

FIRST REGULAR SESSION

# SENATE BILL NO. 1

99TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SCHAAF.

Pre-filed December 1, 2016, and ordered printed.

ADRIANE D. CROUSE, Secretary.

0418S.04I

## AN ACT

To amend chapter 130, RSMo, by adding thereto one new section relating to tax credits for certain campaign contributions, with penalty provisions.

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

Section A. Chapter 130, RSMo, is amended by adding thereto one new  
2 section, to be known as section 130.039, to read as follows:

**130.039. 1. This section shall be known and may be cited as the  
2 "Taxation with Representation Act".**

**3 2. As used in this section, the following terms shall have the  
4 following meanings:**

**5 (1) "Commission", the Missouri ethics commission;**

**6 (2) "Department", the department of revenue;**

**7 (3) "Director", the director of the department of revenue;**

**8 (4) "Qualifying contribution", a contribution made to any of the  
9 following:**

**10 (a) Any county political party committee established under  
11 section 115.603;**

**12 (b) Any candidate committee of a candidate for the office of state  
13 representative;**

**14 (c) Any candidate committee of a candidate for the office of state  
15 senator; or**

**16 (d) Any candidate committee of a candidate for the office of  
17 governor, lieutenant governor, attorney general, state treasurer, state  
18 auditor, or secretary of state;**

**19 (5) "Representation credit", a credit allowed against the tax  
20 otherwise due under chapter 143, excluding withholding tax imposed  
21 by sections 143.191 to 143.265, in an amount equal to the lesser of one**

22 hundred dollars or the sum of no more than five qualifying  
23 contributions made by the person during the taxable year;

24 (6) "Taxpayer", any natural person subject to income taxes under  
25 chapter 143 who is registered to vote in Missouri or eligible to register  
26 to vote in Missouri.

27 3. For all tax years beginning on or after January 1, 2018, any  
28 taxpayer may claim a representation credit. A married couple filing a  
29 combined tax return may claim a representation credit equal to the  
30 sum of the representation credits that the members of the couple could  
31 have claimed if they had filed separate returns, and no contribution  
32 may be counted toward the representation credit of more than one  
33 person or couple. The department shall allow a representation credit  
34 to be claimed on any tax credit form used by the department.

35 4. (1) Representation credits shall only be granted if the  
36 claimant submits to the department a receipt form certified by an  
37 officer, candidate, or treasurer of the committee that received the  
38 qualifying contribution.

39 (2) In addition to any other information required by the  
40 department, the receipt form shall include the following information:

41 (a) The amount of the qualifying contribution;

42 (b) The date the qualifying contribution was received;

43 (c) The method by which the committee received the qualifying  
44 contribution; and

45 (d) The name and address of the contributor.

46 (3) The department shall develop and make available the receipt  
47 form described in this subsection.

48 5. (1) The department may promulgate rules to govern the  
49 process by which receipt forms are used by persons claiming  
50 representation credits and persons associated with the recipient  
51 committee. Such rules shall endeavor to facilitate and encourage all  
52 persons eligible to claim a representation credit to do so, and to also  
53 prevent abuse of representation credits. It shall be a class A  
54 misdemeanor to certify any such receipt form when knowing any of its  
55 statements or affirmations to be inaccurate.

56 (2) Any rule or portion of a rule, as that term is defined in  
57 section 536.010, that is created under the authority delegated in this  
58 section shall become effective only if it complies with and is subject to

59 all of the provisions of chapter 536 and, if applicable, section  
60 536.028. This section and chapter 536 are nonseverable and if any of  
61 the powers vested with the general assembly pursuant to chapter 536  
62 to review, to delay the effective date, or to disapprove and annul a rule  
63 are subsequently held unconstitutional, then the grant of rulemaking  
64 authority and any rule proposed or adopted after August 28, 2017, shall  
65 be invalid and void.

66 6. No person shall seek from a committee a refund of any portion  
67 of a contribution for which that person has claimed a representation  
68 credit. No person shall claim a representation credit for any  
69 contribution of which any portion has been refunded to them by the  
70 recipient committee or any portion of which they are seeking a refund  
71 from the recipient committee. A person who knowingly violates this  
72 subsection shall be guilty of a class A misdemeanor. A person who  
73 violates this subsection shall reimburse the department for any  
74 representation credit improperly received.

75 7. It shall be a class A misdemeanor to use any offer of  
76 compensation, consideration, or reward to a taxpayer in an attempt to  
77 motivate such taxpayer to make a contribution to any committee if the  
78 taxpayer would be eligible to subsequently claim a representation  
79 credit for the contribution.

80 8. The commission shall enforce all provisions of which  
81 violations are defined by this section as punishable by conviction of a  
82 misdemeanor. The department shall assist with such enforcement when  
83 the commission requests such assistance in writing.

84 9. The commission shall, by July 1 of each year, publish a report  
85 describing the aggregate usage of the representation credit and other  
86 descriptive statistics or information the commission deems useful to  
87 inform the public and members of state government of the effects of  
88 representation credits. This report shall not contain information  
89 personally identifying those who have claimed a representation credit.

90 10. The identity of persons requesting or claiming representation  
91 credits shall be confidential and shall not be considered a public record  
92 under section 610.010.

93 11. On January first of each year, the department shall adjust  
94 each dollar amount referred to in this section by multiplying it by the  
95 cumulative consumer price index, as defined in section 104.010, for all

SB 1

4

96 years since January 1, 2017, then by rounding the product to the  
97 nearest ten dollar interval.

✓