

HOUSE BILL NO. 2122

97TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES WRIGHT (Sponsor) AND SCHUPP (Co-sponsor).

6306H.02I

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to tax credits for donations to higher education.

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 135.1780, to read as follows:

135.1780. 1. As used in this section, the following terms shall mean:

(1) "Department", the department of higher education;

(2) "Donation", a contribution of cash;

(3) "Qualified educational institution", any public community college, public college, or public university located in the state of Missouri;

(4) "Qualified taxpayer", a person, firm, partner in a partnership, member in a limited liability company, shareholder in an S corporation, or a corporation doing business in the state of Missouri and subject to the state income tax imposed by the provisions of chapter 143, or a corporation subject to the annual corporation franchise tax imposed by the provisions of chapter 147, or an insurance company paying an annual tax on its gross premium receipts in this state, or other financial institution paying taxes to the state of Missouri or any political subdivision of this state under the provisions of chapter 148, or an express company that pays an annual tax on its gross receipts in this state under chapter 153, or an individual subject to the state income tax imposed by the provisions of chapter 143, or any charitable organization that is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 (5) "State tax liability", in the case of a business taxpayer, any liability incurred by
19 such taxpayer under the provisions of chapters 143, 147, 148, and 153, excluding sections
20 143.191 to 143.265 and related provisions, and in the case of an individual taxpayer, any
21 liability incurred by such taxpayer under the provisions of chapter 143, excluding sections
22 143.191 to 143.265 and related provisions;

23 (6) "Tax credit", a credit against a qualified taxpayer's state tax liability, excluding
24 withholding tax imposed by sections 143.191 to 143.265.

25 2. For all tax years beginning on or after January 1, 2015, a qualified educational
26 institution shall be eligible to receive from the department a tax credit equal to one
27 hundred percent of a donation made to the qualified educational institution that is
28 earmarked for student scholarships.

29 3. Tax credits issued under this section shall be issued on a first-come first-served
30 basis based on the dates that applications are received by the department. An application
31 shall only be eligible for tax credits under this section during the calendar year in which
32 the associated donation was made. The department shall establish a procedure by which
33 qualified educational institutions may submit applications to claim credits. Any such
34 application relating to a particular donation shall be submitted at least one calendar day
35 after that donation was received by the qualified educational institution.

36 4. Tax credits issued under this section may be sold to qualified taxpayers in
37 accordance with procedures established by the department. The proceeds of any such sale
38 shall be remitted to the qualified educational institution to whom the credit previously
39 belonged and shall be earmarked for the same scholarship program to which the associated
40 donation was earmarked.

41 5. The amount of the tax credit claimed by a qualified taxpayer shall not exceed the
42 amount of the qualified taxpayer's state tax liability for the taxable year that the credit is
43 claimed. Tax credits issued under this section are not refundable. Any tax credit that
44 cannot be claimed in the taxable year in which the donation was made may be carried over
45 to the next three succeeding taxable years until the full credit has been claimed.

46 6. The total amount of tax credits which may be authorized under this section in
47 any calendar year shall not exceed ten million dollars.

48 7. The department of higher education may promulgate rules to implement the
49 provisions of this section. Any rule or portion of a rule, as that term is defined in section
50 536.010, that is created under the authority delegated in this section shall become effective
51 only if it complies with and is subject to all of the provisions of chapter 536 and, if
52 applicable, section 536.028. This section and chapter 536 are nonseverable and if any of
53 the powers vested with the general assembly under chapter 536 to review, to delay the

54 **effective date, or to disapprove and annul a rule are subsequently held unconstitutional,**
55 **then the grant of rulemaking authority and any rule proposed or adopted after August 28,**
56 **2014, shall be invalid and void.**

57 **8. In accordance with section 23.253 of the Missouri sunset act:**

58 **(1) The program authorized under this section shall automatically sunset six years**
59 **after August 28, 2014, unless reauthorized by an act of the general assembly; and**

60 **(2) If such program is reauthorized, the program authorized under this section shall**
61 **automatically sunset twelve years after the effective date of the reauthorization of this**
62 **section; and**

63 **(3) This section shall terminate on September first of the calendar year immediately**
64 **following the calendar year in which the program authorized under this section is sunset.**

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