

HB 2639 -- TAX CREDITS

SPONSOR: Hinman

This bill establishes the "Law Enforcement Strategic Support Act" or the "LESS Crime Act".

Beginning January 1, 2027, a taxpayer will be allowed to claim a tax credit against his or her state tax liability for contributions made to designated law enforcement foundations, as specified in the bill. Such contributions can only be used by the law enforcement foundations for the purposes described in the bill.

The cumulative amount of tax credits allowed to all taxpayers must not exceed \$75 million per calendar year. If the amount of tax credits claimed exceeds such amount, the tax credits must be allowed in the order they were claimed. Each qualified law enforcement foundation is limited to accepting \$3 million per calendar year.

These tax credits are not refundable, and they may not be assigned, transferred, sold, or otherwise conveyed. Any unused tax credit under this program may only be carried forward five years.

The Department of Revenue must establish a page on its website that contains specified information related to implementing this tax credit.

Any valid law enforcement foundation that is seeking approval as a qualified law enforcement foundation must be certified by the Department once the Department receives the required application and confirms that a single local law enforcement unit has appropriately designated the applicant as its sole law enforcement foundation.

A taxpayer making a contribution to any qualified law enforcement foundation must first notify the Department of the total amount of the intended contribution. Within 30 days of the notification, the Department must preapprove, deny, or prorate the requested contribution amount and provide notice to the taxpayer and the qualified law enforcement foundation. Within 60 days of the preapproval notice, the taxpayer must contribute the preapproved amount.

Each qualified law enforcement foundation receiving a qualified contribution must issue a confirmation letter to the contributing taxpayer. The taxpayer must include the confirmation letter with his or her income tax return to claim the tax credit.

Each year, each qualified law enforcement foundation must submit certain documentation to the Department. Each qualified law enforcement foundation must also make public certain information related to its affiliated local law enforcement unit.

This bill sunsets six years after its effective date.