

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1174
101ST GENERAL ASSEMBLY

2475H.02C

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to a tax credit for certain benevolent 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
2 known as section 135.440, to read as follows:

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

- 2 **(1) "Contribution", a donation of cash; stocks, bonds, or other marketable**
3 **securities; or real property valued at the current property tax-assessed valuation of the**
4 **property. If a property has not been assessed or has no assessed valuation, then no credit**
5 **shall be authorized for the donation of the property;**
- 6 **(2) "Department", the department of mental health;**
- 7 **(3) "Director", the director of the department of mental health;**
- 8 **(4) "Justice-involved individual", a person who is on probation, paroled,**
9 **discharged, or otherwise released from any correctional facility of the department of**
10 **corrections, any county jail, or any mental health institution, where such person has been**
11 **confined within the previous year;**
- 12 **(5) "Qualified organization", an organization exempt from taxation under Section**
13 **501(c)(3) of the Internal Revenue Code, including any faith-based organization, peer- or**
14 **community-based organization, or recovery community center or outreach that provides**
15 **recovery support services and assistance to justice-involved individuals and people in**
16 **recovery from substance use disorders. A qualified organization shall not have an annual**
17 **budget in excess of five million dollars, shall not have any employees who receive more**
18 **than one hundred thousand dollars in compensation annually, and shall not be licensed**

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.

19 with this state as clinical treatment providers. A qualified organization does not need to
20 be contracted with this state as a recovery support services provider, but shall meet the
21 qualifications to be contracted with this state as such a provider. No housing organization
22 shall be a qualified organization unless accredited by the National Alliance of Recovery
23 Residences (NARR) or Adult and Teen Challenge (ATC) USA;

24 (6) "Recovery support services" includes care coordination, recovery coaching,
25 spiritual counseling, group support, employment services, job training, educational
26 services, and recovery housing and transportation, in coordination with substance use
27 disorder service providers. Recovery support services may be offered in a variety of
28 settings, including community, faith-based, and peer recovery organizations. Recovery
29 support programs shall be person-centered and self-directed, allowing a recovering
30 individual to choose the provider;

31 (7) "State tax liability", in the case of a business taxpayer, any liability incurred by
32 such taxpayer under the provisions of chapters 143, 148, and 153, excluding the provisions
33 of sections 143.191 to 143.265 and related provisions; and in the case of an individual
34 taxpayer, any liability incurred by such taxpayer under the provisions of chapter 143,
35 excluding the provisions of sections 143.191 to 143.265 and related provisions;

36 (8) "Substance use disorder", any disorder identified in the Diagnostic and
37 Statistical Manual of Mental Disorders, Fifth Edition (DSM-V or DSM 5), relating to one
38 of ten classes of drugs, including alcohol; caffeine; cannabis; hallucinogens; inhalants;
39 opioids; sedatives, hypnotics, or anxiolytics; stimulants, including amphetamine-type
40 substances, cocaine, and other stimulants; tobacco; and other or unknown substances.
41 Repeated use of a substance shall be considered a substance use disorder if the repeated
42 use causes significant impairment, disability, a failure to meet responsibilities, health
43 problems, impaired control, social problems, or other risks;

44 (9) "Taxpayer", a person, firm, partner in a firm, corporation, or shareholder in
45 an S corporation doing business in the state of Missouri and subject to the state income tax
46 imposed by the provisions of chapter 143; an insurance company paying an annual tax on
47 its gross premium receipts in this state; a financial institution paying taxes to the state of
48 Missouri or to any political subdivision of this state under the provisions of chapter 148;
49 an express company that pays an annual tax on its gross receipts in this state under chapter
50 153; an individual subject to the state income tax imposed by the provisions of chapter 143;
51 or any charitable organization that is exempt from federal income tax and whose Missouri
52 unrelated business taxable income, if any, would be subject to the state income tax imposed
53 under chapter 143.

54 **2. Subject to appropriation, for all tax years beginning on or after January 1, 2022,**
55 **a taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability in**
56 **an amount equal to fifty percent of the taxpayer's contribution to a qualified organization.**
57 **No contribution shall be used to purchase goods or services from or to produce a direct**
58 **financial benefit for the contributor. The qualified organization shall use the taxpayer's**
59 **contribution to assist people in recovery from substance use disorders by providing such**
60 **people with recovery support services including, but not limited to, supportive housing.**

61 **3. Tax credits issued under this section shall not be refundable; however, any tax**
62 **credit that cannot be claimed for the tax year in which the contribution is made may be**
63 **carried forward to the next four succeeding tax years until the full credit has been claimed.**
64 **No tax credits issued under the provisions of this section shall be assigned, transferred, or**
65 **sold.**

66 **4. Except for any excess credit carried forward under subsection 3 of this section,**
67 **a taxpayer shall not be allowed to claim a tax credit under this section unless the total**
68 **amount of the taxpayer's contribution or contributions in the tax year to one or more**
69 **qualified organizations has a value of at least two hundred fifty dollars.**

70 **5. The director shall determine, at least annually, which organizations in this state**
71 **may be classified as qualified organizations, according to the definition provided under**
72 **subsection 1 of this section. The director may require an organization seeking to be**
73 **classified as a qualified organization to provide any information that is reasonably**
74 **necessary for the director to make such a determination.**

75 **6. The director shall establish a procedure, in consultation with the department of**
76 **revenue, by which a taxpayer can determine if an organization has been classified as a**
77 **qualified organization.**

78 **7. (1) Upon receipt and acceptance of a contribution from a taxpayer, a qualified**
79 **organization shall issue to the taxpayer a statement evidencing the receipt of such**
80 **contribution, including the monetary value of such contribution.**

81 **(2) A qualified organization shall be permitted to decline a contribution from a**
82 **taxpayer.**

83 **8. Each qualified organization shall provide information to the director of revenue**
84 **relating to the identity of each taxpayer making a contribution to the qualified**
85 **organization who is claiming a tax credit under this section and the amount of such**
86 **taxpayer's contribution.**

87 **9. Notwithstanding any provision of this section to the contrary, the director of**
88 **revenue shall not authorize more than two million five hundred thousand dollars in tax**
89 **credits under this section in any calendar year. Tax credits shall be authorized on a**

90 first-come, first-served basis. In any given tax year, no more than twenty percent of the
91 total tax credits available under this section shall be authorized for contributions to any
92 particular qualified organization.

93 **10. Under section 23.253 of the Missouri sunset act:**

94 **(1) The new program established under this section shall automatically sunset on**
95 **December thirty-first six years after the effective date of this section unless reauthorized**
96 **by an act of the general assembly;**

97 **(2) If such program is reauthorized, the program authorized under this section**
98 **shall automatically sunset on December thirty-first twelve years after the effective date of**
99 **the reauthorization of this section; and**

100 **(3) This section shall terminate on September first of the calendar year immediately**
101 **following the calendar year in which the program authorized under this section is sunset.**

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