

SS HCS HB 453 -- INCOME TAX CREDITS FOR CERTAIN DONATIONS

Beginning January 1, 2007, this bill authorizes an income tax credit for donations of cash or food to any local food pantry. The amount of the tax credit will be equal to one-half the value of the donation and cannot exceed \$2,500 per taxpayer. The taxpayer must file an affidavit with his or her income tax return verifying the contribution. The tax credit is nonrefundable and cannot be transferred, sold, or assigned but can be carried forward three years. The cumulative amount of the tax credit that can be issued to all taxpayers will be \$2 million per year. If the applications exceed that amount, the Director of the Department of Revenue will establish a procedure by which the credits are apportioned among all applicants.

The Residential Treatment Agency Tax Credit Act is revised so that an eligible donation made to a state agency providing services for children in residential facilities can include cash, publicly traded stocks and bonds, and real estate. These donations will be valued and documented according to rules established by the Department of Social Services.

The provisions regarding the tax credit for donations to food pantries will expire four years from the effective date.