

SECOND REGULAR SESSION

HOUSE BILL NO. 2882

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE REUTER.

5257H.01I

JOSEPH ENGLER, Chief Clerk

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to a tax credit for contributions to certain organizations.

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 135.588, to read as follows:

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

- (1) "Contribution", a donation of cash, stock, bonds, or other marketable securities, or real property valued at the current property tax-assessed valuation of the property. If a property has not been assessed or has no assessed valuation, no credit shall be authorized for the donation of the property;**
- (2) "Department", the department of mental health;**
- (3) "Director", the director of the department of mental health;**
- (4) "Qualified organization", an organization or other nonprofit entity located in this state that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, that provides a comprehensive array of mental health services, rehabilitation, support, and assistance to veterans with mental health disorders through licensed mental health professionals in compliance with Missouri statutes or other alternative treatments or services determined by the department;**
- (5) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding withholding tax imposed under sections 143.191 to 143.265;**
- (6) "Taxpayer", any individual, firm, partner in a firm, corporation, shareholder in an S corporation, or other entity doing business in this state, subject**

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 to the state income tax imposed under chapter 143, excluding the withholding tax
19 imposed under sections 143.191 to 143.265, who makes a contribution to a qualified
20 organization.

21 2. For all tax years beginning on or after January 1, 2027, a taxpayer shall be
22 allowed to claim a tax credit against the taxpayer's state tax liability in an amount equal
23 to seventy percent of the taxpayer's total contribution or contributions to qualified
24 organizations.

25 3. The amount of the tax credit claimed shall not exceed the amount of the
26 taxpayer's state tax liability for the tax year for which the credit is claimed, and such
27 taxpayer shall not be allowed to claim a tax credit in excess of fifty thousand dollars per
28 tax year.

29 4. Tax credits issued under the provisions of this section shall not be refundable;
30 however, any tax credit that cannot be claimed for the tax year in which the contribution
31 was made may be carried forward one succeeding tax year. No tax credit claimed under
32 this section shall be assigned, transferred, sold, or otherwise conveyed.

33 5. Except for any excess credit that is carried over under the provisions of
34 subsection 4 of this section, a taxpayer shall not be allowed to claim a tax credit unless
35 the total amount of such taxpayer's contribution or contributions to qualified
36 organizations for the tax year has a value of at least one hundred dollars.

37 6. The director shall determine, at least annually, which organizations in this
38 state may be classified as qualified organizations. The director may require an
39 organization seeking to be classified as a qualified organization to provide any
40 information that is reasonably necessary to make such a determination. The director
41 shall classify an organization as a qualified organization if such organization meets the
42 definition set forth under subsection 1 of this section and any additional requirements
43 that the department may establish by rule.

44 7. The director shall establish a procedure, in consultation with the department
45 of revenue, by which a taxpayer can determine if a organization has been classified as a
46 qualified organization.

47 8. Upon receipt and acceptance of a contribution from a taxpayer, a qualified
48 organization shall issue to the taxpayer a statement evidencing the receipt of such
49 contribution, including the monetary value of such contribution. A qualified
50 organization shall be permitted to decline a contribution from a taxpayer.

51 9. Each qualified organization shall provide information to the department of
52 revenue concerning the identity of each taxpayer making a contribution to the qualified
53 organization who is claiming a tax credit under this section and the amount of the
54 contribution.

55 **10. Notwithstanding any provisions of section 105.1500 to the contrary, any**
56 **requirement to provide information, documents, or records under this section, and any**
57 **requirement established by the director or the department of revenue to provide**
58 **information, documents, or records for the purpose of administering and enforcing this**
59 **section, shall be exempt from section 105.1500.**

60 **11. The director, in consultation with the department of revenue and the**
61 **Missouri veterans commission, may promulgate all necessary rules and regulations for**
62 **the administration of this section. Any rule or portion of a rule, as that term is defined**
63 **in section 536.010, that is created under the authority delegated in this section shall**
64 **become effective only if it complies with and is subject to all of the provisions of chapter**
65 **536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable**
66 **and if any of the powers vested with the general assembly pursuant to chapter 536 to**
67 **review, to delay the effective date, or to disapprove and annul a rule are subsequently**
68 **held unconstitutional, then the grant of rulemaking authority and any rule proposed or**
69 **adopted after August 28, 2026, shall be invalid and void.**

70 **12. Under section 23.253 of the Missouri sunset act:**

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

74 **(2) This section shall terminate on September first of the calendar year**
75 **immediately following the calendar year in which the program authorized under this**
76 **section is sunset; and**

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

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