

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1176
103RD GENERAL ASSEMBLY

2353H.02C

JOSEPH ENGLER, Chief Clerk

AN ACT

To repeal sections 135.600, 135.621, and 135.630, RSMo, and to enact in lieu thereof three new sections relating to tax credits for contributions to certain organizations.

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

Section A. Sections 135.600, 135.621, and 135.630, RSMo, are repealed and three
2 new sections enacted in lieu thereof, to be known as sections 135.600, 135.621, and 135.630,
3 to read as follows:

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

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

4 (2) "Maternity home", a residential facility located in this state:

5 (a) Established for the purpose of providing housing and assistance to pregnant
6 women who are carrying their pregnancies to term;

7 (b) That does not perform, induce, or refer for abortions and that does not hold itself
8 out as performing, inducing, or referring for abortions;

9 (c) That provides services at no cost to clients; and

10 (d) That is exempt from income taxation under the United States Internal Revenue
11 Code;

12 (3) "State tax liability", in the case of a business taxpayer, any liability incurred by
13 such taxpayer pursuant to the provisions of chapter 143, chapter 147, chapter 148, and chapter
14 153, exclusive of the provisions relating to the withholding of tax as provided for in sections
15 143.191 to 143.265, and related provisions, and in the case of an individual taxpayer, any
16 liability incurred by such taxpayer pursuant to the provisions of chapter 143;

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 (4) "Taxpayer", a person, firm, a partner in a firm, corporation or a shareholder in an
18 S corporation doing business in the state of Missouri and subject to the state income tax
19 imposed by the provisions of chapter 143, including any [charitable] organization which is
20 exempt from federal income tax and whose Missouri unrelated business taxable income, if
21 any, would be subject to the state income tax imposed under chapter 143, or a corporation
22 subject to the annual corporation franchise tax imposed by the provisions of chapter 147, or
23 an insurance company paying an annual tax on its gross premium receipts in this state, or
24 other financial institution paying taxes to the state of Missouri or any political subdivision of
25 this state pursuant to the provisions of chapter 148, or an express company which pays an
26 annual tax on its gross receipts in this state pursuant to chapter 153, or an individual subject to
27 the state income tax imposed by the provisions of chapter 143.

28 2. A taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax
29 liability, in an amount equal to fifty percent of the amount such taxpayer contributed to a
30 maternity home for all fiscal years ending on or before June 30, 2022, and seventy percent of
31 the amount such taxpayer contributed to a maternity home for all fiscal years beginning on or
32 after July 1, 2022, **but ending on or before June 30, 2026. For all fiscal years beginning**
33 **on or after July 1, 2026, a taxpayer shall be allowed to claim a tax credit against the**
34 **taxpayer's state tax liability in an amount equal to one hundred percent of the amount**
35 **such taxpayer contributed to a maternity home.**

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

42 4. Except for any excess credit which is carried over pursuant to subsection 3 of this
43 section, a taxpayer shall not be allowed to claim a tax credit unless the total amount of such
44 taxpayer's contribution or contributions to a maternity home or homes in such taxpayer's tax
45 year has a value of at least one hundred dollars.

46 5. The director of the department of social services shall determine, at least annually,
47 which facilities in this state may be classified as maternity homes. The director of the
48 department of social services may require of a facility seeking to be classified as a maternity
49 home whatever information is reasonably necessary to make such a determination. The
50 director of the department of social services shall classify a facility as a maternity home if
51 such facility meets the definition set forth in subsection 1 of this section.

52 6. The director of the department of social services shall establish a procedure by
53 which a taxpayer can determine if a facility has been classified as a maternity home, and by

54 which such taxpayer can then contribute to such maternity home and claim a tax credit.
55 Maternity homes shall be permitted to decline a contribution from a taxpayer. The
56 cumulative amount of tax credits which may be claimed by all the taxpayers contributing to
57 maternity homes in any one fiscal year shall not exceed two million dollars for all fiscal years
58 ending on or before June 30, 2014, and two million five hundred thousand dollars for all
59 fiscal years beginning on or after July 1, 2014, and ending on or before June 30, 2019, and
60 three million five hundred thousand dollars for all fiscal years beginning on or after July 1,
61 2019, and ending on or before June 30, 2022. For all fiscal years beginning on or after July 1,
62 2022, there shall be no limit imposed on the cumulative amount of tax credits that may be
63 claimed by all taxpayers contributing to maternity homes under the provisions of this section.
64 Tax credits shall be issued in the order contributions are received. If the amount of tax credits
65 redeemed in a fiscal year is less than the cumulative amount authorized under this subsection,
66 the difference shall be carried over to a subsequent fiscal year or years and shall be added to
67 the cumulative amount of tax credits that may be authorized in that fiscal year or years.

68 7. For all fiscal years ending on or before June 30, 2022, the director of the
69 department of social services shall establish a procedure by which, from the beginning of the
70 fiscal year until some point in time later in the fiscal year to be determined by the director of
71 the department of social services, the cumulative amount of tax credits are equally
72 apportioned among all facilities classified as maternity homes. If a maternity home fails to
73 use all, or some percentage to be determined by the director of the department of social
74 services, of its apportioned tax credits during this predetermined period of time, the director
75 of the department of social services may reapportion these unused tax credits to those
76 maternity homes that have used all, or some percentage to be determined by the director of
77 the department of social services, of their apportioned tax credits during this predetermined
78 period of time. The director of the department of social services may establish more than one
79 period of time and reapportion more than once during each fiscal year. To the maximum
80 extent possible, the director of the department of social services shall establish the procedure
81 described in this subsection in such a manner as to ensure that taxpayers can claim all the tax
82 credits possible up to the cumulative amount of tax credits available for the fiscal year.

83 8. This section shall become effective January 1, 2000, and shall apply to all tax years
84 after December 31, 1999.

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 nonprofit entity located in this state ~~[established and operating~~
6 ~~primarily for the purpose of collecting or purchasing]~~ **that meets the following criteria:**

7 **(a) Collects, purchases, warehouses, and manages a community inventory of**
8 disposable diapers or other hygiene products for infants, children, or incontinent adults [~~and~~
9 ~~that~~];

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

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

18 (4) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding
19 withholding tax imposed under sections 143.191 to 143.265, or otherwise due under chapter
20 148 or 153;

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

30 2. For all fiscal years beginning on or after July 1, 2019, **but ending on or before**
31 **June 30, 2026**, a taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax
32 liability in an amount equal to fifty percent of the amount of such taxpayer's contributions to a
33 diaper bank. **For all fiscal years beginning on or after July 1, 2026, a taxpayer shall be**
34 **allowed to claim a tax credit against the taxpayer's state tax liability in an amount equal**
35 **to one hundred percent of the amount such taxpayer contributed to a diaper bank.**

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

42 4. Except for any excess credit that is carried over under subsection 3 of this section,
43 no taxpayer shall be allowed to claim a tax credit unless the taxpayer contributes at least one

44 hundred dollars to one or more diaper banks during the tax year for which the credit is
45 claimed.

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

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

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

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

60 9. The department shall establish a procedure by which, from the beginning of the
61 fiscal year until some point in time later in the fiscal year to be determined by the department,
62 the cumulative amount of tax credits are equally apportioned among all entities classified as
63 diaper banks. If a diaper bank fails to use all, or some percentage to be determined by the
64 department, of its apportioned tax credits during this predetermined period of time, the
65 department may reapportion such unused tax credits to diaper banks that have used all, or
66 some percentage to be determined by the department, of their apportioned tax credits during
67 this predetermined period of time. The department may establish multiple periods each fiscal
68 year and reapportion accordingly. To the maximum extent possible, the department shall
69 establish the procedure described under this subsection in such a manner as to ensure that
70 taxpayers can claim as many of the tax credits as possible, up to the cumulative limit created
71 under subsection 8 of this section.

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

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

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

81 ~~(2) If such program is reauthorized, the program authorized under this section shall~~
82 ~~automatically sunset on December thirty-first six years after the effective date of the~~
83 ~~reauthorization of this section] be reauthorized as of the effective date of this act and shall~~
84 **expire on December 31, 2031;**

85 ~~[(3)] (2)~~ This section shall terminate on September first of the calendar year
86 immediately following the calendar year in which the program authorized under this section
87 is sunset; and

88 ~~[(4)] (3)~~ The provisions of this subsection shall not be construed to limit or in any
89 way 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.

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

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

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

5 (3) "Pregnancy resource center", a nonresidential facility located in this state:

6 (a) Established and operating primarily to provide assistance to women and families
7 with crisis pregnancies or unplanned pregnancies by offering pregnancy testing, counseling,
8 emotional and material support, and other similar services or by offering services as described
9 under subsection 2 of section 188.325, to encourage and assist such women and families in
10 carrying their pregnancies to term; and

11 (b) Where childbirths are not performed; and

12 (c) Which does not perform, induce, or refer for abortions and which does not hold
13 itself out as performing, inducing, or referring for abortions; and

14 (d) Which provides direct client services at the facility, as opposed to merely
15 providing counseling or referral services by telephone; and

16 (e) Which provides its services at no cost to its clients; and

17 (f) When providing medical services, such medical services must be performed in
18 accordance with Missouri statute; and

19 (g) Which is exempt from income taxation pursuant to the Internal Revenue Code of
20 1986, as amended;

21 (4) "State tax liability", in the case of a business taxpayer, any liability incurred by
22 such taxpayer pursuant to the provisions of chapters 143, 147, 148, and 153, excluding
23 sections 143.191 to 143.265 and related provisions, and in the case of an individual taxpayer,
24 any liability incurred by such taxpayer pursuant to the provisions of chapter 143, excluding
25 sections 143.191 to 143.265 and related provisions;

26 (5) "Taxpayer", a person, firm, a partner in a firm, corporation, or a shareholder in an
27 S corporation doing business in the state of Missouri and subject to the state income tax
28 imposed by the provisions of chapter 143, or a corporation subject to the annual corporation
29 franchise tax imposed by the provisions of chapter 147, or an insurance company paying an
30 annual tax on its gross premium receipts in this state, or other financial institution paying
31 taxes to the state of Missouri or any political subdivision of this state pursuant to the
32 provisions of chapter 148, or an express company which pays an annual tax on its gross
33 receipts in this state pursuant to chapter 153, or an individual subject to the state income tax
34 imposed by the provisions of chapter 143, or any [charitable] organization which is exempt
35 from federal income tax and whose Missouri unrelated business taxable income, if any, would
36 be subject to the state income tax imposed under chapter 143.

37 2. (1) Beginning on March 29, 2013, any contribution to a pregnancy resource center
38 made on or after January 1, 2013, shall be eligible for tax credits as provided by this section.

39 (2) For all tax years beginning on or after January 1, 2007, and ending on or before
40 December 31, 2020, a taxpayer shall be allowed to claim a tax credit against the taxpayer's
41 state tax liability in an amount equal to fifty percent of the amount such taxpayer contributed
42 to a pregnancy resource center. For all tax years beginning on or after January 1, 2021, **but**
43 **ending on or before December 31, 2025**, a taxpayer shall be allowed to claim a tax credit
44 against the taxpayer's state tax liability in an amount equal to seventy percent of the amount
45 such taxpayer contributed to a pregnancy resource center. **For all tax years beginning on or**
46 **after January 1, 2026, a taxpayer shall be allowed to claim a tax credit against the**
47 **taxpayer's state tax liability in an amount equal to one hundred percent of the amount**
48 **such taxpayer contributed to a pregnancy resource center.**

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

55 4. Except for any excess credit which is carried over pursuant to subsection 3 of this
56 section, a taxpayer shall not be allowed to claim a tax credit unless the total amount of such
57 taxpayer's contribution or contributions to a pregnancy resource center or centers in such
58 taxpayer's tax year has a value of at least one hundred dollars.

59 5. The director shall determine, at least annually, which facilities in this state may be
60 classified as pregnancy resource centers. The director may require of a facility seeking to be
61 classified as a pregnancy resource center whatever information which is reasonably necessary

62 to make such a determination. The director shall classify a facility as a pregnancy resource
63 center if such facility meets the definition set forth in subsection 1 of this section.

64 6. The director shall establish a procedure by which a taxpayer can determine if a
65 facility has been classified as a pregnancy resource center. Pregnancy resource centers shall
66 be permitted to decline a contribution from a taxpayer. The cumulative amount of tax credits
67 which may be claimed by all the taxpayers contributing to pregnancy resource centers in any
68 one fiscal year shall not exceed two million dollars for all fiscal years ending on or before
69 June 30, 2014, and two million five hundred thousand dollars for all fiscal years beginning on
70 or after July 1, 2014, and ending on or before June 30, 2019, and three million five hundred
71 thousand dollars for all fiscal years beginning on or after July 1, 2019, and ending on or
72 before June 30, 2021. For all fiscal years beginning on or after July 1, 2021, there shall be no
73 limit imposed on the cumulative amount of tax credits that may be claimed by all taxpayers
74 contributing to pregnancy resource centers under the provisions of this section. Tax credits
75 shall be issued in the order contributions are received. If the amount of tax credits redeemed
76 in a fiscal year is less than the cumulative amount authorized under this subsection, the
77 difference shall be carried over to a subsequent fiscal year or years and shall be added to the
78 cumulative amount of tax credits that may be authorized in that fiscal year or years.

79 7. For all fiscal years ending on or before June 30, 2021, the director shall establish a
80 procedure by which, from the beginning of the fiscal year until some point in time later in the
81 fiscal year to be determined by the director, the cumulative amount of tax credits are equally
82 apportioned among all facilities classified as pregnancy resource centers. If a pregnancy
83 resource center fails to use all, or some percentage to be determined by the director, of its
84 apportioned tax credits during this predetermined period of time, the director may reapportion
85 these unused tax credits to those pregnancy resource centers that have used all, or some
86 percentage to be determined by the director, of their apportioned tax credits during this
87 predetermined period of time. The director may establish more than one period of time and
88 reapportion more than once during each fiscal year. To the maximum extent possible, the
89 director shall establish the procedure described in this subsection in such a manner as to
90 ensure that taxpayers can claim all the tax credits possible up to the cumulative amount of tax
91 credits available for the fiscal year.

92 8. Each pregnancy resource center shall provide information to the director
93 concerning the identity of each taxpayer making a contribution to the pregnancy resource
94 center who is claiming a tax credit pursuant to this section and the amount of the contribution.
95 The director shall provide the information to the director of revenue. The director shall be
96 subject to the confidentiality and penalty provisions of section 32.057 relating to the
97 disclosure of tax information.

98 9. The provisions of section 23.253 shall not apply to this section.

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