

SS SCS SB 1229 -- Tax Credit for Children in Crisis

Sponsor: Champion

This substitute authorizes an income tax credit up to 50% of contributions to an entity which receives funding from the Court Appointed Special Advocate Fund, a child advocacy center, or a crisis care center. To receive the credit, donations must be in excess of \$50, and the qualified agency receiving the contribution will issue to the taxpayer a contribution verification to be attached to his or her income tax return.

In order to become a qualified agency, each year prior to December 31, an agency must apply to the Department of Social Services to verify its status. By February 1 of each year, the department will provide a list of qualified agencies to the Department of Revenue.

The children in crisis tax credit has a cumulative cap equal to the unclaimed portion of the resident adoption tax credit. The amount available will be equally divided among the agencies, and any unused portion not used by an agency will be available to the remaining agencies. After all the children in crisis tax credits have been claimed, any remaining unclaimed portion of the reserved allocation will be made available for non-resident adoption tax credits claims.

The substitute removes the requirement that the Director of the Department of Revenue submit an annual report to the General Assembly on the income levels of taxpayers claiming the tax credit.

The substitute also requires applications to claim the adoption credit for special needs children must be filed between July 1 and April 15 of each fiscal year. The credit is not refundable, but can be carried forward and claimed for up to five consecutive years.

The provisions of the substitute will expire six years from the effective date.