

# SENATE BILL NO. 455

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR ROBERTS.

1760S.01H

KRISTINA MARTIN, Secretary

## AN ACT

To repeal sections 135.327, 135.331, and 135.333, RSMo, and to enact in lieu thereof three new sections relating to a tax credit for the adoption of children.

*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Sections 135.327, 135.331, and 135.333, RSMo,  
2 are repealed and three new sections enacted in lieu thereof, to  
3 be known as sections 135.327, 135.331, and 135.333, to read as  
4 follows:

135.327. 1. Any person residing in this state who  
2 legally adopts a special needs child on or after January 1,  
3 1988, and before January 1, 2000, shall be eligible to  
4 receive a tax credit of up to ten thousand dollars for  
5 nonrecurring adoption expenses for each child adopted that  
6 may be applied to taxes due under chapter 143. Any business  
7 entity providing funds to an employee to enable that  
8 employee to legally adopt a special needs child shall be  
9 eligible to receive a tax credit of up to ten thousand  
10 dollars for nonrecurring adoption expenses for each child  
11 adopted that may be applied to taxes due under such business  
12 entity's state tax liability, except that only one ten  
13 thousand dollar credit is available for each special needs  
14 child that is adopted.

15 2. Any person residing in this state who proceeds in  
16 good faith with the adoption of a special needs child on or  
17 after January 1, 2000, and before January 1, 2022, shall be

**EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

18 eligible to receive a tax credit of up to ten thousand  
19 dollars for nonrecurring adoption expenses for each child  
20 that may be applied to taxes due under chapter 143;  
21 provided, however, that beginning on March 29, 2013, the tax  
22 credits shall only be allocated for the adoption of special  
23 needs children who are residents or wards of residents of  
24 this state at the time the adoption is initiated. Any  
25 business entity providing funds to an employee to enable  
26 that employee to proceed in good faith with the adoption of  
27 a special needs child shall be eligible to receive a tax  
28 credit of up to ten thousand dollars for nonrecurring  
29 adoption expenses for each child that may be applied to  
30 taxes due under such business entity's state tax liability,  
31 except that only one ten thousand dollar credit is available  
32 for each special needs child that is adopted.

33 3. Any person residing in this state who proceeds in  
34 good faith with the adoption of a child on or after January  
35 1, 2022, regardless of whether such child is a special needs  
36 child, shall be eligible to receive a tax credit of up to  
37 ten thousand dollars for nonrecurring adoption expenses for  
38 each child that may be applied to taxes due under chapter  
39 143. The tax credit shall be allowed regardless of whether  
40 the child adopted is a resident or ward of a resident of  
41 this state at the time the adoption is initiated; however,  
42 **for tax years ending on or before December 31, 2023,**  
43 priority shall be given to applications to claim the tax  
44 credit for special needs children who are residents or wards  
45 of residents of this state at the time the adoption is  
46 initiated. Any business entity providing funds to an  
47 employee to enable that employee to proceed in good faith  
48 with the adoption of a child shall be eligible to receive a  
49 tax credit of up to ten thousand dollars for nonrecurring

50 adoption expenses for each child that may be applied to  
51 taxes due under such business entity's state tax liability;  
52 except that, only one credit, up to ten thousand dollars,  
53 shall be available for each child who is adopted.

54 4. Individuals and business entities may claim a tax  
55 credit for their total nonrecurring adoption expenses in  
56 each year that the expenses are incurred. A claim for fifty  
57 percent of the credit shall be allowed when the child is  
58 placed in the home. A claim for the remaining fifty percent  
59 shall be allowed when the adoption is final. The total of  
60 these tax credits shall not exceed the maximum limit of ten  
61 thousand dollars per child. The cumulative amount of tax  
62 credits which may be claimed by taxpayers claiming the  
63 credit for nonrecurring adoption expenses in any one fiscal  
64 year prior to July 1, 2004, shall not exceed two million  
65 dollars. The cumulative amount of tax credits that may be  
66 claimed by taxpayers claiming the credit for nonrecurring  
67 adoption expenses shall not be more than two million dollars  
68 but may be increased by appropriation in any fiscal year  
69 beginning on or after July 1, 2004, and ending on or before  
70 June 30, 2021. The cumulative amount of tax credits that  
71 may be claimed by taxpayers claiming the credit for  
72 nonrecurring adoption expenses shall not exceed six million  
73 dollars in any fiscal year beginning on or after July 1,  
74 2021, **and ending on or before June 30, 2023. For all fiscal**  
75 **years beginning on or after July 1, 2023, there shall be no**  
76 **limit imposed on the cumulative amount of tax credits that**  
77 **may be claimed by taxpayers claiming the credit for**  
78 **nonrecurring adoption expenses.** For all fiscal years  
79 beginning on or after July 1, 2006, **and ending on or before**  
80 **June 30, 2023,** applications to claim the adoption tax credit

81 shall be filed between July first and April fifteenth of  
82 each fiscal year.

83 5. Notwithstanding any provision of law to the  
84 contrary, any individual or business entity may assign,  
85 transfer or sell tax credits allowed in this section. Any  
86 sale of tax credits claimed pursuant to this section shall  
87 be at a discount rate of seventy-five percent or greater of  
88 the amount sold.

135.331. No credit shall be allowable for the adoption  
2 of any child who has attained the age of eighteen, unless it  
3 has been determined that the child has a medical condition  
4 or [handicap] **disability** that would limit the child's  
5 ability to live independently of the adoptive parents.

135.333. 1. **(1) For all tax years ending on or**  
2 **before December 31, 2023,** any amount of tax credit which  
3 exceeds the tax due or which is applied for and otherwise  
4 eligible for issuance but not issued shall not be refunded  
5 but may be carried over to any subsequent taxable year, not  
6 to exceed a total of five years for which a tax credit may  
7 be taken for each child adopted.

8 **(2) For all tax years beginning on or after January 1,**  
9 **2024, any amount of tax credit that is issued and which**  
10 **exceeds the tax due shall be refunded to the taxpayer.**

11 2. Tax credits that are assigned, transferred or sold  
12 as allowed in section 135.327 may be assigned, transferred  
13 or sold in their entirety notwithstanding the taxpayer's tax  
14 due.

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