

HCS HB 326 -- TAX CREDITS

SPONSOR: Shields

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Ways and Means by a vote of 6 to 1. Voted "Do Pass" by the Standing Committee on Rules- Legislative by a vote of 9 to 0.

The following is a summary of the House Committee Substitute for HB 326.

This bill amends provisions of the "Champion for Children Tax Credit."

The bill modifies the time-frame within which all tax credit applications to claim the champion for children tax credit must be filed to be between July first and April 15th of each fiscal year, or as directed by section 143.851, RSMo.

Currently, if a taxpayer is denied a tax credit because of a lack of available funds, and that denial results in a balance owed to the State, the taxpayer has 60 days from the notice of denial to make payment arrangements. If the balance is not paid within 60 days from the notice, the remaining balance will be due and payable in the same manner as personal income tax.

This bill states that in the event of a full or partial denial of a tax credit because the cumulative maximum amount of credits has already been redeemed, and that denial results in an income tax balance owed to the State, the taxpayer will not be held liable for any additional tax, penalty, or interest on that income tax balance, provided that payment arrangements are made within 60 days from the issuance of the notice of the credit denial.

This bill repeals the language stating that if the balance is not paid within 60 days from the notice, the remaining balance will be treated as personal income tax.

This bill extends the expiration of the tax credit to December 31, 2032.

This bill also amends provisions of the "Donated Food Tax Credit".

The bill modifies the day by which the Department of Revenue Director must establish a procedure to apportion the cumulative amount of tax credits among all taxpayers claiming the credit to be April 15th of the fiscal year, or as directed by section 143.851.

Currently, the Department of Revenue establishes procedures to ensure that taxpayers can claim all possible portions of the tax credit up to the cumulative amount available for the fiscal year.

This bill states that in the event of a full or partial denial of a tax credit because the cumulative maximum amount of credits has already been redeemed, and that denial results in an income tax balance owed to the State, the taxpayer will not be held liable for any additional tax, penalty, or interest on that income tax balance, provided that payment arrangements are made within 60 days from the issuance of the notice of the credit denial.

This bill extends the expiration of the tax credit to December 31, 2032.

This bill is similar to HB 2589 (2024).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPONENTS: Supporters say that when the due date is on the weekend, people end up having to prepare a lot and to accelerate the returns with the credits on those prepared documents to avoid the credits being denied. Supporters further say this bill will address this issue of when April 15 is on a weekend. Supporters also state this bill helps to bring in more donors, including small donors, for organizations eligible for the credits. Finally, supporters say the bill will help to facilitate long-term relationships with their local community.

Testifying in person for the bill were Representative Shields; Kanbe's Markets; Lisa Mitell, Child Protection Center; Missouri Network Against Child Abuse ; Kim Buckman, Feeding Missouri; Gina Clement, Capital City Court Appointed Special Advocates; Missouri Chapter of The American Academy Of Pediatrics; Kids Win Missouri; Liberty Utilities; Missouri Society of Cpa; Leanne Reese, Missouri Court Appointed Special Advocate Association.

There was no opposition voiced in person to the committee.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.