

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6582S.02I
 Bill No.: SB 1547
 Subject: Tax Credits; Taxation and Revenue - Income
 Type: Original
 Date: April 7, 2026

Bill Summary: This proposal modifies provisions relating to benevolent tax credits.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029	Fully Implemented (FY 2033)
General Revenue*	\$0	(\$9,424,677)	Could Exceed (\$9,424,677)	Could Exceed (\$9,558,636)
Total Estimated Net Effect on General Revenue	\$0	(\$9,424,677)	Could Exceed (\$9,424,677)	Could Exceed (\$9,558,636)

*Oversight reflects the difference between the current 70% and proposed 100% in contribution tax credits available to taxpayers beginning in FY 2028 for all housing to victims of domestic violence, pregnancy resource centers, maternity homes, and diaper bank tax credits. Additionally, Oversight will reflect the cost of removing the sunset provision for section 135.621 in FY 2033.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029	Fully Implemented (FY 2033)
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029	Fully Implemented (FY 2033)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029	Fully Implemented (FY 2033)
Total Estimated Net Effect on FTE	0	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029	Fully Implemented (FY 2033)
Local Government	\$0	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§135.550 – Domestic Violence Shelter Tax Credit

Officials from the **Office of Administration – Budget & Planning (B&P)** assume this provision would increase the tax credit from 70% to 100% of donations made to a qualifying organization located in a rural area. This proposal would also increase the annual per taxpayer limit from \$50,000 to \$100,000. It also adjusts the new limit annually for inflation.

The average amount redeemed in FY23–FY25 was \$3,110,819. If all donations qualified for the enhanced rural credit (100% tax credit), claims would have been \$4,444,027. Therefore, B&P estimates that this provision could decrease GR by up to \$1,333,208 annually beginning FY27.

Officials from the **Department of Revenue (DOR)** assume the domestic violence tax credit program began in 1997 and gives taxpayers a tax credit equal to 70% of their donation to a qualified domestic violence shelter or rape crisis center. Currently the tax credit program has no cap, but each taxpayer is limited to no more than \$50,000 in tax credits annually.

This proposal adds the definition of “rural area” to the tax credit program. Adding this definition does not cause a fiscal impact. This proposal says that starting July 1, 2026, a taxpayer can receive a tax credit equal to 100% of their donation if the domestic violence shelter or rape crisis center is located in a rural area.

It is unclear by the wording of this proposal if all future credits after July 1, 2026, must be made in a rural area or if urban credits can be made and only be eligible for 70% credit. For purposes of the fiscal note, DOR will assume all credits will be awarded at the 100% rate.

This proposal also increases the amount of tax credit a taxpayer can receive. Currently they are limited to no more than \$50,000 per year, but this proposal increases it to \$100,000 per person per year. Then annually thereafter, this amount can be adjusted annually based on the inflation rate.

For informational purposes only, DOR is showing the amount of credits that have been issued and redeemed over the last several years.

Year	Issued	Total Redeemed
FY 2025	\$5,771,929	\$2,977,743
FY 2024	\$5,068,067	\$3,630,951
FY 2023	\$5,349,748	\$2,723,763
FY 2022	\$1,995,010	\$1,657,130
FY 2021	\$1,814,930	\$1,788,141
FY 2020	\$1,858,165	\$1,434,287
FY 2019	\$752,801	\$883,099
FY 2018	\$1,881,995	\$1,510,572
FY 2017	\$1,611,058	\$1,476,638
FY 2016	\$1,892,974	\$1,244,890
FY 2015	\$1,426,180	\$901,374
FY 2014	\$1,256,761	\$1,079,795
FY 2013	\$1,075,862	\$851,517
FY 2012	\$1,088,440	\$988,996

These changes may encourage more people to contribute to a domestic violence shelter or rape crisis center which in turn will result in additional tax credits being issued. DOR is unable to estimate the amount of increased tax credits, but any additional credits issued would result in a loss to general revenue. The impact is unknown.

Oversight notes the proposal allows for 100% contribution tax credit amount against the taxpayer's tax liability.

Oversight notes the average 3-year issuance below:

Year	Issuance (rounded to near \$)
2025	\$5,771,929
2024	\$5,068,067
2023	\$5,349,748
Average	\$5,396,581

Oversight notes, per Section 135.600. 6., the tax credit maximum cap was removed for any claims on or after July 1, 2022.

Oversight notes the \$5,396,581 issuance total at 70% would equal \$7,709,402 at 100% ($\$5,396,581 / .70$). The increase is estimated at \$2,312,821 ($\$7,709,402 - \$5,396,581$). Therefore, Oversight will note the estimated average difference of \$2,312,821 beginning FY 2028.

Additionally, this tax credit allows for CPI adjustment, therefore, beginning FY 2029 the amount could exceed the estimated average difference of \$2,312,821.

§135.600 - Maternity Home Tax Credit

Officials from the **B&P** notes this provision would increase the tax credit from 70% to 100% of donations made to a qualifying organization located in a rural area. It also adjusts the new limit annually for inflation.

The average amount redeemed in FY23–FY25 was \$3,242,530. If all donations qualified for the enhanced rural credit (100% tax credit), claims would have been \$4,632,186. Therefore, B&P estimates that this provision could decrease GR by up to \$1,389,656 annually beginning FY27.

Officials from the **DOR** notes the maternity home tax credit program began in 1997 and gives taxpayers a tax credit equal to 70% of their donation to a maternity home. Currently the tax credit program has no cap, but each taxpayer is limited to no more than \$100,000 in tax credits annually.

This proposal adds the definition of “rural area” to the tax credit program. Adding this definition does not cause a fiscal impact. It is unclear by the wording of this proposal if all future credits after July 1, 2026, must be made in a rural area or if the urban credits can be made and only be eligible for 70% credit. For purposes of the fiscal note, DOR will assume all credits will be awarded at the 100% rate.

This proposal also adds that the taxpayer cap of \$100,000 in tax credits allowed, is to be adjusted annually based on the inflation rate.

For informational purposes only, DOR is showing the amount of credits that have been issued and redeemed over the last several years.

Year	Issued	Total Redeemed
FY 2025	\$5,113,554.11	\$3,083,426.20
FY 2024	\$5,224,936.69	\$3,656,629.17
FY 2023	\$5,224,936.69	\$2,987,535.91
FY 2022	\$2,443,743.68	\$2,234,748.48
FY 2021	\$2,625,830.84	\$2,658,767.57
FY 2020	\$2,678,033.86	\$2,263,523.03
FY 2019	\$2,390,514.11	\$1,538,938.55
FY 2018	\$2,499,951.44	\$2,098,721.06
FY 2017	\$2,482,713.51	\$2,422,510.02
FY 2016	\$2,499,405.47	\$1,657,322.88
FY 2015	\$2,104,022.19	\$1,511,157.00
FY 2014	\$1,810,789.52	\$2,051,027.90
FY 2013	\$1,999,957.83	\$1,138,969.33
FY 2012	\$1,471,340.43	\$1,354,431.47

These changes may encourage more people to contribute to a maternity home which in turn will result in additional tax credits being issued. DOR is unable to estimate the amount of increased tax credits, but any additional credits issued would result in a loss to general revenue. The impact is unknown.

Oversight notes the proposal allows for 100% contribution tax credit amount against the taxpayer's tax liability.

Oversight notes the average 3-year issuance below:

Year	Issuance (rounded to near \$)
2025	\$5,113,554
2024	\$5,224,937
2023	\$5,224,937
Average	\$5,187,809

Oversight notes, per Section 135.600. 6., the tax credit maximum cap was removed for any claims on or after July 1, 2022.

Oversight notes the \$5,187,809 issuance total at 70% would equal \$7,411,156 at 100% ($\$5,187,809 / .70$). The increase is estimated at \$2,223,347 ($\$7,411,156 - \$5,187,809$). Therefore, Oversight will note the estimated average difference of \$2,223,347 beginning FY 2028.

Additionally, this tax credit allows for CPI adjustment, therefore, beginning FY 2029 the amount could exceed the estimated average difference of \$2,223,347.

§135.621 - Diaper Bank Tax Credit

Officials from the **B&P** notes this provision would increase the tax credit from 50% to 70% of donations. For donations made to qualifying rural diaper banks, the credit will increase from 50% to 100% of donations. This proposal would also increase the annual per taxpayer limit from \$50,000 to \$100,000. It also adjusts the new limit annually for inflation.

In addition, this provision would remove the annual redemption limit (currently \$500,000) as well as the sunset language.

The average amount redeemed in FY23–FY25 was \$137,159. Had the credit been worth 70% of donations, total claims would have been \$192,022. Alternatively, if all donations qualified for the enhanced rural credit (100% tax credit), claims would have been \$274,317. Therefore, B&P estimates that this provision could decrease GR by up to \$137,159 annually beginning FY27.

Officials from the **DOR** notes the diaper bank tax credit program began in 2018 and gives taxpayers a tax credit equal to 50% of their donation to a qualified diaper bank. Currently the tax credit program has a \$500,000 cap, and each taxpayer is limited to no more than \$50,000 in tax credits annually.

This proposal adds the definition of “rural area” to the tax credit program. Adding this definition does not cause a fiscal impact. This proposal says that starting July 1, 2026, a taxpayer can receive a tax credit equal to 70% of their donation if the diaper bank is located in a rural area.

It is unclear by the wording of this proposal if all future credits after July 1, 2026, must be made in a rural area and if urban credits can no longer be issued. For purposes of the fiscal note, DOR will assume all credits will be awarded at the 100% rate.

This proposal also increases the amount of tax credit a taxpayer can receive. Currently they are limited to no more than \$50,000 per year, but this proposal increases it to \$100,000 per person per year. Then annually thereafter, this amount can be adjusted annually based on the inflation rate.

For informational purposes only, DOR is showing the amount of credits that have been issued and redeemed over the last several years.

Year	Issued	Total Redeemed
FY 2025	\$92,704.41	\$85,940.62
FY 2024	\$173,152.90	\$175,524.58
FY 2023	\$136,018.86	\$150,009.87
FY 2022	\$182,018.00	\$122,610.97
FY 2021	\$189,453.90	\$137,330.65
FY 2020	\$189,628.19	\$40,082.23
FY 2019	\$0.00	\$0.00
FY 2018	\$0.00	\$0.00

This proposal also removes the cap on the program. DOR assumes this may encourage more people to contribute to a diaper bank which in turn will result in additional tax credits being issued. DOR is unable to estimate the amount of increased tax credits, but any additional credits issued would result in a loss to general revenue. The impact is unknown.

This proposal also removes the sunset clause from this tax credit. DOR notes that removing the sunset clause will not result in any additional cost to DOR but will continue the program indefinitely into the future.

Oversight notes the proposal allows for 100% contribution tax credit amount against the taxpayer's tax liability.

Oversight notes the average 3-year issuance below:

Year	Issuance (rounded to near \$)
2025	\$92,704
2024	\$173,153
2023	\$136,019
Average	\$133,959

Oversight notes, per Section 135.600. 6., the tax credit maximum cap was removed for any claims on or after July 1, 2022.

Oversight notes the \$133,959 issuance total at 70% would equal \$191,370 at 100% (\$137,159 / .70). The increase is estimated at \$57,411 (\$191,370 - \$133,959). Therefore, Oversight will note the estimated average difference of \$57,411 beginning FY 2028.

Additionally, this tax credit allows for CPI adjustment, therefore, beginning FY 2029 the amount could exceed the estimated average difference of \$57,411.

Lastly, this legislation removes the sunset clause and allows the program to remain in place after the original date of expiration in FY 2031. Therefore, Oversight will reflect the continuation of the program as of FY 2033.

§135.630 - Pregnancy Resource Center Tax Credit

Officials from the **B&P** notes this provision would increase the tax credit from 70% to 100% of donations made to a qualifying organization located in a rural area. This proposal would also increase the annual per taxpayer limit from \$50,000 to \$100,000. It also adjusts the new limit annually for inflation.

The average amount redeemed in FY23–FY25 was \$7,302,205. If all donations qualified for the enhanced rural credit (100% tax credit), claims would have been \$10,431,721. Therefore, B&P estimates that this provision could decrease GR by up to \$3,129,516 annually beginning FY27.

Officials from the **DOR** notes the pregnancy resource center tax credit program began in 2006 and gives taxpayers a tax credit equal to 70% of their donation to a qualified center. Currently the tax credit program has no cap, but each taxpayer is limited to no more than \$50,000 in tax credits annually.

This proposal adds the definition of “rural area” to the tax credit program. Adding this definition does not cause a fiscal impact. This proposal says that starting July 1, 2026, a taxpayer can receive a tax credit equal to 100% of their donation if the pregnancy resource center is located in a rural area.

It is unclear by the wording of this proposal if all future credits after July 1, 2026, must be made in a rural area or if urban credits can be made and only be eligible for 70% credit. For purposes of the fiscal note, DOR will assume all credits will be awarded at the 100% rate.

This proposal also increases the amount of tax credit a taxpayer can receive. Currently they are limited to no more than \$50,000 per year, but this proposal increases it to \$100,000 per person per year. Then annually thereafter, this amount can be adjusted annually based on the inflation rate.

For informational purposes only, DOR is showing the amount of credits that have been issued and redeemed over the last several years.

Year	Issued	Total Redeemed
FY 2025	\$12,473,780.00	\$6,241,404.14
FY 2024	\$11,245,025.24	\$7,533,879.98
FY 2023	\$10,098,879.47	\$8,131,329.41
FY 2022	\$10,910,488.95	\$5,757,203.91
FY 2021	\$3,358,998.95	\$2,900,451.16
FY 2020	\$3,274,044.98	\$2,381,620.61
FY 2019	\$2,498,735.54	\$1,259,766.60
FY 2018	\$2,499,393.98	\$2,094,375.23
FY 2017	\$2,443,386.34	\$2,183,504.71
FY 2016	\$2,499,441.93	\$1,845,874.70
FY 2015	\$2,326,435.41	\$1,581,045.10
FY 2014	\$1,998,698.88	\$1,715,599.57
FY 2013	\$1,621,951.09	\$1,194,476.57
FY 2012	\$1,844,683.99	\$1,892,182.85

These changes may encourage more people to contribute to a pregnancy resource center which in turn will result in additional tax credits being issued. DOR is unable to estimate the amount of increased tax credits, but any additional credits issued would result in a loss to general revenue. The impact is unknown.

DOR will need to update to MO-TC form (\$2,200), to Department's website and the computer program for each tax credit program \$7,548 ($\$1,887 * 4$).

Oversight notes the proposal allows for 100% contribution tax credit amount against the taxpayer's tax liability.

Oversight notes the average 3-year issuance below:

Year	Issuance (rounded to near \$)
2025	\$12,473,780
2024	\$11,245,025
2023	\$10,098,879
Average	\$11,272,561

Oversight notes, per Section 135.600. 6., the tax credit maximum cap was removed for any claims on or after July 1, 2022.

Oversight notes the \$11,272,561 issuance total at 70% would equal \$16,103,659 at 100% (\$11,272,561/ .70). The increase is estimated at \$4,831,098 (\$16,103,204 - \$11,272,561). Therefore, Oversight will note the estimated average difference of \$4,831,098 beginning FY 2028.

Officials from the **Office of the Secretary of State, Joint Committee on Administrative Rules, Oversight Division, and Department of Social Services** each assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029	Fully Implemented (FY 2033)
GENERAL REVENUE				
<u>Cost – (\$135.550) – Domestic Violence Tax Credit p.3-5</u>	\$0	(\$2,312,821)	Could Exceed (\$2,312,821)	Could Exceed (\$2,312,821)
<u>Cost – (\$135.600) - Maternity Home Tax Credit p.5-7</u>	\$0	(\$2,223,347)	Could Exceed (\$2,223,347)	Could Exceed (\$2,223,347)
<u>Cost – (\$135.621) - Diaper Bank Tax Credit p.7-9</u>	\$0	(\$57,411)	Could Exceed (\$57,411)	Could Exceed (\$191,370)
<u>Cost – (\$135.630) - Pregnancy Resource Center Tax Credit p.9-11</u>	\$0	(\$4,831,098)	Could Exceed (\$4,831,098)	Could Exceed (\$4,831,098)
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0	(\$9,424,677)	Could Exceed (\$9,424,677)	Could Exceed (\$9,558,636)

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029	Fully Implemented (FY 2033)
	\$0	\$0	\$0	\$0

FISCAL IMPACT – Small Business

A direct fiscal impact on small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

DOMESTIC VIOLENCE SHELTER TAX CREDIT

Current law authorizes a tax credit for contributions to a shelter for victims of domestic violence and rape crisis centers in an amount equal to 70% of the contribution. For all fiscal years beginning on or after July 1, 2026, this act increases such credit to 100% of the contribution if the shelter for victims of domestic violence or rape crisis center is located in a rural area or serves a large number of residents of a rural area, as defined in the act.

Additionally, the act increases the maximum amount of tax credit that a taxpayer may claim in a tax year from \$50,000 to \$100,000 and adjusts such amount annually for inflation. (Section 135.550)

MATERNITY HOME TAX CREDIT

Current law authorizes a tax credit for contributions to a maternity home in an amount equal to 70% of the contribution. For all fiscal years beginning on or after July 1, 2026, this act increases such credit to 100% of the contribution if the maternity home is located in a rural area or serves a large number of residents of a rural area, as defined in the act.

Additionally, current law limits the maximum amount of tax credit that a taxpayer may claim in a tax year to \$100,000. This act adjusts such amount annually for inflation. (Section 135.600)

DIAPER BANK TAX CREDIT

Current law authorizes a tax credit for contributions to a diaper bank in an amount equal to 50% of the contribution. For all fiscal years beginning on or after July 1, 2026, this act increases such credit to 70% of the contribution, or 100% of the contribution if the diaper bank is located in a rural area or serves a large number of residents of a rural area, as defined in the act.

Additionally, the act increases the maximum amount of tax credit that a taxpayer may claim in a tax year from \$50,000 to \$100,000 and adjusts such amount annually for inflation.

Current law limits the total amount of tax credits in a fiscal year to \$500,000. For all fiscal years beginning on or after July 1, 2026, this act removes such limit.

Finally, current law provides that such tax credit shall sunset on December 31, 2031. This act repeals such sunset. (Section 135.621)

PREGNANCY RESOURCE CENTER TAX CREDIT

Current law authorizes a tax credit for contributions to a pregnancy resource center in an amount equal to 70% of the contribution. For all fiscal years beginning on or after July 1, 2026, this act

increases such credit to 100% of the contribution if the pregnancy resource center is located in a rural area or serves a large number of residents of a rural area, as defined in the act.

Additionally, the act increases the maximum amount of tax credit that a taxpayer may claim in a tax year from \$50,000 to \$100,000 and adjusts such amount annually for inflation. (Section 135.630)

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Office of Administration Budget & Planning
Joint Committee on Administrative Rules
Office of the Secretary of State
Department of Social Services
Oversight Division



Julie Morff
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April 7, 2026



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April 7, 2026