

SECOND REGULAR SESSION

# HOUSE BILL NO. 2731

## 103RD GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE APPELBAUM.

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JOSEPH ENGLER, Chief Clerk

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### AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to a tax credit for the adoption of certain animals.

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*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 135.790, to read as follows:

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

(1) "Animal", a living domesticated vertebrate other than a human being, not including farm animals as defined under section 578.005;

(2) "Animal shelter", the same meaning given to such term under section 273.325;

(3) "Qualified amount", for any qualified pet adoption, the total amount of moneys paid by a taxpayer to an animal shelter for such qualified pet adoption, including any adoption fees and other associated medical and administrative costs, up to one hundred twenty-five dollars;

(4) "Qualified pet adoption", any adoption by a taxpayer of an animal from an animal shelter for the purpose of keeping such animal as a pet;

(5) "Tax credit", a credit against the individual income tax otherwise due under chapter 143, excluding withholding tax imposed under sections 143.191 to 143.265;

(6) "Taxpayer", any individual subject to the state income tax imposed under chapter 143.

**2. For all tax years beginning on or after January 1, 2027, a taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability for a qualified pet**

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 adoption made by the taxpayer during the tax year. The amount of any tax credit  
19 claimed for a qualified pet adoption shall be equal to the qualified amount for such  
20 qualified pet adoption.

21 3. A taxpayer shall not be allowed to claim more than two tax credits under this  
22 section per tax year, regardless of whether the taxpayer makes more than two qualified  
23 pet adoptions during the tax year.

24 4. The animal shelter shall provide a receipt to the taxpayer upon adoption, a  
25 copy of which the taxpayer shall submit with the claim for tax credits under this section  
26 on a form and in such manner as the department may establish by rule.

27 5. The cumulative amount of tax credits allowed to all taxpayers under this  
28 section shall not exceed five hundred thousand dollars per calendar year. If the amount  
29 of tax credits claimed in a calendar year under this section exceeds five hundred  
30 thousand dollars, tax credits shall be allowed based on the order in which they are  
31 claimed.

32 6. Tax credits issued under the provisions of this section shall be refundable. No  
33 tax credit claimed under this section shall be assigned, transferred, sold, or otherwise  
34 conveyed. No tax credit claimed under this section shall be carried forward to any  
35 subsequent tax year.

36 7. (1) A taxpayer shall forfeit any tax credits issued to such taxpayer that have  
37 not been redeemed, or shall repay the amount of any tax credits redeemed by such  
38 taxpayer in the event the adopted animal is returned, abused, released, sold, killed, fed  
39 to a pet carnivore, or otherwise not cared for by the taxpayer, except in cases of humane  
40 killing as defined under section 578.005, but not including the part of that definition that  
41 considers animals killed during the feeding of pet carnivores to be humanely killed.

42 (2) The department may verify the adoption status with the animal shelter and  
43 citations or other records of abuse or neglect of the adopted animal with the local animal  
44 control or other applicable authorities and may request any other information or  
45 documentation from the taxpayer as necessary to verify the good faith adoption and  
46 wellbeing of the adopted animal at the time of the credit application.

47 8. Notwithstanding any provision of section 105.1500 to the contrary, any  
48 requirement to provide information, documents, or records under this section, and any  
49 requirement established by the department of revenue to provide information,  
50 documents, or records for the purpose of administering and enforcing this section,  
51 shall be exempt from the provisions of section 105.1500.

52 9. The department of revenue shall promulgate all necessary rules and  
53 regulations to administer the provisions of this section. Any rule or portion of a rule, as  
54 that term is defined in section 536.010, that is created under the authority delegated in

55 this section shall become effective only if it complies with and is subject to all of the  
56 provisions of chapter 536 and, if applicable, section 536.028. This section and chapter  
57 536 are nonseverable and if any of the powers vested with the general assembly  
58 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul  
59 a rule are subsequently held unconstitutional, then the grant of rulemaking authority  
60 and any rule proposed or adopted after August 28, 2026, shall be invalid and void.

61       10. Under section 23.253 of the Missouri sunset act:

62           (1) The provisions of this section shall sunset six years after the effective date of  
63 this section unless reauthorized by an act of the general assembly;

64           (2) This section shall terminate on September first of the calendar year  
65 immediately following the calendar year in which the provisions of this section are  
66 sunset; and

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

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