

FIRST REGULAR SESSION

HOUSE BILL NO. 1181

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE RIGGS.

2257H.011

JOSEPH ENGLER, Chief Clerk

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to tax credits for certain endowment contributions.

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 135.1850, to read as follows:

3 **135.1850. 1. This section shall be known and may be cited as the "Missouri**
4 **Gives Tax Credit Act".**

5 **2. As used in this section, the following terms mean:**

6 **(1) "Business entity", a corporation, trust, estate, partnership, limited liability**
7 **company, or sole proprietorship;**

8 **(2) "Donor advised fund", the same meaning as such term is defined under**
9 **subsection (d) of Section 4966 of the Internal Revenue Code of 1986, as amended;**

10 **(3) "Endowment gift", an irrevocable contribution to a permanent endowment**
11 **fund held by a qualified community foundation;**

12 **(4) "Permanent endowment fund", a fund that:**

13 **(a) Is held by a qualified community foundation;**

14 **(b) Provides charitable grants exclusively for the benefit of residents of the state**
15 **or charities and charitable projects located in the state;**

16 **(c) Is intended to exist in perpetuity;**

17 **(d) Has an annual spending rate based on the foundation spending policy, but**
18 **not to exceed seven percent; and**

19 **(e) Is not a donor advised fund;**

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 (5) "Qualified community foundation", a community foundation or similar
19 publicly supported organization described under Section 170(b)(1)(A)(vi) of the Internal
20 Revenue Code of 1986, as amended, that is organized or operating in this state and that
21 substantially complies with the national standards for U.S. community foundations
22 established by the Community Foundations National Standards, as determined by the
23 department;

24 (6) "Taxpayer", any individual or business entity subject to the state income tax
25 imposed under chapter 143;

26 (7) "Tax credit", a credit against the tax otherwise due under chapter 143,
27 excluding withholding tax imposed under sections 143.191 to 143.265.

28 3. For all tax years beginning on or after January 1, 2026, a taxpayer shall be
29 allowed to claim a tax credit against the taxpayer's state tax liability in an amount equal
30 to twenty-five percent of a contribution made as an endowment gift to a permanent
31 endowment fund during the tax year.

32 4. Tax credits issued under the provisions of this section shall not be refundable.
33 No tax credit claimed under this section shall be carried forward to any subsequent tax
34 year. No tax credit claimed under this section shall be assigned, transferred, sold, or
35 otherwise conveyed.

36 5. The cumulative amount of tax credits awarded to any single taxpayer per tax
37 year shall not exceed one hundred thousand dollars per tax year. The cumulative
38 amount of contributions to any specific qualified community foundation that are eligible
39 for the tax credits under this section in any tax year shall not exceed three million
40 dollars.

41 6. (1) The cumulative amount of tax credits allowed to all taxpayers under this
42 section shall not exceed five million dollars per tax year. If the amount of tax credits
43 claimed in a tax year under this section exceeds five million dollars, tax credits shall be
44 allowed based on the order in which they are claimed.

45 (2) Of the cumulative amount available for tax credits per tax year to all
46 taxpayers under this subsection, twenty-five percent shall be reserved for endowment
47 gifts that do not exceed the small-gift maximum set forth in this subdivision. The small-
48 gift maximum is twenty-five thousand dollars. For purposes of determining if a
49 donation meets the small-gift maximum, the amount of the credit authorization
50 certificate issued by the department under this section shall be used.

51 7. Each taxpayer claiming a tax credit under this section shall file a receipt and
52 affidavit with his or her income tax return verifying the amount the taxpayer
53 contributed as an endowment gift, in the form and manner as prescribed by the
54 department. Upon request by the department, each qualified community foundation

55 shall provide information to the department concerning the identity of each taxpayer
56 making an endowment gift and the amount of the contribution for the purposes of this
57 section.

58 8. Notwithstanding any provision of section 105.1500 to the contrary, any
59 requirement to provide information, documents, or records under this section, and any
60 requirement established by the department of revenue to provide information,
61 documents, or records for the purpose of administering and enforcing this section,
62 shall be exempt from section 105.1500.

63 9. The tax credit authorized under this section shall constitute a domestic and
64 social tax credit, as such term is defined under section 135.800, and shall be subject to
65 the provisions of sections 135.800 to 135.830.

66 10. The department of revenue shall promulgate all necessary rules and
67 regulations for the administration of this section including, but not limited to, rules
68 relating to the verification of a taxpayer's contribution amount. Any rule or portion of a
69 rule, as that term is defined in section 536.010, that is created under the authority
70 delegated in this section shall become effective only if it complies with and is subject to
71 all of the provisions of chapter 536 and, if applicable, section 536.028. This section and
72 chapter 536 are nonseverable and if any of the powers vested with the general assembly
73 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul
74 a rule are subsequently held unconstitutional, then the grant of rulemaking authority
75 and any rule proposed or adopted after August 28, 2025, shall be invalid and void.

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

77 (1) The provisions of the new program authorized under this section shall
78 automatically sunset on December thirty-first, six years after the effective date of this
79 section unless reauthorized by an act of the general assembly;

80 (2) If such program is reauthorized, the program authorized under this section
81 shall automatically sunset on December thirty-first, twelve years after the effective date
82 of the reauthorization of this section;

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

86 (4) Nothing in this subsection shall prevent a taxpayer from claiming a tax credit
87 properly issued before this program was sunset in a tax year after the program is sunset.

✓