

HOUSE BILL NO. 2440

99TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE WALKER (74).

6354H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 135, RSMo, by adding thereto five new sections relating to tax credits for contributions to certain benevolent organizations.

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

Section A. Chapter 135, RSMo, is amended by adding thereto five new sections, to be known as section 135.615, 135.616, 135.617, 135.618, and 135.619, to read as follows:

135.615. As used in this section, the following terms mean:

(1) **"Contribution"**, a contribution of cash, stock, bonds, or other marketable securities, or real property;

(2) **"Department"**, the department of social services;

(3) **"Diaper bank"**, a nonprofit organization that collects or purchases diapers or other hygiene products for infants, children, or incontinent adults and regularly distributes diapers to individuals free of charge, either directly to an individual or indirectly through two or more partner agencies;

(4) **"Diaper organization"**, a diaper bank, diaper pantry, or diaper program;

(5) **"Diaper pantry"**, a nonprofit organization that collects or purchases diapers for the purpose of regularly distributing the diapers directly to individuals free of charge;

(6) **"Diaper program"**, a project or program of a nonprofit organization including, but not limited to, a food bank, service agency, or health clinic that collects or purchases diapers and regularly distributes the diapers to individuals free of charge, either directly to an individual or through two or more partner agencies;

(7) **"Qualified diaper bank"**, any diaper organization that:

(a) **Is located within this state;**

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 **(b) Has a budget approved by its governing body;**
19 **(c) Does not require any participation in financial, organizational, or religious**
20 **activities to receive diapers;**
21 **(d) Is exempt from federal taxation as a nonprofit organization under 26 U.S.C.**
22 **Section 501(c)(3); and**
23 **(e) Satisfies such other reasonable criteria the department may require;**
24 **(8) "Tax credit", a credit against the tax otherwise due under chapter 143,**
25 **excluding withholding tax imposed under sections 143.191 to 143.265, or otherwise due**
26 **under chapter 148 or 153;**
27 **(9) "Taxpayer", a person, firm, partner in a firm, corporation, or shareholder in**
28 **an S corporation doing business in the state of Missouri and subject to the state income tax**
29 **imposed under chapter 143; an insurance company paying an annual tax on its gross**
30 **premium receipts in this state; any other financial institution paying taxes to the state of**
31 **Missouri or any political subdivision of this state under chapter 148; an express company**
32 **that pays an annual tax on its gross receipts in this state under chapter 153; an individual**
33 **subject to the state income tax under chapter 143; or any charitable organization that is**
34 **exempt from federal income tax and whose Missouri unrelated business taxable income,**
35 **if any, would be subject to the state income tax imposed under chapter 143.**

135.616. 1. For all tax years beginning on or after January 1, 2019, a taxpayer shall
2 **be allowed to claim a tax credit against the taxpayer's state tax liability in an amount equal**
3 **to fifty-five percent of the amount of such taxpayer's contributions to a qualified diaper**
4 **bank.**

5 **2. The amount of the tax credit claimed shall not exceed the amount of the**
6 **taxpayer's state tax liability for the tax year for which the credit is claimed, and such**
7 **taxpayer shall not be allowed to claim a tax credit in excess of fifty thousand dollars per**
8 **tax year. No portion of the tax credit that cannot be claimed in the tax year for which it**
9 **was issued shall be carried over to any other tax year.**

10 **3. No tax credits issued under the provisions of this section shall be assigned,**
11 **transferred, or sold.**

12 **4. To claim a tax credit under this section, a taxpayer shall submit a tax credit**
13 **certificate issued by the department under subsection 4 of section 135.617 with the**
14 **taxpayer's tax return.**

15 **5. The cumulative amount of tax credits that may be claimed under this section in**
16 **a tax year shall not exceed one million dollars. Tax credits shall be issued on a first-come,**
17 **first-served basis.**

18 **6. No tax credit shall be issued for activities that are a part of the normal course of**
19 **business of the taxpayer.**

135.617. 1. The department shall determine, at least annually, which facilities in
2 **this state may be classified as qualified diaper banks. The department may require of a**
3 **diaper organization seeking classification as a qualified diaper bank whatever information**
4 **that is reasonably necessary to make such a determination. The department shall classify**
5 **a diaper organization as a qualified diaper bank if the facility satisfies the definition under**
6 **section 135.615. The department shall notify a diaper organization of its determination no**
7 **later than sixty days from the date the diaper organization submits its application for**
8 **certification.**

9 **2. The department shall compile and publish a list of all entities it certifies as**
10 **qualified diaper banks. The list shall be easily accessible by taxpayers who wish to make**
11 **a contribution so that a taxpayer can verify that an entity is a qualified diaper bank.**

12 **3. The department shall create and make available standardized forms for:**

13 **(1) Diaper organizations to apply for certification as a qualified diaper bank;**

14 **(2) Taxpayers for making contributions to a qualified diaper bank, which will be**
15 **submitted to the qualified diaper bank with the taxpayer's contribution. The form shall**
16 **require information identifying the taxpayer and the qualified diaper bank, the amount**
17 **of the contribution, and any other information the department requires; and**

18 **(3) Qualified diaper banks to report contributions received, which a qualified**
19 **diaper bank shall submit to the department within ten days of receiving a contribution.**
20 **The form shall require information identifying the taxpayer and the qualified diaper bank,**
21 **the amount of the contribution, the date the contribution was received, and any other**
22 **information the department requires.**

23 **4. Upon receiving a completed form described under subdivision (3) of subsection**
24 **3 of this section, the department shall issue a tax credit certificate to the taxpayer named**
25 **in the form for fifty-five percent of the amount of the contribution stated in the form. The**
26 **department shall issue tax credit certificates on a first-come, first-served basis.**

27 **5. The department shall be subject to the confidentiality and penalty provisions of**
28 **section 32.057 relating to the disclosure of tax information.**

29 **6. The department may collaborate with other state agencies to provide information**
30 **about the program to diaper organizations.**

135.618. 1. The department shall submit an annual report to the general assembly
2 **no later than June thirtieth of each year. Such report shall list all qualified diaper banks**
3 **that received contributions in the previous year and state the number of taxpayer**
4 **individuals and entities that were issued tax credit certificates under section 135.617.**

5 **2. The department shall evaluate the program and make recommendations, if**
6 **necessary, of changes to improve the effectiveness and utilization of the tax credits in**
7 **expanding access to clean diapers and incontinence products. Such recommendations shall**
8 **be included in the annual report required under this section.**

135.619. Under section 23.253 of the Missouri sunset act:

2 **(1) The program authorized under sections 135.615 to 135.619 shall automatically**
3 **sunset on December thirty-first six years after the effective date of this section unless**
4 **reauthorized by an act of the general assembly;**

5 **(2) If such program is reauthorized, the program authorized under sections 135.615**
6 **to 135.619 shall automatically sunset on December thirty-first twelve years after the**
7 **effective date of the reauthorization of this section;**

8 **(3) This section shall terminate on September first of the calendar year immediately**
9 **following the calendar year in which the program authorized under this section is sunset;**
10 **and**

11 **(4) Nothing in this subsection shall prohibit a taxpayer from claiming a tax credit**
12 **that was properly issued before the program was sunset.**

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