

# SENATE BILL NO. 1015

## 99TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR WIELAND.

Read 1st time February 21, 2018, and ordered printed.

ADRIANE D. CROUSE, Secretary.

6535S.011

### AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to tax credits for contributions to diaper banks.

*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  
2 section, to be known as section 135.615, to read as follows:

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

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

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

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

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

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

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

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

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

- 22           **(b) Has a budget approved by its governing body;**
- 23           **(c) Does not require any participation in financial,**  
24 **organizational, or religious activities to receive diapers;**
- 25           **(d) Is exempt from federal taxation as a nonprofit organization**  
26 **under 26 U.S.C. Section 501(c)(3); and**
- 27           **(e) Satisfies such other reasonable criteria the department may**  
28 **require;**
- 29           **(8) "Tax credit", a credit against the tax otherwise due under**  
30 **chapter 143, excluding withholding tax imposed under sections 143.191**  
31 **to 143.265, or otherwise due under chapter 148 or 153;**
- 32           **(9) "Taxpayer", a person, firm, partner in a firm, corporation, or**  
33 **shareholder in an S corporation doing business in the state of Missouri**  
34 **and subject to the state income tax imposed under chapter 143; an**  
35 **insurance company paying an annual tax on its gross premium receipts**  
36 **in this state; any other financial institution paying taxes to the state of**  
37 **Missouri or any political subdivision of this state under chapter 148; an**  
38 **express company that pays an annual tax on its gross receipts in this**  
39 **state under chapter 153; an individual subject to the state income tax**  
40 **under chapter 143; or any charitable organization that is exempt from**  
41 **federal income tax and whose Missouri unrelated business taxable**  
42 **income, if any, would be subject to the state income tax imposed under**  
43 **chapter 143.**
- 44           **2. (1) For all tax years beginning on or after January 1, 2019, a**  
45 **taxpayer shall be allowed to claim a tax credit against the taxpayer's**  
46 **state tax liability in an amount equal to fifty percent of the amount of**  
47 **such taxpayer's contributions to a qualified diaper bank.**
- 48           **(2) The amount of the tax credit claimed shall not exceed the**  
49 **amount of the taxpayer's state tax liability for the tax year for which**  
50 **the credit is claimed, and such taxpayer shall not be allowed to claim**  
51 **a tax credit in excess of fifty thousand dollars per tax year. No portion**  
52 **of the tax credit exceeding the taxpayer's state tax liability shall be**  
53 **carried over to any other tax year. No tax credits issued under the**  
54 **provisions of this section shall be assigned, transferred, or sold. No tax**  
55 **credit shall be issued for activities that are a part of the normal course**  
56 **of business of the taxpayer.**
- 57           **3. To claim a tax credit under this section, a taxpayer shall**  
58 **submit a tax credit certificate issued by the department under this**

59 section with the taxpayer's tax return.

60 4. The cumulative amount of tax credits that may be claimed  
61 under this section in a tax year shall not exceed one million  
62 dollars. Tax credits shall be issued on a first-come, first-served basis.

63 5. (1) The department shall determine, at least annually, which  
64 facilities in this state may be classified as qualified diaper banks. The  
65 department may require of a diaper organization seeking classification  
66 as a qualified diaper bank whatever information that is reasonably  
67 necessary to make such a determination. The department shall classify  
68 a diaper organization as a qualified diaper bank if such facility  
69 satisfies the definition of qualified diaper bank under this section. The  
70 department shall notify a diaper organization of its determination no  
71 later than sixty days from the date the diaper organization submits its  
72 application for certification.

73 (2) The department shall compile and publish a list of all entities  
74 it certifies as qualified diaper banks. The list shall be easily accessible  
75 by taxpayers who wish to make a contribution so that a taxpayer can  
76 verify that an entity is a qualified diaper bank.

77 6. (1) The department shall create and make available  
78 standardized forms for:

79 (a) Diaper organizations to apply for certification as a qualified  
80 diaper bank;

81 (b) Taxpayers for making contributions to a qualified diaper  
82 bank, which shall be submitted to the qualified diaper bank with the  
83 taxpayer's contribution. The form shall require information identifying  
84 the taxpayer and the qualified diaper bank, the amount of the  
85 contribution, and any other information the department requires; and

86 (c) Qualified diaper banks to report contributions received,  
87 which a qualified diaper bank shall submit to the department within  
88 ten days of receiving a contribution. The form shall require  
89 information identifying the taxpayer and the qualified diaper bank, the  
90 amount of the contribution, the date the contribution was received, and  
91 any other information the department requires.

92 (2) Upon receiving a completed form described under paragraph  
93 (c) of subdivision (1) of this subsection, the department shall issue a tax  
94 credit certificate to the taxpayer named in the form for fifty percent of  
95 the amount of the contribution stated in the form.

96           7. The department shall be subject to the confidentiality and  
97 penalty provisions of section 32.057 relating to the disclosure of tax  
98 information.

99           8. The department may collaborate with other state agencies to  
100 provide information about the program to diaper organizations.

101           9. (1) The department shall submit an annual report to the  
102 general assembly no later than June thirtieth of each year. Such report  
103 shall list all qualified diaper banks that received contributions in the  
104 previous year and state the number of taxpayer individuals and entities  
105 that were issued tax credit certificates under this section.

106           (2) The department shall evaluate the program and make  
107 recommendations, if necessary, of changes to improve the effectiveness  
108 and utilization of the tax credits in expanding access to clean diapers  
109 and incontinence products. Such recommendations shall be included  
110 in the annual report required under this subsection.

111           10. Under section 23.253 of the Missouri sunset act:

112           (1) The program authorized under this section shall  
113 automatically sunset on December thirty-first six years after the  
114 effective date of this section unless reauthorized by an act of the  
115 general assembly;

116           (2) If such program is reauthorized, the program authorized  
117 under this section shall automatically sunset on December thirty-first  
118 twelve years after the effective date of the reauthorization of this  
119 section;

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

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

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