

Notice: The proposed amendment may, or may be construed by some persons to, change, repeal, or modify by implication the following provisions of the Missouri Constitution: Sections 5, 6 and 7 of Article I; Section 38(a) and 39 of Article III; and, Sections 2(b), 5 and 8 of Article IX.

Be it resolved by the people of the state of Missouri that the Constitution be amended:

One new section is adopted by adding one new section to be known as section 11 of Article IX to read as follows:

Section 11.1. This section shall be known as the “Children’s Education Initiative.” The purpose of the Children’s Education Initiative is to assist local communities in promoting high-quality elementary and secondary education for all Missouri school children.

2. Missouri taxpayers may receive a tax credit for donations made to nonprofit Children’s Education Foundations that provide funds to schools and students. Missourians may form such foundations to provide funds to improve programs in public school districts, provide scholarships for children to attend other qualified schools, or expand special education services to children with disabilities.

3. As used in this section the following terms mean:

1. “Children’s Education Foundation,” or “Foundation,” an entity incorporated under the laws of Missouri relating to nonprofit corporations and exempt from federal income taxation that has as its primary or incidental purpose one the following: (a) financial support to any public school district for improving academic or other programs deemed essential by any public school district; (b) scholarships for children to attend any private or parochial qualified school; or, (c) financial support to special education programs provided by public school districts, or scholarships for children diagnosed with disabilities recognized under federal education law to attend a private or parochial qualified school;

2. “commissioner,” the commissioner of education appointed by the state board of education;

3. “contribution,” a donation of cash, stock, bonds, or other marketable securities, or real property;

4. “qualified school,” any public elementary and secondary school district located in Missouri; or any private or parochial elementary or secondary school located in Missouri that does not discriminate on the basis of race, color, disability, ancestry or national origin and is accredited by a state or nationally recognized accrediting institution;

5. “state tax liability,” any liability incurred by a taxpayer under the provisions of chapters 143, 147, 148, and 153, of the Missouri Revised Statutes, as amended from time to time, exclusive of the provisions relating to the withholding of tax as provided for in sections 143.191 to 143.265 and related provisions, as amended from time to time;

6. “taxpayer,” an individual, firm, partner in a firm, sole proprietorship, partner in a limited or general partnership, member of a limited liability company, corporation as defined under sections 143.441 or 143.471, S corporation shareholder doing business in this state and subject to the state income tax imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or charitable organization, trust, or public or private foundation which is exempt from federal income tax and whose Missouri unrelated business taxable income would be subject to state income tax under chapter 143.

4. A taxpayer may claim a credit against the taxpayer’s state tax liability in an amount equal to fifty percent of such taxpayer’s contribution to a Foundation. The credit shall not be allowed if the taxpayer designates the contribution for the direct benefit of the taxpayer or any dependent. The credit claimed shall not exceed the taxpayer’s state tax liability for the taxable year for which the credit is claimed, and such taxpayer shall not be allowed to claim a credit in excess of fifty thousand dollars per taxable year. However, any credit that cannot be claimed in the taxable year the contribution was made may be carried over to the next four succeeding taxable years until the full credit has been claimed. The cumulative amount of credits that may be claimed annually shall be capped at \$90 million, adjusted annually for inflation using the United States Chained Consumer Price Index (C-CPI-U). The cap may be increased upon authorization of the Missouri General Assembly.

5. A Foundation may provide financial assistance to more than one qualified school or for more than one purpose under subsection 3.1. Foundations providing assistance for multiple purposes shall request tax credit allocations for each purpose, market the credits as separate programs, and segregate the funds of each program. Foundations may decline contributions or may accept donations for which the tax credit authorized in this section is not claimed.

6. The commissioner shall annually allocate credits among the purposes in subsection 3.1 as follows: fifty percent for subsection 3.1 (a); forty percent for subsection 3.1 (b); and ten percent for subsection 3.1 (c). The commissioner shall apportion credits among Foundations throughout a calendar year based on demand, so that to the maximum extent possible, all available credits are distributed for a given year.

7. A public school district is not obligated to accept assistance from a Foundation. A Foundation that wishes to assist a public school district shall consult with the public school district and provide assistance as directed by the district. Revenues received by a public school district pursuant to this section shall not be counted as revenues received by the district in determining state aid to the district.

8. The provisions of this section shall be construed to repeal any previously enacted constitutional provisions to the extent they could be construed as prohibiting or limiting the award of tax credits for taxpayers’ voluntary support or aid of students to attend elementary or secondary schools other than those defined as free public schools under article IX, section 1 (a) of the constitution. The provisions of this section are self-executing.