

**Title 11—DEPARTMENT OF PUBLIC SAFETY
Division 45—Missouri Gaming Commission
Chapter 9—Internal Control System**

PROPOSED AMENDMENT

**11 CSR 45-9.118 Minimum Internal Control Standards (MICS)—
Chapter R.** The commission is amending section (1).

PURPOSE: This amendment updates minimum internal control standards by changing existing forms and adding new forms needed for accounting processes, electronic signatures, jackpots, gift log, wire transfers, unclaimed property, and floating employee window.

(1) The commission shall adopt and publish minimum standards for internal control procedures that in the commission's opinion satisfy 11 CSR 45-9.020, as set forth in *Minimum Internal Control Standards (MICS)* Chapter R—Forms, which has been incorporated by reference herein, as published by the Missouri Gaming Commission, 3417 Knipp Dr., PO Box 1847, Jefferson City, MO 65102. Chapter R does not incorporate any subsequent amendments or additions as adopted by the commission on [March 28,] September 26, 2012.

AUTHORITY: section 313.004, RSMo 2000, and sections 313.800 and 313.805, RSMo Supp. 2011. Original rule filed June 30, 2010, effective Jan. 30, 2011. Amended: Filed Dec. 8, 2011, effective July 30, 2012. Amended: Filed Sept. 27, 2012.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri Gaming Commission, PO Box 1847, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the *Missouri Register*. A public hearing is scheduled for December 12, 2012, at 10:00 a.m., in the Missouri Gaming Commission's Hearing Room, 3417 Knipp Drive, Jefferson City, Missouri.

**Title 13—DEPARTMENT OF SOCIAL SERVICES
Division 35—Children's Division
Chapter 100—Tax Credits**

PROPOSED AMENDMENT

13 CSR 35-100.010 Residential Treatment Agency Tax Credit. The division is amending the purpose and sections (1)–(5), (7), and (11), and adding the Tax Credit Transfer Form to the rule.

PURPOSE: This rule is being amended to reflect changes that were made in section 135.1150, RSMo, as a result of SB 86 (2007), Special Session HB 1 (2007), and HB 1172 (2012). Additionally typographical changes have been made.

PURPOSE: This rule describes the procedures for the implementation of section 135.1150, RSMo [Supp. 2006], Residential Treatment Agency Tax Credit Act], to reflect the requirements of SB 614 (2006)].

(1) In general, a qualified residential treatment agency may apply for tax credits on behalf of taxpayers who make cash donations to the agency. The amount of total credits available to any qualified residential treatment agency cannot exceed [forty percent (40%) of] the total funds received from the Department of Social Services in the preceding twelve (12) months. Those who donate to qualifying providers are eligible to receive a tax credit up to fifty percent (50%) of their donation. Qualified residential treatment agencies that accept these donations are required to remit payments equivalent to the amount of the tax credit to the state of Missouri.

(2) Definition of terms[:]—

(A) "Certificate," a tax credit certificate issued to a taxpayer who makes an eligible [monetary] donation to a qualified residential treatment agency as described under section 135.1150, RSMo;

(B) "Eligible [monetary] donation," [a cash] donations received from a taxpayer by a qualified residential treatment agency that [is] are used solely to provide direct care services to children who are residents of this state. Direct care services include but are not limited to increasing the quality of care and service for children through improved employee compensation and training.[:] **Eligible donations may include cash, publicly traded stocks and bonds, and real estate;**

(C) "Qualified residential treatment agency," a residential treatment care facility that—

1. Is licensed under section 210.484, RSMo; and

2. Is accredited by—

A. Council on Accreditation (COA); or

B. Joint Commission on Accreditation of Healthcare Organizations (JCAHO); or

C. Commission on Accreditation of Rehabilitation Facilities (CARF); and

3. Is under contract with the Department of Social Services to provide treatment services for children who are residents or wards of residents of this state; and

4. Receives [monetary] donations. Any agency that operates more than one (1) facility or at more than one (1) location can only be eligible for the tax credit for eligible [monetary] donations made to facilities or locations of the agency which are licensed and accredited;

(D) "Taxpayer," any of the following individuals or entities who make eligible [monetary] donations to a qualified residential treatment agency[:]—

1. A person, firm, partner in a firm, corporation, or a shareholder in an S corporation doing business in the state of Missouri, and subject to the state income tax imposed in Chapter 143, RSMo;

2. A corporation subject to the annual corporation franchise tax imposed in Chapter 147, RSMo;

3. An insurance company paying an annual tax on its gross premium receipts in this state;

4. [or a]Any other financial institution paying taxes to the state of Missouri or any political subdivision of the state under Chapter 148, RSMo; or

5. **Any charitable organization which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under Chapter 143, RSMo; and**

(3) Beginning January 1, 2007, any taxpayer will be allowed to claim a credit against their state tax liability, as defined in subsection (2)(E) of this rule, equivalent to fifty percent (50%) of the eligible [monetary] donation the taxpayer made to a qualified residential treatment agency. The amount of the tax credit claimed may not exceed the amount of the taxpayer's state income tax liability in the tax year that the credit is being claimed.

(4) Qualified residential treatment agencies must apply for the tax credit on behalf of the taxpayers. Required information includes:

(C) A statement attesting to the receipt of an eligible *[monetary]* donation, which includes the following information:

1. Taxpayer type and supporting documentation when applicable;

[1.]2. Taxpayer's name;

[2.]3. Taxpayer's identification number;

[3.]4. Amount of the eligible *[monetary]* donation and supporting documentation, when applicable;

[4.]5. Amount of anticipated tax credit;

[5.]6. Date the donation was received by the agency; and

[6.]7. Signature of the executive director;

(D) Payment from the qualified residential treatment agency equal to the value of the tax credit for which the application is being submitted. Checks must be made payable to the Department of Social Services[.]; and

(E) **Verifying documentation must be attached to the tax credit application. The type of documentation required will depend on the type of donation. Required documentation includes the following:**

1. Cash—legible receipt from the residential treatment agency which indicates the name and address of the organization; name, address, and telephone number of the contributor; amount and date the contribution was received; and signature of a representative of the residential treatment agency receiving the contribution;

2. Check—photocopy of the canceled check, front and back—if not possible then copy of the original check and a receipt from the residential treatment agency including the same information required of a cash donation as described in paragraph (4)(E)1. of this rule;

3. Credit card—legible transaction receipt with the name and address of the residential treatment agency; contributor's name, address, and telephone number; amount and date the contribution was received; and signature of a representative of the residential treatment agency receiving the contribution. Receipts should have the credit card account number blacked out;

4. Money order or cashier's check—legible copy of the original document with the name and address of the qualified residential treatment agency; contributor's name, address, and telephone number; amount and date the contribution was received; and signature of a representative of the residential treatment agency receiving the contribution;

5. Values of contributed stocks and bonds must be determined by a reputable source (e.g., *Wall Street Journal*, New York Stock Exchange (NYSE), National Association of Securities Dealers Automated Quotations (NASDAQ), etc.). Information required when submitting applications for tax credit shall include the source and date the stock was valued and how the bond amount was determined;

6. The value of contributions of real estate shall be equal to the lowest of at least two (2) qualified independent appraisals for commercial, vacant, or residential property that has been determined to have a value of over twenty-five thousand dollars (\$25,000). Commercial, vacant, or residential property having a value of twenty-five thousand dollars (\$25,000) or less will require only one (1) appraisal; and

7. Contributions that include a benefit to the donor—documentation required will depend on how the type of contribution was made (i.e., cash, check, etc.). The same information is required as described in paragraphs (4)(E)1.–4. of this rule. Additional information required includes the type of function or event from which the benefit was received, description of the benefit received (if an auction item, identify the item received), gross amount of the contribution, fair market value of the benefit, and how the fair market value of the benefit was determined.

(5) All applications and payments must be submitted within twelve (12) months from date the eligible *[monetary]* donation was

received from the taxpayer. Tax credit applications submitted more than one (1) year following the date of the contribution will be void and the right to the tax credit will be forfeited.

(7) Total tax credits issued for any qualified residential treatment agency cannot exceed *[forty percent (40%) of]* the total payments made by the Department of Social Services to the qualified residential treatment agency in the twelve (12) months preceding the month the application for the tax credit was received. In the event the total credits exceed *[forty percent (40%) of]* the total payments made to a qualified residential treatment agency by the Department of Social Services, the application and payment will be returned to the qualified residential treatment agency and may be resubmitted by the agency within thirty (30) days of the date the application was returned or within twelve (12) months from the date the *[monetary]* donation was received by the agency, whichever is later.

(11) The owner of a **residential treatment agency tax credit** certificate *[indicating a residential treatment agency tax credit]* may assign, transfer, sell, or otherwise convey the certificate. The new owner will have the same rights as the original owner. When a certificate is assigned, transferred, sold, or otherwise conveyed, a notarized endorsement must be submitted to the Department of Social Services within thirty (30) days of the date of the transaction. Information submitted must include:

[(A) New owner name;

(B) New owner address;

(C) New owner taxpayer identification number;

(D) Value of the tax credit (amount of claimable tax credit remaining);

(E) Date of transaction.]

(A) A complete and accurate Department of Social Services Tax Credit Transfer Form (Attachment B, included herein). Forms may be also be obtained by writing to the address provided in subsection (4)(A) and section (6) of this rule.



MISSOURI DEPARTMENT OF SOCIAL SERVICES
TAX CREDIT TRANSFER

The Department of Social Services (DSS) tax credit transfer form must be used when transferring eligible tax credits administered by the DSS. You must submit a separate Tax Credit Transfer form for each tax credit transfer being requested. The sale or transfer of a tax credit may have income tax consequences for the assignor and assignee. Consult your tax advisor for more information.

ASSIGNOR

NAME OF ASSIGNOR		ASSIGNOR TELEPHONE NUMBER
ASSIGNOR ADDRESS		
ASSIGNOR TAXPAYER IDENTIFICATION NUMBER (SOCIAL SECURITY NUMBER)		

TRANSFER

TAX CREDIT TYPE		
<input type="checkbox"/> PREGNANCY RESOURCE CENTER TAX CREDIT <input type="checkbox"/> RESIDENTIAL TREATMENT AGENCY TAX CREDIT <input type="checkbox"/> DEVELOPMENTAL DISABILITY CARE PROVIDER TAX CREDIT		
APPROVED CERTIFICATE NUMBER	(OFFICE USE ONLY)	
VALUE OF TAX CREDIT (SEE INSTRUCTIONS)	DATE OF TRANSFER	TAX CREDIT SELLING PRICE (SEE INSTRUCTIONS)

CERTIFICATION

ASSIGNOR SIGNATURE	DATE
PRINTED NAME	(OFFICE USE ONLY)

ASSIGNEE

NAME OF ASSIGNEE		ASSIGNEE TELEPHONE NUMBER
ASSIGNEE ADDRESS		
ASSIGNEE TAXPAYER IDENTIFICATION NUMBER (SOCIAL SECURITY NUMBER)		

TAXPAYER TYPE (REQUIRES SUPPORTING DOCUMENTATION - SEE INSTRUCTIONS)

<input type="checkbox"/> Individual <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership* <input type="checkbox"/> S Corporation* <input type="checkbox"/> LLC* <input type="checkbox"/> Charitable Organization*					
<input type="checkbox"/> Financial Institution <input type="checkbox"/> Insurance Company					

CERTIFICATION

ASSIGNEE SIGNATURE	DATE
PRINTED NAME	(OFFICE USE ONLY) REISSUE CERTIFICATE NUMBER

NOTARY PUBLIC EMBOSSEER SEAL	STATE OF	COUNTY (OR CITY OF ST. LOUIS)
	NOTARY PUBLIC NAME	MY COMMISSION EXPIRES
	NOTARY PUBLIC SIGNATURE	
	USE RUBBER STAMP IN AREA BELOW	

Appeared before me on this _____ day of _____, 20____,

and _____ to me personally known to be the persons who executed the above certifications, and acknowledged and states that he/she executed the same for the purpose therein stated.



MISSOURI DEPARTMENT OF SOCIAL SERVICES
TAX CREDIT TRANSFER

Information provided below must include all individuals listed on the original tax credit certificate.

1. Provide the Assignor's LEGAL name. The Assignor is the person transferring ownership of the tax credit (e.g. the seller).
2. Provide the Assignor's complete address including city, state and zip code.
3. Provide the Assignor's taxpayer identification number or social security number.
4. Indicate the type of tax credit certificate being transferred (i.e. Pregnancy Resource Center, Developmental Disability Care Provider or Residential Treatment Agency tax credit).
5. Provide the original tax credit certificate number.

6. Provide the value of the tax credit on the date of transfer. This is the amount of the approved tax credit or, if some portion of the tax credit was previously used, this is the value of the remaining tax credit.

Example: In 2007 a tax credit certificate was issued for \$2,000. In 2007 the value of the tax credit is \$2,000. If that year the taxpayer was able to claim \$500 of that credit; the value of the remaining tax credit carried over to the next tax year was \$1,500. If the tax credit was sold or transferred during 2008, the value of the tax credit would be \$1,500.

7. Provide the date of transfer.
8. Provide the selling price.

Note: The following criteria applies only to the transfer of a Pregnancy Resource Center tax credit certificate:

The tax credit must be transferred or sold...

- (1) For no less than seventy-five percent of the par value of such credit; (Par value meaning the value of the tax credit at the time of transfer); and
- (2) In an amount not to exceed one hundred percent of annual earned credit.

Example: Using the scenario in #6 above. The value of the credit being transferred is \$1,500. It can not be sold for less than 75% of that amount or no less than \$1,125. A taxpayer can not sell or transfer tax credit in any given year in an amount that exceeds 100% of the annual earned credit, which is \$1,500. Therefore, if in 2008 the taxpayer has the \$1,500 carryover and earns another \$2,000 tax credit for 2008, the taxpayer can only sell or transfer tax credits up to \$2,000. The taxpayer can not sell or transfer tax credits in excess of the annual earned credit (\$2,000) in any given year.

9. Provide the Assignor's Signature, date of signature and printed name.
10. Provide the Assignee's LEGAL name as it appears on annual income tax returns. The Assignee is the individual purchasing or receiving the tax credit (e.g. the buyer).
11. Provide the Assignee's complete address including city, state and zip code.
12. Provide the Assignee's taxpayer identification number or social security number.
13. Indicate the Assignee's Taxpayer type - place an (X) in the appropriate box and provide supporting documentation indicated if applicable.

Supporting Documentation:

Partnerships, S Corporations and LLC's please provide a list of all shareholder names; social security numbers, and percentage of ownership.



MISSOURI DEPARTMENT OF SOCIAL SERVICES
TAX CREDIT TRANSFER

Charitable organizations applying for tax credits must provide:

- proof the organization is exempt from federal income tax (copy of federal tax exemption certificate), and
- proof of business activities that are unrelated to its charitable activities of which Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143, RSMo (i.e. most recent Missouri State Income Tax Return). If the unrelated business activities do not generate Missouri business taxable income, an Executive Officer of the organization must attest to the following statement:

"I certify that _____ engages in unrelated
(ORGANIZATION NAME)

business activities which do not generate Missouri unrelated business income. If these activities did generate Missouri unrelated business income, that income would be subject to the state tax imposed under chapter 143, RSMo."

SIGNATURE	TITLE	DATE
-----------	-------	------

14. Provide the Assignee's Signature, date of signature and printed name.
15. The completed tax credit transfer form must be notarized. If both the assignor and assignee can not be present at the time of the notarized endorsement, each individual may have a copy of the document notarized individually. However, both copies must be submitted to the Department of Social Services at the same time.
16. Forward the transfer form and all supporting documentation required to the following address:

Residential Treatment Agency Tax Credit Transfers:
Department of Social Services
Attention: Residential Treatment Agency Tax Credit
P.O. Box 853
Jefferson City, MO 65102-0853

Pregnancy Resource Center Tax Credit Transfers:
Department of Social Services
Attention: Pregnancy Resource Center Tax Credit
P.O. Box 863
Jefferson City, MO 65102-0863

Developmental Disability Care Provider Tax Credit Transfers:
Department of Social Services
Attention: Developmental Disability Care Provider Tax Credit
PO Box 853
Jefferson City, MO 65102-0853