

SECOND REGULAR SESSION

HOUSE BILL NO. 2384

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE SHARP (37).

5044H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal section 135.621, RSMo, and to enact in lieu thereof one new section relating to the diaper bank tax credit.

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

Section A. Section 135.621, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 135.621, to read as follows:

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

- 2 (1) "Contribution", a donation of cash, stock, bonds, other marketable securities, or
3 real property;
- 4 (2) "Department", the department of social services;
- 5 (3) "Diaper bank", a nonprofit entity located in this state established and operating
6 primarily for the purpose of collecting or purchasing disposable diapers or other hygiene
7 products for infants, children, or incontinent adults and that regularly distributes such diapers
8 or other hygiene products through two or more schools, health care facilities, governmental
9 agencies, or other nonprofit entities for eventual distribution to individuals free of charge;
- 10 (4) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding
11 withholding tax imposed under sections 143.191 to 143.265, or otherwise due under chapter
12 148 or 153;
- 13 (5) "Taxpayer", a person, firm, partner in a firm, corporation, or shareholder in an S
14 corporation doing business in the state of Missouri and subject to the state income tax
15 imposed under chapter 143; an insurance company paying an annual tax on its gross premium
16 receipts in this state; any other financial institution paying taxes to the state of Missouri or
17 any political subdivision of this state under chapter 148; an express company that pays an

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 annual tax on its gross receipts in this state under chapter 153; an individual subject to the
19 state income tax under chapter 143; or any charitable organization that is exempt from federal
20 income tax and whose Missouri unrelated business taxable income, if any, would be subject to
21 the state income tax imposed under chapter 143.

22 2. For all fiscal years beginning on or after July 1, 2019, a taxpayer shall be allowed
23 to claim a tax credit against the taxpayer's state tax liability in an amount equal to fifty percent
24 of the amount of such taxpayer's contributions to a diaper bank.

25 3. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's
26 state tax liability for the tax year for which the credit is claimed, and such taxpayer shall not
27 be allowed to claim a tax credit in excess of fifty thousand dollars per tax year. However, any
28 tax credit that cannot be claimed in the tax year the contribution was made may be carried
29 over only to the next subsequent tax year. No tax credit issued under this section shall be
30 assigned, transferred, or sold.

31 4. Except for any excess credit that is carried over under subsection 3 of this section,
32 no taxpayer shall be allowed to claim a tax credit unless the taxpayer contributes at least one
33 hundred dollars to one or more diaper banks during the tax year for which the credit is
34 claimed.

35 5. The department shall determine, at least annually, which entities in this state
36 qualify as diaper banks. The department may require of an entity seeking to be classified as a
37 diaper bank any information which is reasonably necessary to make such a determination.
38 The department shall classify an entity as a diaper bank if such entity satisfies the definition
39 under subsection 1 of this section.

40 6. The department shall establish a procedure by which a taxpayer can determine if an
41 entity has been classified as a diaper bank.

42 7. Diaper banks may decline a contribution from a taxpayer.

43 8. The cumulative amount of tax credits that may be claimed by all the taxpayers
44 contributing to diaper banks in any one fiscal year shall not exceed five hundred thousand
45 dollars. Tax credits shall be issued in the order contributions are received. If the amount of
46 tax credits redeemed in a tax year is less than five hundred thousand dollars, the difference
47 shall be added to the cumulative limit created under this subsection for the next fiscal year
48 and carried over to subsequent fiscal years until claimed.

49 9. The department shall establish a procedure by which, from the beginning of the
50 fiscal year until some point in time later in the fiscal year to be determined by the department,
51 the cumulative amount of tax credits are equally apportioned among all entities classified as
52 diaper banks. If a diaper bank fails to use all, or some percentage to be determined by the
53 department, of its apportioned tax credits during this predetermined period of time, the
54 department may reapportion such unused tax credits to diaper banks that have used all, or

55 some percentage to be determined by the department, of their apportioned tax credits during
56 this predetermined period of time. The department may establish multiple periods each fiscal
57 year and reapportion accordingly. To the maximum extent possible, the department shall
58 establish the procedure described under this subsection in such a manner as to ensure that
59 taxpayers can claim as many of the tax credits as possible, up to the cumulative limit created
60 under subsection 8 of this section.

61 10. Each diaper bank shall provide information to the department concerning the
62 identity of each taxpayer making a contribution and the amount of the contribution. The
63 department shall provide the information to the department of revenue. The department shall
64 be subject to the confidentiality and penalty provisions of section 32.057 relating to the
65 disclosure of tax information.

66 11. Under section 23.253 of the Missouri sunset act:

67 (1) The provisions of the program authorized under this section shall automatically
68 sunset on December thirty-first six years after August 28, ~~2018~~2024, unless reauthorized by
69 an act of the general assembly;

70 (2) If such program is reauthorized, the program authorized under this section shall
71 automatically sunset on December thirty-first six years after the effective date of the
72 reauthorization of this section;

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

75 (4) The provisions of this subsection shall not be construed to limit or in any way
76 impair the department's ability to issue tax credits authorized on or before the date the
77 program authorized under this section expires or a taxpayer's ability to redeem such tax
78 credits.

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