

HCS SS SCS SB 1229 -- TAX CREDIT FOR CHILDREN IN CRISIS

This bill authorizes an income tax credit for up to 50% of contributions made to a child advocacy center, a crisis care center, or an entity which receives funding from the Court Appointed Special Advocate Fund. To receive the credit, donations must be at least \$100, and the qualified agency receiving the contribution will issue a contribution verification to the taxpayer 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 nonresident special needs adoption tax credit claims. The bill allocates \$2 million of the tax credits for the adoption of special needs children who are residents of this state. The cumulative amount of tax credits that may be claimed for nonrecurring adoption expenses will not be less than \$4 million but may be increased by appropriation.

The bill 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.

Applications for 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 bill will expire six years from the effective date.