

SECOND REGULAR SESSION

HOUSE BILL NO. 1774

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE AMATO.

3869H.011

JOSEPH ENGLER, Chief Clerk

AN ACT

To repeal section 135.800, RSMo, and to enact in lieu thereof two new sections relating to a tax credit for certain charitable donations.

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

Section A. Section 135.800, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 135.640 and 135.800, to read as follows:

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

(1) "Local hospital foundation", any hospital foundation that:

(a) Is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended; and

(b) Provides financial relief for unpaid hospital bills for services provided at not-for-profit hospitals to any person whom the foundation deems to be in need of relief in the area in which the taxpayer claiming the tax credit under this section resides, but donations made by a qualified taxpayer to such foundation may be utilized by the foundation to support programs, equipment purchases, or any other manner the foundation determines as necessary that aligns with the foundation's purpose and goals;

(2) "Qualified amount", for any qualified taxpayer in a given tax year, an amount equal to fifty percent of the value of the donations made to a local hospital foundation, but, to the extent that such amount was subtracted from federal adjusted gross income or federal taxable income, it shall be added back in to the determination of Missouri adjusted gross income or Missouri taxable income before the credit can be claimed;

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 (3) "Qualified taxpayer", any individual subject to the state income tax imposed
18 under chapter 143 who makes a donation to a local hospital foundation;

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

21 2. For all tax years beginning on or after January 1, 2027, a qualified taxpayer
22 shall be allowed to claim a tax credit against the taxpayer's state income tax liability in
23 an amount equal to the taxpayer's qualified amount. Each taxpayer claiming a tax
24 credit under this section shall file an affidavit with his or her income tax return
25 verifying the amount of the taxpayer's donations. The amount of the tax credit claimed
26 shall not exceed the amount of the taxpayer's state income tax liability for the tax year
27 that the credit is claimed and shall not exceed two thousand five hundred dollars per tax
28 year per taxpayer claiming the credit.

29 3. The cumulative amount of tax credits allowed to all taxpayers under this
30 section shall not exceed two million dollars per calendar year. If the amount of tax
31 credits claimed in a calendar year under this section exceeds two million dollars, tax
32 credits shall be allowed based on the order in which they are claimed.

33 4. No tax credit claimed under this section shall be refundable, but the unused
34 portion of a tax credit that has been claimed and allowed may be carried forward to any
35 of the taxpayer's three subsequent tax years.

36 5. No tax credit claimed under this section shall be assigned, transferred, sold, or
37 otherwise conveyed.

38 6. The tax credit authorized under this section shall constitute a domestic and
39 social tax credit, as such term is defined under section 135.800, and shall be subject to
40 the provisions of sections 135.800 to 135.830.

41 7. Notwithstanding any provision of section 105.1500 to the contrary, any
42 requirement to provide information, documents, or records under this section, and any
43 requirement established by the department of revenue to provide information,
44 documents, or records for the purpose of administering and enforcing this section,
45 shall be exempt from section 105.1500.

46 8. The department of revenue shall promulgate all necessary rules and
47 regulations for the administration of this section including, but not limited to, rules
48 relating to the verification of a taxpayer's qualified amount. Any rule or portion of a
49 rule, as that term is defined in section 536.010, that is created under the authority
50 delegated in this section shall become effective only if it complies with and is subject to
51 all of the provisions of chapter 536 and, if applicable, section 536.028. This section and
52 chapter 536 are nonseverable and if any of the powers vested with the general assembly
53 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul

54 a rule are subsequently held unconstitutional, then the grant of rulemaking authority
55 and any rule proposed or adopted after August 28, 2026, shall be invalid and void.

56 9. Under section 23.253 of the Missouri sunset act:

57 (1) The provisions of the new program authorized under this section shall sunset
58 six years after the effective date of this section unless reauthorized by an act of the
59 general assembly;

60 (2) This section shall terminate on September first of the calendar year
61 immediately following the calendar year in which the program authorized under this
62 section is sunset; and

63 (3) The provisions of this subsection shall not be construed to limit or in any way
64 impair a taxpayer's ability to redeem tax credits authorized on or before the date the
65 program authorized under this section expires.

135.800. 1. The provisions of sections 135.800 to 135.830 shall be known and may
2 be cited as the "Tax Credit Accountability Act of 2004".

3 2. As used in sections 135.800 to 135.830, the following terms mean:

4 (1) "Administering agency", the state agency or department charged with
5 administering a particular tax credit program, as set forth by the program's enacting
6 statute; where no department or agency is set forth, the department of revenue;

7 (2) "Agricultural tax credits", the agricultural product utilization contributor tax credit
8 created pursuant to section 348.430, the new generation cooperative incentive tax credit
9 created pursuant to section 348.432, the family farm breeding livestock loan tax credit created
10 under section 348.505, the qualified beef tax credit created under section 135.679, and the
11 wine and grape production tax credit created pursuant to section 135.700;

12 (3) "Business recruitment tax credits", the business facility tax credit created pursuant
13 to sections 135.110 to 135.150 and section 135.258, the enterprise zone tax benefits created
14 pursuant to sections 135.200 to 135.270, the business use incentives for large-scale
15 development programs created pursuant to sections 100.700 to 100.850, the development tax
16 credits created pursuant to sections 32.100 to 32.125, the rebuilding communities tax credit
17 created pursuant to section 135.535, the ~~film~~ **qualified motion media production project**
18 tax credit created pursuant to section 135.750, the enhanced enterprise zone created pursuant
19 to sections 135.950 to 135.970, and the Missouri quality jobs program created pursuant to
20 sections 620.1875 to 620.1900;

21 (4) "Community development tax credits", the neighborhood assistance tax credit
22 created pursuant to sections 32.100 to 32.125, the family development account tax credit
23 created pursuant to sections 208.750 to 208.775, the dry fire hydrant tax credit created
24 pursuant to section 320.093, and the transportation development tax credit created pursuant to
25 section 135.545;

26 (5) "Domestic and social tax credits", the youth opportunities tax credit created
27 pursuant to section 135.460 and sections 620.1100 to 620.1103, the shelter for victims of
28 domestic violence **or rape crisis center tax credit** created pursuant to section 135.550, the
29 senior citizen or disabled person property tax credit created pursuant to sections 135.010 to
30 135.035, the adoption tax credit created pursuant to sections 135.325 to 135.339, the
31 champion for children tax credit created pursuant to section 135.341, the maternity home tax
32 credit created pursuant to section 135.600, the surviving spouse tax credit created pursuant to
33 section 135.090, the residential treatment agency tax credit created pursuant to section
34 135.1150, the pregnancy resource center tax credit created pursuant to section 135.630, the
35 food pantry tax credit created pursuant to section 135.647, the residential dwelling access tax
36 credit created pursuant to section 135.562, the developmental disability care provider tax
37 credit created under section 135.1180, the shared care tax credit created pursuant to section
38 192.2015, the health, hunger, and hygiene tax credit created pursuant to section 135.1125,
39 ~~and~~ the diaper bank tax credit created pursuant to section 135.621, **and the local hospital**
40 **foundation charitable donation tax credit created under section 135.640;**

41 (6) "Entrepreneurial tax credits", the capital tax credit created pursuant to sections
42 135.400 to 135.429, the certified capital company tax credit created pursuant to sections
43 135.500 to 135.529, the seed capital tax credit created pursuant to sections 348.300 to
44 348.318, the new enterprise creation tax credit created pursuant to sections 620.635 to
45 620.653, the research tax credit created pursuant to section 620.1039, the small business
46 incubator tax credit created pursuant to section 620.495, the guarantee fee tax credit created
47 pursuant to section 135.766, and the new generation cooperative tax credit created pursuant to
48 sections 32.105 to 32.125;

49 (7) "Environmental tax credits", the charcoal producer tax credit created pursuant to
50 section 135.313, the wood energy tax credit created pursuant to sections 135.300 to 135.311,
51 and the alternative fuel stations tax credit created pursuant to section 135.710;

52 (8) "Financial and insurance tax credits", the bank franchise tax credit created
53 pursuant to section 148.030, the bank tax credit for S corporations created pursuant to section
54 143.471, the exam fee tax credit created pursuant to section 148.400, the health insurance
55 pool tax credit created pursuant to section 376.975, the life and health insurance guaranty
56 **association** tax credit created pursuant to section 376.745, the property and casualty guaranty
57 **association** tax credit created pursuant to section 375.774, and the self-employed health
58 insurance tax credit created pursuant to section 143.119;

59 (9) "Housing tax credits", the neighborhood preservation tax credit created pursuant
60 to sections 135.475 to 135.487, the low-income housing tax credit created pursuant to
61 sections 135.350 to 135.363, and the affordable housing tax credit created pursuant to
62 sections 32.105 to 32.125;

- 63 (10) "Recipient", the individual or entity who both:
64 (a) Is the original applicant for a tax credit; and
65 (b) Who directly receives a tax credit or the right to transfer a tax credit under a tax
66 credit program, regardless as to whether the tax credit has been used or redeemed; a recipient
67 shall not include the transferee of a transferable tax credit;
- 68 (11) "Redevelopment tax credits", the historic preservation tax credit created pursuant
69 to sections 253.545 to 253.559, the brownfield redevelopment program tax credit created
70 pursuant to sections 447.700 to 447.718, the community development corporations tax credit
71 created pursuant to sections 135.400 to 135.430, the infrastructure tax credit created pursuant
72 to subsection 6 of section 100.286, the bond guarantee tax credit created pursuant to section
73 100.297, the disabled access tax credit created pursuant to section 135.490, the new markets
74 tax credit created pursuant to section 135.680, and the distressed areas land assemblage tax
75 credit created pursuant to section 99.1205;
- 76 (12) "Tax credit program", any of the tax credit programs included in the definitions
77 of agricultural tax credits, business recruitment tax credits, community development tax
78 credits, domestic and social tax credits, entrepreneurial tax credits, environmental tax credits,
79 housing tax credits, redevelopment tax credits, and training and educational tax credits;
- 80 (13) "Training and educational tax credits", the Missouri ~~[works]~~ **one start** new jobs
81 tax credit and Missouri ~~[works]~~ **one start** retained jobs credit created pursuant to sections
82 620.800 to 620.809.

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