#### § 135.630 - Pregnancy Resource Center Tax Credit

Officials from the **Department of Revenue (DOR)** state this proposal changes the Pregnancy Resource Center Tax Credit program. The Pregnancy Resource Tax Credit program does not currently have an annual cap and the credit is based on 70% of the contribution made. For informational purposes DOR is providing the amount issued and redeemed for this credit.

Year	Issued	Total Redeemed
FY 2024	\$11,245,025.24	\$7,533,879.98
FY 2023	\$10,098,879.47	\$8,131,329.41
FY 2022	\$10,910,488.95	\$5,757,203.91
FY 2021	\$3,358,998.95	\$2,900,451.16
FY 2020	\$3,274,044.98	\$2,381,620.61
FY 2019	\$2,498,735.54	\$1,259,766.60
FY 2018	\$2,499,393.98	\$2,094,375.23
FY 2017	\$2,443,386.34	\$2,183,504.71
FY 2016	\$2,499,441.93	\$1,845,874.70
FY 2015	\$2,326,435.41	\$1,581,045.10

Beginning January 1, 2026, this proposal would increase the percent of the contribution from 70% to 100% for the amount of the tax credit a person receives. This is estimated to be an increase of \$3,060,345. It is unclear if this would encourage more taxpayers to contribute and claim the tax credit. The three-year average of the redemptions of the program has been \$7,140,804. DOR expects this to result in an additional loss to the state of greater than \$3,060,345 starting in fiscal year 2027, the first year the returns are filed claiming the credit.

This will require DOR to update our computer program at a cost of \$1,832.

Officials from the **Office of Administration – Budget & Planning (B&P)** assume this proposal would increase the contribution percentage granted for the pregnancy resource tax credit starting with tax year 2026. Currently a tax credit is granted for 50% of a donation, with no limit on the amount authorized, issued, or redeemed. Under this proposal a tax credit would be granted for 100% of a donation.

In FY24, \$7,533,880 was redeemed for this tax credit program. Based on this, B&P estimates that there were \$15,067,760 in qualifying donations. Therefore, B&P estimates that provision

would have resulted in additional credits of \$7,533,880 (\$15,067,760 new credits - \$7,533,880 existing credits) starting with tax year 2026.

B&P notes that while this proposal would begin for tax year 2026, the increased donations would not be taken until taxpayers file their annual return in the winter / spring of 2027. Therefore, this proposal could reduce TSR and GR by \$7,533,880 annually beginning in FY27.

**Oversight** notes that average cost of the redemption from FY 2022-2024 was \$7,140,804 at 70%.

**Oversight** notes that this proposal beginning on or after January 1, 2026, a taxpayer shall be allowed to claim a tax credit equal to 100% percent of contributions.

**Oversight** notes that the 100% redemption would allow taxpayers to receive an additional \$3,060,345 (\$10,201,345 - \$7,140,804) for the same period of the time (FY 2022- FY 2024). Therefore, Oversight will reflect the estimated difference that could exceed \$3,060,345 (rounded to near dollar), beginning FY 2027.

**Oversight** assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs of computer system programming related to this proposal. If multiple bills pass which require additional system changes at substantial costs, DOR could request funding through the appropriation process. Therefore, Oversight will not present the \$1,832 of one-time programming costs estimated by DOR.

#### § 210.950 - "Safe Place for Newborns Fund"

In response to a previous version, officials from the **Fruitland Area Fire Protection District** stated that, although this legislation would have no serious fiscal impact to their organization, it could assist agencies to offset the costs involved with installation of these devices and get more of these lifesaving devices in the State.

**Oversight** does not have any information to the contrary. Therefore, Oversight assumes the Fruitland Area Fire Protection District will not require any additional staff or resources and will reflect no fiscal impact to the Fruitland Area Fire Protection District for fiscal note purposes.

Officials from the **Department of Health and Senior Services (DHSS)** state § 210.950.13(1) creates the Safe Place for Newborns Fund, consisting of consist of moneys appropriated by the general assembly from general revenue and any gifts, bequests, or donations.

Section 210.950.14 creates a program providing matching funds for the installation of newborn safety incubators, up to \$10,000 per installed incubator.

It is assumed that the Department can absorb the costs of this bill with current resources. However, if the workload significantly increased or other legislation was enacted, additional resources would be requested through the appropriation process.

**Oversight** assumes DHSS is provided with core funding to handle a certain amount of activity each year. Oversight assumes DHSS could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DHSS could request funding through the appropriation process. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

In response to a previous version, officials from the **Office of the State Treasurer** assumed the proposal would have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

**Oversight** notes that, according to an article by Anna Claire Vollers published in the [Missouri Independent](#) on February 28, 2024:

*In Missouri, a newborn girl was anonymously surrendered to a drop-off box two weeks ago [February 2024] at a Mehlville Fire Protection District station in St. Louis County... It was the first time a drop-off box was used in Missouri since a law legalizing them was passed in 2021.*

*The initial cost of a baby box is about \$20,000. That price includes the leasing of the box from Safe Haven Baby Boxes, which owns the patent and contracts with a manufacturer, as well as costs for installation, electrical and alarm system hookups, and staff training on how to use it. There's also a \$500 annual service fee, paid to Safe Haven Baby Boxes, to ensure the box continues working properly.*

**Oversight** is uncertain how much would be appropriated and transferred into the Safe Place for Newborns Fund, if any, but notes the total amount available to the fund from state sources under such a match program shall be up to ten thousand dollars for each newborn safety incubator installed. Oversight assumes a fiscal impact of "\$0 to Unknown" for the transfer from General Revenue and assumes the transfer is not likely to exceed the \$250,000 threshold annually.

**Oversight** assumes funds in the Safe Place for Newborns Fund will be disbursed in the same year it is received. Therefore, Oversight will reflect the income and expenses to the fund as "\$0 to Unknown" and net to \$0.

#### Responses regarding the proposed legislation as a whole

Officials from the **Department of Corrections**, the **Department of Social Services**, the **Oversight Division**, the **Phelps County Sheriff's Department**, the **Branson Police Department**, the **Kansas City Police Department** and the **St. Louis County Police**

**Department**, each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

**Oversight** only reflects the responses received from state agencies and political subdivisions; however, other sheriffs' departments, police departments, fire protection districts, emergency services agencies and hospitals were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

#### Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>GENERAL REVENUE</b>			
<u>Transfer Out</u> – (§ 210.950) - to the Safe Place for Newborns Fund p. 4-5	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Costs</u> – (§ 135.630) – Pregnancy Resource Center Tax Credits p. 3-4	\$0	Could exceed (\$3,060,345)	Could exceed (\$3,060,345)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>\$0 to (Unknown)</u></b>	<b><u>Could exceed (\$3,060,345)</u></b>	<b><u>Could exceed (\$3,060,345)</u></b>

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>SAFE PLACE FOR NEWBORNS FUND</b>			
<u>Transfer In</u> - (§ 210.950) From General Revenue Fund p. 4-5	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Income</u> – (§ 210.950) From Gifts, Contributions, Grants, Bequests, etc. p. 4-5	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
<u>Transfer Out</u> - (§ 210.950) Disbursed to entities that install incubators p. 4-5	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
<b>ESTIMATED NET EFFECT ON THE SAFE PLACE FOR NEWBORNS FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>LOCAL GOVERNMENT ENTITIES</b>			
<u>Transfer In</u> - (§ 210.950) Reimbursement from the Safe Place for Newborns Fund to install incubators p. 4-5	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
<b>ESTIMATED NET EFFECT TO LOCAL GOVERNMENT ENTITIES</b>	<b><u>\$0 to Unknown</u></b>	<b><u>\$0 to Unknown</u></b>	<b><u>\$0 to Unknown</u></b>

#### FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

#### FISCAL DESCRIPTION

Current law authorizes a taxpayer to claim a tax credit in an amount equal to seventy percent of contributions made to pregnancy resource centers. For all tax years beginning on or after January 1, 2026, this act authorizes such tax credit in an amount equal to one hundred percent of such contribution. (§ 135.630)

The bill creates the "Safe Place for Newborns Fund" and provides that the state of Missouri will match moneys from the General Revenue Fund, in the amount of up to \$10,000 per installation of newborn safety incubators. (§ 210.950)

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

#### SOURCES OF INFORMATION

Budget and Planning  
Department of Corrections  
Department of Health and Senior Services  
Department of Revenue  
Department of Social Services  
Joint Committee on Administrative Rules  
Office of the Secretary of State  
Office of the State Treasurer  
Oversight Division  
Phelps County Sheriff's Department  
Branson Police Department  
Kansas City Police Department  
St. Louis County Police Department  
Fruitland Area Fire Protection District



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