

HB 501 -- TAX CREDITS FOR SPORTING EVENTS

SPONSOR: Christ

This bill amends a current tax credit to nonprofit organizations, described as "certified sponsors", that are active members of the Sports Events and Tourism Association. The term "certified sponsor" previously referred to nonprofit organizations that are active members of the National Association of Sports Commissions.

The certified sponsor currently must supply the Department of Economic Development (DED) with eligible costs and documentation of the costs evidenced by receipts, paid invoices, event settlements, or other documentation in a manner prescribed by the Department. Eligible costs may be paid by the applicant or an entity cohosting the event with the applicant, no more than 90 days after the sporting event.

This bill requires the certified sponsor to provide a ticket sales or box office statement verifying the total number of tickets sold for a qualifying sporting event, or, if the event was participant based, a list of all registered participants, no more than 90 days after the sporting event.

After DED receives documentation of the ticket sales or registered participants, it must issue refundable tax credits in the following manner:

- 1) An amount equal to \$6 for every admissions ticket; or
- 2) An amount equal to \$12 for every registered participant.

The Department of Revenue must pay the amount of the refundable tax credit to the applicant within 90 days of the applicant's submission of a valid tax credit certificate.

Currently, the amount of tax credits issued by the DED cannot exceed \$3 million in any fiscal year. This bill raises that amount to \$6 million. Currently, for all events located within Jackson County, St. Louis County, or St. Louis City, the total amount of tax credits issued cannot not exceed \$2.7 million in any fiscal year. This bill raises that amount to \$5.5 million.

Currently, support contracts cannot be certified by DED after August 28, 2025, provided that the support contracts may be certified on or prior to August 28, 2025, for sporting events that will be held after such date. This bill changes that date to August 28, 2031.

Currently, a certified sponsor or local organizing committee can apply for a tax credit that is equivalent to 50% of the amount of an eligible donation. Tax credits for eligible donations cannot exceed \$10 million dollars in any fiscal year. The bill lowers that amount to \$5 million dollars.

Currently, both tax credits will sunset on August 28, 2025. This bill extends that sunset to August 28, 2031.

This bill is the same as HCS HB 1483 (2024) and similar to SB (2023).