

SECOND REGULAR SESSION

# SENATE BILL NO. 592

90TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR YECKEL.

Pre-filed December 1, 1999, and 1,000 copies ordered printed.

2537S.011

TERRY L. SPIELER, Secretary.

## AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to tax credits for 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 135.349, to read as follows:

**135.349. 1. For purposes of this section, the following terms mean:**

**(1) "Qualified school", a nongovernmental primary or secondary school in this state that does not discriminate on the basis of race, color, handicap, familial status or national origin and that satisfies the requirements prescribed by law for private schools in this state on January 1, 2000;**

**(2) "School tuition organization", a charitable organization in this state that is exempt from federal taxation pursuant to section 501(c)(3) of the Internal Revenue Code and that allocates at least ninety percent of its annual revenue for educational scholarships or tuition grants to children to allow them to attend any qualified school of their parents' choice. In addition, to qualify as a school tuition organization the charitable organization shall provide educational scholarships or tuition grants to students without limiting availability to only students of one school.**

**2. For taxable years beginning on and after December 31, 2000, a credit is allowed against the taxes imposed by section 143.011, RSMo, for the amount of voluntary cash contributions made by the taxpayer during the taxable year to a school tuition organization, but not exceeding five hundred dollars in any taxable year. The five-hundred-dollar limitation also applies to taxpayers who elect to file a joint return for the taxable year. A husband and wife who file**

**separate returns for a taxable year in which they could have filed a joint return may each claim only one-half of the tax credit that would have been allowed for a joint return.**

**3. If the allowable tax credit exceeds the taxes otherwise due pursuant to chapter 143, RSMo, on the claimant's income, or if there are no taxes due pursuant to chapter 143, RSMo, the taxpayer may carry the amount of the claim not used to offset the taxes pursuant to chapter 143, RSMo, forward for not more than five consecutive taxable years' income tax liability.**

**4. The credit allowed by this section is in lieu of any deduction pursuant to section 170 of the Internal Revenue Code and taken for state tax purposes.**

**5. The tax credit is not allowed if the taxpayer designates the taxpayer's donation to the school tuition organization for the direct benefit of any dependent of the taxpayer.**

**6. With respect to a private school, nothing in this section gives a governmental agency authority to regulate, control, supervise or in any way be involved in the:**

**(1) Form, manner, or content of religious instruction, ministry, teaching or curriculum offered by the private school;**

**(2) Ability of the private school to select and supervise qualified personnel and otherwise control the terms of employment, including the right to employ individuals who share the religious views of the school;**

**(3) Internal self-governance and autonomy of the private school; or**

**(4) Religious environment of the private school, such as symbols, art, icons and scripture.**