

HCS SCS SBs 632 & 675 -- TAXATION

SPONSOR: Dixon

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Ways and Means by a vote of 8 to 1. Voted "Do Pass" by the Standing Committee on Rules- Administrative Oversight by a vote of 7 to 3.

This bill modifies several provisions relating to taxation.

PUBLIC FUNDING OF STADIUMS

This bill prohibits the expenditure of General Revenue funds for professional sports stadiums and related projects unless approved by a vote of the people. The bill does not apply to bond funding authorized by the constitution of this state. The bill also specifically prohibits the state and political subdivisions from passing subsidies, tax credits, tax deductions, and tax exemptions unless approved by a vote of the people.

The bill contains a contingent effective clause requiring 29 specified states out of a set of 32 to enact substantially similar legislation. The Attorney General shall initially make a determination on this condition, but it will ultimately be subject to de novo review in the courts and all citizens of the state shall have standing to challenge the use of public monies in violation of the bill (Sections 33.543, 67.3000, 67.3005, and Section B, RSMo).

This bill is similar to HB 352 (2017).

PUBLIC SAFETY OFFICER SURVIVING SPOUSE TAX CREDIT

This bill reauthorizes the Public Safety Officer Surviving Spouse tax credit until December 31, 2024 (Section 135.090).

CHAMPION FOR CHILDREN TAX CREDIT

The Champion for Children Tax Credit is currently scheduled to expire on December 31, 2019. This bill reauthorizes the credit until December 31, 2024 and modifies the definition of "child advocacy centers" to include associations based in the state, affiliated with a national association, and organized to provide support to certain regional child assessment centers. The bill also increases the cap on the aggregate amount of tax credits that may be authorized from \$1 million to \$1.5 million for all fiscal years beginning on or after July 1, 2019 and provides that such tax credits cannot be transferred (Section 135.341).

This provision of the bill is similar to SB 675 and to HCS HBs 1288, 1377, & HB 2050 (2018).

#### RESIDENTIAL RENOVATIONS FOR DISABILITY TAX CREDIT

This bill reauthorizes the Residential Renovations for Disability tax credit until December 31, 2024 (Section 135.562).

#### MATERNITY HOMES TAX CREDIT

This bill reauthorizes a tax credit for contributions made to maternity homes until June 30, 2024 and modifies the definition of "maternity homes" to require that a maternity home provide services at no cost to clients, and that it not perform, induce, or refer for abortions. The carry-forward provision for tax credits that exceed a taxpayer's tax liability is shortened from four years to one year and tax credits cannot be assigned, transferred, or sold.

Beginning July 1, 2019, the bill increases the amount of tax credits that may be authorized under this program from \$2.5 million to \$3.5 million (Section 135.600).

This provision of the bill is similar to HCS HBs 1288, 1377, & HB 2050 (2018).

#### DIAPER BANK TAX CREDIT

Beginning January 1, 2019, this bill authorizes a tax credit equal to 50% of the donation to a diaper bank. The credit is nonrefundable and is limited to no more than \$50,000 per taxpayer, per year. The credit can be carried forward one year, but cannot be transferred or sold. The cumulative amount of credits is capped annually at \$1 million per year.

The Department of Social Services will determine which nonprofit entities qualify as diaper banks and apportion among all diaper banks the cumulative amount of tax credits. A diaper bank is required to operate primarily to collect or purchase diapers or other hygiene products for infants, children, or incontinent adults and distribute such items to schools, health care facilities, governmental agencies, or other nonprofit entities for distribution to individuals free of charge. Each diaper bank will provide donor information to the department and the department will provide this information to the Department of Revenue (Section 135.621).

This provision of the bill will expire on December 31 six years after the effective date.

#### PREGNANCY RESOURCE CENTER TAX CREDIT

This bill reauthorizes a tax credit for contributions made to pregnancy resource centers until December 31, 2024. Tax credits cannot be assigned, transferred, or sold. Beginning July 1, 2019, this bill increases the amount of tax credits that may be authorized under this program from \$2.5 million to \$3.5 million (Section 135.630).

This provision of the bill is similar to HCS HBs 1288, 1377, & HB 2050 (2018).

#### DONATED FOOD TAX CREDIT

This bill reauthorizes the Donated Food Tax Credit until December 31, 2026 and expands the tax credit to include food or cash donated to local soup kitchens or local homeless shelters (Section 135.647).

This provision of the bill is the same as SB 631 (2018).

#### SALES TAX EXEMPTION FOR PRIVATE SOCIAL CLUBS

This bill authorizes a state and local sales and use tax exemption for initiation fees and dues paid to nonprofit organizations exempt from taxation (Section 144.011).

This provision of the bill is the same as SB 1003 (2018).

**PROPONENTS:** Supporters say that without these benevolent tax credits, funding would need to come from somewhere else. These credits encourage investment in programs that benefit many of Missouri's most vulnerable citizens and help people with disabilities stay in their homes.

Pregnancy resource centers offer an alternative to abortion by providing free assistance to women with crisis or unplanned pregnancies to assist them in carrying their pregnancies to term. Maternity homes provide shelter for homeless, pregnant women and their children. Both provide additional services including counseling, parenting skills, education, and job assistance.

Child advocacy centers in Missouri provide a safe place for children that have been abused. Raising the cap will allow more donations.

Testifying for the bill were Senator Dixon; National Multiple Sclerosis Society; Missouri Right to Life; Missouri Catholic Conference; Campaign Life Missouri; Missouri Kids First; and the Missouri Coalition of Children's Agencies.

OPPONENTS: Those who oppose the bill say that they oppose the pregnancy resource centers providing misinformation to their clients and giving misleading and not medically accurate information.

Testifying against the bill was Planned Parenthood Advocates in Missouri.