

FIRST REGULAR SESSION

[PERFECTED]

HOUSE BILL NO. 366

91ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE CHAMPION.

Read 1st time January 15, 2001, and 1000 copies ordered printed.

Read 2nd time January 16, 2001, and referred to the Committee on Ways and Means, February 1, 2001.

Reported from the Committee on Ways and Means, March 15, 2001, with recommendation that the bill Do Pass.

Taken up for Perfection April 19, 2001. Bill ordered Perfected and printed, as amended.

TED WEDEL, Chief Clerk

0788L.02P

AN ACT

To repeal sections 135.305, 143.124, 348.432, 620.1400, 620.1420, 620.1430, 620.1440 and 620.1450, RSMo 2000, and to enact in lieu thereof eleven new sections relating to certain tax credits and tax deductions, with an emergency clause.

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

Section A. Sections 135.305, 143.124, 348.432, 620.1400, 620.1420, 620.1430,
2 620.1440 and 620.1450, RSMo 2000, are repealed and eleven new sections enacted in lieu
3 thereof, to be known as sections 135.305, 135.340, 135.342, 135.552, 135.630, 135.631,
4 135.760, 143.124, 348.432, Section 1 and Section B, to read as follows:

135.305. A Missouri wood energy producer shall be eligible for a tax credit on taxes
2 otherwise due under chapter 143, RSMo, except sections 143.191 to 143.261, RSMo, as a
3 production incentive to produce processed wood products in a qualified wood producing facility
4 using Missouri forest product residue. The tax credit to the wood energy producer shall be five
5 dollars per ton of processed material. The credit may be claimed for a period of [five] **ten** years
6 and is to be a tax credit against the tax otherwise due.

135.340. 1. For all tax years beginning on or after January 1, 2002, and in addition
2 **to deductions allowed an employer by law for wages paid an employee, an employer which**
3 **grants an employee paid leave to volunteer at a public, private or parochial elementary or**

EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

4 secondary school, or to attend a school sponsored function with an educational purpose of
5 the employee's biological, adopted, step or foster child, or any other child for which the
6 employee is a legal guardian shall be allowed a refundable credit against the tax otherwise
7 due pursuant to chapter 143, RSMo, not including sections 143.191 to 143.265, RSMo, in
8 an amount equal to fifty percent of the amount of the federal minimum wage for each such
9 hour of paid leave per employee.

10 2. To obtain the credit allowed by this section, an employer shall first obtain a
11 certificate of tax credit from the department of labor and industrial relations. The
12 department shall require an employer to submit documentation regarding the amount of
13 paid leave granted each employee for the purposes described in subsection 1 of this section,
14 and shall issue the employer a certificate of tax credit in an appropriate amount. The
15 department of labor and industrial relations is authorized to promulgate any rules
16 necessary for the implementation of the tax credit allowed by this section. No rule or
17 portion of a rule shall become effective unless it has been promulgated pursuant to the
18 provisions of chapter 536, RSMo.

19 3. An employer shall claim any tax credit allowed by this section by filing the
20 certificate of tax credit issued by the department of labor and industrial relations with such
21 employer's tax return.

22 4. No more than five million dollars in tax credits shall be allowed annually
23 pursuant to this section. The department of labor and industrial relations shall issue
24 credits pursuant to this section in the order applications therefor are received.

135.342. For tax years beginning on or after January 1, 2001, a taxpayer who is a
2 teacher, as defined in subdivision (15) of section 163.011, RSMo, shall, to the extent such
3 taxpayer claims no other credit or deduction for the same expenditures, be allowed to claim
4 a credit against the tax otherwise due pursuant to chapter 143, RSMo, excluding sections
5 143.191 to 143.265, RSMo, and related provisions, in an amount equal to the lesser of two
6 hundred fifty dollars or the amount such taxpayer's out-of-pocket expenditures during the
7 same tax year for instructional materials used in the course of such taxpayer's employment
8 as a teacher. A taxpayer shall claim the credit allowed by this section at the time such
9 taxpayer files a return; provided that, a taxpayer who fails to timely file such taxpayer's
10 return shall not be eligible for a credit pursuant to this section. The tax credit allowed
11 pursuant to this section shall be nonrefundable, but may be carried over to the next five
12 succeeding taxable years until the full credit has been claimed. The department of revenue
13 is authorized to adopt any rules or regulations deemed necessary for the effective
14 administration of this section. No rule or portion of a rule promulgated pursuant to the
15 authority of this section shall become effective unless it has been promulgated pursuant to

16 the provisions of chapter 536, RSMo.

135.552. 1. As used in this section, the following terms shall mean:

2 (1) "Contribution", a donation of cash, stock, bonds or other marketable securities,
3 or real property;

4 (2) "Director", the director of the department of public safety;

5 (3) "Sexual violence crisis service center", a nonprofit organization having a
6 primary function of serving sexual violence victims, or running a discrete, separate
7 program that serves sexual violence victims, or two or more nonprofit organizations
8 operating under a formal arrangement to provide sexual violence services to victims of
9 rape, sexual assault and sexual abuse, their significant others, secondary victims and the
10 community. For purposes of this section, eligible services of a sexual violence crisis service
11 center, include, but shall not be limited to, the operation of a twenty-four-hour crisis
12 hotline promoted as a service for sexual violence victims and the provision of information,
13 referrals, medical and justice system advocacy, crisis intervention and support groups at
14 no charge and community education and prevention education;

15 (4) "State tax liability", in the case of a business taxpayer, any liability incurred by
16 such taxpayer pursuant to the provisions of chapters 143, 147, 148 and 153, RSMo,
17 exclusive of the provisions relating to withholding tax contained in sections 143.191 to
18 143.265, RSMo, and in the case of an individual taxpayer, any liability incurred by such
19 taxpayer pursuant to the provisions of chapter 143, RSMo, exclusive of the provisions
20 relating to withholding tax contained in sections 143.191 to 143.265, RSMo;

21 (5) "Taxpayer", a person, firm, a partner in a firm, corporation or a shareholder
22 in an S corporation doing business in the state of Missouri and subject to the state income
23 tax imposed by the provisions of chapter 143, RSMo, a corporation subject to the annual
24 corporation franchise tax imposed by the provisions of chapter 147, RSMo, an insurance
25 company paying an annual tax on its gross premium receipts in this state or other financial
26 institution paying taxes to the state of Missouri or any political subdivision of this state
27 pursuant to the provisions of chapter 148, RSMo, an express company which pays an
28 annual tax on its gross receipts in this state pursuant to chapter 153, RSMo, or an
29 individual subject to the state income tax imposed by the provisions of chapter 143, RSMo.

30 2. A taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax
31 liability, in an amount equal to fifty percent of the amount such taxpayer contributed to
32 a sexual violence crisis service center.

33 3. The amount of the tax credit claimed shall not exceed the amount of the
34 taxpayer's state tax liability for the taxable year that the credit is claimed, and such
35 taxpayer shall not be allowed to claim a tax credit in excess of fifty thousand dollars per

36 taxable year. However, any tax credit that cannot be claimed in the taxable year the
37 contribution was made may be carried over to the next three succeeding taxable years until
38 the full credit has been claimed.

39 4. Except for any excess credit which is carried over pursuant to subsection 3 of this
40 section, a taxpayer shall not be allowed to claim a tax credit unless the total amount of such
41 taxpayer's contribution or contributions to a sexual violence crisis service center or centers
42 in such taxpayer's taxable year has a value of at least one hundred dollars.

43 5. The director shall determine, at least annually, which organizations and
44 programs in this state may be classified as sexual violence crisis service centers. The
45 director may require an organization or program seeking to be classified as a sexual
46 violence crisis service center to submit any information which is reasonably necessary to
47 make such a determination. The director shall classify an organization or program as a
48 sexual violence crisis service center if such organization or program meets the definition
49 set forth in subsection 1 of this section.

50 6. The director shall establish a procedure by which a taxpayer can determine if
51 an organization or program has been classified as a sexual violence crisis service center,
52 and by which such taxpayer can then contribute to such centers and claim a tax credit.
53 Sexual violence crisis service centers shall be permitted to decline a contribution from a
54 taxpayer. The cumulative amount of tax credits which may be claimed by all the taxpayers
55 contributing to sexual violence crisis service centers in any one fiscal year shall not exceed
56 two million dollars. Tax credits shall be issued based on the order in which accepted
57 contributions are received.

58 7. The director shall establish a procedure by which, from the beginning of the
59 fiscal year until some point in time later in the fiscal year to be determined by the director,
60 the cumulative amount of tax credits are equally apportioned among all organizations and
61 programs classified as sexual violence crisis service centers. If a sexual violence crisis
62 service center fails to use all, or some percentage to be determined by the director, of its
63 apportioned tax credits during this predetermined period of time, the director may
64 reapportion these unused tax credits to those sexual violence crisis service centers that have
65 used all, or some percentage to be determined by the director, of their apportioned tax
66 credits during this predetermined period of time. The director may establish more than
67 one period of time and reapportion more than once during each fiscal year. To the
68 maximum extent possible, the director shall establish the procedure described in this
69 subsection in such a manner as to ensure that taxpayers can claim all the tax credits
70 possible up to the cumulative amount of tax credits available for the fiscal year.

71 8. Each sexual violence crisis service center shall provide information to the

72 director concerning the identity of each taxpayer making a contribution to the sexual
73 violence crisis service center who is claiming a tax credit pursuant to this section and the
74 amount of the contribution. The director shall provide the information to the director of
75 revenue. The director shall be subject to the confidentiality and penalty provisions of
76 section 32.057, RSMo, relating to the disclosure of tax information.

77 9. This section shall become effective January 1, 2002, and shall apply to tax years
78 after December 31, 2001.

135.630. 1. As used in this section, the following terms shall mean:

2 (1) "Contribution", a donation of cash, stock, bonds or other marketable securities,
3 or real property;

4 (2) "Director", the director of the department of social services;

5 (3) "State tax liability", in the case of a business taxpayer, any liability incurred by
6 such taxpayer pursuant to the provisions of chapters 143, 147, 148 and 153, RSMo,
7 exclusive of the provisions relating to withholding tax contained in sections 143.191 to
8 143.265, RSMo, and in the case of an individual taxpayer, any liability incurred by such
9 taxpayer pursuant to the provisions of chapter 143, RSMo, exclusive of the provisions
10 relating to withholding tax contained in sections 143.191 to 143.265, RSMo;

11 (4) "Taxpayer", a person, firm, a partner in a firm, corporation or a shareholder
12 in an S corporation doing business in the state of Missouri and subject to the state income
13 tax imposed by the provisions of chapter 143, RSMo, a corporation subject to the annual
14 corporation franchise tax imposed by the provisions of chapter 147, RSMo, an insurance
15 company paying an annual tax on its gross premium receipts in this state or other financial
16 institution paying taxes to the state of Missouri or any political subdivision of this state
17 pursuant to the provisions of chapter 148, RSMo, an express company which pays an
18 annual tax on its gross receipts in this state pursuant to chapter 153, RSMo, or an
19 individual subject to the state income tax imposed by the provisions of chapter 143, RSMo;

20 (5) "Unplanned pregnancy resource center", a nonresidential facility located in this
21 state:

22 (a) Established and operating primarily to provide assistance to women with crisis
23 pregnancies or unplanned pregnancies by offering pregnancy testing, counseling,
24 emotional and material support, and other similar services to encourage and assist such
25 women in carrying their pregnancies to term; and

26 (b) Where childbirths are not performed; and

27 (c) Which does not perform or refer for abortions and which does not hold itself
28 out as performing or referring for abortions; and

29 (d) Which provides direct client services, as opposed to merely providing counseling

30 or referral services by telephone; and

31 (e) Which provides its services at no cost; and

32 (f) Which is exempt from income taxation pursuant to the United States Internal
33 Revenue Code.

34 2. A taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax
35 liability, in an amount equal to fifty percent of the amount such taxpayer contributed to
36 an unplanned pregnancy resource center.

37 3. The amount of the tax credit claimed shall not exceed the amount of the
38 taxpayer's state tax liability for the taxable year that the credit is claimed, and such
39 taxpayer shall not be allowed to claim a tax credit in excess of fifty thousand dollars per
40 taxable year. However, any tax credit that cannot be claimed in the taxable year the
41 contribution was made may be carried over to the next three succeeding taxable years until
42 the full credit has been claimed.

43 4. Except for any excess credit which is carried over pursuant to subsection 3 of this
44 section, a taxpayer shall not be allowed to claim a tax credit unless the total amount of such
45 taxpayer's contribution or contributions to an unplanned pregnancy resource center or
46 centers in such taxpayer's taxable year has a value of at least one hundred dollars.

47 5. The director shall determine, at least annually, which facilities in this state may
48 be classified as unplanned pregnancy resource centers. The director may require a facility
49 seeking to be classified as an unplanned pregnancy resource center to submit any
50 information which is reasonably necessary to make such a determination. The director
51 shall classify a facility as an unplanned pregnancy resource center if such facility meets the
52 definition set forth in subsection 1 of this section.

53 6. The director shall establish a procedure by which a taxpayer can determine if
54 a facility has been classified as an unplanned pregnancy resource center, and by which
55 such taxpayer can then contribute to such centers and claim a tax credit. Unplanned
56 pregnancy resource centers shall be permitted to decline a contribution from a
57 taxpayer. The cumulative amount of tax credits which may be claimed by all the taxpayers
58 contributing to unplanned pregnancy resource centers in any one fiscal year shall not
59 exceed two million dollars. Tax credits shall be issued based on the order in which
60 accepted contributions are received.

61 7. The director shall establish a procedure by which, from the beginning of the
62 fiscal year until some point in time later in the fiscal year to be determined by the director,
63 the cumulative amount of tax credits are equally apportioned among all facilities classified
64 as unplanned pregnancy resource centers. If an unplanned pregnancy resource center fails
65 to use all, or some percentage to be determined by the director, of its apportioned tax

66 credits during this predetermined period of time, the director may reapportion these
67 unused tax credits to those unplanned pregnancy resource centers that have used all, or
68 some percentage to be determined by the director, of their apportioned tax credits during
69 this predetermined period of time. The director may establish more than one period of
70 time and reapportion more than once during each fiscal year. To the maximum extent
71 possible, the director shall establish the procedure described in this subsection in such a
72 manner as to ensure that taxpayers can claim all the tax credits possible up to the
73 cumulative amount of tax credits available for the fiscal year.

74 8. Each unplanned pregnancy resource center shall provide information to the
75 director concerning the identity of each taxpayer making a contribution to the unplanned
76 pregnancy resource center who is claiming a tax credit pursuant to this section and the
77 amount of the contribution. The director shall provide the information to the director of
78 revenue. The director shall be subject to the confidentiality and penalty provisions of
79 section 32.057, RSMo, relating to the disclosure of tax information.

80 9. This section shall become effective January 1, 2002, and shall apply to tax years
81 after December 31, 2001.

135.631. The tax credits available pursuant to sections 135.552 and 135.630 shall
2 not be available in any tax year beginning after December 31, 2006, but any tax credit
3 claimed pursuant to section 135.552 or 135.630 prior to that date may be carried forward
4 as otherwise provided by those sections.

135.760. 1. For all taxable years beginning on or after January 1, 2002, a resident
2 individual who is allowed a federal earned income tax credit pursuant to Section 32 of the
3 Internal Revenue Code shall be allowed a credit against the tax otherwise due pursuant to
4 chapter 143, RSMo, not including sections 143.191 to 143.265, RSMo, in an amount equal
5 to one-half of one percent of the allowable federal earned income tax credit. For all taxable
6 years beginning on or after January 1, 2004, a resident individual who is allowed a federal
7 earned income tax credit pursuant to Section 32 of the Internal Revenue Code shall be
8 allowed a credit against the tax otherwise due pursuant to chapter 143, RSMo, not
9 including sections 143.191 to 143.265, RSMo, in an amount equal to two and one-half
10 percent of the allowable federal earned income tax credit. For all taxable years beginning
11 on or after January 1, 2006, a resident individual who is allowed a federal earned income
12 tax credit pursuant to Section 32 of the Internal Revenue Code shall be allowed a credit
13 against the tax otherwise due pursuant to chapter 143, RSMo, not including sections
14 143.191 to 143.265, RSMo, in an amount equal to five percent of the allowable federal
15 earned income tax credit. For all taxable years beginning on or after January 1, 2008, a
16 resident individual who is allowed a federal earned income tax credit pursuant to Section

17 **32 of the Internal Revenue Code shall be allowed a credit against the tax otherwise due**
18 **pursuant to chapter 143, RSMo, not including sections 143.191 to 143.265, RSMo, in an**
19 **amount equal to seven and one-half percent of the allowable federal earned income tax**
20 **credit. For all taxable years beginning on or after January 1, 2010, a resident individual**
21 **who is allowed a federal earned income tax credit pursuant to Section 32 of the Internal**
22 **Revenue Code shall be allowed a credit against the tax otherwise due pursuant to chapter**
23 **143, RSMo, not including sections 143.191 to 143.265, RSMo, in an amount equal to ten**
24 **percent of the allowable federal earned income tax credit. The tax credit allowed by this**
25 **section shall be claimed by such individual at the time such individual files a return and**
26 **shall be applied against the income tax liability imposed by chapter 143, RSMo. Where the**
27 **amount of the credit exceeds the tax liability, the difference shall be refunded to the**
28 **taxpayer or carried forward into each subsequent taxable year until such credit is fully**
29 **used.**

30 **2. The director of the department of revenue shall promulgate rules and regulations**
31 **to administer the provisions of this section. No rule or portion of a rule promulgated**
32 **pursuant to the authority of this section shall become effective unless it has been**
33 **promulgated pursuant to the provisions of chapter 536, RSMo.**

34 **3. Notwithstanding the provision of subsection 4 of section 32.057, RSMo, the**
35 **department of revenue or any duly authorized employee or agent shall determine whether**
36 **any taxpayer filing a report or return with the department of revenue who has not applied**
37 **for the credit allowed pursuant to subsection 1 of this section may qualify for the credit,**
38 **and shall notify any qualified claimant of his or her potential eligibility, where the**
39 **department determines such potential eligibility exists.**

143.124. 1. Other provisions of law to the contrary notwithstanding, the total amount
2 of all annuities, pensions, or retirement allowances above the amount of six thousand dollars
3 annually provided by any law of this state, the United States, or any other state to any person
4 except as provided in subsection [4] **5** of this section, shall, **for tax years beginning before**
5 **January 1, 2003**, be subject to tax pursuant to the provisions of this chapter, in the same manner,
6 to the same extent and under the same conditions as any other taxable income received by the
7 person receiving it. For purposes of this section, annuity, pension, or retirement allowance shall
8 be defined as an annuity, pension or retirement allowance provided by the United States, this
9 state, any other state or any political subdivision or agency or institution of this or any other state.
10 For all tax years beginning on or after January 1, 1998, for purposes of this section, annuity,
11 pension or retirement allowance shall be defined to include 401(k) plans, deferred compensation
12 plans, self-employed retirement plans, also known as Keogh plans, annuities from a defined
13 pension plan and individual retirement arrangements, also known as IRAs, as described in the

14 Internal Revenue Code, but not including Roth IRAs, as well as an annuity, pension or retirement
15 allowance provided by the United States, this state, any other state or any political subdivision
16 or agency or institution of this or any other state. **For tax years beginning January 1, 2002,**
17 **[A]**an individual taxpayer shall only be allowed a maximum deduction of six thousand dollars
18 pursuant to this section. Taxpayers filing combined returns **for tax years beginning before**
19 **January 1, 2003,** shall only be allowed a maximum deduction of six thousand dollars for each
20 taxpayer on the combined return. **For tax years beginning on or after January 1, 2003, the**
21 **maximum deduction allowed for an individual taxpayer, and per taxpayer for taxpayers**
22 **filing combined returns, shall be seven thousand two hundred dollars. No deduction shall**
23 **be allowed pursuant to this section for any amount of an annuity, pension or retirement**
24 **allowance to the extent that such amount is excluded from the taxpayer's federal or**
25 **Missouri adjusted gross income, or is otherwise deducted from either the taxpayer's federal**
26 **or Missouri adjusted gross income in calculating Missouri taxable income.**

27 2. For the period beginning July 1, 1989, and ending December 31, 1989, there shall be
28 subtracted from Missouri adjusted gross income for that period, determined pursuant to section
29 143.121, the first three thousand dollars of retirement benefits received by each taxpayer:

30 (1) If the taxpayer's filing status is single, head of household or qualifying widow(er) and
31 the taxpayer's Missouri adjusted gross income is less than twelve thousand five hundred dollars;
32 or

33 (2) If the taxpayer's filing status is married filing combined and their combined Missouri
34 adjusted gross income is less than sixteen thousand dollars; or

35 (3) If the taxpayer's filing status is married filing separately and the taxpayer's Missouri
36 adjusted gross income is less than eight thousand dollars.

37 3. For the tax years beginning on or after January 1, 1990, **but before January 1, 2003,**
38 there shall be subtracted from Missouri adjusted gross income, determined pursuant to section
39 143.121, a maximum of the first six thousand dollars of retirement benefits received by each
40 taxpayer from sources other than privately funded sources, and for tax years beginning on or after
41 January 1, 1998, there shall be subtracted from Missouri adjusted gross income, determined
42 pursuant to section 143.121, a maximum of the first one thousand dollars of any retirement
43 allowance received from any privately funded source for tax years beginning on or after January
44 1, 1998, but before January 1, 1999, and a maximum of the first three thousand dollars of any
45 retirement allowance received from any privately funded source for tax years beginning on or
46 after January 1, 1999, but before January 1, 2000, and a maximum of the first four thousand
47 dollars of any retirement allowance received from any privately funded source for tax years
48 beginning on or after January 1, 2000, but before January 1, 2001, and a maximum of the first
49 five thousand dollars of any retirement allowance received from any privately funded source for

50 tax years beginning on or after January 1, 2001, but before January 1, 2002[, and a maximum of
51 the first six thousand dollars of any retirement allowance received from any privately funded
52 sources for tax years beginning on or after January 1, 2002]. A taxpayer shall be entitled to the
53 maximum exemption provided by this subsection:

54 (1) If the taxpayer's filing status is single, head of household or qualifying widow(er) and
55 the taxpayer's Missouri adjusted gross income is less than twenty-five thousand dollars; or

56 (2) If the taxpayer's filing status is married filing combined and their combined Missouri
57 adjusted gross income is less than thirty-two thousand dollars; or

58 (3) If the taxpayer's filing status is married filing separately and the taxpayer's Missouri
59 adjusted gross income is less than sixteen thousand dollars.

60 **4. For the tax years beginning on or after January 1, 2003, there shall be subtracted**
61 **from Missouri adjusted gross income, determined pursuant to section 143.121, a maximum**
62 **of the first seven thousand two hundred dollars of retirement benefits received by each**
63 **taxpayer from all sources. A taxpayer shall be entitled to the maximum exemption**
64 **provided by this subsection:**

65 (1) **If the taxpayer's filing status is single, head of household or qualifying widow(er)**
66 **and the taxpayer's Missouri adjusted gross income is less than thirty thousand dollars; or**

67 (2) **If the taxpayer's filing status is married filing combined and their combined**
68 **Missouri adjusted gross income is less than thirty-eight thousand five hundred dollars; or**

69 (3) **If the taxpayer's filing status is married filing separately and the taxpayer's**
70 **Missouri adjusted gross income is less than nineteen thousand two hundred fifty dollars.**

71 **5.** If a taxpayer's adjusted gross income exceeds the adjusted gross income ceiling for
72 such taxpayer's filing status, as provided in subdivisions (1), (2) and (3) of subsection 3 **or 4** of
73 this section, such taxpayer shall be entitled to an exemption equal to the greater of zero or the
74 maximum exemption provided in subsection 3 of this section reduced by one dollar for every
75 dollar such taxpayer's income exceeds the ceiling for his or her filing status.

76 [5.] **6.** For purposes of this section, any Social Security benefits otherwise included in
77 Missouri adjusted gross income shall be subtracted; but Social Security benefits shall not be
78 subtracted for purposes of other computations pursuant to this chapter, and are not to be
79 considered as retirement benefits for purposes of this section.

80 [6. The provisions of subdivisions (1) and (2) of subsection 3 of this section shall apply
81 during all tax years in which the federal Internal Revenue Code provides exemption levels for
82 calculation of the taxability of Social Security benefits that are the same as the levels in
83 subdivisions (1) and (2) of subsection 3 of this section. If the exemption levels for the
84 calculation of the taxability of Social Security benefits are adjusted by applicable federal law or
85 regulation, the exemption levels in subdivisions (1) and (2) of subsection 3 of this section shall

86 be accordingly adjusted to the same exemption levels.]

87 7. The portion of a taxpayer's lump sum distribution from an annuity or other retirement
88 plan not otherwise included in Missouri adjusted gross income as calculated pursuant to this
89 chapter, but subject to taxation under Internal Revenue Code Section 402 shall be taxed in an
90 amount equal to ten percent of the taxpayer's federal liability on such distribution for the same
91 tax year.

92 8. For purposes of this section, retirement benefits received shall not include any
93 withdrawals from qualified retirement plans which are subsequently rolled over into another
94 retirement plan.

95 9. The exemptions provided for in this section shall not affect the calculation of the
96 income to be used to determine the property tax credit provided in sections 135.010 to 135.035,
97 RSMo.

348.432. 1. The tax credit created in this section shall be known as the "New Generation
2 Cooperative Incentive Tax Credit".

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

4 (1) "Authority", the agriculture and small business development authority as provided
5 in this chapter;

6 (2) "Development facility", a facility producing either a good derived from an
7 agricultural commodity or using a process to produce a good derived from an agricultural
8 product;

9 (3) "Eligible new generation cooperative", a nonprofit cooperative association formed
10 pursuant to chapter 274, RSMo, or incorporated pursuant to chapter 357, RSMo, for the purpose
11 of operating a development facility or a renewable fuel production facility and approved by the
12 authority;

13 **(4) "Employee qualified capital project", an eligible new generation cooperative**
14 **with capital costs greater than fifteen million dollars which will employ at least one**
15 **hundred employees;**

16 **(5) "Large capital project", an eligible new generation cooperative with capital costs**
17 **greater than one million dollars;**

18 (6) "Member", a person, partnership, corporation, trust or limited liability company that
19 invests cash funds to an eligible new generation cooperative;

20 [(5)] (7) "Renewable fuel production facility", a facility producing an energy source
21 which is derived from a renewable, domestically grown, organic compound capable of powering
22 machinery, including an engine or power plant, and any by-product derived from such energy
23 source;

24 **(8) "Small capital project", an eligible new generation cooperative with capital costs**

25 **of no more than one million dollars.**

26 3. Beginning tax year [1999] **2001**, and subsequent tax years, any member who invests
27 cash funds in an eligible new generation cooperative **and who owns land in Missouri which**
28 **produces a commodity in an amount to cover his or her obligation to deliver such**
29 **commodity to the eligible new generation cooperative in which the member is investing, or**
30 **who, beginning July 1, 2001, is domiciled in the state of Missouri** may receive a credit against
31 the tax otherwise due pursuant to chapter 143, RSMo, other than taxes withheld pursuant to
32 sections 143.191 to 143.265, RSMo, or chapter 148, RSMo, chapter 147, RSMo, in an amount
33 equal to the lesser of fifty percent of such member's investment or fifteen thousand dollars.

34 4. A member shall submit to the authority an application for the tax credit authorized by
35 this section on a form provided by the authority. If the member meets all criteria prescribed by
36 this section and is approved by the authority, the authority shall issue a tax credit certificate in
37 the appropriate amount. Tax credits issued pursuant to this section shall initially be claimed for
38 the taxable year in which the member contributes capital to an eligible new generation
39 cooperative. Any amount of credit that exceeds the tax due for a member's taxable year may be
40 carried back to any of the member's three prior taxable years and carried forward to any of the
41 member's five subsequent taxable years. Tax credits issued pursuant to this section may be
42 assigned, transferred or sold. Whenever a certificate of tax credit is assigned, transferred, sold
43 or otherwise conveyed, a notarized endorsement shall be filed with the authority specifying the
44 name and address of the new owner of the tax credit or the value of the credit.

45 5. [At least] Ten percent of the tax credits authorized pursuant to this section **initially**
46 **shall be offered in any fiscal year to small capital projects** [with capital costs of no more than
47 one million dollars]. If [the amount of tax credits allowed pursuant to this section exceeds the
48 amount needed for such smaller projects, the remaining] **any portion of the ten percent of tax**
49 **credits offered to small capital costs projects is unused in any calendar year, then the**
50 **unused portion of** tax credits may be offered [for projects with capital costs in excess of one
51 million dollars] **to employee qualified capital projects and large capital projects. If the**
52 **authority receives more applications for tax credits for small capital projects than tax**
53 **credits are authorized therefor, then the authority, by rule, shall determine the method of**
54 **distribution of tax credits authorized for small capital projects.**

55 6. [If members of a project would be eligible for tax credits in excess of one million five
56 hundred thousand dollars, tax credits authorized pursuant to this section shall be prorated
57 between the members on a percent of investment basis, not to exceed the maximum allowed per
58 member.] **Ninety percent of the tax credits authorized pursuant to this section initially shall**
59 **be offered in any fiscal year to employee qualified capital projects and large capital**
60 **projects. If any portion of the ninety percent of tax credits offered to employee qualified**

61 capital projects and large capital costs projects is unused in any fiscal year, then the
62 unused portion of tax credits may be offered to small capital projects. The maximum tax
63 credit allowed per employee qualified capital project is three million dollars and the
64 maximum tax credit allowed per large capital project is one million five hundred thousand
65 dollars. If authority approves the maximum tax credit allowed for any employee qualified
66 capital project or any large capital project, then the authority, by rule, shall determine the
67 method of distribution of such maximum tax credit. In addition, if the authority receives
68 more tax credit applications for employee qualified capital projects and large capital
69 projects than the amount of tax credits authorized therefor, then the authority, by rule,
70 shall determine the method of distribution of tax credits authorized for employee qualified
71 capital projects and large capital projects.

72 **Section 1. In the third class counties with a population of less than thirty thousand**
73 **people and bordered by a state line and at least two other third class counties, a tax credit**
74 **of eighty percent shall be granted to the owner of a recreational facility with at least six**
75 **baseball diamonds for improvements made to such facility with an annual cap on the tax**
76 **credit of ten thousand dollars.**

2 [620.1400. Sections 620.1400 to 620.1460 shall be known and may be cited
3 as the "Missouri Individual Training Account Program Act" and its provisions shall
4 be effective only within distressed communities as defined by section 135.530,
5 RSMo.]

6 [620.1420. As used in sections 620.1400 to 620.1460, the following terms
7 mean:

8 (1) "Costs of classroom training", the normal costs incurred in the provision
9 of classroom training which may also include specifically identified costs incurred
10 for instructors, classroom space and facilities, administrative support services, and
11 directly related expenses, that together do not exceed the amount normally allowed
12 for support of vocational and technical classes;

13 (2) "Department", the department of economic development;

14 (3) "Employee", a full-time or part-time employed worker whose salary is
15 equal to or less than two hundred percent of the federal poverty level;

16 (4) "Employee upgrade training", the progressive development of skills
17 associated with the defined set of work processes. Such training shall be consistent
18 with a career pattern of advancement, as measured by skill proficiency and the
19 progressive earnings and related benefits, that are recognized within an occupation,
20 trade or industry;

 (5) "Individual training account", an account funded by the tax credits
provided for in section 620.1440 for the provision of employee upgrade training to
employees through their participation in classroom training provided by educational
institutions;

 (6) "Local educational institution", a publicly funded or privately funded

local educational institution which is certified by a recognized accrediting association as capable of providing adequate classroom training to accomplish the purpose of sections 620.1400 to 620.1460.]

[620.1430. 1. A Missouri employer who desires to participate in the individual training account program shall provide the department of economic development with notification of intent to participate. The notification shall include, but need not be limited to, the names and occupations of employees whom the employer has selected to be trained, whether or not the employees are currently working for the employer, the name of the local educational institution that will provide the training, and a brief description of the training to be given by the institution.

2. The employer shall have complete discretion in the selection of the local educational institution or institutions to provide training and shall be responsible for the payment of the costs of classroom training.]

[620.1440. 1. Employers may be reimbursed for the costs of training provided pursuant to the provisions of the individual training account program. Such reimbursement shall be in the form of tax credits as authorized in subsection 2 of this section. The tax credits may be claimed for courses provided in no more than two calendar years for each employee. For each year, the maximum amount of credit per employee which can be certified by the department of economic development shall be the lesser of fifty percent of the costs of classroom training or one thousand five hundred dollars.

2. Tax credits may be claimed against any liability incurred by the employer pursuant to the provisions of chapter 143, RSMo, and chapter 148, RSMo, exclusive of the provisions relating to the withholding of tax as provided for in sections 143.191 to 143.265, RSMo. Earned tax credits may be carried forward for a period not to exceed five years and may be sold or transferred.

3. No claim for tax credits submitted to the department by an employer shall be certified until the employer provides documentation that an employee has successfully completed the employee's course training and has been employed by the employer in a new, full-time position for a period of at least three months. It must be demonstrated satisfactorily to the department that the new position in which the employee located is an upgrade in employment, in terms of salary and responsibilities, from the previously held position. All such increases in salary shall be in addition to normal cost-of-living increases provided for in authorized labor-management contracts. If the employee was previously employed in a part-time position, the base salary for the position shall be calculated as if it were a full-time position.]

[620.1450. The maximum amount of tax credits allowable pursuant to the provisions of the individual training account program shall not annually exceed six million dollars.]

Section B. Because immediate action is necessary to promote investment in agricultural

cooperatives, section A of this act is deemed necessary for the immediate preservation of the

3 public health, welfare, peace and safety, and is hereby declared to be an emergency act within
4 the meaning of the constitution, and section A of this act shall be in full force and effect upon
5 its passage and approval.