

SECOND REGULAR SESSION

HOUSE BILL NO. 2216

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE RIGGS.

4074H.01I

JOSEPH ENGLER, Chief Clerk

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to tax credits for certain endowment contributions.

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

Section A. Chapter 135, RSMo, is amended by adding thereto one new section, to be known as section 135.1850, to read as follows:

135.1850. 1. This section shall be known and may be cited as the "Missouri Gives Tax Credit Act".

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

(1) "Business entity", a corporation, trust, estate, partnership, limited liability company, or sole proprietorship;

(2) "Donor advised fund", the same meaning as such term is defined under subsection (d) of Section 4966 of the Internal Revenue Code of 1986, as amended;

(3) "Endowment gift", an irrevocable contribution to a permanent endowment fund held by a qualified community foundation;

(4) "Permanent endowment fund", a fund that:

(a) Is held by a qualified community foundation;

(b) Provides charitable grants for the benefit of residents of the state or charities and charitable projects located in the state;

(c) Is intended to exist in perpetuity;

(d) Has an annual spending rate based on the foundation spending policy, but not to exceed seven percent; and

(e) Is not a donor advised fund;

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.

18 (5) "Qualified community foundation", a community foundation or similar
19 publicly supported organization described under Section 170(b)(1)(A)(vi) of the Internal
20 Revenue Code of 1986, as amended, that is organized or operating in this state and that
21 substantially complies with the National Standards Accreditation Program established
22 by the Council on Foundations and overseen by the Community Foundations National
23 Standards Board, as determined by the department;

24 (6) "Tax credit", a credit against the tax otherwise due under chapter 143,
25 excluding withholding tax imposed under sections 143.191 to 143.265;

26 (7) "Taxpayer", any individual or business entity subject to the state income tax
27 imposed under chapter 143.

28 3. For all tax years beginning on or after January 1, 2027, a taxpayer shall be
29 allowed to claim a tax credit against the taxpayer's state tax liability in an amount equal
30 to twenty-five percent of a contribution made as an endowment gift to a permanent
31 endowment fund during the tax year.

32 4. Tax credits issued under the provisions of this section shall not be refundable.
33 No tax credit claimed under this section shall be carried forward to any subsequent tax
34 year. No tax credit claimed under this section shall be assigned, transferred, sold, or
35 otherwise conveyed.

36 5. The cumulative amount of tax credits awarded to any single taxpayer per tax
37 year shall not exceed one hundred thousand dollars. The cumulative amount of
38 contributions to any specific qualified community foundation that are eligible for the tax
39 credits under this section in any calendar year shall not exceed three million dollars.

40 6. (1) The cumulative amount of tax credits allowed to all taxpayers under this
41 section shall not exceed five million dollars per calendar year. If the amount of tax
42 credits claimed in a calendar year under this section exceeds five million dollars, tax
43 credits shall be allowed based on the order in which they are claimed.

44 (2) Of the cumulative amount available for tax credits per calendar year to all
45 taxpayers under this subsection, twenty-five percent shall be reserved for endowment
46 gifts that do not exceed the small-gift maximum set forth in this subdivision. The small-
47 gift maximum is twenty-five thousand dollars. For purposes of determining if a
48 donation meets the small-gift maximum, the amount of the credit authorization
49 certificate issued by the department under this section shall be used.

50 7. Each taxpayer claiming a tax credit under this section shall file a receipt and
51 affidavit with his or her income tax return verifying the amount the taxpayer
52 contributed as an endowment gift, in the form and manner as prescribed by the
53 department. Upon request by the department, each qualified community foundation
54 shall provide information to the department concerning the identity of each taxpayer

55 making an endowment gift and the amount of the contribution for the purposes of this
56 section.

57 8. Notwithstanding any provision of section 105.1500 to the contrary, any
58 requirement to provide information, documents, or records under this section, and any
59 requirement established by the department of revenue to provide information,
60 documents, or records for the purpose of administering and enforcing this section,
61 shall be exempt from section 105.1500.

62 9. The tax credit authorized under this section shall constitute a domestic and
63 social tax credit, as such term is defined under section 135.800, and shall be subject to
64 the provisions of sections 135.800 to 135.830.

65 10. The department of revenue shall promulgate all necessary rules and
66 regulations for the administration of this section including, but not limited to, rules
67 relating to the verification of a taxpayer's contribution amount. Any rule or portion of a
68 rule, as that term is defined in section 536.010, that is created under the authority
69 delegated in this section shall become effective only if it complies with and is subject to
70 all of the provisions of chapter 536 and, if applicable, section 536.028. This section and
71 chapter 536 are nonseverable and if any of the powers vested with the general assembly
72 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul
73 a rule are subsequently held unconstitutional, then the grant of rulemaking authority
74 and any rule proposed or adopted after August 28, 2026, shall be invalid and void.

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

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

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

82 (3) Nothing in this subsection shall prevent a taxpayer from claiming a tax credit
83 properly issued before this program was sunset in a tax year after the program is sunset.

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