

FIRST REGULAR SESSION
[PERFECTED]
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 326
103RD GENERAL ASSEMBLY

0745H.02P

JOSEPH ENGLER, Chief Clerk

AN ACT

To repeal sections 67.3000, 67.3005, 135.341, 135.621, and 135.647, RSMo, and to enact in lieu thereof five new sections relating to tax credits.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 67.3000, 67.3005, 135.341, 135.621, and 135.647, RSMo, are
2 repealed and five new sections enacted in lieu thereof, to be known as sections 67.3000,
3 67.3005, 135.341, 135.621, and 135.647, to read as follows:

67.3000. 1. As used in this section and section 67.3005, the following words shall
2 mean:

3 (1) "Active member", an organization located in the state of Missouri which solicits
4 and services sports events, sports organizations, and other types of sports-related activities in
5 that community;

6 (2) "Applicant" or "applicants", one or more certified sponsors, endorsing counties,
7 endorsing municipalities, or a local organizing committee, acting individually or collectively;

8 (3) "Certified sponsor" or "certified sponsors", a nonprofit organization which is an
9 active member of the [~~National Association of Sports Commissions~~] **Sports Events and**
10 **Tourism Association**;

11 (4) "Department", the Missouri department of economic development;

12 (5) "Director", the director of revenue;

13 (6) [~~"Eligible costs" shall include:~~

14 (a) ~~Costs necessary for conducting the sporting event;~~

15 (b) ~~Costs relating to the preparations necessary for the conduct of the sporting event;~~

16 and

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.

17 ~~(e) An applicant's pledged obligations to the site selection organization as evidenced~~
18 ~~by the support contract for the sporting event including, but not limited to, bid fees and~~
19 ~~financial guarantees.~~

20

21 ~~Eligible costs shall not include any cost associated with the rehabilitation or construction of~~
22 ~~any facilities used to host the sporting event or direct payments to a for-profit site selection~~
23 ~~organization, but may include costs associated with the retrofitting of a facility necessary to~~
24 ~~accommodate the sporting event;~~

25 ~~(7)~~ "Eligible donation", donations received, by a certified sponsor or local organizing
26 committee, from a taxpayer that may include cash, publicly traded stocks and bonds, and real
27 estate that will be valued and documented according to rules promulgated by the department.
28 Such donations shall be used solely to provide funding to attract sporting events to this state;

29 ~~[(8)]~~ (7) "Endorsing municipality" or "endorsing municipalities", any city, town,
30 incorporated village, or county that contains a site selected by a site selection organization for
31 one or more sporting events;

32 ~~[(9)]~~ (8) "Joinder agreement", an agreement entered into by one or more applicants,
33 acting individually or collectively, and a site selection organization setting out representations
34 and assurances by each applicant in connection with the selection of a site in this state for the
35 location of a sporting event;

36 ~~[(10)]~~ (9) "Joinder undertaking", an agreement entered into by one or more
37 applicants, acting individually or collectively, and a site selection organization that each
38 applicant will execute a joinder agreement in the event that the site selection organization
39 selects a site in this state for a sporting event;

40 ~~[(11)]~~ (10) "Local organizing committee", a nonprofit corporation or its successor in
41 interest that:

42 (a) Has been authorized by one or more certified sponsors, endorsing municipalities,
43 or endorsing counties, acting individually or collectively, to pursue an application and bid on
44 its or the applicant's behalf to a site selection organization for selection as the host of one or
45 more sporting events; or

46 (b) With the authorization of one or more certified sponsors, endorsing
47 municipalities, or endorsing counties, acting individually or collectively, executes an
48 agreement with a site selection organization regarding a bid to host one or more sporting
49 events;

50 (11) "Registered participant", an individual who is registered to compete in a
51 sporting event, or an athlete, coach, or other individual who is part of a team's official
52 contingent with an official capacity for such sporting event;

53 (12) "Site selection organization", the National Collegiate Athletic Association
54 (NCAA); an NCAA member conference, university, or institution; the National Association
55 of Intercollegiate Athletics (NAIA); the United States Olympic & Paralympic Committee
56 [~~USOC~~] (**USOPC**); a national governing body (NGB) or international federation of a sport
57 recognized by the [~~USOC~~] **USOPC**; the United States Golf Association (USGA); the United
58 States Tennis Association (USTA); the Amateur Athletic Union (AAU); the National
59 Christian College Athletic Association (NCCAA); the National Junior College Athletic
60 Association (NJCAA); the United States Sports Specialty Association (USSSA); any rights
61 holder member of the [~~National Association of Sports Commissions (NASC)~~] **Sports Events**
62 **and Tourism Association (Sports ETA)**; other major regional, national, and international
63 sports associations, and amateur organizations that promote, organize, or administer sporting
64 games or competitions; or other major regional, national, and international organizations that
65 promote or organize sporting events;

66 (13) "Sporting event" or "sporting events", an amateur, collegiate, or Olympic
67 sporting event that is competitively bid or is awarded by a site selection organization;

68 (14) "Support contract" or "support contracts", an event award notification, joinder
69 undertaking, joinder agreement, or contract executed by an applicant and a site selection
70 organization;

71 (15) "Tax credit" or "tax credits", a credit or credits issued by the department against
72 the tax otherwise due under chapter 143 or 148, excluding withholding tax imposed under
73 sections 143.191 to 143.265;

74 (16) "Taxpayer", any of the following individuals or entities who make an eligible
75 donation:

76 (a) A person, firm, partner in a firm, corporation, or a shareholder in an S corporation
77 doing business in the state of Missouri and subject to the state income tax imposed under
78 chapter 143;

79 (b) A corporation subject to the annual corporation franchise tax imposed under
80 chapter 147;

81 (c) An insurance company paying an annual tax on its gross premium receipts in this
82 state;

83 (d) Any other financial institution paying taxes to the state of Missouri or any
84 political subdivision of this state under chapter 148;

85 (e) An individual subject to the state income tax imposed under chapter 143;

86 (f) Any charitable organization which is exempt from federal income tax and whose
87 Missouri unrelated business taxable income, if any, would be subject to the state income tax
88 imposed under chapter 143.

89 2. An applicant may submit a copy of a support contract for a sporting event to the
90 department. Within sixty days of receipt of the sporting event support contract, the
91 department may review the applicant's support contract and certify such support contract if it
92 complies with the requirements of this section. Upon certification of the support contract by
93 the department, the applicant may be authorized to receive the tax credit under subsection 4 of
94 this section.

95 3. No more than ninety days following the conclusion of the sporting event, the
96 applicant shall submit ~~[eligible costs and documentation of the costs evidenced by receipts,~~
97 ~~paid invoices, event settlements, or other documentation in a manner prescribed by the~~
98 ~~department. Eligible costs may be paid by the applicant or an entity cohosting the event with~~
99 ~~the applicant]~~ **a ticket sales or box office statement verifying the total number of tickets**
100 **sold for such event, or, if such event was participant-based, a list of all registered**
101 **participants.**

102 4. (1) ~~[No later than seven days following the conclusion of the sporting event, the~~
103 ~~department, in consultation with the director, shall determine the total number of tickets sold~~
104 ~~at face value for such event or, if such event was participant-based and did not sell admission~~
105 ~~tickets, the total number of paid participant registrations.~~

106 ~~(2)]~~ No later than sixty days following the receipt of ~~[eligible costs and]~~
107 documentation of ~~[such costs]~~ **ticket sales or registered participants** from the applicant
108 as required in subsection 3 of this section, the department shall, except for the limitations
109 under subsection 5 of this section, issue **a certificate for** a refundable tax credit to the
110 applicant for ~~[the least of]:~~

111 ~~(a) [One hundred percent of eligible costs incurred by the applicant;~~

112 ~~(b)]~~ An amount equal to ~~[five]~~ **six** dollars for every admission ticket sold to such
113 event; or

114 ~~[(c)]~~ **(b)** An amount equal to ~~[ten]~~ **twelve** dollars for every ~~[paid]~~ **registered**
115 participant ~~[registration]~~ if such event was participant-based ~~[and did not sell admission~~
116 ~~tickets]~~.

117

118 The calculations under paragraphs ~~[(b)]~~ **(a)** and ~~[(c)]~~ **(b)** of this subdivision shall use the
119 actual number of tickets sold or ~~[registrations paid]~~ **registered participants**, not an estimated
120 amount.

121 **(2) The department of revenue shall issue a refund of the refundable tax credit to**
122 **the applicant within ninety days of the applicant's submission of a valid tax credit**
123 **certificate issued in accordance with subdivision (1) of this subsection. Notwithstanding**
124 **any provision of law to the contrary, this may include a refund issued in advance of the**
125 **close of the tax period to which the tax credit applies.**

(3) Tax credits authorized by this section may be claimed against taxes imposed by chapters 143 and 148 ~~[and shall be claimed within one year of the close of the tax year for which the credits were issued]~~. Tax credits authorized by this section ~~[may]~~ **shall not** be transferred, sold, or assigned ~~[by filing a notarized endorsement thereof with the department that names the transferee, the amount of tax credit transferred, and the value received for the credit, as well as any other information reasonably requested by the department]~~. **Notwithstanding any provision of law to the contrary, tax credits authorized by this section may be refunded at any time following issuance, even prior to the close of the tax period for which the credits were issued. An erroneous, excessive, or improper refund of these tax credits shall be considered an underpayment of tax on the date made. If any applicant is issued tax credits pursuant to this section that are refunded to such applicant, but the department of revenue later determines that the applicant receiving the credits owes or owed taxes that were not paid for the tax year for which the tax credit was issued, such applicant shall pay to the department of revenue the applicant's tax liability still due, including any underpayment caused by the erroneous, excessive, or improper refund of these tax credits. The department of revenue may promulgate such rules as are necessary to administer such clawback provisions under this subdivision.**

5. In no event shall the amount of tax credits issued by the department under subsection 4 of this section exceed ~~[three]~~ **six** million dollars in any fiscal year. For all events located within the following counties, the total amount of tax credits issued shall not exceed ~~[two]~~ **five** million ~~[seven]~~ **five** hundred thousand dollars in any fiscal year:

(1) A county with a charter form of government and with more than six hundred thousand inhabitants; or

(2) A city not within a county.

6. An applicant shall provide any information necessary as determined by the department for the department and the director to fulfill the duties required by this section. At any time upon the request of the state of Missouri, a certified sponsor shall subject itself to an audit conducted by the state.

7. This section shall not be construed as creating or requiring a state guarantee of obligations imposed on an endorsing municipality under a support contract or any other agreement relating to hosting one or more sporting events in this state.

8. The department shall only certify an applicant's support contract for a sporting event in which the site selection organization has yet to select a location for the sporting event as of December 1, 2012. No support contract shall be certified unless the site selection organization has chosen to use a location in this state from competitive bids, at least one of which was a bid for a location outside of this state, except that competitive bids shall not be required for any previously-awarded event whose site selection organization extends its

163 contractual agreement with the event's certified sponsor or for any ~~[post-season]~~ **neutral-site**
164 collegiate ~~[football game or other neutral-site]~~ game with at least one out-of-state team.
165 Support contracts shall not be certified by the department after August 28, ~~[2025]~~ **2032**,
166 provided that the support contracts may be certified on or prior to August 28, ~~[2025]~~ **2032**, for
167 sporting events that will be held after such date.

168 9. The department may promulgate rules as necessary to implement the provisions of
169 this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is
170 created under the authority delegated in this section shall become effective only if it complies
171 with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028.
172 This section and chapter 536 are nonseverable and if any of the powers vested with the
173 general assembly pursuant to chapter 536 to review, to delay the effective date, or to
174 disapprove and annul a rule are subsequently held unconstitutional, then the grant of
175 rulemaking authority and any rule proposed or adopted after August 28, 2013, shall be invalid
176 and void.

177 **10. The repeal and reenactment of subsection 8 of this section shall become**
178 **effective August 28, 2025, and the repeal and reenactment of the remainder of the**
179 **provisions of this section shall become effective July 1, 2026, and shall apply only to tax**
180 **credits issued on or after July 1, 2026.**

67.3005. 1. For all tax years beginning on or after January 1, 2013, any taxpayer shall
2 be allowed a credit against the taxes otherwise due under chapter 143, 147, or 148, excluding
3 withholding tax imposed by sections 143.191 to 143.265, in an amount equal to fifty percent
4 of the amount of an eligible donation, subject to the restrictions in this section. The amount
5 of the tax credit claimed shall not exceed the amount of the taxpayer's state income tax
6 liability in the tax year for which the credit is claimed. Any amount of credit that the taxpayer
7 is prohibited by this section from claiming in a tax year shall not be refundable, but may be
8 carried forward to any of the taxpayer's two subsequent tax years.

9 2. To claim the credit authorized in this section, a certified sponsor or local organizing
10 committee shall submit to the department an application for the tax credit authorized by this
11 section on behalf of taxpayers. The department shall verify that the applicant has submitted
12 the following items accurately and completely:

- 13 (1) A valid application in the form and format required by the department;
- 14 (2) A statement attesting to the eligible donation received, which shall include the
15 name and taxpayer identification number of the individual making the eligible donation, the
16 amount of the eligible donation, and the date the eligible donation was received; and
- 17 (3) Payment from the certified sponsor or local organizing committee equal to the
18 value of the tax credit for which application is made.

19

20 If the certified sponsor or local organizing committee applying for the tax credit meets all
21 criteria required by this subsection, the department shall issue a certificate in the appropriate
22 amount.

23 3. Tax credits issued under this section may be assigned, transferred, sold, or
24 otherwise conveyed, and the new owner of the tax credit shall have the same rights in the
25 credit as the taxpayer. Whenever a certificate is assigned, transferred, sold, or otherwise
26 conveyed, a notarized endorsement shall be filed with the department specifying the name
27 and address of the new owner of the tax credit or the value of the credit. In no event shall the
28 amount of tax credits issued by the department under this section exceed ~~[ten million]~~ **five**
29 **hundred thousand** dollars in any fiscal year.

30 4. The department shall promulgate rules to implement the provisions of this section.
31 Any rule or portion of a rule, as that term is defined in section 536.010, that is created under
32 the authority delegated in this section shall become effective only if it complies with and is
33 subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section
34 and chapter 536 are nonseverable and if any of the powers vested with the general assembly
35 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a
36 rule are subsequently held unconstitutional, then the grant of rulemaking authority and any
37 rule proposed or adopted after August 28, 2013, shall be invalid and void.

38 5. Under section 23.253 of the Missouri sunset act:

39 (1) The provisions of the new program authorized under **this section and section**
40 **67.3000** ~~[and under this section]~~ shall automatically sunset six years after August 28, ~~[2019]~~
41 **2026**, unless reauthorized by an act of the general assembly; and

42 (2) If such program is reauthorized, the program authorized under **this section and**
43 **section 67.3000** ~~[and under this section]~~ shall automatically sunset twelve years after the
44 effective date of the reauthorization of these sections; and

45 (3) Section 67.3000 and this section shall terminate on September first of the calendar
46 year immediately following the calendar year in which the program authorized under these
47 sections is sunset.

48 **6. The repeal and reenactment of subsection 5 of this section shall become**
49 **effective August 28, 2025, and the repeal and reenactment of the remainder of the**
50 **provisions of this section shall become effective July 1, 2026, and shall apply only to tax**
51 **credits issued on or after July 1, 2026.**

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

2 (1) "CASA", an entity which receives funding from the court-appointed special
3 advocate fund established under section 476.777, including an association based in this state,
4 affiliated with a national association, organized to provide support to entities receiving
5 funding from the court-appointed special advocate fund;

6 (2) "Child advocacy centers", the regional child assessment centers listed in
7 subsection 2 of section 210.001, including an association based in this state, affiliated with a
8 national association, and organized to provide support to entities listed in subsection 2 of
9 section 210.001;

10 (3) "Contribution", the amount of donation to a qualified agency;

11 (4) "Crisis care center", entities contracted with this state which provide temporary
12 care for children whose age ranges from birth through seventeen years of age whose parents
13 or guardian are experiencing an unexpected and unstable or serious condition that requires
14 immediate action resulting in short-term care, usually three to five continuous, uninterrupted
15 days, for children who may be at risk for child abuse, neglect, or in an emergency situation;

16 (5) "Department", the department of revenue;

17 (6) "Director", the director of the department of revenue;

18 (7) "Qualified agency", CASA, child advocacy centers, or a crisis care center;

19 (8) "Tax liability", the tax due under chapter 143 other than taxes withheld under
20 sections 143.191 to 143.265.

21 2. For all tax years beginning on or after January 1, 2013, a tax credit may be claimed
22 in an amount equal to up to fifty percent of a verified contribution to a qualified agency and
23 shall be named the champion for children tax credit. The minimum amount of any tax credit
24 issued shall not be less than fifty dollars and shall be applied to taxes due under chapter 143,
25 excluding sections 143.191 to 143.265. A contribution verification shall be issued to the
26 taxpayer by the agency receiving the contribution. Such contribution verification shall
27 include the taxpayer's name, Social Security number, amount of tax credit, amount of
28 contribution, the name and address of the agency receiving the credit, and the date the
29 contribution was made. The tax credit provided under this subsection shall be initially filed
30 for the year in which the verified contribution is made.

31 3. The cumulative amount of the tax credits redeemed shall not exceed one million
32 dollars for all fiscal years ending on or before June 30, 2019, and one million five hundred
33 thousand dollars for all fiscal years beginning on or after July 1, 2019. The amount available
34 shall be equally divided among the three qualified agencies: CASA, child advocacy centers,
35 or crisis care centers, to be used towards tax credits issued. In the event tax credits claimed
36 under one agency do not total the allocated amount for that agency, the unused portion for that
37 agency will be made available to the remaining agencies equally. In the event the total
38 amount of tax credits claimed for any one agency exceeds the amount available for that
39 agency, the amount redeemed shall and will be apportioned equally to all eligible taxpayers
40 claiming the credit under that agency.

41 4. Prior to December thirty-first of each year, each qualified agency shall apply to the
42 department of social services in order to verify their qualified agency status. Upon a

determination that the agency is eligible to be a qualified agency, the department of social services shall provide a letter of eligibility to such agency. No later than February first of each year, the department of social services shall provide a list of qualified agencies to the department of revenue. All tax credit applications to claim the champion for children tax credit shall be filed between July first and April fifteenth of each fiscal year, **or as directed by section 143.851**. A taxpayer shall apply for the champion for children tax credit by attaching a copy of the contribution verification provided by a qualified agency to such taxpayer's income tax return.

5. Any amount of tax credit which exceeds the tax due or which is applied for and otherwise eligible for issuance but not issued shall not be refunded but may be carried over to any subsequent tax year, not to exceed a total of five years.

6. Tax credits may not be assigned, transferred or sold.

7. ~~[(1)]~~ In the event a **full or partial** credit denial, due to ~~[lack of available funds]~~ **the cumulative maximum amount of credits being redeemed for the fiscal year**, causes ~~[a balance due notice]~~ **an income tax balance due** to be ~~[generated by the department of revenue, or any other redeeming agency]~~ **owed to the state by the taxpayer**, the taxpayer ~~[will]~~ **shall** not be held liable for any **addition to tax**, penalty, or interest **on that income tax balance due**, provided the balance is paid, or approved payment arrangements have been made, within sixty days from **issuance of** the notice of **credit** denial.

~~[(2)] In the event the balance is not paid within sixty days from the notice of denial, the remaining balance shall be due and payable under the provisions of chapter 143.~~

8. The department may promulgate such rules or regulations as are necessary to administer the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2013, shall be invalid and void.

9. Pursuant to section 23.253, of the Missouri sunset act:

(1) The program authorized under this section shall be reauthorized as of ~~[December 31, 2019]~~ **August 28, 2025**, and shall expire on December 31, ~~[2025]~~ **2032**, unless reauthorized by the general assembly; and

(2) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset; and

79 (3) The provisions of this subsection shall not be construed to limit or in any way
80 impair the department's ability to redeem tax credits authorized on or before the date the
81 program authorized under this section expires or a taxpayer's ability to redeem such credits.

82 10. Beginning on March 29, 2013, any verified contribution to a qualified agency
83 made on or after January 1, 2013, shall be eligible for tax credits as provided by this section.

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

2 (1) "Contribution", a donation of cash, stock, bonds, other marketable securities, or
3 real property;

4 (2) "Department", the department of social services;

5 (3) "Diaper bank", **a national diaper bank or** a nonprofit entity located in this state
6 established and operating primarily for the purpose of collecting or purchasing disposable
7 diapers or other hygiene products for infants, children, or incontinent adults and that regularly
8 distributes such diapers or other hygiene products through two or more schools, health care
9 facilities, governmental agencies, or other nonprofit entities for eventual distribution to
10 individuals free of charge;

11 (4) **"National diaper bank", a nonprofit entity located in this state that meets the**
12 **following criteria:**

13 **(a) Collects, purchases, warehouses, and manages a community inventory of**
14 **disposable diapers or other hygiene products for infants, children, or incontinent adults;**

15 **(b) Regularly distributes a consistent and reliable supply of such diapers or**
16 **other hygiene products through two or more schools, health care facilities,**
17 **governmental agencies, or other nonprofit entities for eventual distribution to**
18 **individuals free of charge, with the intention of reducing diaper need; and**

19 **(c) Is a member of a national network organization serving all fifty states**
20 **through which certification demonstrates nonprofit best practices, data-driven program**
21 **design, and equitable distribution focused on best serving infants, children, and**
22 **incontinent adults;**

23 **(5) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding**
24 **withholding tax imposed under sections 143.191 to 143.265, or otherwise due under chapter**
25 **148 or 153;**

26 ~~[(5)]~~ **(6) "Taxpayer", a person, firm, partner in a firm, corporation, or shareholder in**
27 **an S corporation doing business in the state of Missouri and subject to the state income tax**
28 **imposed under chapter 143; an insurance company paying an annual tax on its gross premium**
29 **receipts in this state; any other financial institution paying taxes to the state of Missouri or**
30 **any political subdivision of this state under chapter 148; an express company that pays an**
31 **annual tax on its gross receipts in this state under chapter 153; an individual subject to the**
32 **state income tax under chapter 143; or any charitable organization that is exempt from federal**

33 income tax and whose Missouri unrelated business taxable income, if any, would be subject to
34 the state income tax imposed under chapter 143.

35 2. For all fiscal years beginning on or after July 1, 2019, a taxpayer shall be allowed
36 to claim a tax credit against the taxpayer's state tax liability in an amount equal to fifty percent
37 of the amount of such taxpayer's contributions to a diaper bank.

38 3. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's
39 state tax liability for the tax year for which the credit is claimed, and such taxpayer shall not
40 be allowed to claim a tax credit in excess of fifty thousand dollars per tax year. However, any
41 tax credit that cannot be claimed in the tax year the contribution was made may be carried
42 over only to the next subsequent tax year. No tax credit issued under this section shall be
43 assigned, transferred, or sold.

44 4. Except for any excess credit that is carried over under subsection 3 of this section,
45 no taxpayer shall be allowed to claim a tax credit unless the taxpayer contributes at least one
46 hundred dollars to one or more diaper banks during the tax year for which the credit is
47 claimed.

48 5. The department shall determine, at least annually, which entities in this state
49 qualify as diaper banks. The department may require of an entity seeking to be classified as a
50 diaper bank any information which is reasonably necessary to make such a determination.
51 The department shall classify an entity as a diaper bank if such entity satisfies the definition
52 under subsection 1 of this section.

53 6. The department shall establish a procedure by which a taxpayer can determine if an
54 entity has been classified as a diaper bank.

55 7. Diaper banks may decline a contribution from a taxpayer.

56 8. The cumulative amount of tax credits that may be claimed by all the taxpayers
57 contributing to diaper banks in any one fiscal year shall not exceed five hundred thousand
58 dollars. Tax credits shall be issued in the order contributions are received. If the amount of
59 tax credits redeemed in a tax year is less than five hundred thousand dollars, the difference
60 shall be added to the cumulative limit created under this subsection for the next fiscal year
61 and carried over to subsequent fiscal years until claimed.

62 9. The department shall establish a procedure by which, from the beginning of the
63 fiscal year until some point in time later in the fiscal year to be determined by the department,
64 the cumulative amount of tax credits are equally apportioned among all entities classified as
65 diaper banks. If a diaper bank fails to use all, or some percentage to be determined by the
66 department, of its apportioned tax credits during this predetermined period of time, the
67 department may reapportion such unused tax credits to diaper banks that have used all, or
68 some percentage to be determined by the department, of their apportioned tax credits during
69 this predetermined period of time. The department may establish multiple periods each fiscal

70 year and reapportion accordingly. To the maximum extent possible, the department shall
71 establish the procedure described under this subsection in such a manner as to ensure that
72 taxpayers can claim as many of the tax credits as possible, up to the cumulative limit created
73 under subsection 8 of this section.

74 10. Each diaper bank shall provide information to the department concerning the
75 identity of each taxpayer making a contribution and the amount of the contribution. The
76 department shall provide the information to the department of revenue. The department shall
77 be subject to the confidentiality and penalty provisions of section 32.057 relating to the
78 disclosure of tax information.

79 11. Under section 23.253 of the Missouri sunset act:

80 (1) The provisions of the program authorized under this section shall automatically
81 sunset on December thirty-first six years after August 28, ~~[2018]~~ **2025**, unless reauthorized by
82 an act of the general assembly;

83 (2) If such program is reauthorized, the program authorized under this section shall
84 automatically sunset on December thirty-first six years after the effective date of the
85 reauthorization of this section;

86 (3) This section shall terminate on September first of the calendar year immediately
87 following the calendar year in which the program authorized under this section is sunset; and

88 (4) The provisions of this subsection shall not be construed to limit or in any way
89 impair the department's ability to issue tax credits authorized on or before the date the
90 program authorized under this section expires or a taxpayer's ability to redeem such tax
91 credits.

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

2 (1) "Local food pantry", any food pantry that is:

3 (a) Exempt from taxation under section 501(c)(3) of the Internal Revenue Code of
4 1986, as amended; and

5 (b) Distributing emergency food supplies to Missouri low-income people who would
6 otherwise not have access to food supplies in the area in which the taxpayer claiming the tax
7 credit under this section resides;

8 (2) "Local homeless shelter", any homeless shelter that is:

9 (a) Exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of
10 1986, as amended; and

11 (b) Providing temporary living arrangements, in the area in which the taxpayer
12 claiming the tax credit under this section resides, for individuals and families who otherwise
13 lack a fixed, regular, and adequate nighttime residence and lack the resources or support
14 networks to obtain other permanent housing;

15 (3) "Local soup kitchen", any soup kitchen that is:

16 (a) Exempt from taxation under section 501(c)(3) of the Internal Revenue Code of
17 1986, as amended; and

18 (b) Providing prepared meals through an established congregate feeding operation to
19 needy, low-income persons including, but not limited to, homeless persons in the area in
20 which the taxpayer claiming the tax credit under this section resides;

21 (4) "Taxpayer", an individual, a firm, a partner in a firm, corporation, or a shareholder
22 in an S corporation doing business in this state and subject to the state income tax imposed by
23 chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265.

24 2. (1) Beginning on March 29, 2013, any donation of cash or food made to a local
25 food pantry on or after January 1, 2013, unless such food is donated after the food's expiration
26 date, shall be eligible for tax credits as provided by this section.

27 (2) Beginning on August 28, 2018, any donation of cash or food made to a local soup
28 kitchen or local homeless shelter on or after January 1, 2018, unless such food is donated after
29 the food's expiration date, shall be eligible for a tax credit as provided under this section.

30 (3) Any taxpayer who makes a donation that is eligible for a tax credit under this
31 section shall be allowed a credit against the tax otherwise due under chapter 143, excluding
32 withholding tax imposed by sections 143.191 to 143.265, in an amount equal to fifty percent
33 of the value of the donations made to the extent such amounts that have been subtracted from
34 federal adjusted gross income or federal taxable income are added back in the determination
35 of Missouri adjusted gross income or Missouri taxable income before the credit can be
36 claimed. Each taxpayer claiming a tax credit under this section shall file an affidavit with the
37 income tax return verifying the amount of their contributions. The amount of the tax credit
38 claimed shall not exceed the amount of the taxpayer's state tax liability for the tax year that
39 the credit is claimed and shall not exceed two thousand five hundred dollars per taxpayer
40 claiming the credit. Any amount of credit that the taxpayer is prohibited by this section from
41 claiming in a tax year shall not be refundable, but may be carried forward to any of the
42 taxpayer's three subsequent tax years. No tax credit granted under this section shall be
43 transferred, sold, or assigned. No taxpayer shall be eligible to receive a credit pursuant to this
44 section if such taxpayer employs persons who are not authorized to work in the United States
45 under federal law. No taxpayer shall be able to claim more than one credit under this section
46 for a single donation.

47 3. (1) The cumulative amount of tax credits under this section which may be
48 allocated to all taxpayers contributing to a local food pantry, local soup kitchen, or local
49 homeless shelter in any one fiscal year shall not exceed one million seven hundred fifty
50 thousand dollars. The director of revenue shall establish a procedure by which the cumulative
51 amount of tax credits is apportioned among all taxpayers claiming the credit by April fifteenth
52 of the fiscal year, **or as directed by section 143.851**, in which the tax credit is claimed. To

53 the maximum extent possible, the director of revenue shall establish the procedure described
54 in this subsection in such a manner as to ensure that taxpayers can claim all the tax credits
55 possible up to the cumulative amount of tax credits available for the fiscal year.

56 **(2) In the event a full or partial credit denial, due to the cumulative maximum**
57 **amount of credits being claimed for the fiscal year, causes a tax balance due to be owed**
58 **to the state by the taxpayer, the taxpayer shall not be held liable for any addition to tax,**
59 **penalty, or interest on that tax balance due, provided the balance is paid, or approved**
60 **payment arrangements have been made, within sixty days from issuance of the notice of**
61 **credit denial.**

62 4. Any local food pantry, local soup kitchen, or local homeless shelter may accept or
63 reject any donation of food made under this section for any reason. For purposes of this
64 section, any donations of food accepted by a local food pantry, local soup kitchen, or local
65 homeless shelter shall be valued at fair market value, or at wholesale value if the taxpayer
66 making the donation of food is a retail grocery store, food broker, wholesaler, or restaurant.

67 5. The department of revenue shall promulgate rules to implement the provisions of
68 this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is
69 created under the authority delegated in this section shall become effective only if it complies
70 with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028.
71 This section and chapter 536 are nonseverable and if any of the powers vested with the
72 general assembly pursuant to chapter 536 to review, to delay the effective date, or to
73 disapprove and annul a rule are subsequently held unconstitutional, then the grant of
74 rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid
75 and void.

76 6. Under section 23.253 of the Missouri sunset act:

77 (1) The program authorized under this section shall be reauthorized as of August 28,
78 ~~[2018]~~ **2025**, and shall expire on December 31, ~~[2026]~~ **2032**, unless reauthorized by the
79 general assembly; and

80 (2) This section shall terminate on September first of the calendar year immediately
81 following the calendar year in which the program authorized under this section is sunset; and

82 (3) The provisions of this subsection shall not be construed to limit or in any way
83 impair a taxpayer's ability to redeem tax credits authorized on or before the date the program
84 authorized under this section expires.

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