HCS HB 326 -- TAX CREDITS (Shields)

COMMITTEE OF ORIGIN: Standing Committee on Ways and Means

This bill modifies such tax credit by requiring certified sponsors to be active members of the Sports Events and Tourism Association, rather than of the National Association of Sports Commissions.

This bill also removes the definition of "eligible costs" and bases the amount of the tax credit on the number of admission tickets sold or the number of registered participants.

The bill requires an applicant to submit a ticket sales or box office statement, or a list of registered participants, rather than documentation of eligible costs.

The amount of the tax credit must be equal to either $6 for every admission ticket sold, rather than $5, or $12 for every registered participant, rather than $10. The Department of Revenue must issue a refund of the tax credit within 90 days of the applicant's submission of a valid tax credit certificate, even prior to the close of the tax year for which the tax credits are issued.

The bill provides that tax credits authorized by this section must not be transferred, sold, or assigned. This bill also provides additional provisions regarding tax credit refunds.

Current law limits the total annual amount of tax credits to $3 million in any fiscal year, with a limit of $2.7 million for events held in Jackson County or St. Louis City. This bill increases such limits to $6 million and $5.5 million, respectively.

This bill extends the sunset on the tax credit from August 28, 2025, to August 28, 2032.

This bill reduces such an allowable annual amount of tax credits to $500,000. The bill also extends the sunset on such tax credit from August 28, 2025, to August 28, 2032.

Certain provisions of this bill must become effective on July 1, 2026.

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 for the fiscal year, 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 due, 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.

The bill reauthorizes the provisions of the Diaper Bank Tax Credit by extending the sunset date to December 31, 2031.

This bill expands the definition of a diaper bank to include a national diaper bank, which is also defined in the bill.

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).