

SECOND REGULAR SESSION

# SENATE BILL NO. 1137

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SATER.

Read 1st time March 1, 2016, and ordered printed.

ADRIANE D. CROUSE, Secretary.

6683S.011

## AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to a benevolent tax credit for 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 135.435, to read as follows:

**135.435. 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;

(2) "Director", the director of the department of corrections;

(3) "Ex-offender", a person who is paroled, discharged, or otherwise released from any correctional facility of the department of corrections or any mental health institution where such person was confined;

(4) "Qualified organization", an organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code that provides assistance to ex-offenders to rebuild their lives, learn useful trades, gain employment, and avoid reincarceration;

(5) "State tax liability", in the case of a business taxpayer, any liability incurred by such taxpayer pursuant to the provisions of chapters 143, 147, 148, and 153, excluding sections 143.191 to 143.265 and related provisions, and in the case of an individual taxpayer, any liability incurred by such taxpayer under the provisions of chapter 143, excluding sections 143.191 to 143.265 and related provisions;

(6) "Taxpayer", a person, firm, a partner in a firm, corporation, or a shareholder in an S corporation doing business in the state of Missouri and subject to the state income tax imposed by the provisions

22 of chapter 143, or a corporation subject to the annual corporation  
23 franchise tax imposed by the provisions of chapter 147, or an insurance  
24 company paying an annual tax on its gross premium receipts in this  
25 state, or other financial institution paying taxes to the state of Missouri  
26 or any political subdivision of this state under the provisions of  
27 chapter 148, or an express company which pays an annual tax on its  
28 gross receipts in this state pursuant to chapter 153, or an individual  
29 subject to the state income tax imposed by the provisions of chapter  
30 143, or any charitable organization which is exempt from federal  
31 income tax and whose Missouri unrelated business taxable income, if  
32 any, would be subject to the state income tax imposed under chapter  
33 143.

34 2. For all tax years beginning on or after January 1, 2017, a  
35 taxpayer shall be allowed to claim a tax credit against the taxpayer's  
36 state tax liability in an amount equal to fifty percent of the taxpayer's  
37 contribution to a qualified organization. The qualified organization  
38 shall use the taxpayer's contribution to assist ex-offenders with the goal  
39 of reducing recidivism.

40 3. Tax credits issued under this section are not refundable,  
41 however any tax credit that cannot be claimed in the taxable year in  
42 which the contribution was made may be carried over to the next four  
43 succeeding taxable years until the full credit has been claimed.

44 4. Except for any excess credit which is carried over under  
45 subsection 3 of this section, a taxpayer shall not be allowed to claim a  
46 tax credit unless the total amount of such taxpayer's contribution or  
47 contributions to a qualified organization or organizations in such  
48 taxpayer's taxable year has a value of at least one hundred dollars.

49 5. The director shall determine, at least annually, which  
50 organizations in this state may be classified as qualified  
51 organizations. The director may require of an organization seeking to  
52 be classified as a qualified organization whatever information which is  
53 reasonably necessary to make such a determination. The director shall  
54 classify an organization as a qualified organization if such organization  
55 meets the definition set forth in subsection 1 of this section and the  
56 organization has achieved a seventy percent reduction in recidivism in  
57 the ex-offenders with whom it has worked.

58 6. The director shall establish a procedure by which a taxpayer

59 can determine if an organization has been classified as a qualified  
60 organization. Qualified organizations shall be permitted to decline a  
61 contribution from a taxpayer. Upon receipt of a contribution, the  
62 department shall issue to the taxpayer a statement evidencing receipt  
63 of such donation, including the value of such donation.

64 7. Each qualified organization shall provide information to the  
65 director of revenue concerning the identity of each taxpayer making a  
66 contribution to the qualified organization who is claiming a tax credit  
67 under this section and the amount of the contribution. The director of  
68 revenue shall not authorize more than two million dollars in tax credits  
69 provided under this section in any calendar year. Contributions shall  
70 be processed on a first come, first serve basis. Contributions in excess  
71 of the tax credit cap shall be placed in line for tax credits issued the  
72 following year, or shall be given the opportunity to complete their  
73 donation without the expectation of a tax credit, or shall request to  
74 have their donation returned.

75 8. The provisions of this section shall not be construed to limit  
76 or in any way impair the department of revenue's ability to issue tax  
77 credits authorized on or before the date the program authorized under  
78 this section expires or a taxpayer's ability to redeem such tax credits.

79 9. Under section 23.253 of the Missouri sunset act:

80 (1) The program established under this section shall  
81 automatically expire on December 31, 2022, unless reauthorized by an  
82 act of the general assembly;

83 (2) If such program is reauthorized, the program authorized  
84 under this section shall automatically sunset twelve years after the  
85 effective date of the reauthorization of this section; and

86 (3) This section shall terminate on September first of the  
87 calendar year immediately following the calendar year in which a  
88 program authorized under this section is sunset.

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