

FIRST REGULAR SESSION

HOUSE BILL NO. 757

92ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES JETTON, SUTHERLAND, HUNTER,
COOPER (120) (Co-sponsors) AND BEARDEN.

Read 1st time April 28, 2003, and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

2239L.011

AN ACT

To repeal sections 32.110, 32.115, 100.286, 100.297, 100.780, 135.030, 135.110, 135.230, 135.311, 135.327, 135.348, 135.352, 135.403, 135.460, 135.484, 135.490, 135.503, 135.545, 135.550, 135.600, 135.700, 135.750, 143.071, 143.091, 143.181, 143.471, 148.064, 148.112, 173.196, 173.796, 178.894, 208.770, 253.557, 320.093, 348.302, 348.430, 348.432, 447.708, 620.495, 620.644, 620.1039, 620.1440, 620.1560, and 660.055, RSMo, section 135.535 as enacted by conference committee substitute for senate substitute for senate committee substitute for house substitute for house committee substitute for house bill no. 701, ninetieth general assembly, first regular session, and section 135.535 as enacted by conference committee substitute no. 2 for house substitute for house committee substitute for senate bill no. 20, ninetieth general assembly, first regular session and to enact in lieu thereof fifty new sections relating to taxation, with an emergency clause for certain sections.

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

Section A. Sections 32.110, 32.115, 100.286, 100.297, 100.780, 135.030, 135.110,
2 135.230, 135.311, 135.327, 135.348, 135.352, 135.403, 135.460, 135.484, 135.490, 135.503,
3 135.545, 135.550, 135.600, 135.700, 135.750, 143.071, 143.091, 143.181, 143.471, 148.064,
4 148.112, 173.196, 173.796, 178.894, 208.770, 253.557, 320.093, 348.302, 348.430, 348.432,
5 447.708, 620.495, 620.644, 620.1039, 620.1440, 620.1560, and 660.055, RSMo, section 135.535
6 as enacted by conference committee substitute for senate substitute for senate committee
7 substitute for house substitute for house committee substitute for house bill no. 701, ninetieth
8 general assembly, first regular session, and section 135.535 as enacted by conference committee

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

9 substitute no. 2 for house substitute for house committee substitute for senate bill no. 20,
10 ninetieth general assembly, first regular session are repealed and fifty new sections enacted in
11 lieu thereof, to be known as sections 32.110, 32.115, 100.286, 100.297, 100.780, 135.030,
12 135.110, 135.230, 135.311, 135.327, 135.348, 135.352, 135.403, 135.460, 135.484, 135.490,
13 135.503, 135.535, 135.545, 135.550, 135.600, 135.700, 135.750, 143.071, 143.091, 143.181,
14 143.471, 148.064, 148.112, 173.196, 173.796, 178.894, 208.770, 253.557, 320.093, 348.302,
15 348.430, 348.432, 447.708, 620.495, 620.644, 620.1039, 620.1440, 620.1560, 660.055, 1, 2, 3,
16 4, and 5, to read as follows:

32.110. **1.** Any business firm which engages in the activities of providing physical
2 revitalization, economic development, job training or education for individuals, community
3 services, eligible farmers' markets or crime prevention in the state of Missouri shall receive a tax
4 credit as provided in section 32.115 if the director of the department of economic development
5 annually approves the proposal of the business firm; except that, no proposal shall be approved
6 which does not have the endorsement of the agency of local government within the area in which
7 the business firm is engaging in such activities which has adopted an overall community or
8 neighborhood development plan that the proposal is consistent with such plan. The proposal
9 shall set forth the program to be conducted, the neighborhood area to be served, why the program
10 is needed, the estimated amount to be contributed to the program and the plans for implementing
11 the program. If, in the opinion of the director of the department of economic development, a
12 business firm's contribution can more consistently with the purposes of sections 32.100 to 32.125
13 be made through contributions to a neighborhood organization as defined in subdivision (15) of
14 section 32.105, tax credits may be allowed as provided in section 32.115. The director of the
15 department of economic development is hereby authorized to promulgate rules and regulations
16 for establishing criteria for evaluating such proposals by business firms for approval or
17 disapproval and for establishing priorities for approval or disapproval of such proposals by
18 business firms with the assistance and approval of the director of the department of revenue. The
19 total amount of tax credit granted for programs approved pursuant to sections 32.100 to 32.125
20 shall not exceed fourteen million dollars in fiscal year 1999 and twenty-six million dollars in
21 fiscal year 2000, and any subsequent fiscal year, except as otherwise provided for proposals
22 approved pursuant to section 32.111, 32.112 or 32.117. All tax credits authorized pursuant to
23 the provisions of sections 32.100 to 32.125 may be used as a state match to secure additional
24 federal funding. The total amount of tax credits allowed for programs of neighborhood
25 organizations defined pursuant to paragraph (d) of subdivision (15) of section 32.105 is two and
26 one-half million dollars per fiscal year for fiscal years 2002 to 2006.

27 **2. Any credits authorized pursuant to sections 32.100 to 32.125 shall not apply**
28 **against any state tax liability incurred following the taxable year ending December 31,**

29 **2009.**

32.115. 1. The department of revenue shall grant a tax credit, to be applied in the
2 following order until used, against:

3 (1) The annual tax on gross premium receipts of insurance companies in chapter 148,
4 RSMo;

5 (2) The tax on banks determined pursuant to subdivision (2) of subsection 2 of section
6 148.030, RSMo;

7 (3) The tax on banks determined in subdivision (1) of subsection 2 of section 148.030,
8 RSMo;

9 (4) The tax on other financial institutions in chapter 148, RSMo;

10 (5) The corporation franchise tax in chapter 147, RSMo;

11 (6) The state income tax in chapter 143, RSMo; and

12 (7) The annual tax on gross receipts of express companies in chapter 153, RSMo.

13 2. For proposals approved pursuant to section 32.110:

14 (1) The amount of the tax credit shall not exceed fifty percent of the total amount
15 contributed during the taxable year by the business firm or, in the case of a financial institution,
16 where applicable, during the relevant income period in programs approved pursuant to section
17 32.110;

18 (2) Except as provided in subsection 2 or 5 of this section, a tax credit of up to seventy
19 percent may be allowed for contributions to programs where activities fall within the scope of
20 special program priorities as defined with the approval of the governor in regulations
21 promulgated by the director of the department of economic development;

22 (3) Except as provided in subsection 2 or 5 of this section, the tax credit allowed for
23 contributions to programs located in any community shall be equal to seventy percent of the total
24 amount contributed where such community is a city, town or village which has fifteen thousand
25 or less inhabitants as of the last decennial census and is located in a county which is either
26 located in:

27 (a) An area that is not part of a standard metropolitan statistical area;

28 (b) A standard metropolitan statistical area but such county has only one city, town or
29 village which has more than fifteen thousand inhabitants; or

30 (c) A standard metropolitan statistical area and a substantial number of persons in such
31 county derive their income from agriculture.

32

33 Such community may also be in an unincorporated area in such county as provided in
34 subdivision (1), (2) or (3) of this subsection. Except in no case shall the total economic benefit
35 of the combined federal and state tax savings to the taxpayer exceed the amount contributed by

36 the taxpayer during the tax year;

37 (4) Such tax credit allocation, equal to seventy percent of the total amount contributed,
38 shall not exceed four million dollars in fiscal year 1999 and six million dollars in fiscal year 2000
39 and any subsequent fiscal year. When the maximum dollar limit on the seventy percent tax credit
40 allocation is committed, the tax credit allocation for such programs shall then be equal to fifty
41 percent credit of the total amount contributed. Regulations establishing special program
42 priorities are to be promulgated during the first month of each fiscal year and at such times
43 during the year as the public interest dictates. Such credit shall not exceed two hundred and fifty
44 thousand dollars annually except as provided in subdivision (5) of this subsection. No tax credit
45 shall be approved for any bank, bank and trust company, insurance company, trust company,
46 national bank, savings association, or building and loan association for activities that are a part
47 of its normal course of business. Any tax credit not used in the period the contribution was made
48 may be carried over the next five succeeding calendar or fiscal years until the full credit has been
49 claimed. Except as otherwise provided for proposals approved pursuant to section 32.111,
50 32.112 or 32.117, in no event shall the total amount of all other tax credits allowed pursuant to
51 sections 32.100 to 32.125 exceed thirty-two million dollars in any one fiscal year, of which six
52 million shall be credits allowed pursuant to section 135.460, RSMo. If six million dollars in
53 credits are not approved, then the remaining credits may be used for programs approved pursuant
54 to sections 32.100 to 32.125;

55 (5) The credit may exceed two hundred fifty thousand dollars annually and shall not be
56 limited if community services, crime prevention, education, job training, physical revitalization
57 or economic development, as defined by section 32.105, is rendered in an area defined by federal
58 or state law as an impoverished, economically distressed, or blighted area or as a neighborhood
59 experiencing problems endangering its existence as a viable and stable neighborhood, or if the
60 community services, crime prevention, education, job training, physical revitalization or
61 economic development is limited to impoverished persons.

62 3. For proposals approved pursuant to section 32.111:

63 (1) The amount of the tax credit shall not exceed fifty-five percent of the total amount
64 invested in affordable housing assistance activities or market rate housing in distressed
65 communities as defined in section 135.530, RSMo, by a business firm. Whenever such
66 investment is made in the form of an equity investment or a loan, as opposed to a donation alone,
67 tax credits may be claimed only where the loan or equity investment is accompanied by a
68 donation which is eligible for federal income tax charitable deduction, and where the total value
69 of the tax credits herein plus the value of the federal income tax charitable deduction is less than
70 or equal to the value of the donation. Any tax credit not used in the period for which the credit
71 was approved may be carried over the next ten succeeding calendar or fiscal years until the full

72 credit has been allowed. If the affordable housing units or market rate housing units in distressed
73 communities for which a tax is claimed are within a larger structure, parts of which are not the
74 subject of a tax credit claim, then expenditures applicable to the entire structure shall be reduced
75 on a prorated basis in proportion to the ratio of the number of square feet devoted to the
76 affordable housing units or market rate housing units in distressed communities, for purposes of
77 determining the amount of the tax credit. The total amount of tax credit granted for programs
78 approved pursuant to section 32.111 for the fiscal year beginning July 1, 1991, shall not exceed
79 two million dollars, to be increased by no more than two million dollars each succeeding fiscal
80 year, until the total tax credits that may be approved reaches ten million dollars in any fiscal year;

81 (2) For any year during the compliance period indicated in the land use restriction
82 agreement, the owner of the affordable housing rental units for which a credit is being claimed
83 shall certify to the commission that all tenants renting claimed units are income eligible for
84 affordable housing units and that the rentals for each claimed unit are in compliance with the
85 provisions of sections 32.100 to 32.125. The commission is authorized, in its discretion, to audit
86 the records and accounts of the owner to verify such certification;

87 (3) In the case of owner-occupied affordable housing units, the qualifying owner
88 occupant shall, before the end of the first year in which credits are claimed, certify to the
89 commission that the occupant is income eligible during the preceding two years, and at the time
90 of the initial purchase contract, but not thereafter. The qualifying owner occupant shall further
91 certify to the commission, before the end of the first year in which credits are claimed, that
92 during the compliance period indicated in the land use restriction agreement, the cost of the
93 affordable housing unit to the occupant for the claimed unit can reasonably be projected to be
94 in compliance with the provisions of sections 32.100 to 32.125. Any succeeding owner occupant
95 acquiring the affordable housing unit during the compliance period indicated in the land use
96 restriction agreement shall make the same certification;

97 (4) If at any time during the compliance period the commission determines a project for
98 which a proposal has been approved is not in compliance with the applicable provisions of
99 sections 32.100 to 32.125 or rules promulgated therefor, the commission may within one
100 hundred fifty days of notice to the owner either seek injunctive enforcement action against the
101 owner, or seek legal damages against the owner representing the value of the tax credits, or
102 foreclose on the lien in the land use restriction agreement, selling the project at a public sale, and
103 paying to the owner the proceeds of the sale, less the costs of the sale and less the value of all tax
104 credits allowed herein. The commission shall remit to the director of revenue the portion of the
105 legal damages collected or the sale proceeds representing the value of the tax credits. However,
106 except in the event of intentional fraud by the taxpayer, the proposal's certificate of eligibility for
107 tax credits shall not be revoked.

108 4. For proposals approved pursuant to section 32.112, the amount of the tax credit shall
109 not exceed fifty-five percent of the total amount contributed to a neighborhood organization by
110 business firms. Any tax credit not used in the period for which the credit was approved may be
111 carried over the next ten succeeding calendar or fiscal years until the full credit has been allowed.
112 The total amount of tax credit granted for programs approved pursuant to section 32.112 shall
113 not exceed one million dollars for each fiscal year.

114 5. The total amount of tax credits used for market rate housing in distressed communities
115 pursuant to sections 32.100 to 32.125 shall not exceed thirty percent of the total amount of all
116 tax credits authorized pursuant to sections 32.111 and 32.112.

117 **6. Any credits authorized pursuant to sections 32.100 to 32.125 shall not apply**
118 **against any state tax liability incurred following the taxable year ending December 31,**
119 **2009.**

100.286. 1. Within the discretion of the board, the development and reserve fund, the
2 infrastructure development fund or the export finance fund may be pledged to secure the payment
3 of any bonds or notes issued by the board, or to secure the payment of any loan made by the
4 board or a participating lender which loan:

- 5 (1) Is requested to finance any project or export trade activity;
- 6 (2) Is requested by a borrower who is demonstrated to be financially responsible;
- 7 (3) Can reasonably be expected to provide a benefit to the economy of this state;
- 8 (4) Is otherwise secured by a mortgage or deed of trust on real or personal property or
9 other security satisfactory to the board; provided that loans to finance export trade activities may
10 be secured by export accounts receivable or inventories of exportable goods satisfactory to the
11 board;
- 12 (5) Does not exceed five million dollars;
- 13 (6) Does not have a term longer than five years if such loan is made to finance export
14 trade activities; and
- 15 (7) Is, when used to finance export trade activities, made to small or medium size
16 businesses or agricultural businesses, as may be defined by the board.

17 2. The board shall prescribe standards for the evaluation of the financial condition,
18 business history, and qualifications of each borrower and the terms and conditions of loans which
19 may be secured, and may require each application to include a financial report and evaluation
20 by an independent certified public accounting firm, in addition to such examination and
21 evaluation as may be conducted by any participating lender.

22 3. Each application for a loan secured by the development and reserve fund, the
23 infrastructure development fund or the export finance fund shall be reviewed in the first instance
24 by any participating lender to whom the application was submitted. If satisfied that the standards

25 prescribed by the board are met and that the loan is otherwise eligible to be secured by the
26 development and reserve fund, the infrastructure development fund or the export finance fund,
27 the participating lender shall certify the same and forward the application for final approval to
28 the board.

29 4. The securing of any loans by the development and reserve fund, the infrastructure
30 development fund or the export finance fund shall be conditioned upon approval of the
31 application by the board, and receipt of an annual reserve participation fee, as prescribed by the
32 board, submitted by or on behalf of the borrower.

33 5. The securing of any loan by the export finance fund for export trade activities shall
34 be conditioned upon the board's compliance with any applicable treaties and international
35 agreements, such as the general agreement on tariffs and trade and the subsidies code, to which
36 the United States is then a party.

37 6. Any taxpayer shall be entitled to a tax credit against any tax otherwise due under the
38 provisions of chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to
39 143.261, RSMo, chapter 147, RSMo, or chapter 148, RSMo, in the amount of fifty percent of
40 any amount contributed in money or property by the taxpayer to the development and reserve
41 fund, the infrastructure development fund or the export finance fund during the taxpayer's tax
42 year, provided, however, the total tax credits awarded in any calendar year beginning after
43 January 1, 1994, shall not be the greater of ten million dollars or five percent of the average
44 growth in general revenue receipts in the preceding three fiscal years. This limit may be
45 exceeded only upon joint agreement by the commissioner of administration, the director of the
46 department of economic development, and the director of the department of revenue that such
47 action is essential to ensure retention or attraction of investment in Missouri. If the board
48 receives, as a contribution, real property, the contributor at such contributor's own expense shall
49 have two independent appraisals conducted by appraisers certified by the Master Appraisal
50 Institute. Both appraisals shall be submitted to the board, and the tax credit certified by the board
51 to the contributor shall be based upon the value of the lower of the two appraisals. The board
52 shall not certify the tax credit until the property is deeded to the board. Such credit shall not
53 apply to reserve participation fees paid by borrowers under sections 100.250 to 100.297. The
54 portion of earned tax credits which exceeds the taxpayer's tax liability may be carried forward
55 for up to five years.

56 7. Notwithstanding any provision of law to the contrary, any taxpayer may sell, assign,
57 exchange, convey or otherwise transfer tax credits allowed in subsection 6 of this section under
58 the terms and conditions prescribed in subdivisions (1) and (2) of this subsection. Such taxpayer,
59 hereinafter the assignor for the purpose of this subsection, may sell, assign, exchange or
60 otherwise transfer earned tax credits:

61 (1) For no less than seventy-five percent of the par value of such credits; and

62 (2) In an amount not to exceed one hundred percent of annual earned credits.

63 The taxpayer acquiring earned credits, hereinafter the assignee for the purpose of this subsection,
64 may use the acquired credits to offset up to one hundred percent of the tax liabilities otherwise
65 imposed by chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to
66 143.261, RSMo, chapter 147, RSMo, or chapter 148, RSMo. Unused credits in the hands of the
67 assignee may be carried forward for up to five years, provided all such credits shall be claimed
68 within ten years following the tax years in which the contribution was made. The assignor shall
69 enter into a written agreement with the assignee establishing the terms and conditions of the
70 agreement and shall perfect such transfer by notifying the board in writing within thirty calendar
71 days following the effective day of the transfer and shall provide any information as may be
72 required by the board to administer and carry out the provisions of this section. Notwithstanding
73 any other provision of law to the contrary, the amount received by the assignor of such tax credit
74 shall be taxable as income of the assignor, and the excess of the par value of such credit over the
75 amount paid by the assignee for such credit shall be taxable as income of the assignee.

76 **8. Any credits authorized pursuant to sections 100.250 to 100.297 shall not apply**
77 **against any state tax liability incurred following the taxable year ending December 31,**
78 **2009.**

100.297. 1. The board may authorize a tax credit, as described in this section, to the
2 owner of any revenue bonds or notes issued by the board pursuant to the provisions of sections
3 100.250 to 100.297, for infrastructure facilities as defined in subdivision (9) of section 100.255,
4 if, prior to the issuance of such bonds or notes, the board determines that:

5 (1) The availability of such tax credit is a material inducement to the undertaking of the
6 project in the state of Missouri and to the sale of the bonds or notes;

7 (2) The loan with respect to the project is adequately secured by a first deed of trust or
8 mortgage or comparable lien, or other security satisfactory to the board.

9 2. Upon making the determinations specified in subsection 1 of this section, the board
10 may declare that each owner of an issue of revenue bonds or notes shall be entitled, in lieu of any
11 other deduction with respect to such bonds or notes, to a tax credit against any tax otherwise due
12 by such owner pursuant to the provisions of chapter 143, RSMo, excluding withholding tax
13 imposed by sections 143.191 to 143.261, RSMo, chapter 147, RSMo, or chapter 148, RSMo, in
14 the amount of one hundred percent of the unpaid principal of and unpaid interest on such bonds
15 or notes held by such owner in the taxable year of such owner following the calendar year of the
16 default of the loan by the borrower with respect to the project. The occurrence of a default shall
17 be governed by documents authorizing the issuance of the bonds. The tax credit allowed
18 pursuant to this section shall be available to the original owners of the bonds or notes or any

19 subsequent owner or owners thereof. Once an owner is entitled to a claim, any such tax credits
20 shall be transferable as provided in subsection 7 of section 100.286. Notwithstanding any
21 provision of Missouri law to the contrary, any portion of the tax credit to which any owner of a
22 revenue bond or note is entitled pursuant to this section which exceeds the total income tax
23 liability of such owner of a revenue bond or note shall be carried forward and allowed as a credit
24 against any future taxes imposed on such owner within the next ten years pursuant to the
25 provisions of chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to
26 143.261, RSMo, chapter 147, RSMo, or chapter 148, RSMo. The eligibility of the owner of any
27 revenue bond or note issued pursuant to the provisions of sections 100.250 to 100.297 for the
28 tax credit provided by this section shall be expressly stated on the face of each such bond or note.
29 The tax credit allowed pursuant to this section shall also be available to any financial institution
30 or guarantor which executes any credit facility as security for bonds issued pursuant to this
31 section to the same extent as if such financial institution or guarantor was an owner of the bonds
32 or notes, provided however, in such case the tax credits provided by this section shall be
33 available immediately following any default of the loan by the borrower with respect to the
34 project. In addition to reimbursing the financial institution or guarantor for claims relating to
35 unpaid principal and interest, such claim may include payment of any unpaid fees imposed by
36 such financial institution or guarantor for use of the credit facility.

37 3. The aggregate principal amount of revenue bonds or notes outstanding at any time
38 with respect to which the tax credit provided in this section shall be available shall not exceed
39 fifty million dollars.

40 **4. Any credits authorized pursuant to sections 100.250 to 100.297 shall not apply**
41 **against any state tax liability incurred following the taxable year ending December 31,**
42 **2009.**

100.780. 1. The board shall determine the amount and duration of a project and its
2 associated assessments, credits and refunds. The credit amount may not exceed the estimated
3 assessment. Assessments made for any project may not exceed a period of fifteen years.

4 **2. Any credits authorized pursuant to sections 100.700 to 100.850 shall not apply**
5 **against any state tax liability incurred following the taxable year ending December 31,**
6 **2009.**

135.030. 1. As used in this section:

2 (1) The term "maximum upper limit" shall, in the calendar year 1989, be the sum of
3 thirteen thousand five hundred dollars. For each calendar year through December 31, 1992, the
4 maximum upper limit shall be increased by five hundred dollars per year. For calendar years
5 after December 31, 1992, and prior to calendar year 1998, the maximum upper limit shall be the
6 sum used on December 31, 1992. For each calendar year after December 31, 1997, the

7 maximum upper limit shall be the sum of twenty-five thousand dollars;

8 (2) The term "minimum base" shall, in the calendar year 1989, be the sum of five
9 thousand dollars. For each succeeding calendar year through December 31, 1992, the minimum
10 base shall be increased, in one hundred-dollar increments, by the same percentage as the increase
11 in the general price level as measured by the Consumer Price Index for All Urban Consumers
12 for the United States, or its successor index, as defined and officially recorded by the United
13 States Department of Labor, or its successor agency, or five percent, whichever is greater. The
14 increase in the index shall be that as first published by the Department of Labor for the calendar
15 year immediately preceding the year in which the minimum base is calculated. For calendar
16 years after December 31, 1992, and prior to calendar year 1998, the minimum base shall be the
17 sum used on December 31, 1992. For each calendar year after December 31, 1997, the minimum
18 base shall be the sum of thirteen thousand dollars.

19 2. When calculating the minimum base for purposes of this section, whenever the
20 increase in the Consumer Price Index used in the calculation would result in a figure which is
21 greater than one one-hundred-dollar increment but less than another one-hundred-dollar
22 increment, the director of revenue shall always round that figure off to the next higher
23 one-hundred-dollar increment when determining the table of credits under this section.

24 3. If the income on a return is equal to or less than the maximum upper limit for the
25 calendar year for which the return is filed, the property tax credit shall be determined from a table
26 of credits based upon the amount by which the total property tax described in section 135.025
27 exceeds the percent of income in the following list:

28 If the income on the return is:	The percent is:
29 Not over the minimum base	0 percent with credit not
30	to exceed actual property
31	tax or rent equivalent
32	paid up to \$750
33 Over the minimum base but	1/16 percent accumulative
34 not over the maximum upper	per \$300 from 0 percent limit
35	to 4 percent.

36 The director of revenue shall prescribe a table based upon the preceding sentences. The property
37 tax shall be in increments of twenty-five dollars and the income in increments of three hundred
38 dollars. The credit shall be the amount rounded to the nearest whole dollar computed on the
39 basis of the property tax and income at the midpoints of each increment. As used in this
40 subsection, the term "accumulative" means an increase by continuous or repeated application of
41 the percent to the income increment at each three hundred dollar level.

42 4. Notwithstanding the provision of subsection 4 of section 32.057, RSMo, the

43 department of revenue or any duly authorized employee or agent shall determine whether any
44 taxpayer filing a report or return with the department of revenue who has not applied for the
45 credit allowed pursuant to section 135.020 may qualify for the credit, and shall notify any
46 qualified claimant of his or her potential eligibility, where the department determines such
47 potential eligibility exists.

48 **5. Any credits authorized pursuant to sections 135.100 to 135.150 shall not apply**
49 **against any state tax liability incurred following the taxable year ending December 31,**
50 **2009.**

135.110. 1. Any taxpayer who shall establish a new business facility shall be allowed
2 a credit, each year for ten years, in an amount determined pursuant to subsection 2 or 3 of this
3 section, whichever is applicable, against the tax imposed by chapter 143, RSMo, excluding
4 withholding tax imposed by sections 143.191 to 143.265, RSMo, or an insurance company which
5 shall establish a new business facility by satisfying the requirements in subdivision (7) of section
6 135.100 shall be allowed a credit against the tax otherwise imposed by chapter 148, RSMo, and
7 in the case of an insurance company exempt from the thirty percent employee requirement of
8 section 135.230, against any obligation imposed pursuant to section 375.916, RSMo, except that
9 no taxpayer shall be entitled to multiple ten-year periods for subsequent expansions at the same
10 facility, except as otherwise provided in this section. For the purpose of this section, the term
11 "facility" shall mean, and be limited to, the facility or facilities which are located on the same site
12 in which the new business facility is located, and in which the business conducted at such facility
13 or facilities is directly related to the business conducted at the new business facility.
14 Notwithstanding the provisions of this subsection, a taxpayer may be entitled to an additional
15 ten-year period if a new business facility is expanded in the eighth, ninth or tenth year of the
16 current ten-year period or in subsequent years following the expiration of the ten-year period, if
17 the number of new business facility employees attributed to such expansion is at least
18 twenty-five and the amount of new business facility investment attributed to such expansion is
19 at least one million dollars. Credits may not be carried forward but shall be claimed for the
20 taxable year during which commencement of commercial operations occurs at such new business
21 facility, and for each of the nine succeeding taxable years. A letter of intent, as provided for in
22 section 135.258, must be filed with the department of economic development no later than
23 fifteen days prior to the commencement of commercial operations at the new business facility.
24 The initial application for claiming tax credits must be made in the taxpayer's tax period
25 immediately following the tax period in which commencement of commercial operations began
26 at the new business facility. This provision shall have effect on all initial applications filed on
27 or after August 28, 1992. No credit shall be allowed pursuant to this section unless the number
28 of new business facility employees engaged or maintained in employment at the new business

29 facility for the taxable year for which the credit is claimed equals or exceeds two; except that the
30 number of new business facility employees engaged or maintained in employment by a
31 revenue-producing enterprise other than a revenue-producing enterprise defined in paragraphs
32 (a) to (g) and (i) to (l) of subdivision (11) of section 135.100 which establishes an office as
33 defined in subdivision (8) of section 135.100 shall equal or exceed twenty-five.

34 2. For tax periods beginning after August 28, 1991, in the case of a taxpayer operating
35 an existing business facility, the credit allowed by subsection 1 of this section shall offset the
36 greater of:

37 (1) Some portion of the income tax otherwise imposed by chapter 143, RSMo, excluding
38 withholding tax imposed by sections 143.191 to 143.265, RSMo, or in the case of an insurance
39 company, the tax on the direct premiums, as defined in chapter 148, RSMo, and in the case of
40 an insurance company exempt from the thirty percent employee requirement of section 135.230,
41 against any obligation imposed pursuant to section 375.916, RSMo, with respect to such
42 taxpayer's new business facility income for the taxable year for which such credit is allowed; or

43 (2) Up to fifty percent or, in the case of an economic development project located within
44 a distressed community as defined in section 135.530, seventy-five percent of the business
45 income tax otherwise imposed by chapter 143, RSMo, excluding withholding tax imposed by
46 sections 143.191 to 143.265, RSMo, or in the case of an insurance company, the tax on the direct
47 premiums, as defined in chapter 148, RSMo, and in the case of an insurance company exempt
48 from the thirty percent employee requirement of section 135.230, against any obligation imposed
49 pursuant to section 375.916, RSMo, if the business operates no other facilities in Missouri. In
50 the case of an existing business facility operating more than one facility in Missouri, the credit
51 allowed in subsection 1 of this section shall offset up to the greater of the portion prescribed in
52 subdivision (1) of this subsection or twenty-five percent or, in the case of an economic
53 development project located within a distressed community as defined in section 135.530,
54 thirty-five percent of the business' tax, except that no taxpayer operating more than one facility
55 in Missouri shall be allowed to offset more than twenty-five percent or, in the case of an
56 economic development project located within a distressed community as defined in section
57 135.530, thirty-five percent of the taxpayer's business income tax in any tax period under the
58 method prescribed in this subdivision. Such credit shall be an amount equal to the sum of one
59 hundred dollars or, in the case of an economic development project located within a distressed
60 community as defined in section 135.530, one hundred fifty dollars for each new business facility
61 employee plus one hundred dollars or, in the case of an economic development project located
62 within a distressed community as defined in section 135.530, one hundred fifty dollars for each
63 one hundred thousand dollars, or major fraction thereof (which shall be deemed to be fifty-one
64 percent or more) in new business facility investment. For the purpose of this section, tax credits

65 earned by a taxpayer, who establishes a new business facility because it satisfies the requirements
66 of paragraph (c) of subdivision (4) of section 135.100, shall offset the greater of the portion
67 prescribed in subdivision (1) of this subsection or up to fifty percent or, in the case of an
68 economic development project located within a distressed community as defined in section
69 135.530, seventy-five percent of the business' tax provided the business operates no other
70 facilities in Missouri. In the case of a business operating more than one facility in Missouri, the
71 credit allowed in subsection 1 of this section shall offset up to the greater of the portion
72 prescribed in subdivision (1) of this subsection or twenty-five percent or, in the case of an
73 economic development project located within a distressed community as defined in section
74 135.530, thirty-five percent of the business' tax, except that no taxpayer operating more than one
75 facility in Missouri shall be allowed to offset more than twenty-five percent or, in the case of an
76 economic development project located within a distressed community as defined in section
77 135.530, thirty-five percent of the taxpayer's business income tax in any tax period under the
78 method prescribed in this subdivision.

79 3. For tax periods beginning after August 28, 1991, in the case of a taxpayer not
80 operating an existing business facility, the credit allowed by subsection 1 of this section shall
81 offset the greater of:

82 (1) Some portion of the income tax otherwise imposed by chapter 143, RSMo, excluding
83 withholding tax imposed by sections 143.191 to 143.265, RSMo, or in the case of an insurance
84 company, the tax on the direct premiums, as defined in chapter 148, RSMo, and in the case of
85 an insurance company exempt from the thirty percent employee requirement of section 135.230,
86 against any obligation imposed pursuant to section 375.916, RSMo, with respect to such
87 taxpayer's new business facility income for the taxable year for which such credit is allowed; or

88 (2) Up to one hundred percent of the business income tax otherwise imposed by chapter
89 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, or in
90 the case of an insurance company, the tax on the direct premiums, as defined in chapter 148,
91 RSMo, and in the case of an insurance company exempt from the thirty percent employee
92 requirement of section 135.230, against any obligation imposed pursuant to section 375.916,
93 RSMo, if the business has no other facilities operating in Missouri. In the case of a taxpayer not
94 operating an existing business and operating more than one facility in Missouri, the credit
95 allowed by subsection 1 of this section shall offset up to the greater of the portion prescribed in
96 subdivision (1) of this subsection or twenty-five percent or, in the case of an economic
97 development project located within a distressed community as defined in section 135.530,
98 thirty-five percent of the business' tax, except that no taxpayer operating more than one facility
99 in Missouri shall be allowed to offset more than twenty-five percent or, in the case of an
100 economic development project located within a distressed community as defined in section

101 135.530, thirty-five percent of the taxpayer's business income tax in any tax period under the
102 method prescribed in this subdivision. Such credit shall be an amount equal to the sum of
103 seventy-five dollars or, in the case of an economic development project located within a
104 distressed community as defined in section 135.530, one hundred twenty-five dollars for each
105 new business facility employee plus seventy-five dollars or, in the case of an economic
106 development project located within a distressed community as defined in section 135.530, one
107 hundred twenty-five dollars for each one hundred thousand dollars, or major fraction thereof
108 (which shall be deemed to be fifty-one percent or more) in new business facility investment.

109 4. The number of new business facility employees during any taxable year shall be
110 determined by dividing by twelve the sum of the number of individuals employed on the last
111 business day of each month of such taxable year. If the new business facility is in operation for
112 less than the entire taxable year, the number of new business facility employees shall be
113 determined by dividing the sum of the number of individuals employed on the last business day
114 of each full calendar month during the portion of such taxable year during which the new
115 business facility was in operation by the number of full calendar months during such period. For
116 the purpose of computing the credit allowed by this section in the case of a facility which
117 qualifies as a new business facility because it qualifies as a separate facility pursuant to
118 subsection 6 of this section, and, in the case of a new business facility which satisfies the
119 requirements of paragraph (c) of subdivision (4) of section 135.100, or subdivision (10) of
120 section 135.100, the number of new business facility employees at such facility shall be reduced
121 by the average number of individuals employed, computed as provided in this subsection, at the
122 facility during the taxable year immediately preceding the taxable year in which such expansion,
123 acquisition, or replacement occurred and shall further be reduced by the number of individuals
124 employed by the taxpayer or related taxpayer that was subsequently transferred to the new
125 business facility from another Missouri facility and for which credits authorized in this section
126 are not being earned, whether such credits are earned because of an expansion, acquisition,
127 relocation or the establishment of a new facility.

128 5. For the purpose of computing the credit allowed by this section in the case of a facility
129 which qualifies as a new business facility because it qualifies as a separate facility pursuant to
130 subsection 6 of this section, and, in the case of a new business facility which satisfies the
131 requirements of paragraph (c) of subdivision (4) of section 135.100 or subdivision (10) of section
132 135.100, the amount of the taxpayer's new business facility investment in such facility shall be
133 reduced by the average amount, computed as provided in subdivision (7) of section 135.100 for
134 new business facility investment, of the investment of the taxpayer, or related taxpayer
135 immediately preceding such expansion or replacement or at the time of acquisition.
136 Furthermore, the amount of the taxpayer's new business facility investment shall also be reduced

137 by the amount of investment employed by the taxpayer or related taxpayer which was
138 subsequently transferred to the new business facility from another Missouri facility and for which
139 credits authorized in this section are not being earned, whether such credits are earned because
140 of an expansion, acquisition, relocation or the establishment of a new facility.

141 6. If a facility, which does not constitute a new business facility, is expanded by the
142 taxpayer, the expansion shall be considered a separate facility eligible for the credit allowed by
143 this section if:

144 (1) The taxpayer's new business facility investment in the expansion during the tax
145 period in which the credits allowed in this section are claimed exceeds one hundred thousand
146 dollars, or, if less, one hundred percent of the investment in the original facility prior to
147 expansion and if the number of new business facility employees engaged or maintained in
148 employment at the expansion facility for the taxable year for which credit is claimed equals or
149 exceeds two, except that the number of new business facility employees engaged or maintained
150 in employment at the expansion facility for the taxable year for which the credit is claimed
151 equals or exceeds twenty-five if an office as defined in subdivision (8) of section 135.100 is
152 established by a revenue-producing enterprise other than a revenue-producing enterprise defined
153 in paragraphs (a) to (g) and (i) to (l) of subdivision (11) of section 135.100 and the total number
154 of employees at the facility after the expansion is at least two greater than the total number of
155 employees before the expansion, except that the total number of employees at the facility after
156 the expansion is at least greater than the number of employees before the expansion by
157 twenty-five, if an office as defined in subdivision (8) of section 135.100 is established by a
158 revenue-producing enterprise other than a revenue-producing enterprise defined in paragraphs
159 (a) to (g) and (i) to (l) of subdivision (11) of section 135.100; and

160 (2) The expansion otherwise constitutes a new business facility. The taxpayer's
161 investment in the expansion and in the original facility prior to expansion shall be determined
162 in the manner provided in subdivision (7) of section 135.100.

163 7. No credit shall be allowed pursuant to this section to a public utility, as such term is
164 defined in section 386.020, RSMo. Notwithstanding any provision of this subsection to the
165 contrary, motor carriers, barge lines or railroads engaged in transporting property for hire, or any
166 interexchange telecommunications company or local exchange telecommunications company
167 that establishes a new business facility shall be eligible to qualify for credits allowed in this
168 section.

169 8. For the purposes of the credit described in this section, in the case of a corporation
170 described in section 143.471, RSMo, or partnership, in computing Missouri's tax liability, this
171 credit shall be allowed to the following:

172 (1) The shareholders of the corporation described in section 143.471, RSMo;

173 (2) The partners of the partnership.

174 This credit shall be apportioned to the entities described in subdivisions (1) and (2) of this
175 subsection in proportion to their share of ownership on the last day of the taxpayer's tax period.

176 9. Notwithstanding any provision of law to the contrary, any employee-owned
177 engineering firm classified as SIC 8711, architectural firm as classified SIC 8712, or accounting
178 firm classified SIC 8721 establishing a new business facility because it qualifies as a
179 headquarters as defined in subsection 10 of this section, shall be allowed the credits described
180 in subsection 11 of this section under the same terms and conditions prescribed in sections
181 135.100 to 135.150; provided:

182 (1) Such facility maintains an average of at least five hundred new business facility
183 employees as defined in subdivision (5) of section 135.100 during the taxpayer's tax period in
184 which such credits are being claimed; and

185 (2) Such facility maintains an average of at least twenty million dollars in new business
186 facility investment as defined in subdivision (7) of section 135.100 during the taxpayer's tax
187 period in which such credits are being claimed.

188 10. For the purpose of the credits allowed in subsection 9 of this section:

189 (1) "Employee-owned" means the business employees own directly or indirectly,
190 including through an employee stock ownership plan or trust at least:

191 (a) Seventy-five percent of the total business stock, if the taxpayer is a corporation
192 described in section 143.441, RSMo; or

193 (b) One hundred percent of the interest in the business if the taxpayer is a corporation
194 described in section 143.471, RSMo, a partnership, or a limited liability company; and

195 (2) "Headquarters" means:

196 (a) The administrative management of at least three integrated facilities operated by the
197 taxpayer or related taxpayer; and

198 (b) The taxpayer's business has been headquartered in this state for more than fifty years.

199 11. The tax credits allowed in subsection 9 of this section shall be the greater of:

200 (1) Four hundred dollars for each new business facility employee as computed in
201 subsection 4 of this section and four percent of new business facility investment as computed in
202 subsection 5 of this section; or

203 (2) Five hundred dollars for each new business facility employee as computed in
204 subsection 4 of this section, and five hundred dollars of each one hundred thousand dollars of
205 new business facility investment as computed in subsection 5 of this section.

206 12. For the purpose of the credit described in subsection 9 of this section, in the case of
207 a small corporation described in section 143.471, RSMo, or a partnership, or a limited liability
208 company, the credits allowed in subsection 9 of this section shall be apportioned in proportion

209 to the share of ownership of each shareholder, partner or stockholder on the last day of the
210 taxpayer's tax period for which such credits are being claimed.

211 13. For the purpose of the credit described in subsection 9 of this section, tax credits
212 earned, to the extent such credits exceed the taxpayer's Missouri tax on taxable business income,
213 shall constitute an overpayment of taxes and in such case, be refunded to the taxpayer provided
214 such refunds are used by the taxpayer to purchase specified facility items. For the purpose of the
215 refund as authorized in this subsection, "specified facility items" means equipment, computers,
216 computer software, copiers, tenant finishing, furniture and fixtures installed and in use at the new
217 business facility during the taxpayer's taxable year. The taxpayer shall perfect such refund by
218 attesting in writing to the director, subject to the penalties of perjury, the requirements prescribed
219 in this subsection have been met and submitting any other information the director may require.

220 14. Notwithstanding any provision of law to the contrary, any taxpayer may sell, assign,
221 exchange, convey or otherwise transfer tax credits allowed in subsection 9 of this section under
222 the terms and conditions prescribed in subdivisions (1) and (2) of this subsection. Such taxpayer,
223 referred to as the assignor for the purpose of this subsection, may sell, assign, exchange or
224 otherwise transfer earned tax credits:

225 (1) For no less than seventy-five percent of the par value of such credits; and

226 (2) In an amount not to exceed one hundred percent of such earned credits. The taxpayer
227 acquiring the earned credits referred to as the assignee for the purpose of this subsection may use
228 the acquired credits to offset up to one hundred percent of the tax liabilities otherwise imposed
229 by chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.261,
230 RSMo, or chapter 148, RSMo, or in the case of an insurance company exempt from the thirty
231 percent employee requirement of section 135.230, against any obligation imposed pursuant to
232 section 375.916, RSMo. Unused credits in the hands of the assignee may be carried forward for
233 up to five tax periods, provided all such credits shall be claimed within ten tax periods following
234 the tax period in which commencement of commercial operations occurred at the new business
235 facility. The assignor shall enter into a written agreement with the assignee establishing the
236 terms and conditions of the agreement and shall perfect such transfer by notifying the director
237 in writing within thirty calendar days following the effective date of the transfer and shall
238 provide any information as may be required by the director to administer and carry out the
239 provisions of this subsection. Notwithstanding any other provision of law to the contrary, the
240 amount received by the assignor of such tax credit shall be taxable as income of the assignor, and
241 the difference between the amount paid by the assignee and the par value of the credits shall be
242 taxable as income of the assignee.

243 **15. Any credits authorized pursuant to sections 135.100 to 135.150 shall not apply**
244 **against any state tax liability incurred following the taxable year ending December 31,**

245 **2009.**

135.230. 1. The exemption or credit established and allowed by section 135.220 and the
2 credits allowed and established by subdivisions (1), (2), (3) and (4) of subsection 1 of section
3 135.225 shall be granted with respect to any new business facility located within an enterprise
4 zone for a vested period not to exceed ten years following the date upon which the new business
5 facility commences operation within the enterprise zone and such exemption shall be calculated,
6 for each succeeding year of eligibility, in accordance with the formulas applied in the initial year
7 in which the new business facility is certified as such, subject, however, to the limitation that all
8 such credits allowed in sections 135.225 and 135.235 and the exemption allowed in section
9 135.220 shall be removed not later than fifteen years after the enterprise zone is designated as
10 such. No credits shall be allowed pursuant to subdivision (1), (2), (3) or (4) of subsection 1 of
11 section 135.225 or section 135.235 and no exemption shall be allowed pursuant to section
12 135.220 unless the number of new business facility employees engaged or maintained in
13 employment at the new business facility for the taxable year for which the credit is claimed
14 equals or exceeds two or the new business facility is a revenue-producing enterprise as defined
15 in paragraph (d) of subdivision (6) of section 135.200. In order to qualify for either the
16 exemption pursuant to section 135.220 or the credit pursuant to subdivision (4) of subsection 1
17 of section 135.225, or both, it shall be required that at least thirty percent of new business facility
18 employees, as determined by subsection 4 of section 135.110, meet the criteria established in
19 section 135.240 or are residents of an enterprise zone or some combination thereof, except
20 taxpayers who establish a new business facility by operating a revenue-producing enterprise as
21 defined in paragraph (d) of subdivision (6) of section 135.200 or any taxpayer that is an
22 insurance company that established a new business facility satisfying the requirements of
23 subdivision (8) of section 135.100 located within an enterprise zone after June 30, 1993, and
24 before December 31, 1994, and that employs in excess of three hundred fifty new business
25 facility employees at such facility each tax period for which the credits allowable pursuant to
26 subdivisions (1) to (4) of subsection 1 of section 135.225 are claimed shall not be required to
27 meet such requirement. A new business facility described as SIC 3751 shall be required to
28 employ fifteen percent of such employees instead of the required thirty percent. For the purpose
29 of satisfying the thirty-percent requirement, residents must have lived in the enterprise zone for
30 a period of at least one full calendar month and must have been employed at the new business
31 facility for at least one full calendar month, and persons qualifying because they meet the
32 requirements of section 135.240 must have satisfied such requirement at the time they were
33 employed by the new business facility and must have been employed at the new business facility
34 for at least one full calendar month. The director may temporarily reduce or waive this
35 requirement for any business in an enterprise zone with ten or less full-time employees, and for

36 businesses with eleven to twenty full-time employees this requirement may be temporarily
37 reduced. No reduction or waiver may be granted for more than one tax period and shall not be
38 renewable. The exemptions allowed in sections 135.215 and 135.220 and the credits allowed
39 in sections 135.225 and 135.235 and the refund established and authorized in section 135.245
40 shall not be allowed to any "public utility", as such term is defined in section 386.020, RSMo.
41 For the purposes of achieving the fifteen-percent employment requirement set forth in this
42 subsection, a new business facility described as NAICS 336991 may count employees who were
43 residents of the enterprise zone at the time they were employed by the new business facility and
44 for at least ninety days thereafter, regardless of whether such employees continue to reside in the
45 enterprise zone, so long as the employees remain employed by the new business facility and
46 residents of the state of Missouri.

47 2. Notwithstanding the provisions of subsection 1 of this section, motor carriers, barge
48 lines or railroads engaged in transporting property for hire or any interexchange
49 telecommunications company that establish a new business facility shall be eligible to qualify
50 for the exemptions allowed in sections 135.215 and 135.220, and the credits allowed in sections
51 135.225 and 135.235 and the refund established and authorized in section 135.245, except that
52 trucks, truck-trailers, truck semitrailers, rail or barge vehicles or other rolling stock for hire,
53 track, switches, bridges, barges, tunnels, rail yards and spurs shall not constitute new business
54 facility investment nor shall truck drivers or rail or barge vehicle operators constitute new
55 business facility employees.

56 3. Notwithstanding any other provision of sections 135.200 to 135.256 to the contrary,
57 motor carriers establishing a new business facility on or after January 1, 1993, but before January
58 1, 1995, may qualify for the tax credits available pursuant to sections 135.225 and 135.235 and
59 the exemption provided in section 135.220, even if such new business facility has not satisfied
60 the employee criteria, provided that such taxpayer employs an average of at least two hundred
61 persons at such facility, exclusive of truck drivers and provided that such taxpayer maintains an
62 average investment of at least ten million dollars at such facility, exclusive of rolling stock,
63 during the tax period for which such credits and exemption are being claimed.

64 4. Any governing authority having jurisdiction of an area that has been designated an
65 enterprise zone may petition the department to expand the boundaries of such existing enterprise
66 zone. The director may approve such expansion if the director finds that:

67 (1) The area to be expanded meets the requirements prescribed in section 135.207 or
68 135.210, whichever is applicable;

69 (2) The area to be expanded is contiguous to the existing enterprise zone; and

70 (3) The number of expansions do not exceed three after August 28, 1994.

71 5. Notwithstanding the fifteen-year limitation as prescribed in subsection 1 of this

72 section, any governing authority having jurisdiction of an area that has been designated as an
73 enterprise zone by the director, except one designated pursuant to this subsection, may file a
74 petition, as prescribed by the director, for redesignation of such area for an additional period not
75 to exceed seven years following the fifteenth anniversary of the enterprise zone's initial
76 designation date; provided:

77 (1) The petition is filed with the director within three years prior to the date the tax
78 credits authorized in sections 135.225 and 135.235 and the exemption allowed in section
79 135.220 are required to be removed pursuant to subsection 1 of this section;

80 (2) The governing authority identifies and conforms the boundaries of the area to be
81 designated a new enterprise zone to the political boundaries established by the latest decennial
82 census, unless otherwise approved by the director;

83 (3) The area satisfies the requirements prescribed in subdivisions (3), (4) and (5) of
84 section 135.205 according to the latest decennial census or other appropriate source as approved
85 by the director;

86 (4) The governing authority satisfies the requirements prescribed in sections 135.210,
87 135.215 and 135.255;

88 (5) The director finds that the area is unlikely to support reasonable tax assessment or
89 to experience reasonable economic growth without such designation; and

90 (6) The director's recommendation that the area be designated as an enterprise zone is
91 approved by the joint committee on economic development policy and planning, as otherwise
92 required in subsection 3 of section 135.210.

93 6. Any taxpayer having established a new business facility in an enterprise zone except
94 one designated pursuant to subsection 5 of this section, who did not earn the tax credits
95 authorized in sections 135.225 and 135.235 and the exemption allowed in section 135.220 for
96 the full ten-year period because of the fifteen-year limitation as prescribed in subsection 1 of this
97 section, shall be granted such benefits for ten tax years, less the number of tax years the benefits
98 were claimed or could have been claimed prior to the expiration of the original fifteen-year
99 period, except that such tax benefits shall not be earned for more than seven tax periods during
100 the ensuing seven-year period, provided the taxpayer continues to operate the new business
101 facility in an area that is designated an enterprise zone pursuant to subsection 5 of this section.
102 Any taxpayer who establishes a new business facility subsequent to the commencement of the
103 ensuing seven-year period, as authorized in subsection 5 of this section, may qualify for the tax
104 credits authorized in sections 135.225 and 135.235, and the exemptions authorized in sections
105 135.215 and 135.220, pursuant to the same terms and conditions as prescribed in sections
106 135.100 to 135.256. The designation of any enterprise zone pursuant to subsection 5 of this
107 section shall not be subject to the fifty enterprise zone limitation imposed in subsection 4 of

108 section 135.210.

109 **7. Any credits authorized pursuant to sections 135.200 to 135.270 shall not apply**
110 **against any state tax liability incurred following the taxable year ending December 31,**
111 **2009.**

135.311. 1. When applying for a tax credit the wood energy producer shall make
2 application for the credit to the division of energy of the department of natural resources. The
3 application shall include:

4 (1) The number of tons of processed wood products produced during the preceding
5 calendar year;

6 (2) The name and address of the person to whom processed products were sold and the
7 number of tons sold to each person;

8 (3) Other information which the department of natural resources reasonably requires.
9 The application shall be received and reviewed by the division of energy of the department of
10 natural resources and the division shall certify to the department of revenue each applicant which
11 qualifies as a wood energy-producing facility.

12 **2. Any credits authorized pursuant to sections 135.300 to 135.339 shall not apply**
13 **against any state tax liability incurred following the taxable year ending December 31,**
14 **2009.**

135.327. 1. Any person residing in this state who legally adopts a special needs child
2 on or after January 1, 1988, and before January 1, 2000, shall be eligible to receive a tax credit
3 of up to ten thousand dollars for nonrecurring adoption expenses for each child adopted that may
4 be applied to taxes due under chapter 143, RSMo. Any business entity providing funds to an
5 employee to enable that employee to legally adopt a special needs child shall be eligible to
6 receive a tax credit of up to ten thousand dollars for nonrecurring adoption expenses for each
7 child adopted that may be applied to taxes due under such business entity's state tax liability,
8 except that only one ten thousand dollar credit is available for each special needs child that is
9 adopted.

10 2. Any person residing in this state who proceeds in good faith with the adoption of a
11 special needs child on or after January 1, 2000, shall be eligible to receive a tax credit of up to
12 ten thousand dollars for nonrecurring adoption expenses for each child that may be applied to
13 taxes due under chapter 143, RSMo. Any business entity providing funds to an employee to
14 enable that employee to proceed in good faith with the adoption of a special needs child shall be
15 eligible to receive a tax credit of up to ten thousand dollars for nonrecurring adoption expenses
16 for each child that may be applied to taxes due under such business entity's state tax liability,
17 except that only one ten thousand dollar credit is available for each special needs child that is
18 adopted.

19 3. Individuals and business entities may claim a tax credit for their total nonrecurring
20 adoption expenses in each year that the expenses are incurred. A claim for fifty percent of the
21 credit shall be allowed when the child is placed in the home. A claim for the remaining fifty
22 percent shall be allowed when the adoption is final. The total of these tax credits shall not
23 exceed the maximum limit of ten thousand dollars per child. The cumulative amount of tax
24 credits which may be claimed by taxpayers for nonrecurring adoption expenses in any one fiscal
25 year shall not exceed two million dollars.

26 4. Notwithstanding any provision of law to the contrary, any individual or business entity
27 may assign, transfer or sell tax credits allowed in this section. Any sale of tax credits claimed
28 pursuant to this section shall be at a discount rate of seventy-five percent or greater of the amount
29 sold.

30 **5. Any credits authorized pursuant to sections 135.300 to 135.339 shall not apply**
31 **against any state tax liability incurred following the taxable year ending December 31,**
32 **2009.**

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

2 (1) "Approved program", a sponsorship and mentoring program established pursuant to
3 this section and approved by the department of elementary and secondary education;

4 (2) "Eligible student", a resident pupil of a school district who is determined by the local
5 school board to be eligible to participate in a sponsorship and mentoring program pursuant to this
6 section and who participates in such program for no less than eight calendar months in the tax
7 year for which a return is filed claiming a credit authorized in this section;

8 (3) "Net expenditures", only those amounts paid or incurred for the participation of an
9 eligible student participating in an approved sponsorship and mentoring program less any
10 amounts received by the qualified taxpayer from any source for the provision of a sponsorship
11 and mentoring program for an eligible student;

12 (4) "Qualified taxpayer", an employer who makes expenditures pursuant to this section.

13 2. For taxable years commencing on or after January 1, 1998, a qualified taxpayer shall
14 be allowed a credit against the tax imposed by chapter 143, RSMo, exclusive of the provisions
15 relating to the withholding of tax as provided in sections 143.191 to 143.265, RSMo, to the
16 extent of the lesser of two thousand dollars times the number of eligible students for which the
17 qualified taxpayer is allowed a credit pursuant to this section or the net expenditures made
18 directly or through a fund during a taxable year by the qualified taxpayer for the participation of
19 an eligible student in an approved sponsorship and mentoring program established pursuant to
20 this section. No credit shall be allowed for any amounts for which any other credit is claimed
21 or allowed under any other provision of state law for the same net expenditures.

22 3. The tax credit allowed by this section shall be claimed by the qualified taxpayer at the

23 time such taxpayer files a return and shall be applied against the income tax liability imposed by
24 chapter 143, RSMo, after all other credits provided by law have been applied. Where the amount
25 of the credit exceeds the tax liability, the difference between the credit and the tax liability shall
26 not be refundable but may be carried forward to any of the taxpayer's four subsequent taxable
27 years.

28 4. The department of elementary and secondary education shall establish, by rule,
29 guidelines and criteria for approval of sponsorship and mentoring programs established by school
30 districts and for determining the eligibility of students for participation in sponsorship and
31 mentoring programs established pursuant to this section. Such determinations for eligibility of
32 students shall be based upon a definition of an at-risk student as established by the department
33 by rule.

34 5. A local school board may establish a sponsorship and mentoring program and apply
35 to the department of elementary and secondary education for approval of such program. A tax
36 credit may only be received pursuant to this section for expenditures for sponsorship and
37 mentoring programs approved by the department. The school board of each district which has
38 an approved program shall annually certify to the department of elementary and secondary
39 education the number of eligible students participating in the program. The principal of any
40 school in a district which has an approved program may recommend, to the local school board,
41 those students who do not meet the definition of "at-risk" students established pursuant to this
42 section, and the school board may submit the names of such students and the circumstances
43 which justify the student's participation in an approved program to the department of elementary
44 and secondary education for approval of such student's participation. If approved by the
45 department, such students shall be considered eligible students for participation in an approved
46 program.

47 6. The department of elementary and secondary education shall provide written
48 notification to the department of revenue of each eligible student participating in an approved
49 program pursuant to this section, the student's school district, the name of the qualified taxpayer
50 approved to receive a tax credit on the basis of such eligible student's participation in an
51 approved program pursuant to this section and the amount of such credit as determined in
52 subsection 2 of this section. This section is subject to appropriations.

53 **7. Any credits authorized pursuant to this section shall not apply against any state**
54 **tax liability incurred following the taxable year ending December 31, 2009.**

135.352. 1. A taxpayer owning an interest in a qualified Missouri project shall be
2 allowed a state tax credit, whether or not allowed a federal tax credit, to be termed the Missouri
3 low-income housing tax credit, if the commission issues an eligibility statement for that project.

4 2. For qualified Missouri projects placed in service after January 1, 1997, the Missouri

5 low-income housing tax credit available to a project shall be such amount as the commission
6 shall determine is necessary to ensure the feasibility of the project, up to an amount equal to the
7 federal low-income housing tax credit for a qualified Missouri project, for a federal tax period,
8 and such amount shall be subtracted from the amount of state tax otherwise due for the same tax
9 period.

10 3. The Missouri low-income housing tax credit shall be taken against the taxes and in
11 the order specified pursuant to section 32.115, RSMo. The credit authorized by this section shall
12 not be refundable. Any amount of credit that exceeds the tax due for a taxpayer's taxable year
13 may be carried back to any of the taxpayer's three prior taxable years or carried forward to any
14 of the taxpayer's five subsequent taxable years.

15 4. All or any portion of Missouri tax credits issued in accordance with the provisions of
16 sections 135.350 to 135.362 may be allocated to parties who are eligible pursuant to the
17 provisions of subsection 1 of this section. Beginning January 1, 1995, for qualified projects
18 which began on or after January 1, 1994, an owner of a qualified Missouri project shall certify
19 to the director the amount of credit allocated to each taxpayer. The owner of the project shall
20 provide to the director appropriate information so that the low-income housing tax credit can be
21 properly allocated.

22 5. In the event that recapture of Missouri low-income housing tax credits is required
23 pursuant to subsection 2 of section 135.355, any statement submitted to the director as provided
24 in this section shall include the proportion of the state credit required to be recaptured, the
25 identity of each taxpayer subject to the recapture and the amount of credit previously allocated
26 to such taxpayer.

27 6. The director of the department may promulgate rules and regulations necessary to
28 administer the provisions of this section. [No rule or portion of a rule promulgated pursuant to
29 the authority of this section shall become effective unless it has been promulgated pursuant to
30 the provisions of section 536.024, RSMo.] **Any rule or portion of a rule, as that term is
31 defined in section 536.010, RSMo, that is created under the authority delegated in this
32 section shall become effective only if it complies with and is subject to all of the provisions
33 of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter
34 536, RSMo, are nonseverable and if any of the powers vested with the general assembly
35 pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove and
36 annul a rule are subsequently held unconstitutional, then the grant of rulemaking
37 authority and any rule proposed or adopted after August 28, 2003, shall be invalid and
38 void.**

39 7. **Any credits authorized pursuant to sections 135.350 to 135.363 shall not apply
40 against any state tax liability incurred following the taxable year ending December 31,**

41 **2009.**

135.403. 1. Any investor who makes a qualified investment in a Missouri small business
2 shall be entitled to receive a tax credit equal to forty percent of the amount of the investment or,
3 in the case of a qualified investment in a Missouri small business in a distressed community as
4 defined by section 135.530, a credit equal to sixty percent of the amount of the investment, and
5 any investor who makes a qualified investment in a community bank or a community
6 development corporation shall be entitled to receive a tax credit equal to fifty percent of the
7 amount of the investment if the investment is made in a community bank or community
8 development corporation for direct investment. The total amount of tax credits available for
9 qualified investments in Missouri small businesses shall not exceed thirteen million dollars and
10 at least four million dollars of the amount authorized by this section and certified by the
11 department of economic development shall be for investment in Missouri small businesses in
12 distressed communities. Authorization for all or any part of this four- million-dollar amount
13 shall in no way restrict the eligibility of Missouri small businesses in distressed communities,
14 as defined in section 135.530, for the remaining amounts authorized within this section. No
15 more than twenty percent of the tax credits available each year for investments in community
16 banks or community development corporations for direct investment shall be certified for any
17 one project, as defined in section 135.400. The tax credit shall be evidenced by a tax credit
18 certificate in accordance with the provisions of sections 135.400 to 135.430 and may be used to
19 satisfy the state tax liability of the owner of the certificate that becomes due in the tax year in
20 which the qualified investment is made, or in any of the ten tax years thereafter. When the
21 qualified small business is in a distressed community, as defined in section 135.530, the tax
22 credit may also be used to satisfy the state tax liability of the owner of the certificate that was due
23 during each of the previous three years in addition to the year in which the investment is made
24 and any of the ten years thereafter. No investor may receive a tax credit pursuant to sections
25 135.400 to 135.430 unless that person presents a tax credit certificate to the department of
26 revenue for payment of such state tax liability. The department of revenue shall grant tax credits
27 in the same order as established by subsection 1 of section 32.115, RSMo. Subject to the
28 provisions of sections 135.400 to 135.430, certificates of tax credit issued in accordance with
29 these sections may be transferred, sold or assigned by notarized endorsement thereof which
30 names the transferee.

31 2. Five hundred thousand dollars in tax credits shall be available annually from the total
32 amount of tax credits authorized by section 32.110, RSMo, and subdivision (4) of subsection 2
33 of section 32.115, RSMo, as a result of investments in community banks or community
34 development corporations. Aggregate investments eligible for tax credits in any one Missouri
35 small business shall not be more than one million dollars. Aggregate investments eligible for

36 tax credits in any one Missouri small business shall not be less than five thousand dollars as of
37 the date of issuance of the first tax credit certificate for investment in that business.

38 3. This section and section 620.1039, RSMo, shall become effective January 1, 2001.

39 **4. Any credits authorized pursuant to sections 135.400 to 135.433 shall not apply**
40 **against any state tax liability incurred following the taxable year ending December 31,**
41 **2009.**

135.460. 1. Section 135.460 and sections 620.1100 and 620.1103, RSMo, shall be
2 known and may be cited as the "Youth Opportunities and Violence Prevention Act".

3 2. As used in this section, the term "taxpayer" shall include corporations as defined in
4 section 143.441 or 143.471, RSMo, and individuals, individual proprietorships and partnerships.

5 3. A taxpayer shall be allowed a tax credit against the tax otherwise due pursuant to
6 chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo,
7 chapter 147, RSMo, chapter 148, RSMo, or chapter 153, RSMo, in an amount equal to thirty
8 percent for property contributions and fifty percent for monetary contributions of the amount
9 such taxpayer contributed to the programs described in subsection 5 of this section, not to exceed
10 two hundred thousand dollars per taxable year, per taxpayer; except as otherwise provided in
11 subdivision (5) of subsection 5 of this section. The department of economic development shall
12 prescribe the method for claiming the tax credits allowed in this section. No rule or portion of
13 a rule promulgated under the authority of this section shall become effective unless it has been
14 promulgated pursuant to the provisions of chapter 536, RSMo. All rulemaking authority
15 delegated prior to June 27, 1997, is of no force and effect and repealed; however, nothing in this
16 section shall be interpreted to repeal or affect the validity of any rule filed or adopted prior to
17 June 27, 1997, if such rule complied with the provisions of chapter 536, RSMo. The provisions
18 of this section and chapter 536, RSMo, are nonseverable and if any of the powers vested with
19 the general assembly pursuant to chapter 536, RSMo, including the ability to review, to delay
20 the effective date, or to disapprove and annul a rule or portion of a rule, are subsequently held
21 unconstitutional, then the purported grant of rulemaking authority and any rule so proposed and
22 contained in the order of rulemaking shall be invalid and void.

23 4. The tax credits allowed by this section shall be claimed by the taxpayer to offset the
24 taxes that become due in the taxpayer's tax period in which the contribution was made. Any tax
25 credit not used in such tax period may be carried over the next five succeeding tax periods.

26 5. The tax credit allowed by this section may only be claimed for monetary or property
27 contributions to public or private programs authorized to participate pursuant to this section by
28 the department of economic development and may be claimed for the development,
29 establishment, implementation, operation, and expansion of the following activities and
30 programs:

31 (1) An adopt-a-school program. Components of the adopt-a-school program shall
32 include donations for school activities, seminars, and functions; school-business employment
33 programs; and the donation of property and equipment of the corporation to the school;

34 (2) Expansion of programs to encourage school dropouts to reenter and complete high
35 school or to complete a graduate equivalency degree program;

36 (3) Employment programs. Such programs shall initially, but not exclusively, target
37 unemployed youth living in poverty and youth living in areas with a high incidence of crime;

38 (4) New or existing youth clubs or associations;

39 (5) Employment/internship/apprenticeship programs in business or trades for persons
40 less than twenty years of age, in which case the tax credit claimed pursuant to this section shall
41 be equal to one-half of the amount paid to the intern or apprentice in that tax year, except that
42 such credit shall not exceed ten thousand dollars per person;

43 (6) Mentor and role model programs;

44 (7) Drug and alcohol abuse prevention training programs for youth;

45 (8) Donation of property or equipment of the taxpayer to schools, including schools
46 which primarily educate children who have been expelled from other schools, or donation of the
47 same to municipalities, or not-for-profit corporations or other not-for-profit organizations which
48 offer programs dedicated to youth violence prevention as authorized by the department;

49 (9) Not-for-profit, private or public youth activity centers;

50 (10) Nonviolent conflict resolution and mediation programs;

51 (11) Youth outreach and counseling programs.

52 6. Any program authorized in subsection 5 of this section shall, at least annually, submit
53 a report to the department of economic development outlining the purpose and objectives of such
54 program, the number of youth served, the specific activities provided pursuant to such program,
55 the duration of such program and recorded youth attendance where applicable.

56 7. The department of economic development shall, at least annually submit a report to
57 the Missouri general assembly listing the organizations participating, services offered and the
58 number of youth served as the result of the implementation of this section.

59 8. The tax credit allowed by this section shall apply to all taxable years beginning after
60 December 31, 1995.

61 9. For the purposes of the credits described in this section, in the case of a corporation
62 described in section 143.471, RSMo, partnership, limited liability company described in section
63 347.015, RSMo, cooperative, marketing enterprise, or partnership, in computing Missouri's tax
64 liability, such credits shall be allowed to the following:

65 (1) The shareholders of the corporation described in section 143.471, RSMo;

66 (2) The partners of the partnership;

67 (3) The members of the limited liability company; and

68 (4) Individual members of the cooperative or marketing enterprise.

69 Such credits shall be apportioned to the entities described in subdivisions (1) and (2) of this
70 subsection in proportion to their share of ownership on the last day of the taxpayer's tax period.

71 **10. Any credits authorized pursuant to this section shall not apply against any state**
72 **tax liability incurred following the taxable year ending December 31, 2009.**

135.484. 1. Beginning January 1, 2000, tax credits shall be allowed pursuant to section
2 135.481 in an amount not to exceed sixteen million dollars per year. Of this total amount of tax
3 credits in any given year, eight million dollars shall be set aside for projects in areas described
4 in subdivision (6) of section 135.478 and eight million dollars for projects in areas described in
5 subdivision (10) of section 135.478. The maximum tax credit for a project consisting of
6 multiple-unit qualifying residences in a distressed community shall not exceed three million
7 dollars.

8 2. Any amount of credit which exceeds the tax liability of a taxpayer for the tax year in
9 which the credit is first claimed may be carried back to any of the taxpayer's three prior tax years
10 and carried forward to any of the taxpayer's five subsequent tax years. A certificate of tax credit
11 issued to a taxpayer by the department may be assigned, transferred, sold or otherwise conveyed.
12 Whenever a certificate of tax credit is assigned, transferred, sold or otherwise conveyed, a
13 notarized endorsement shall be filed with the department specifying the name and address of the
14 new owner of the tax credit and the value of the credit.

15 3. The tax credits allowed pursuant to sections 135.475 to 135.487 may not be claimed
16 in addition to any other state tax credits, with the exception of the historic structures
17 rehabilitation tax credit authorized pursuant to sections 253.545 to 253.559, RSMo, which
18 insofar as sections 135.475 to 135.487 are concerned may be claimed only in conjunction with
19 the tax credit allowed pursuant to subsection 4 of section 135.481. In order for a taxpayer
20 eligible for the historic structures rehabilitation tax credit to claim the tax credit allowed pursuant
21 to subsection 4 of section 135.481, the taxpayer must comply with the requirements of sections
22 253.545 to 253.559, RSMo, and in such cases, the amount of the tax credit pursuant to
23 subsection 4 of section 135.481 shall be limited to the lesser of twenty percent of the taxpayer's
24 eligible costs or forty thousand dollars.

25 **4. Any credits authorized pursuant to sections 135.475 to 135.487 shall not apply**
26 **against any state tax liability incurred following the taxable year ending December 31,**
27 **2009.**

135.490. 1. In order to encourage and foster community improvement, an eligible small
2 business, as defined in Section 44 of the Internal Revenue Code, shall be allowed a credit not to
3 exceed five thousand dollars against the tax otherwise due pursuant to chapter 143, RSMo, not

4 including sections 143.191 to 143.265, RSMo, in an amount equal to fifty percent of all eligible
5 access expenditures exceeding the monetary cap provided by Section 44 of the Internal Revenue
6 Code. For purposes of this section, "eligible access expenditures" means amounts paid or
7 incurred by the taxpayer in order to comply with applicable access requirements provided by the
8 Americans With Disabilities Act of 1990, as further defined in Section 44 of the Internal
9 Revenue Code and federal rulings interpreting Section 44 of the Internal Revenue Code.

10 2. The tax credit allowed by this section shall be claimed by the taxpayer at the time such
11 taxpayer files a return. Any amount of tax credit which exceeds the tax due shall be carried over
12 to any subsequent taxable year, but shall not be refunded and shall not be transferable.

13 3. The director of the department of economic development and the director of the
14 department of revenue shall jointly administer the tax credit authorized by this section. Both the
15 director of the department of economic development and the director of the department of
16 revenue are authorized to promulgate rules and regulations necessary to administer the provisions
17 of this section. No rule or portion of a rule promulgated pursuant to the authority of this section
18 shall become effective unless it has been promulgated pursuant to the provisions of chapter 536,
19 RSMo.

20 4. The provisions of this section shall become effective on January 1, 2000, and shall
21 apply to all taxable years beginning after December 31, 1999.

22 **5. Any credits authorized pursuant to this section shall not apply against any state**
23 **tax liability incurred following the taxable year ending December 31, 2009.**

135.503. 1. Any investor that makes an investment of certified capital shall, in the year
2 of investment, earn a vested credit against state premium tax liability equal to the applicable
3 percentage of the investor's investment of certified capital. An investor shall be entitled to take
4 up to ten percent of the vested credit in any taxable year of the investor. Any time after three
5 years after August 28, 1996, the director, with the approval of the commissioner of
6 administration, may reduce the applicable percentage on a prospective basis. Any such reduction
7 in the applicable percentage by the director shall not have any effect on credits against state
8 premium tax liability which have been claimed or will be claimed by any investor with respect
9 to credits which have been earned and vested pursuant to an investment of certified capital prior
10 to the effective date of any such change.

11 2. An insurance company claiming a state premium tax credit earned through an
12 investment in a certified capital company shall not be required to pay any additional retaliatory
13 tax levied pursuant to section 375.916, RSMo, as a result of claiming such credit.

14 3. The credit against state premium tax liability which is described in subsection 1 of this
15 section may not exceed the state premium tax liability of the investor for any taxable year. All
16 such credits against state premium tax liability may be carried forward indefinitely until the

17 credits are utilized. The maximum amount of certified capital in one or more certified capital
18 companies for which earned and vested tax credits will be allowed in any year to any one
19 investor or its affiliates shall be limited to ten million dollars.

20 4. Except as provided in subsection 5 of this section, the aggregate amount of certified
21 capital for which earned and vested credits against state premium tax liability are allowed for all
22 persons pursuant to sections 135.500 to 135.529 shall not exceed the following amounts: for
23 calendar year 1996, \$0.00; for calendar year 1997, an amount which would entitle all Missouri
24 certified capital company investors to take aggregate credits of five million dollars; and for any
25 year thereafter, an additional amount to be determined by the director but not to exceed aggregate
26 credits of ten million dollars for any year with the approval of the commissioner of
27 administration and reported to the general assembly as provided in subsection 2 of section
28 33.282, RSMo, provided that the amount so determined shall not impair the ability of an investor
29 with earned and vested credits which have been allowed in previous years to take them, pursuant
30 to subsection 1 of this section. During any calendar year in which the limitation described in this
31 subsection will limit the amount of certified capital for which earned and vested credits against
32 state premium tax liability are allowed, certified capital for which credits are allowed will be
33 allocated in order of priority based upon the date of filing of information described in subdivision
34 (1) of subsection 5 of section 135.516. Certified capital limited in any calendar year by the
35 application of the provisions of this subsection shall be allowed and allocated in the immediately
36 succeeding calendar year in the order of priority set forth in this subsection. The department
37 shall make separate allocations of certified capital for which credits are allowed under the
38 limitations described in this subsection and under the limitations described in subsection 5 of this
39 section.

40 5. In addition to the maximum amount pursuant to subsection 4 of this section, the
41 aggregate amount of certified capital for which earned and vested credits against state premium
42 tax liability are allowed for persons pursuant to sections 135.500 to 135.529 shall be the
43 following: for calendar year 1999 and for any year thereafter, an amount to be determined by the
44 director which would entitle all Missouri certified capital company investors to take aggregate
45 credits not to exceed four million dollars for any year with the approval of the commissioner of
46 administration and reported to the general assembly as provided in subsection 2 of section
47 33.282, RSMo, provided that the amount so determined shall not impair the ability of an investor
48 with earned and vested credits which have been allowed in previous years or pursuant to the
49 provisions of subsection 4 of this section to take them, pursuant to subsection 1 of this section.
50 For purposes of any requirement regarding the schedule of qualified investments for certified
51 capital for which earned and vested credits against state premium tax liability are allowed
52 pursuant to this subsection only, the definition of a "qualified Missouri business" as set forth in

53 subdivision (13) of subsection 2 of section 135.500 means a Missouri business that is located in
54 a distressed community as defined in section 135.530, and meets all of the requirements of
55 subdivision (13) of subsection 2 of section 135.500, except that its gross sales during its most
56 recent complete fiscal year shall not have exceeded five million dollars. During any calendar
57 year in which the limitation described in this subsection limits the amount of additional certified
58 capital for which earned and vested credits against state premium tax liability are allowed,
59 additional certified capital for which credits are allowed shall be allocated in order of priority
60 based upon the date of filing of information described in subdivision (1) of subsection 5 of
61 section 135.516 with respect to such additional certified capital. The department shall make
62 separate allocations of certified capital for which credits are allowed under the limitations
63 described in this subsection and under the limitations described in subsection 4 of this section.
64 No limitation applicable to any certified capital company with respect to certified capital for
65 which credits are allowed pursuant to subsection 4 of this section shall limit the amount of
66 certified capital for which credits are allowed pursuant to this subsection. No limitation
67 applicable to any certified capital company with respect to certified capital for which credits are
68 allowed pursuant to this subsection shall limit the amount of certified capital for which credits
69 are allowed pursuant to subsection 4 of this section.

70 6. The department shall advise any Missouri certified capital company, in writing, within
71 fifteen days after receiving the filing described in subdivision (1) of subsection 5 of section
72 135.516 whether the limitations of subsection 3 of this section then in effect will be applicable
73 with respect to the investments and credits described in such filing with the department.

74 **7. Any credits authorized pursuant to sections 135.500 to 135.529 shall not apply**
75 **against any state tax liability incurred following the taxable year ending December 31,**
76 **2009.**

135.535. 1. A corporation, limited liability corporation, partnership or sole
2 proprietorship, which moves its operations from outside Missouri or outside a distressed
3 community into a distressed community, or which commences operations in a distressed
4 community on or after January 1, 1999, and in either case has more than seventy-five percent of
5 its employees at the facility in the distressed community, and which has fewer than one hundred
6 employees for whom payroll taxes are paid, and which is a manufacturing, biomedical, medical
7 devices, scientific research, animal research, computer software design or development,
8 computer programming, telecommunications or a professional firm shall receive a forty percent
9 credit against income taxes owed pursuant to chapter 143, 147 or 148, RSMo, other than taxes
10 withheld pursuant to sections 143.191 to 143.265, RSMo, for each of the three years after such
11 move, if approved by the department of economic development, which shall issue a certificate
12 of eligibility if the department determines that the taxpayer is eligible for such credit. The

13 maximum amount of credits per taxpayer set forth in this subsection shall not exceed one
14 hundred twenty-five thousand dollars for each of the three years for which the credit is claimed.
15 The department of economic development, by means of rule or regulation promulgated pursuant
16 to the provisions of chapter 536, RSMo, shall assign appropriate standard industrial classification
17 numbers to the companies which are eligible for the tax credits provided for in this section. Such
18 three-year credits shall be awarded only one time to any company which moves its operations
19 from outside of Missouri or outside of a distressed community into a distressed community or
20 to a company which commences operations within a distressed community. A taxpayer shall file
21 an application for certification of the tax credits for the first year in which credits are claimed and
22 for each of the two succeeding taxable years for which credits are claimed.

23 2. Employees of such facilities physically working and earning wages for that work
24 within a distressed community whose employers have been approved for tax credits pursuant to
25 subsection 1 of this section by the department of economic development for whom payroll taxes
26 are paid shall, also be eligible to receive a tax credit against individual income tax, imposed
27 pursuant to chapter 143, RSMo, equal to one and one-half percent of their gross salary paid at
28 such facility earned for each of the three years that the facility receives the tax credit provided
29 by this section, so long as they were qualified employees of such entity. The employer shall
30 calculate the amount of such credit and shall report the amount to the employee and the
31 department of revenue.

32 3. A tax credit against income taxes owed pursuant to chapter 143, 147 or 148, RSMo,
33 other than the taxes withheld pursuant to sections 143.191 to 143.265, RSMo, in lieu of the
34 credit against income taxes as provided in subsection 1 of this section, may be taken by such an
35 entity in a distressed community in an amount of forty percent of the amount of funds expended
36 for computer equipment and its maintenance, medical laboratories and equipment, research
37 laboratory equipment, manufacturing equipment, fiber optic equipment, high speed
38 telecommunications, wiring or software development expense up to a maximum of seventy-five
39 thousand dollars in tax credits for such equipment or expense per year per entity and for each of
40 three years after commencement in or moving operations into a distressed community.

41 4. A corporation, partnership or sole partnership, which has no more than one hundred
42 employees for whom payroll taxes are paid, which is already located in a distressed community
43 and which expends funds for such equipment pursuant to subsection 3 of this section in an
44 amount exceeding its average of the prior two years for such equipment, shall be eligible to
45 receive a tax credit against income taxes owed pursuant to chapters 143, 147 and 148, RSMo,
46 in an amount equal to the lesser of seventy-five thousand dollars or twenty-five percent of the
47 funds expended for such additional equipment per such entity. Tax credits allowed pursuant to
48 this subsection or subsection 1 of this section may be carried back to any of the three prior tax

49 years and carried forward to any of the five tax years.

50 5. An existing corporation, partnership or sole proprietorship that is located within a
51 distressed community and that relocates employees from another facility outside of the distressed
52 community to its facility within the distressed community, and an existing business located
53 within a distressed community that hires new employees for that facility may both be eligible for
54 the tax credits allowed by subsections 1 and 3 of this section. To be eligible for such tax credits,
55 such a business, during one of its tax years, shall employ within a distressed community at least
56 twice as many employees as were employed at the beginning of that tax year. A business hiring
57 employees shall have no more than one hundred employees before the addition of the new
58 employees. This subsection shall only apply to a business which is a manufacturing, biomedical,
59 medical devices, scientific research, animal research, computer software design or development,
60 computer programming or telecommunications business, or a professional firm.

61 6. Tax credits shall be approved for applicants meeting the requirements of this section
62 in the order that such applications are received. Certificates of tax credits issued in accordance
63 with this section may be transferred, sold or assigned by notarized endorsement which names the
64 transferee.

65 7. The tax credits allowed pursuant to subsections 1, 2, 3, 4 and 5 of this section shall
66 be for an amount of no more than ten million dollars for each year beginning in 1999. The total
67 maximum credit for all entities already located in distressed communities and claiming credits
68 pursuant to subsection 4 of this section shall be seven hundred and fifty thousand dollars. The
69 department of economic development in approving taxpayers for the credit as provided for in
70 subsection 6 of this section shall use information provided by the department of revenue
71 regarding taxes paid in the previous year, or projected taxes for those entities newly established
72 in the state, as the method of determining when this maximum will be reached and shall maintain
73 a record of the order of approval. Any tax credit not used in the period for which the credit was
74 approved may be carried over until the full credit has been allowed.

75 8. A Missouri employer relocating into a distressed community and having employees
76 covered by a collective bargaining agreement at the facility from which it is relocating shall not
77 be eligible for the credits in subsection 1, 3, 4 or 5 of this section, and its employees shall not be
78 eligible for the credit in subsection 2 of this section if the relocation violates or terminates a
79 collective bargaining agreement covering employees at the facility, unless the affected collective
80 bargaining unit concurs with the move.

81 9. Notwithstanding any provision of law to the contrary, no taxpayer shall earn the tax
82 credits allowed in this section and the tax credits otherwise allowed in section 135.110, or the
83 tax credits, exemptions, and refund otherwise allowed in sections 135.200, 135.220, 135.225 and
84 135.245, respectively, for the same business for the same tax period.

85 **10. Any credits authorized pursuant to sections 135.530 to 135.545 shall not apply**
86 **against any state tax liability incurred following the taxable year ending December 31,**
87 **2009.**

135.545. 1. A taxpayer shall be allowed a credit for taxes paid pursuant to chapter 143,
2 147 or 148, RSMo, in an amount equal to fifty percent of a qualified investment in transportation
3 development for aviation, mass transportation, including parking facilities for users of mass
4 transportation, railroads, ports, including parking facilities and limited access roads within ports,
5 waterborne transportation, bicycle and pedestrian paths, or rolling stock located in a distressed
6 community as defined in section 135.530, and which are part of a development plan approved
7 by the appropriate local agency. If the department of economic development determines the
8 investment has been so approved, the department shall grant the tax credit in order of date
9 received. A taxpayer may carry forward any unused tax credit for up to ten years and may carry
10 it back for the previous three years until such credit has been fully claimed. Certificates of tax
11 credit issued in accordance with this section may be transferred, sold or assigned by notarized
12 endorsement which names the transferee. The tax credits allowed pursuant to this section shall
13 be for an amount of no more than ten million dollars for each year. This credit shall apply to
14 returns filed for all taxable years beginning on or after January 1, 1999. Any unused portion of
15 the tax credit authorized pursuant to this section shall be available for use in the future by those
16 entities until fully claimed.

17 **2. Any credits authorized pursuant to sections 135.530 to 135.545 shall not apply**
18 **against any state tax liability incurred following the taxable year ending December 31,**
19 **2009.**

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

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

4 (2) "Shelter for victims of domestic violence", a facility located in this state which meets
5 the definition of a shelter for victims of domestic violence pursuant to section 455.200, RSMo,
6 and which meets the requirements of section 455.220, RSMo;

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

13 (4) "Taxpayer", a person, firm, a partner in a firm, corporation or a shareholder in an S
14 corporation doing business in the state of Missouri and subject to the state income tax imposed

15 by the provisions of chapter 143, RSMo, or a corporation subject to the annual corporation
16 franchise tax imposed by the provisions of chapter 147, RSMo, or an insurance company paying
17 an annual tax on its gross premium receipts in this state, or other financial institution paying
18 taxes to the state of Missouri or any political subdivision of this state pursuant to the provisions
19 of chapter 148, RSMo, or an express company which pays an annual tax on its gross receipts in
20 this state pursuant to chapter 153, RSMo, or an individual subject to the state income tax
21 imposed by the provisions of chapter 143, RSMo.

22 2. A taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax
23 liability, in an amount equal to fifty percent of the amount such taxpayer contributed to a shelter
24 for victims of domestic violence.

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

30 4. Except for any excess credit which is carried over pursuant to subsection 3 of this
31 section, a taxpayer shall not be allowed to claim a tax credit unless the total amount of such
32 taxpayer's contribution or contributions to a shelter or shelters for victims of domestic violence
33 in such taxpayer's taxable year has a value of at least one hundred dollars.

34 5. The director of public safety shall determine, at least annually, which facilities in this
35 state may be classified as shelters for victims of domestic violence. The director of public safety
36 may require of a facility seeking to be classified as a shelter for victims of domestic violence
37 whatever information is reasonably necessary to make such a determination. The director of
38 public safety shall classify a facility as a shelter for victims of domestic violence if such facility
39 meets the definition set forth in subsection 1 of this section.

40 6. The director of public safety shall establish a procedure by which a taxpayer can
41 determine if a facility has been classified as a shelter for victims of domestic violence, and by
42 which such taxpayer can then contribute to such shelter for victims of domestic violence and
43 claim a tax credit. Shelters for victims of domestic violence shall be permitted to decline a
44 contribution from a taxpayer. The cumulative amount of tax credits which may be claimed by
45 all the taxpayers contributing to shelters for victims of domestic violence in any one fiscal year
46 shall not exceed two million dollars.

47 7. The director of public safety shall establish a procedure by which, from the beginning
48 of the fiscal year until some point in time later in the fiscal year to be determined by the director
49 of public safety, the cumulative amount of tax credits are equally apportioned among all facilities
50 classified as shelters for victims of domestic violence. If a shelter for victims of domestic

51 violence fails to use all, or some percentage to be determined by the director of public safety, of
52 its apportioned tax credits during this predetermined period of time, the director of public safety
53 may reapportion these unused tax credits to those shelters for victims of domestic violence that
54 have used all, or some percentage to be determined by the director of public safety, of their
55 apportioned tax credits during this predetermined period of time. The director of public safety
56 may establish more than one period of time and reapportion more than once during each fiscal
57 year. To the maximum extent possible, the director of public safety shall establish the procedure
58 described in this subsection in such a manner as to ensure that taxpayers can claim all the tax
59 credits possible up to the cumulative amount of tax credits available for the fiscal year.

60 **8. Any credits authorized pursuant to this section shall not apply against any state**
61 **tax liability incurred following the taxable year ending December 31, 2009.**

62 [8.] **9.** This section shall become effective January 1, 2000, and shall apply to all tax
63 years after December 31, 1999.

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

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

4 (2) "Maternity home", a residential facility located in this state established for the
5 purpose of providing housing and assistance to pregnant women who are carrying their
6 pregnancies to term, and which is exempt from income taxation under the United States Internal
7 Revenue Code;

8 (3) "State tax liability", in the case of a business taxpayer, any liability incurred by such
9 taxpayer pursuant to the provisions of chapter 143, RSMo, chapter 147, RSMo, chapter 148,
10 RSMo, and chapter 153, RSMo, exclusive of the provisions relating to the withholding of tax
11 as provided for in sections 143.191 to 143.265, RSMo, and related provisions, and in the case
12 of an individual taxpayer, any liability incurred by such taxpayer pursuant to the provisions of
13 chapter 143, RSMo;

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

23 2. A taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax

24 liability, in an amount equal to fifty percent of the amount such taxpayer contributed to a
25 maternity home.

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

31 4. Except for any excess credit which is carried over pursuant to subsection 3 of this
32 section, a taxpayer shall not be allowed to claim a tax credit unless the total amount of such
33 taxpayer's contribution or contributions to a maternity home or homes in such taxpayer's taxable
34 year has a value of at least one hundred dollars.

35 5. The director of the department of social services shall determine, at least annually,
36 which facilities in this state may be classified as maternity homes. The director of the
37 department of social services may require of a facility seeking to be classified as a maternity
38 home whatever information is reasonably necessary to make such a determination. The director
39 of the department of social services shall classify a facility as a maternity home if such facility
40 meets the definition set forth in subsection 1 of this section.

41 6. The director of the department of social services shall establish a procedure by which
42 a taxpayer can determine if a facility has been classified as a maternity home, and by which such
43 taxpayer can then contribute to such maternity home and claim a tax credit. Maternity homes
44 shall be permitted to decline a contribution from a taxpayer. The cumulative amount of tax
45 credits which may be claimed by all the taxpayers contributing to maternity homes in any one
46 fiscal year shall not exceed two million dollars.

47 7. The director of the department of social services shall establish a procedure by which,
48 from the beginning of the fiscal year until some point in time later in the fiscal year to be
49 determined by the director of the department of social services, the cumulative amount of tax
50 credits are equally apportioned among all facilities classified as maternity homes. If a maternity
51 home fails to use all, or some percentage to be determined by the director of the department of
52 social services, of its apportioned tax credits during this predetermined period of time, the
53 director of the department of social services may reapportion these unused tax credits to those
54 maternity homes that have used all, or some percentage to be determined by the director of the
55 department of social services, of their apportioned tax credits during this predetermined period
56 of time. The director of the department of social services may establish more than one period
57 of time and reapportion more than once during each fiscal year. To the maximum extent
58 possible, the director of the department of social services shall establish the procedure described
59 in this subsection in such a manner as to ensure that taxpayers can claim all the tax credits

60 possible up to the cumulative amount of tax credits available for the fiscal year.

61 **8. Any credits authorized pursuant to this section shall not apply against any state**
62 **tax liability incurred following the taxable year ending December 31, 2009.**

63 [8.] **9.** This section shall become effective January 1, 2000, and shall apply to all tax
64 years after December 31, 1999.

135.700. **1.** For all tax years beginning on or after January 1, 1999, a grape grower or
2 wine producer shall be allowed a tax credit against the state tax liability incurred pursuant to
3 chapter 143, RSMo, exclusive of the provisions relating to the withholding of tax as provided
4 in sections 143.191 to 143.265, RSMo, in an amount equal to twenty-five percent of the purchase
5 price of all new equipment and materials used directly in the growing of grapes or the production
6 of wine in the state. Each grower or producer shall apply to the department of economic
7 development and specify the total amount of such new equipment and materials purchased
8 during the calendar year. The department of economic development shall certify to the
9 department of revenue the amount of such tax credit to which a grape grower or wine producer
10 is entitled pursuant to this section. The provisions of this section notwithstanding, a grower or
11 producer may only apply for and receive the credit authorized by this section for five tax periods.

12 **2. Any credits authorized pursuant to this section shall not apply against any state**
13 **tax liability incurred following the taxable year ending December 31, 2009.**

135.750. **1.** Beginning January 1, 1999, a taxpayer shall be granted a tax credit against
2 the tax otherwise due pursuant to chapter 143, RSMo, excluding withholding tax imposed by
3 sections 143.191 to 143.261, RSMo, or chapter 148, RSMo, for up to fifty percent of the amount
4 of investment in production or production-related activities in a qualified film production project.
5 As used in this section, the term "taxpayer" means an individual, a partnership, or a corporation
6 as described in section 143.441, 143.471, RSMo, or section 148.370, RSMo, and the term
7 "qualified film production project" means any film production project with an expected in-state
8 expenditure budget in excess of three hundred thousand dollars. Each film production company
9 shall be limited to one qualified film production project per year. Activities qualifying a
10 taxpayer for the tax credit pursuant to this subsection shall be approved by the office of the
11 Missouri film commission and the department of economic development.

12 **2.** Taxpayers shall apply for the film production tax credit by submitting an application
13 to the department of economic development, on a form provided by the department. As part of
14 the application, the expected in-state expenditures of the qualified film production project shall
15 be documented. In addition, the application shall include an economic impact statement,
16 showing the economic impact from the activities of the film production project. Such economic
17 impact statement shall indicate the impact on the region of the state in which the film production
18 or production-related activities are located and on the state as a whole.

19 3. Tax credits certified pursuant to subsection 1 of this section shall not exceed five
20 hundred thousand dollars per taxpayer per year, and shall not exceed a total for all tax credits
21 certified of one million dollars per year. Taxpayers may carry forward unused credits for up to
22 five tax periods, provided all such credits shall be claimed within ten tax periods following the
23 tax period in which the film production or production-related activities for which the credits are
24 certified by the department occurred.

25 4. Notwithstanding any provision of law to the contrary, any taxpayer may sell, assign,
26 exchange, convey or otherwise transfer tax credits allowed in subsection 1 of this section. The
27 taxpayer acquiring the tax credits may use the acquired credits to offset the tax liabilities
28 otherwise imposed by chapter 143, RSMo, excluding withholding tax imposed by sections
29 143.191 to 143.261, RSMo, or chapter 148, RSMo. Unused acquired credits may be carried
30 forward for up to five tax periods, provided all such credits shall be claimed within ten tax
31 periods following the tax period in which the film production or production-related activities for
32 which the credits are certified by the department occurred.

33 **5. Any credits authorized pursuant to this section shall not apply against any state**
34 **tax liability incurred following the taxable year ending December 31, 2009.**

143.071. 1. For all tax years beginning before September 1, 1993, a tax is hereby
2 imposed upon the Missouri taxable income of corporations in an amount equal to five percent
3 of Missouri taxable income.

4 2. For all tax years beginning on or after September 1, 1993, a tax is hereby imposed
5 upon the Missouri taxable income [of] **earned prior to January 1, 2005, by corporations in an**
6 **amount equal to six and one-fourth percent of Missouri taxable income. A tax is hereby**
7 **imposed upon the Missouri taxable income earned on or after January 1, 2005, but before**
8 **January 1, 2007, by corporations in an amount equal to four and one-fourth percent of**
9 **Missouri taxable income. A tax is hereby imposed upon the Missouri taxable income**
10 **earned on or after January 1, 2007, but before January 1, 2008, by corporations in an**
11 **amount equal to two and one-fourth percent of Missouri taxable income.**

143.091. 1. Any term used in sections 143.011 to 143.996 shall have the same meaning
2 as when used in a comparable context in the laws of the United States relating to federal income
3 taxes, unless a different meaning is clearly required by the provisions of sections 143.011 to
4 143.996. Any reference in sections 143.011 to 143.996 to the laws of the United States shall
5 mean the provisions of the Internal Revenue Code of 1986, and amendments thereto **enacted on**
6 **or before January 1, 2003**, and other provisions of the laws of the United States relating to
7 federal income taxes, as the same may be or become effective[, at any time or from time to time,]
8 **on or before January 1, 2003** for the taxable year.

9 **2. Within sixty days after an amendment of the Internal Revenue Code of 1986 is**

10 enacted, the director of revenue shall prepare and submit to the governor, the speaker of
 11 the house of representatives, and the president pro tempore of the senate a report which
 12 outlines:

13 (1) The changes of the Internal Revenue Code of 1986;

14 (2) The impact of those changes on state revenue; and

15 (3) The impact of those changes on the various classes and types of taxpayers.

16 3. The provisions of subsections 1-2 of this section shall expire December 31, 2008.

17 4. Beginning January 1, 2009, any term used in sections 143.011 to 143.996 shall
 18 have the same meaning as when used in a comparable context in the laws of the United
 19 States relating to federal income taxes, unless a different meaning is clearly required by the
 20 provisions of sections 143.011 to 143.996. Beginning January 1, 2009, any reference in
 21 sections 143.011 to 143.996 to the laws of the United States shall mean the provisions of the
 22 Internal Revenue Code of 1986, and amendments thereto, and other provisions of the laws
 23 of the United States relating to federal income taxes, as the same may be or become
 24 effective, at any time or from time to time, for the taxable year.

143.181. 1. The Missouri nonresident adjusted gross income shall be that part of the
 2 nonresident individual's federal adjusted gross income derived from sources within Missouri, as
 3 modified in the same manner as set forth in section 143.121 with respect to resident individuals.
 4 It shall be the sum of:

5 (1) The net amount of items of income, gain, loss, and deduction entering into his **or her**
 6 federal adjusted gross income which are derived from or connected with sources in this state
 7 including:

8 (a) [His] **The individual's** distributive share of partnership income and deductions
 9 determined under section 143.421, and

10 (b) [His] **The individual's** share of estate or trust income and deductions determined
 11 under section 143.391, and

12 (c) [His] **The individual's** pro rata share of S corporation income and deductions
 13 determined under subsection 3 of section 143.471; and

14 (2) The portion of the modifications described in section 143.121 which relate to income
 15 derived from sources in this state, including any modifications attributable to him **or her** as a
 16 partner.

17 2. Items of income, gain, loss, and deduction derived from or connected with sources
 18 within this state are those items attributable to:

19 (1) The ownership or disposition of any interest in real or tangible personal property in
 20 this state; [and]

21 (2) A business, trade, profession, or occupation carried on in this state;

22 **(3) Winnings from a wager placed in a lottery conducted by the state lottery**
23 **commission, if the proceeds from such wager are required, pursuant to the Internal**
24 **Revenue Code of 1986, as amended, or regulations adopted thereunder, to be reported by**
25 **the state lottery commission to the Internal Revenue Service; and**

26 **(4) Winnings from any other wager placed in this state or from any wagering**
27 **transaction, gaming activity, or gambling activity in this state, if the proceeds from such**
28 **wager, wagering transaction, gaming activity, or gambling activity are required, pursuant**
29 **to the Internal Revenue Code of 1986, as amended, or regulations adopted thereunder, to**
30 **be reported by the payer to the Internal Revenue Service.**

31 3. Income from intangible personal property, including annuities, dividends, interest, and
32 gains from the disposition of intangible personal property, shall constitute income derived from
33 sources within this state only to the extent that such income is from:

34 **(1) Property employed in a business, trade, profession, or occupation carried on in this**
35 **state;**

36 **(2) Winnings from a wager placed in a lottery conducted by the state lottery**
37 **commission, if the proceeds from such wager are required, pursuant to the Internal**
38 **Revenue Code of 1986, as amended, or regulations adopted thereunder, to be reported by**
39 **the state lottery commission to the Internal Revenue Service; and**

40 **(3) Winnings from any other wager placed in this state or from any wagering**
41 **transaction, gaming activity, or gambling activity in this state, if the proceeds from such**
42 **wager, wagering transaction, gaming activity, or gambling activity are required, pursuant**
43 **to the Internal Revenue Code of 1986, as amended, or regulations adopted thereunder, to**
44 **be reported by the payer to the Internal Revenue Service.**

45 4. Deductions with respect to capital losses, net long-term capital gains, and net
46 operation losses shall be based solely on income, gains, losses, and deductions derived from
47 sources within this state in the same manner as the corresponding federal deductions under
48 regulations to be prescribed by the director of revenue.

49 5. If a business, trade, profession, or occupation is carried on partly within and partly
50 without this state, the items of income and deduction derived from or connected with sources
51 within this state shall be determined by apportionment and allocation under regulations to be
52 prescribed by the director of revenue.

53 6. Compensation paid by the United States for service in the armed forces of the United
54 States performed by a nonresident shall not constitute income derived from sources within this
55 state.

143.471. 1. An S corporation, as defined by Section 1361 (a)(1) of the Internal Revenue
2 Code, shall not be subject to the taxes imposed by section 143.071, or other sections imposing

3 income tax on corporations.

4 2. A shareholder of an S corporation shall determine such shareholder's S corporation
5 modification and pro rata share, including its character, by applying the following:

6 (1) Any modification described in sections 143.121 and 143.141 which relates to an item
7 of S corporation income, gain, loss, or deduction shall be made in accordance with the
8 shareholder's pro rata share, for federal income tax purposes, of the item to which the
9 modification relates. Where a shareholder's pro rata share of any such item is not required to be
10 taken into account separately for federal income tax purposes, the shareholder's pro rata share
11 of such item shall be determined in accordance with his pro rata share, for federal income tax
12 purposes, of S corporation taxable income or loss generally;

13 (2) Each item of S corporation income, gain, loss, or deduction shall have the same
14 character for a shareholder pursuant to sections 143.005 to 143.998 as it has for federal income
15 tax purposes. Where an item is not characterized for federal income tax purposes, it shall have
16 the same character for a shareholder as if realized directly from the source from which realized
17 by the S corporation or incurred in the same manner as incurred by the S corporation.

18 3. A nonresident shareholder of an S corporation shall determine such shareholder's
19 Missouri nonresident adjusted gross income and his or her nonresident shareholder modification
20 by applying the provisions of this subsection. Items shall be determined to be from sources
21 within this state pursuant to regulations of the director of revenue in a manner consistent with
22 the division of income provisions of section 143.451, section 143.461, or section 32.200, RSMo
23 (Multistate Tax Compact). In determining the adjusted gross income of a nonresident
24 shareholder of any S corporation, there shall be included only that part derived from or connected
25 with sources in this state of the shareholder's pro rata share of items of S corporation income,
26 gain, loss or deduction entering into shareholder's federal adjusted gross income, as such part is
27 determined pursuant to regulations prescribed by the director of revenue in accordance with the
28 general rules in section 143.181. Any modification described in subsections 2 and 3 of section
29 143.121 and in section 143.141, which relates to an item of S corporation income, gain, loss, or
30 deduction shall be made in accordance with the shareholder's pro rata share, for federal income
31 tax purposes, of the item to which the modification relates, but limited to the portion of such item
32 derived from or connected with sources in this state.

33 4. The director of revenue shall permit S corporations to file composite returns and to
34 make composite payments of tax on behalf of its nonresident shareholders not otherwise required
35 to file a return. If the nonresident shareholder's filing requirements result solely from one or
36 more interests in any other partnerships or subchapter S corporations, that nonresident
37 shareholder may be included in the composite return.

38 5. If an S corporation pays or credits amounts to any of its nonresident individual

39 shareholders as dividends or as their share of the S corporation's undistributed taxable income
40 for the taxable year, the S corporation shall either timely file with the department of revenue an
41 agreement as provided in subsection 6 of this section or withhold Missouri income tax as
42 provided in subsection 7 of this section. An S corporation that timely files an agreement as
43 provided in subsection 6 of this section with respect to a nonresident shareholder for a taxable
44 year shall be considered to have timely filed such an agreement for each subsequent taxable year.
45 An S corporation that does not timely file such an agreement for a taxable year shall not be
46 precluded from timely filing such an agreement for subsequent taxable years. An S corporation
47 is not required to deduct and withhold Missouri income tax for a nonresident shareholder if:

48 (1) The nonresident shareholder not otherwise required to file a return agrees to have the
49 Missouri income tax due paid as part of the S corporation's composite return;

50 (2) The nonresident shareholder not otherwise required to file a return had Missouri
51 assignable federal adjusted gross income from the S corporation of less than twelve hundred
52 dollars;

53 (3) The S corporation is liquidated or terminated;

54 (4) Income was generated by a transaction related to termination or liquidation; or

55 (5) No cash or other property was distributed in the current and prior taxable year.

56 6. The agreement referred to in subdivision (1) of subsection 5 of this section is an
57 agreement of a nonresident shareholder of the S corporation to:

58 (1) File a return in accordance with the provisions of section 143.481 and to make timely
59 payment of all taxes imposed on the shareholder by this state with respect to income of the S
60 corporation; and

61 (2) Be subject to personal jurisdiction in this state for purposes of the collection of
62 income taxes, together with related interest and penalties, imposed on the shareholder by this
63 state with respect to the income of the S corporation.

64 The agreement will be considered timely filed for a taxable year, and for all subsequent taxable
65 years, if it is filed at or before the time the annual return for such taxable year is required to be
66 filed pursuant to section 143.511.

67 7. The amount of Missouri income tax to be withheld is determined by multiplying the
68 amount of dividends or undistributed income allocable to Missouri that is paid or credited to a
69 nonresident shareholder during the taxable year by the highest rate used to determine a Missouri
70 income tax liability for an individual, except that the amount of the tax withheld may be
71 determined based on withholding tables provided by the director of revenue if the shareholder
72 submits a Missouri withholding allowance certificate.

73 8. An S corporation shall be entitled to recover for a shareholder on whose behalf a tax
74 payment was made pursuant to this section, if such shareholder has no tax liability.

75 9. With respect to S corporations that are banks or bank holding companies, a pro rata
76 share of the tax credit for the tax payable pursuant to chapter 148, RSMo, shall be allowed
77 against each S corporation shareholders' state income tax as follows, provided the bank otherwise
78 complies with section 148.112:

79 (1) The credit allowed by this subsection shall be equal to the bank tax calculated
80 pursuant to chapter 148, RSMo, based on bank income in 1999 and after, on a bank that makes
81 an election pursuant to 26 U.S.C. Section 1362, and such credit shall be allocated to the
82 qualifying shareholder according to stock ownership, determined by multiplying a fraction,
83 where the numerator is the shareholder's stock, and the denominator is the total stock issued by
84 such bank or bank holding company;

85 (2) The tax credit authorized in this subsection shall be permitted only to the
86 shareholders that qualify as S corporation shareholders, provided the stock at all times during the
87 taxable period qualifies as S corporation stock as defined in 26 U.S.C. Section 1361, and such
88 stock is held by the shareholder during the taxable period. The credit created by this section on
89 a yearly basis is available to each qualifying shareholder, including shareholders filing joint
90 returns. A bank holding company is not allowed this credit, except that, such credit shall flow
91 through to such bank holding company's qualified shareholders, and be allocated to such
92 shareholders under the same conditions; [and]

93 (3) In the event such shareholder cannot use all or part of the tax credit in the taxable
94 period of receipt, such shareholder may carry forward such tax credit for a period of the lesser
95 of five years or until used, provided such credits are used as soon as the taxpayer has Missouri
96 taxable income; **and**

97 **(4) Any credits authorized pursuant to this subsection shall not apply against any**
98 **state tax liability incurred following the taxable year ending December 31, 2009.**

148.064. 1. Notwithstanding any law to the contrary, this section shall determine the
2 ordering and limit reductions for certain taxes and tax credits which may be used as credits
3 against various taxes paid or payable by banking institutions. Except as adjusted in subsections
4 2, 3 and 6 of this section, such credits shall be applied in the following order until used against:

5 (1) The tax on banks determined under subdivision (2) of subsection 2 of section
6 148.030;

7 (2) The tax on banks determined under subdivision (1) of subsection 2 of section
8 148.030;

9 (3) The state income tax in section 143.071, RSMo.

10 2. The tax credits permitted against taxes payable pursuant to subdivision (2) of
11 subsection 2 of section 148.030 shall be utilized first and include taxes referenced in
12 subdivisions (2) and (3) of subsection 1 of this section, which shall be determined without

13 reduction for any tax credits identified in subsection 5 of this section which are used to reduce
14 such taxes. Where a banking institution subject to this section joins in the filing of a
15 consolidated state income tax return under chapter 143, RSMo, the credit allowed under this
16 section for state income taxes payable under chapter 143, RSMo, shall be determined based upon
17 the consolidated state income tax liability of the group and allocated to a banking institution,
18 without reduction for any tax credits identified in subsection 5 of this section which are used to
19 reduce such consolidated taxes as provided in chapter 143, RSMo.

20 3. The taxes referenced in subdivisions (2) and (3) of subsection 1 of this section may
21 be reduced by the tax credits in subsection 5 of this section without regard to any adjustments
22 in subsection 2 of this section.

23 4. To the extent that certain tax credits which the taxpayer is entitled to claim are
24 transferable, such transferability may include transfers among such taxpayers who are members
25 of a single consolidated income tax return, and this subsection shall not impact other tax credit
26 transferability.

27 5. For the purpose of this section, the tax credits referred to in subsections 2 and 3 shall
28 include tax credits available for economic development, low-income housing and neighborhood
29 assistance which the taxpayer is entitled to claim for the year, including by way of example and
30 not of limitation, tax credits pursuant to the following sections: section 32.115, RSMo, section
31 100.286, RSMo, and sections 135.110, 135.225, 135.352 and 135.403, RSMo.

32 6. For tax returns filed on or after January 1, 2001, including returns based on income
33 in the year 2000, and after, a banking institution shall be entitled to an annual tax credit equal
34 to one-sixtieth of one percent of its outstanding shares and surplus employed in this state if the
35 outstanding shares and surplus exceed one million dollars, determined in the same manner as in
36 section 147.010, RSMo. This tax credit shall be taken as a dollar-for-dollar credit against the
37 bank tax provided for in subdivision (2) of subsection 2 of section 148.030; if such bank tax was
38 already reduced to zero by other credits, then against the corporate income tax provided for in
39 chapter 143, RSMo.

40 7. In the event the corporation franchise tax in chapter 147, RSMo, is repealed by the
41 general assembly, there shall also be a reduction in the taxation of banks as follows: in lieu of
42 the loss of the corporation franchise tax credit reduction in subdivision (1) of subsection 2 of
43 section 148.030, the bank shall receive a tax credit equal to one and one-half percent of net
44 income as determined in this chapter. This subsection shall take effect at the same time the
45 corporation franchise tax in chapter 147, RSMo, is repealed.

46 8. An S corporation bank or bank holding company that otherwise qualifies to distribute
47 tax credits to its shareholders shall pass through any tax credits referred to in subsection 5 of this
48 section to its shareholders as otherwise provided for in subsection 9 of section 143.471, RSMo,

49 with no reductions or limitations resulting from the transfer through such S corporation, and on
50 the same terms originally made available to the original taxpayer, subject to any original dollar
51 or percentage limitations on such credits, and when such S corporation is the original taxpayer,
52 treating such S corporation as having not elected Subchapter S status.

53 9. Notwithstanding any law to the contrary, in the event the corporation franchise tax in
54 chapter 147, RSMo, is repealed by the general assembly, after such repeal all Missouri taxes of
55 any nature and type imposed directly or used as a tax credit against the bank's taxes shall be
56 passed through to the S corporation bank or bank holding company shareholder in the form
57 otherwise permitted by law, except for the following:

58 (1) Credits for taxes on real estate and tangible personal property owned by the bank and
59 held for lease or rental to others;

60 (2) Contributions paid pursuant to the unemployment compensation tax law of Missouri;
61 or

62 (3) State and local sales and use taxes collected by the bank on its sales of tangible
63 personal property and the services enumerated in chapter 144, RSMo.

64 **10. Any credits authorized pursuant to sections 148.010 to 148.112 shall not apply**
65 **against any state tax liability incurred following the taxable year ending December 31,**
66 **2009.**

148.112. 1. Subchapter S corporation shareholders of: (i) a bank; or (ii) a bank holding
2 company of a bank permitted to file a substitute bank franchise tax pursuant to section 148.031,
3 may take a tax credit against such shareholder's state income tax return, as provided in section
4 143.471, RSMo. Such tax credit shall be the taxpayer's pro rata share of either the franchise tax,
5 or the tax in lieu of the franchise tax, paid by the bank as provided in this chapter.

6 **2. Any credits authorized pursuant to sections 148.010 to 148.112 shall not apply**
7 **against any state tax liability incurred following the taxable year ending December 31,**
8 **2009.**

173.196. 1. Any business firm, as defined in section 32.105, RSMo, may make a
2 donation to the "Missouri Higher Education Scholarship Donation Fund", which is hereby
3 created in the state treasury. A donating business firm shall receive a tax credit as provided in
4 this section equal to fifty percent of the amount of the donation, except that tax credits shall be
5 awarded each fiscal year in the order donations are received and the amount of tax credits
6 authorized shall total no more than two hundred and fifty thousand dollars for each fiscal year.

7 2. The department of revenue shall grant tax credits approved under this section which
8 shall be applied in the order specified in subsection 1 of section 32.115, RSMo, until used. The
9 tax credits provided under this section shall be refundable, and any tax credit not used in the
10 fiscal year in which approved may be carried over the next five succeeding calendar or fiscal

11 years until the full credit has been claimed.

12 3. No tax credit authorized under this section may be applied against any tax applied in
13 a tax year beginning prior to January 1, 1995.

14 4. All revenues credited to the fund shall be used, subject to appropriations, to provide
15 scholarships authorized under sections 173.197 to 173.199, and for no other purpose.

16 **5. Any credits authorized pursuant to sections 173.196 to 173.199 shall not apply**
17 **against any state tax liability incurred following the taxable year ending December 31,**
18 **2009.**

173.796. 1. As used in this section, the term "taxpayer" means an individual, a
2 partnership, or a corporation as described in section 143.441 or 143.471, RSMo.

3 2. Any taxpayer may make a contribution to the fund. Within the limits specified in
4 subsection 3 of this section, a taxpayer shall be allowed a credit against the taxes imposed
5 pursuant to chapter 143, RSMo, except for sections 143.191 to 143.265, RSMo, on that
6 individual or entity of up to fifty percent of the total amount contributed to the fund, not to
7 exceed one hundred thousand dollars per taxpayer.

8 3. The department of revenue shall administer the tax credits pursuant to this section, and
9 shall certify eligibility for the tax credits in the order applications are received. The total amount
10 of tax credits certified in any one calendar year shall not exceed five million dollars annually.
11 Contributions of up to one hundred thousand dollars per annum per taxpayer may be certified
12 by the department of revenue as a qualified contribution for purposes of receiving a tax credit
13 under this program.

14 4. If the amount of tax credit exceeds the total tax liability for the year in which the tax
15 credit is claimed, the amount that exceeds the state tax liability may be carried forward for credit
16 against the taxes imposed pursuant to chapter 143, RSMo, except for sections 143.191 to
17 143.265, RSMo, for the succeeding ten years, or until the full credit is used, whichever occurs
18 first.

19 **5. Any credits authorized pursuant to this section shall not apply against any state**
20 **tax liability incurred following the taxable year ending December 31, 2009.**

21 [5.] 6. The provisions of this section shall become effective January 1, 1999.

178.894. 1. If an agreement provides that all or part of program costs are to be met by
2 receipt of new jobs credit from withholding, such new jobs credit from withholding shall be
3 determined and paid as follows:

4 (1) New jobs credit from withholding shall be based upon the wages paid to the
5 employees in the new jobs;

6 (2) A portion of the total payments made by the employer pursuant to section 143.221,
7 RSMo, shall be designated as the new jobs credit from withholding. Such portion shall be an

8 amount equal to two and one-half percent of the gross wages paid by the employer for each of
9 the first one hundred jobs included in the project and one and one-half percent of the gross wages
10 paid by the employer for each of the remaining jobs included in the project. If business or
11 employment conditions cause the amount of the new jobs credit from withholding to be less than
12 the amount projected in the agreement for any time period, then other withholding tax paid by
13 the employer pursuant to section 143.221, RSMo, shall be credited to the Missouri junior college
14 job training fund by the amount of such difference. The employer shall remit the amount of the
15 new jobs credit to the department of revenue in the manner prescribed in section 178.896. When
16 all program costs, including the principal of, premium, if any, and interest on the certificates
17 have been paid, the employer credits shall cease;

18 (3) The community college district participating in a project shall establish a special fund
19 for and in the name of the project. All funds appropriated by the general assembly from the
20 Missouri community college job training program fund and disbursed by the division of job
21 development and training for the project and other amounts received by the district in respect of
22 the project and required by the agreement to be used to pay program costs for the project shall
23 be deposited in the special fund. Amounts held in the special fund may be used and disbursed
24 by the district only to pay program costs for the project. The special fund may be divided into
25 such accounts and subaccounts as shall be provided in the agreement, and amounts held therein
26 may be invested in investments which are legal for the investment of the district's other funds;

27 (4) Any disbursement in respect of a project received from the division of job
28 development and training under the provisions of sections 178.892 to 178.896 and the special
29 fund into which it is paid may be irrevocably pledged by a junior college district for the payment
30 of the principal of, premium, if any, and interest on the certificate issued by a junior college
31 district to finance or refinance, in whole or in part, the project;

32 (5) The employer shall certify to the department of revenue that the credit from
33 withholding is in accordance with an agreement and shall provide other information the
34 department may require;

35 (6) An employee participating in a project will receive full credit for the amount
36 designated as a new jobs credit from withholding and withheld as provided in section 143.221,
37 RSMo;

38 (7) If an agreement provides that all or part of program costs are to be met by receipt of
39 new jobs credit from withholding, the provisions of this subsection shall also apply to any
40 successor to the original employer until such time as the principal and interest on the certificates
41 have been paid.

42 **2. Any credits authorized pursuant to sections 178.892 to 178.896 shall not apply**
43 **against any state tax liability incurred following the taxable year ending December 31,**

44 **2009.**

208.770. 1. Moneys deposited in or withdrawn pursuant to subsection 1 of section
2 208.760 from a family development account by an account holder are exempted from taxation
3 pursuant to chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to
4 143.265, RSMo, and chapter 147, 148 or 153, RSMo, provided, however, that any money
5 withdrawn for an unapproved use should be subject to tax as required by law.

6 2. Interest earned by a family development account is exempted from taxation pursuant
7 to chapter 143, RSMo.

8 3. Any funds in a family development account, including accrued interest, shall be
9 disregarded when determining eligibility to receive, or the amount of, any public assistance or
10 benefits.

11 4. A program contributor shall be allowed a credit against the tax imposed by chapter
12 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, and
13 chapter 147, 148 or 153, RSMo, pursuant to sections 208.750 to 208.775. Contributions up to
14 fifty thousand dollars per program contributor are eligible for the tax credit which shall not
15 exceed fifty percent of the contribution amount.

16 5. The department of economic development shall verify all tax credit claims by
17 contributors. The administrator of the community-based organization, with the cooperation of
18 the participating financial institutions, shall submit the names of contributors and the total
19 amount each contributor contributes to a family development account reserve fund for the
20 calendar year. The director shall determine the date by which such information shall be
21 submitted to the department by the local administrator. The department shall submit verification
22 of qualified tax credits pursuant to sections 208.750 to 208.775 to the department of revenue.

23 6. The total tax credits authorized pursuant to sections 208.750 to 208.775 shall not
24 exceed four million dollars in any fiscal year.

25 **7. Any credits authorized pursuant to sections 208.750 to 208.775 shall not apply**
26 **against any state tax liability incurred following the taxable year ending December 31,**
27 **2009.**

253.557. 1. If the amount of such credit exceeds the total tax liability for the year in
2 which the rehabilitated property is placed in service, the amount that exceeds the state tax
3 liability may be carried back to any of the three preceding years and carried forward for credit
4 against the taxes imposed pursuant to chapter 143, RSMo, and chapter 148, RSMo, except for
5 sections 143.191 to 143.265, RSMo, for the succeeding ten years, or until the full credit is used,
6 whichever occurs first. Not-for-profit entities, including but not limited to corporations
7 organized as not-for-profit corporations pursuant to chapter 355, RSMo, shall be ineligible for
8 the tax credits authorized under sections 253.545 through 253.561. Taxpayers eligible for such

9 tax credits may transfer, sell or assign the credits. Credits granted to a partnership, a limited
10 liability company taxed as a partnership or multiple owners of property shall be passed through
11 to the partners, members or owners respectively pro rata or pursuant to an executed agreement
12 among the partners, members or owners documenting an alternate distribution method.

13 2. The assignee of the tax credits, hereinafter the assignee for purposes of this
14 subsection, may use acquired credits to offset up to one hundred percent of the tax liabilities
15 otherwise imposed pursuant to chapter 143, RSMo, and chapter 148, RSMo, except for sections
16 143.191 to 143.265, RSMo. The assignor shall perfect such transfer by notifying the department
17 of economic development in writing within thirty calendar days following the effective date of
18 the transfer and shall provide any information as may be required by the department of economic
19 development to administer and carry out the provisions of this section.

20 **3. Any credits authorized pursuant to sections 253.550 to 253.561 shall not apply**
21 **against any state tax liability incurred following the taxable year ending December 31,**
22 **2009.**

320.093. 1. Any person, firm or corporation who purchases a dry fire hydrant, as defined
2 in section 320.273, or provides an acceptable means of water storage for such dry fire hydrant
3 including a pond, tank or other storage facility with the primary purpose of fire protection within
4 the state of Missouri, shall be eligible for a credit on income taxes otherwise due pursuant to
5 chapter 143, RSMo, except sections 143.191 to 143.261, RSMo, as an incentive to implement
6 safe and efficient fire protection controls. The tax credit, not to exceed five thousand dollars,
7 shall be equal to fifty percent of the cost in actual expenditure for any new water storage
8 construction, equipment, development and installation of the dry hydrant, including pipes,
9 valves, hydrants and labor for each such installation of a dry hydrant or new water storage
10 facility. The amount of the tax credit claimed for in-kind contributions shall not exceed twenty-
11 five percent of the total amount of the contribution for which the tax credit is claimed.

12 2. Any amount of credit which exceeds the tax due shall not be refunded but may be
13 carried over to any subsequent taxable year, not to exceed seven years. The person, firm or
14 corporation may elect to assign to a third party the approved tax credit. The certificate of
15 assignment and other appropriate forms must be filed with the Missouri department of revenue
16 and the department of economic development.

17 3. The person, firm or corporation shall make application for the credit to the department
18 of economic development after receiving approval of the state fire marshal. The fire marshal
19 shall establish by rule promulgated pursuant to chapter 536, RSMo, the requirements to be met
20 based on the National Resources Conservation Service's Missouri Dry Hydrant Standard. The
21 state fire marshal or designated local representative shall authorize and issue a permit for the
22 construction and installation of any dry fire hydrant site. Only approved dry fire hydrant sites

23 will be eligible for tax credits as indicated in this section. Under no circumstance shall such
24 authority deny any entity the ability to provide a dry fire hydrant site when tax credits are not
25 requested.

26 4. The department of economic development shall certify to the department of revenue
27 that the dry hydrant system meets the requirements to obtain a tax credit as specified in
28 subsection 5 of this section.

29 5. In order to qualify for a tax credit under this section, a dry hydrant or new water
30 storage facility must meet the following minimum requirements:

31 (1) Each body of water or water storage structure must be able to provide two hundred
32 fifty gallons per minute for a continuous two-hour period during a fifty-year drought or freeze
33 at a vertical lift of eighteen feet;

34 (2) Each dry hydrant must be located within twenty-five feet of an all-weather roadway
35 and must be accessible to fire protection equipment;

36 (3) Dry hydrants shall be located a reasonable distance from other dry or pressurized
37 hydrants; and

38 (4) The site shall provide a measurable economic improvement potential for rural
39 development.

40 6. New credits shall not be awarded under this section after August 28, 2003. The total
41 amount of all tax credits allowed pursuant to this section is five hundred thousand dollars in any
42 one fiscal year as approved by the director of the department of economic development.

43 7. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that
44 is created under the authority delegated in this section shall become effective only if it complies
45 with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section
46 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers
47 vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the
48 effective date or to disapprove and annul a rule are subsequently held unconstitutional, then the
49 grant of rulemaking authority and any rule proposed or adopted after August 28, 1999, shall be
50 invalid and void.

51 **8. Any credits authorized pursuant to this section shall not apply against any state**
52 **tax liability incurred following the taxable year ending December 31, 2009.**

348.302. 1. Any person who makes a qualified contribution to a qualified fund shall be
2 entitled to receive a tax credit equal to fifty percent of the amount of the qualified contribution.
3 The tax credit shall be evidenced by a tax credit certificate in accordance with the provisions of
4 sections 348.300 to 348.318 and may be used to satisfy the state tax liability of the owner of such
5 certificate that becomes due in the tax year in which the qualified contribution is made, or in any
6 of the ten tax years thereafter. No person may receive a tax credit pursuant to sections 348.300

7 to 348.318 unless that person presents a tax credit certificate to the department of revenue for
8 payment of such state tax liability.

9 2. The amount of such qualified contributions which can be made is limited so that the
10 aggregate of all tax credits authorized under the provisions of sections 348.300 to 348.318 shall
11 not exceed nine million dollars. All tax credits authorized under the provisions of this section
12 may be transferred, sold or assigned.

13 **3. Any credits authorized pursuant to this section shall not apply against any state**
14 **tax liability incurred following the taxable year ending December 31, 2009.**

 348.430. 1. The tax credit created in this section shall be known as the "Agricultural
2 Product Utilization Contributor 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) "Contributor", an individual, partnership, corporation, trust, limited liability
7 company, entity or person that contributes cash funds to the authority;

8 (3) "Development facility", a facility producing either a good derived from an
9 agricultural commodity or using a process to produce a good derived from an agricultural
10 product;

11 (4) "Eligible new generation cooperative", a nonprofit cooperative association formed
12 pursuant to chapter 274, RSMo, or incorporated pursuant to chapter 357, RSMo, for the purpose
13 of operating a development facility or a renewable fuel production facility;

14 (5) "Eligible new generation processing entity", a partnership, corporation, cooperative,
15 or limited liability company organized or incorporated pursuant to the laws of this state
16 consisting of not less than twelve members, approved by the authority, for the purpose of owning
17 or operating within this state a development facility or a renewable fuel production facility in
18 which producer members:

19 (a) Hold a majority of the governance or voting rights of the entity and any governing
20 committee;

21 (b) Control the hiring and firing of management; and

22 (c) Deliver agricultural commodities or products to the entity for processing, unless
23 processing is required by multiple entities;

24 (6) "Renewable fuel production facility", a facility producing an energy source which is
25 derived from a renewable, domestically grown, organic compound capable of powering
26 machinery, including an engine or power plant, and any by-product derived from such energy
27 source.

28 3. For tax year 1999, a contributor who contributes funds to the authority may receive

29 a credit against the tax otherwise due pursuant to chapter 143, RSMo, other than taxes withheld
30 pursuant to sections 143.191 to 143.265, RSMo, chapter 148, RSMo, chapter 147, RSMo, in an
31 amount of up to one hundred percent of such contribution. The awarding of such credit shall be
32 at the approval of the authority, based on the least amount of credits necessary to provide
33 incentive for the contributions. A contributor that receives tax credits for a contribution to the
34 authority shall receive no other consideration or compensation for such contribution, other than
35 a federal tax deduction, if applicable, and goodwill. A contributor that receives tax credits for
36 a contribution provided in this section may not be a member, owner, investor or lender of an
37 eligible new generation cooperative or eligible new generation processing entity that receives
38 financial assistance from the authority either at the time the contribution is made or for a period
39 of two years thereafter.

40 4. A contributor shall submit to the authority an application for the tax credit authorized
41 by this section on a form provided by the authority. If the contributor meets all criteria
42 prescribed by this section and the authority, the authority shall issue a tax credit certificate in the
43 appropriate amount. Tax credits issued pursuant to this section shall initially be claimed in the
44 taxable year in which the contributor contributes funds to the authority. Any amount of credit
45 that exceeds the tax due for a contributor's taxable year may be carried forward to any of the
46 contributor's five subsequent taxable years. Tax credits issued pursuant to this section may be
47 assigned, transferred or sold. Whenever a certificate of tax credit is assigned, transferred, sold
48 or otherwise conveyed, a notarized endorsement shall be filed with the authority specifying the
49 name and address of the new owner of the tax credit or the value of the credit.

50 5. The funds derived from contributions in this section shall be used for financial
51 assistance or technical assistance for the purposes provided in section 348.407, to rural
52 agricultural business concepts as approved by the authority. The authority may provide or
53 facilitate loans, equity investments, or guaranteed loans for rural agricultural business concepts,
54 but limited to two million dollars per project or the net state economic impact, whichever is less.
55 Loans, equity investments or guaranteed loans may only be provided to feasible projects, and for
56 an amount that is the least amount necessary to cause the project to occur, as determined by the
57 authority. The authority may structure the loans, equity investments or guaranteed loans in a way
58 that facilitates the project, but also provides for a compensatory return on investment or loan
59 payment to the authority, based on the risk of the project.

60 6. In any given year, at least ten percent of the funds granted to rural agricultural business
61 concepts shall be awarded to grant requests of twenty-five thousand dollars or less. No single
62 rural agricultural business concept shall receive more than two hundred thousand dollars in grant
63 awards from the authority. Agricultural businesses owned by minority members or women shall
64 be given consideration in the allocation of funds.

65 **7. Any credits authorized pursuant to this section shall not apply against any state**
66 **tax liability incurred following the taxable year ending December 31, 2009.**

 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) "Eligible new generation processing entity", a partnership, corporation, cooperative,
14 or limited liability company organized or incorporated pursuant to the laws of this state
15 consisting of not less than twelve members, approved by the authority, for the purpose of owning
16 or operating within this state a development facility or a renewable fuel production facility in
17 which producer members:

18 (a) Hold a majority of the governance or voting rights of the entity and any governing
19 committee;

20 (b) Control the hiring and firing of management; and

21 (c) Deliver agricultural commodities or products to the entity for processing, unless
22 processing is required by multiple entities;

23 (5) "Employee-qualified capital project", an eligible new generation cooperative with
24 capital costs greater than fifteen million dollars which will employ at least one hundred
25 employees;

26 (6) "Large capital project", an eligible new generation cooperative with capital costs
27 greater than one million dollars;

28 (7) "Producer member", a person, partnership, corporation, trust or limited liability
29 company whose main purpose is agricultural production that invests cash funds to an eligible
30 new generation cooperative or eligible new generation processing entity;

31 (8) "Renewable fuel production facility", a facility producing an energy source which is
32 derived from a renewable, domestically grown, organic compound capable of powering
33 machinery, including an engine or power plant, and any by-product derived from such energy
34 source;

35 (9) "Small capital project", an eligible new generation cooperative with capital costs of
36 no more than one million dollars.

37 3. Beginning tax year 1999, and ending December 31, 2002, any producer member who
38 invests cash funds in an eligible new generation cooperative or eligible new generation
39 processing entity may receive a credit against the tax otherwise due pursuant to chapter 143,
40 RSMo, other than taxes withheld pursuant to sections 143.191 to 143.265, RSMo, or chapter
41 148, RSMo, chapter 147, RSMo, in an amount equal to the lesser of fifty percent of such
42 producer member's investment or fifteen thousand dollars.

43 4. For all tax years beginning on or after January 1, 2003, any producer member who
44 invests cash funds in an eligible new generation cooperative may receive a credit against the tax
45 otherwise due pursuant to chapter 143, RSMo, other than taxes withheld pursuant to sections
46 143.191 to 143.265, RSMo, chapter 147, RSMo, or chapter 148, RSMo, in an amount equal to
47 the lesser of fifty percent of such producer member's investment or fifteen thousand dollars.

48 5. A producer member shall submit to the authority an application for the tax credit
49 authorized by this section on a form provided by the authority. If the producer member meets
50 all criteria prescribed by this section and is approved by the authority, the authority shall issue
51 a tax credit certificate in the appropriate amount. Tax credits issued pursuant to this section shall
52 initially be claimed in the taxable year in which the producer member contributes capital to an
53 eligible new generation cooperative or eligible new generation processing entity. Any amount
54 of credit that exceeds the tax due for a producer member's taxable year may be carried back to
55 any of the producer member's three prior taxable years and carried forward to any of the producer
56 member's five subsequent taxable years. Tax credits issued pursuant to this section may be
57 assigned, transferred, sold or otherwise conveyed and the new owner of the tax credit shall have
58 the same rights in the credit as the producer member. Whenever a certificate of tax credit is
59 assigned, transferred, sold or otherwise conveyed, a notarized endorsement shall be filed with
60 the authority specifying the name and address of the new owner of the tax credit or the value of
61 the credit.

62 6. Ten percent of the tax credits authorized pursuant to this section initially shall be
63 offered in any fiscal year to small capital projects. If any portion of the ten percent of tax credits
64 offered to small capital costs projects is unused in any calendar year, then the unused portion of
65 tax credits may be offered to employee-qualified capital projects and large capital projects. If
66 the authority receives more applications for tax credits for small capital projects than tax credits
67 are authorized therefor, then the authority, by rule, shall determine the method of distribution of
68 tax credits authorized for small capital projects.

69 7. Ninety percent of the tax credits authorized pursuant to this section initially shall be
70 offered in any fiscal year to employee-qualified capital projects and large capital projects. If any

71 portion of the ninety percent of tax credits offered to employee-qualified capital projects and
72 large capital costs projects is unused in any fiscal year, then the unused portion of tax credits may
73 be offered to small capital projects. The maximum tax credit allowed per employee-qualified
74 capital project is three million dollars and the maximum tax credit allowed per large capital
75 project is one million five hundred thousand dollars. If the authority approves the maximum tax
76 credit allowed for any employee-qualified capital project or any large capital project, then the
77 authority, by rule, shall determine the method of distribution of such maximum tax credit. In
78 addition, if the authority receives more tax credit applications for employee-qualified capital
79 projects and large capital projects than the amount of tax credits authorized therefor, then the
80 authority, by rule, shall determine the method of distribution of tax credits authorized for
81 employee-qualified capital projects and large capital projects.

82 **8. Any credits authorized pursuant to this section shall not apply against any state**
83 **tax liability incurred following the taxable year ending December 31, 2009.**

447.708. 1. For eligible projects, the director of the department of economic
2 development, with notice to the directors of the departments of natural resources and revenue,
3 and subject to the other provisions of sections 447.700 to 447.718, may not create a new
4 enterprise zone but may decide that a prospective operator of a facility being remedied and
5 renovated pursuant to sections 447.700 to 447.718 may receive the tax credits and exemptions
6 pursuant to sections 135.100 to 135.150, RSMo, and sections 135.200 to 135.257, RSMo. The
7 tax credits allowed pursuant to this subsection shall be used to offset the tax imposed by chapter
8 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, or the
9 tax otherwise imposed by chapter 147, RSMo, or the tax otherwise imposed by chapter 148,
10 RSMo. For purposes of this subsection:

11 (1) For receipt of the ad valorem tax abatement pursuant to section 135.215, RSMo, the
12 eligible project must create at least ten new jobs or retain businesses which supply at least
13 twenty-five existing jobs. The city, or county if the eligible project is not located in a city, must
14 provide ad valorem tax abatement of at least fifty percent for a period not less than ten years and
15 not more than twenty-five years;

16 (2) For receipt of the income tax exemption pursuant to section 135.220, RSMo, and tax
17 credit for new or expanded business facilities pursuant to sections 135.100 to 135.150, and
18 135.225, RSMo, the eligible project must create at least ten new jobs or retain businesses which
19 supply at least twenty-five existing jobs, or combination thereof. For purposes of sections
20 447.700 to 447.718, the tax credits described in section 135.225, RSMo, are modified as follows:
21 the tax credit shall be four hundred dollars per employee per year, an additional four hundred
22 dollars per year for each employee exceeding the minimum employment thresholds of ten and
23 twenty-five jobs for new and existing businesses, respectively, an additional four hundred dollars

24 per year for each person who is "a person difficult to employ" as defined by section 135.240,
25 RSMo, and investment tax credits at the same amounts and levels as provided in subdivision (4)
26 of subsection 1 of section 135.225, RSMo;

27 (3) For eligibility to receive the income tax refund pursuant to section 135.245, RSMo,
28 the eligible project must create at least ten new jobs or retain businesses which supply at least
29 twenty-five existing jobs, or combination thereof, and otherwise comply with the provisions of
30 section 135.245, RSMo, for application and use of the refund and the eligibility requirements of
31 this section;

32 (4) The eligible project operates in compliance with applicable environmental laws and
33 regulations, including permitting and registration requirements, of this state as well as the federal
34 and local requirements;

35 (5) The eligible project operator shall file such reports as may be required by the director
36 of economic development or the director's designee;

37 (6) The taxpayer may claim the state tax credits authorized by this subsection and the
38 state income exemption for a period not in excess of ten consecutive tax years. For the purpose
39 of this section, "taxpayer" means an individual proprietorship, partnership or corporation
40 described in section 143.441 or 143.471, RSMo, who operates an eligible project. The director
41 shall determine the number of years the taxpayer may claim the state tax credits and the state
42 income exemption based on the projected net state economic benefits attributed to the eligible
43 project;

44 (7) For the purpose of meeting the new job requirement prescribed in subdivisions (1),
45 (2) and (3) of this subsection, it shall be required that at least ten new jobs be created and
46 maintained during the taxpayer's tax period for which the credits are earned, in the case of an
47 eligible project that does not replace a similar facility in Missouri. "New job" means a person
48 who was not previously employed by the taxpayer or related taxpayer within the twelve-month
49 period immediately preceding the time the person was employed by that taxpayer to work at, or
50 in connection with, the eligible project on a full-time basis. "Full-time basis" means the
51 employee works an average of at least thirty-five hours per week during the taxpayer's tax period
52 for which the tax credits are earned. For the purposes of this section, "related taxpayer" has the
53 same meaning as defined in subdivision (9) of section 135.100, RSMo;

54 (8) For the purpose of meeting the existing job retention requirement, if the eligible
55 project replaces a similar facility that closed elsewhere in Missouri prior to the end of the
56 taxpayer's tax period in which the tax credits are earned, it shall be required that at least
57 twenty-five existing jobs be retained at, and in connection with the eligible project, on a full-time
58 basis during the taxpayer's tax period for which the credits are earned. "Retained job" means a
59 person who was previously employed by the taxpayer or related taxpayer, at a facility similar to

60 the eligible project that closed elsewhere in Missouri prior to the end of the taxpayer's tax period
61 in which the tax credits are earned, within the tax period immediately preceding the time the
62 person was employed by the taxpayer to work at, or in connection with, the eligible project on
63 a full-time basis. "Full-time basis" means the employee works an average of at least thirty-five
64 hours per week during the taxpayer's tax period for which the tax credits are earned;

65 (9) In the case where an eligible project replaces a similar facility that closed elsewhere
66 in Missouri prior to the end of the taxpayer's tax period in which the tax credits are earned, the
67 owner and operator of the eligible project shall provide the director with a written statement
68 explaining the reason for discontinuing operations at the closed facility. The statement shall
69 include a comparison of the activities performed at the closed facility prior to the date the facility
70 ceased operating, to the activities performed at the eligible project, and a detailed account
71 describing the need and rationale for relocating to the eligible project. If the director finds the
72 relocation to the eligible project significantly impaired the economic stability of the area in
73 which the closed facility was located, and that such move was detrimental to the overall
74 economic development efforts of the state, the director may deny the taxpayer's request to claim
75 tax benefits;

76 (10) Notwithstanding any provision of law to the contrary, for the purpose of this
77 section, the number of new jobs created and maintained, the number of existing jobs retained,
78 and the value of new qualified investment used at the eligible project during any tax year shall
79 be determined by dividing by twelve, in the case of jobs, the sum of the number of individuals
80 employed at the eligible project, or in the case of new qualified investment, the value of new
81 qualified investment used at the eligible project, on the last business day of each full calendar
82 month of the tax year. If the eligible project is in operation for less than the entire tax year, the
83 number of new jobs created and maintained, the number of existing jobs retained, and the value
84 of new qualified investment created at the eligible project during any tax year shall be
85 determined by dividing the sum of the number of individuals employed at the eligible project,
86 or in the case of new qualified investment, the value of new qualified investment used at the
87 eligible project, on the last business day of each full calendar month during the portion of the tax
88 year during which the eligible project was in operation, by the number of full calendar months
89 during such period;

90 (11) For the purpose of this section, "new qualified investment" means new business
91 facility investment as defined and as determined in subdivision (7) of section 135.100, RSMo,
92 which is used at and in connection with the eligible project. "New qualified investment" shall
93 not include small tools, supplies and inventory. "Small tools" means tools that are portable and
94 can be hand held.

95 2. The determination of the director of economic development pursuant to subsection

96 1 of this section, shall not affect requirements for the prospective purchaser to obtain the
97 approval of the granting of real property tax abatement by the municipal or county government
98 where the eligible project is located.

99 3. (1) The director of the department of economic development, with the approval of
100 the director of the department of natural resources, may, in addition to the tax credits allowed
101 in subsection 1 of this section, grant a remediation tax credit to the applicant for up to one
102 hundred percent of the costs of materials, supplies, equipment, labor, professional engineering,
103 consulting and architectural fees, permitting fees and expenses, demolition, asbestos abatement,
104 and direct utility charges for performing the voluntary remediation activities for the preexisting
105 hazardous substance contamination and releases, including, but not limited to, the costs of
106 performing operation and maintenance of the remediation equipment at the property beyond the
107 year in which the systems and equipment are built and installed at the eligible project and the
108 costs of performing the voluntary remediation activities over a period not in excess of four tax
109 years following the taxpayer's tax year in which the system and equipment were first put into use
110 at the eligible project, provided the remediation activities are the subject of a plan submitted to,
111 and approved by, the director of natural resources pursuant to sections 260.565 to 260.575,
112 RSMo.

113 (2) The director of the department of economic development, with the approval of the
114 director of the department of natural resources, may, in addition to the tax credits otherwise
115 allowed in this section, grant a demolition tax credit to the applicant for up to one hundred
116 percent of the costs of demolition that are not part of the voluntary remediation activities,
117 provided that the demolition is either on the property where the voluntary remediation activities
118 are occurring or on any adjacent property, and that the demolition is part of a redevelopment plan
119 approved by the municipal or county government and the department of economic development.

120 (3) The amount of remediation and demolition tax credits issued shall be limited to the
121 least amount necessary to cause the project to occur, as determined by the director of the
122 department of economic development.

123 (4) The director may, with the approval of the director of natural resources, extend the
124 tax credits allowed for performing voluntary remediation maintenance activities, in increments
125 of three-year periods, not to exceed five consecutive three-year periods. The tax credits allowed
126 in this subsection shall be used to offset the tax imposed by chapter 143, RSMo, excluding
127 withholding tax imposed by sections 143.191 to 143.265, RSMo, or the tax otherwise imposed
128 by chapter 147, RSMo, or the tax otherwise imposed by chapter 148, RSMo. The remediation
129 and demolition tax credit may be taken in the same tax year in which the tax credits are received
130 or may be taken over a period not to exceed twenty years.

131 (5) The project facility shall be projected to create at least ten new jobs or at least

132 twenty-five retained jobs, or a combination thereof, as determined by the department of
133 economic development, to be eligible for tax credits pursuant to this section.

134 (6) No more than seventy-five percent of earned remediation tax credits may be issued
135 when the remediation costs were paid, and the remaining percentage may be issued when the
136 department of natural resources issues a "Letter of Completion" letter or covenant not to sue
137 following completion of the voluntary remediation activities. It shall not include any costs
138 associated with ongoing operational environmental compliance of the facility or remediation
139 costs arising out of spills, leaks, or other releases arising out of the ongoing business operations
140 of the facility.

141 4. In the exercise of the sound discretion of the director of the department of economic
142 development or the director's designee, the tax credits and exemptions described in this section
143 may be terminated, suspended or revoked, if the eligible project fails to continue to meet the
144 conditions set forth in this section. In making such a determination, the director shall consider
145 the severity of the condition violation, actions taken to correct the violation, the frequency of any
146 condition violations and whether the actions exhibit a pattern of conduct by the eligible facility
147 owner and operator. The director shall also consider changes in general economic conditions and
148 the recommendation of the director of the department of natural resources, or his or her designee,
149 concerning the severity, scope, nature, frequency and extent of any violations of the
150 environmental compliance conditions. The taxpayer or person claiming the tax credits or
151 exemptions may appeal the decision regarding termination, suspension or revocation of any tax
152 credit or exemption in accordance with the procedures outlined in subsections 4 to 6 of section
153 135.250, RSMo. The director of the department of economic development shall notify the
154 directors of the departments of natural resources and revenue of the termination, suspension or
155 revocation of any tax credits as determined in this section or pursuant to the provisions of section
156 447.716.

157 5. Notwithstanding any provision of law to the contrary, no taxpayer shall earn the tax
158 credits, exemptions or refund otherwise allowed in subdivisions (2), (3) and (4) of subsection
159 1 of this section and the tax credits otherwise allowed in section 135.110, RSMo, or the tax
160 credits, exemptions and refund otherwise allowed in sections 135.215, 135.220, 135.225 and
161 135.245, RSMo, respectively, for the same facility for the same tax period.

162 6. The total amount of the tax credits allowed in subsection 1 of this section may not
163 exceed the greater of:

164 (1) That portion of the taxpayer's income attributed to the eligible project; or

165 (2) One hundred percent of the total business' income tax if the eligible facility does not
166 replace a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer's tax
167 period in which the tax credits are earned, and further provided the taxpayer does not operate any

168 other facilities besides the eligible project in Missouri; fifty percent of the total business' income
169 tax if the eligible facility replaces a similar facility that closed elsewhere in Missouri prior to the
170 end of the taxpayer's tax period in which the credits are earned, and further provided the taxpayer
171 does not operate any other facilities besides the eligible project in Missouri; or twenty-five
172 percent of the total business income if the taxpayer operates, in addition to the eligible facility,
173 any other facilities in Missouri. In no case shall a taxpayer operating more than one eligible
174 project in Missouri be allowed to offset more than twenty-five percent of the taxpayer's business
175 income in any tax period. That portion of the taxpayer's income attributed to the eligible project
176 as referenced in subdivision (1) of this subsection, for which the credits allowed in sections
177 135.110 and 135.225, RSMo, and subsection 3 of this section, may apply, shall be determined
178 in the same manner as prescribed in subdivision (6) of section 135.100, RSMo. That portion of
179 the taxpayer's franchise tax attributed to the eligible project for which the remediation tax credit
180 may offset, shall be determined in the same manner as prescribed in paragraph (a) of subdivision
181 (6) of section 135.100, RSMo.

182 7. Taxpayers claiming the state tax benefits allowed in subdivisions (2) and (3) of
183 subsection 1 of this section shall be required to file all applicable tax credit applications, forms
184 and schedules prescribed by the director during the taxpayer's tax period immediately after the
185 tax period in which the eligible project was first put into use. Otherwise, the taxpayer's right to
186 claim such state tax benefits shall be forfeited. Unused business facility and enterprise zone tax
187 credits shall not be carried forward but shall be initially claimed for the tax period during which
188 the eligible project was first capable of being used, and during any applicable subsequent tax
189 periods.

190 8. Taxpayers claiming the remediation tax credit allowed in subsection 3 of this section
191 shall be required to file all applicable tax credit applications, forms and schedules prescribed by
192 the director during the taxpayer's tax period immediately after the tax period in which the eligible
193 project was first put into use, or during the taxpayer's tax period immediately after the tax period
194 in which the voluntary remediation activities were performed.

195 9. The recipient of remediation tax credits, for the purpose of this subsection referred to
196 as assignor, may assign, sell or transfer, in whole or in part, the remediation tax credit allowed
197 in subsection 3 of this section, to any other person, for the purpose of this subsection referred to
198 as assignee. To perfect the transfer, the assignor shall provide written notice to the director of
199 the assignor's intent to transfer the tax credits to the assignee, the date the transfer is effective,
200 the assignee's name, address and the assignee's tax period and the amount of tax credits to be
201 transferred. The number of tax periods during which the assignee may subsequently claim the
202 tax credits shall not exceed twenty tax periods, less the number of tax periods the assignor
203 previously claimed the credits before the transfer occurred.

204 10. In the case where an operator and assignor of an eligible project has been certified
205 to claim state tax benefits allowed in subdivisions (2) and (3) of subsection 1 of this section, and
206 sells or otherwise transfers title of the eligible project to another taxpayer or assignee who
207 continues the same or substantially similar operations at the eligible project, the director shall
208 allow the assignee to claim the credits for a period of time to be determined by the director;
209 except that, the total number of tax periods the tax credits may be earned by the assignor and the
210 assignee shall not exceed ten. To perfect the transfer, the assignor shall provide written notice
211 to the director of the assignor's intent to transfer the tax credits to the assignee, the date the
212 transfer is effective, the assignee's name, address, and the assignee's tax period, and the amount
213 of tax credits to be transferred.

214 11. For the purpose of the state tax benefits described in this section, in the case of a
215 corporation described in section 143.471, RSMo, or partnership, in computing Missouri's tax
216 liability, such state benefits shall be allowed to the following:

- 217 (1) The shareholders of the corporation described in section 143.471, RSMo;
218 (2) The partners of the partnership.

219 The credit provided in this subsection shall be apportioned to the entities described in
220 subdivisions (1) and (2) of this subsection in proportion to their share of ownership on the last
221 day of the taxpayer's tax period.

222 **12. Any credits authorized pursuant to sections 447.700 to 447.718 shall not apply**
223 **against any state tax liability incurred following the taxable year ending December 31,**
224 **2009.**

620.495. 1. This section shall be known as the "Small Business Incubators Act".

2 2. As used in this section, unless the context clearly indicates otherwise, the following
3 words and phrases shall mean:

4 (1) "Department", the department of economic development;

5 (2) "Incubator", a program in which small units of space may be leased by a tenant and
6 in which management maintains or provides access to business development services for use by
7 tenants or a program without infrastructure in which participants avail themselves of business
8 development services to assist in the growth of their start-up small businesses;

9 (3) "Local sponsor" or "sponsor", an organization which enters into a written agreement
10 with the department to establish, operate and administer a small business incubator program or
11 to provide funding to an organization which operates such a program;

12 (4) "Participant", a sole proprietorship, business partnership or corporation operating a
13 business for profit through which the owner avails himself or herself of business development
14 services in an incubator program;

15 (5) "Tenant", a sole proprietorship, business partnership or corporation operating a

16 business for profit and leasing or otherwise occupying space in an incubator.

17 3. There is hereby established under the direction of the department a loan, loan
18 guarantee and grant program for the establishment, operation and administration of small
19 business incubators, to be known as the "Small Business Incubator Program". A local sponsor
20 may submit an application to the department to obtain a loan, loan guarantee or grant to establish
21 an incubator. Each application shall:

22 (1) Demonstrate that a program exists that can be transformed into an incubator at a
23 specified cost;

24 (2) Demonstrate the ability to directly provide or arrange for the provision of business
25 development services for tenants and participants of the incubator. These services shall include,
26 but need not be limited to, financial consulting assistance, management and marketing assistance,
27 business education, and physical services;

28 (3) Demonstrate a potential for sustained use of the incubator program by eligible tenants
29 and participants, through a market study or other means;

30 (4) Demonstrate the ability to manage and operate the incubator program;

31 (5) Include such other information as the department may require through its guidelines.

32 4. The department shall review and accept applications based on the following criteria:

33 (1) Ability of the local sponsor to carry out the provisions of this section;

34 (2) Economic impact of the incubator on the community;

35 (3) Conformance with areawide and local economic development plans, if such exist;

36 (4) Location of the incubator, in order to encourage geographic distribution of incubators

37 across the state.

38 5. Loans, loan guarantees and grants shall be administered in the following manner:

39 (1) Loans awarded or guaranteed and grants awarded shall be used only for the
40 acquisition and leasing of land and existing buildings, the rehabilitation of buildings or other
41 facilities, construction of new facilities, the purchase of equipment and furnishings which are
42 necessary for the creation and operation of the incubator, and business development services
43 including, but not limited to, business management advising and business education;

44 (2) Loans, loan guarantees and grants may not exceed fifty percent of total eligible
45 project costs;

46 (3) Payment of interest and principal on loans may be deferred at the discretion of the
47 department.

48 6. A local sponsor, or the organization receiving assistance through the local sponsor,
49 shall have the following responsibilities and duties in establishing and operating an incubator
50 with assistance from the small business incubator program:

51 (1) Secure title on a facility for the program or a lease of a facility for the program;

52 (2) Manage the physical development of the incubator program, including the provision
53 of common conference or meeting space;

54 (3) Furnish and equip the program to provide business services to the tenants and
55 participants;

56 (4) Market the program and secure eligible tenants and participants;

57 (5) Provide financial consulting, marketing and management assistance services or
58 arrange for the provision of these services for tenants and participants of the incubator, including
59 assistance in accessing private financial markets;

60 (6) Set rental and service fees;

61 (7) Encourage the sharing of ideas between tenants and participants and otherwise aid
62 the tenants and participants in an innovative manner while they are within the incubator;

63 (8) Establish policies and criteria for the acceptance of tenants and participants into the
64 incubator and for the termination of occupancy of tenants so as to maximize the opportunity to
65 succeed for the greatest number of tenants, consistent with those specified in this section.

66 7. The department:

67 (1) May adopt such rules, statements of policy, procedures, forms and guidelines as may
68 be necessary for the implementation of this section;

69 (2) May make loans, loan guarantees and grants to local sponsors for incubators;

70 (3) Shall ensure that local sponsors receiving loans, loan guarantees or grants meet the
71 conditions of this section;

72 (4) Shall receive and evaluate annual reports from local sponsors. Such annual reports
73 shall include, but need not be limited to, a financial statement for the incubator, evidence that
74 all tenants and participants in the program are eligible under the terms of this section, and a list
75 of companies in the incubator.

76 8. The department of economic development is also hereby authorized to review any
77 previous loans made under this program and, where appropriate in the department's judgment,
78 convert such loans to grant status.

79 9. On or before January first of each year, the department shall provide a report to the
80 governor, the chief clerk of the house of representatives and the secretary of the senate which
81 shall include, but need not be limited to:

82 (1) The number of applications for incubators submitted to the department;

83 (2) The number of applications for incubators approved by the department;

84 (3) The number of incubators created through the small business incubator program;

85 (4) The number of tenants and participants engaged in each incubator;

86 (5) The number of jobs provided by each incubator and tenants and participant of each
87 incubator;

88 (6) The occupancy rate of each incubator;

89 (7) The number of firms still operating in the state after leaving incubators and the
90 number of jobs they have provided.

91 10. There is hereby established in the state treasury a special fund to be known as the
92 "Missouri Small Business Incubators Fund", which shall consist of all moneys which may be
93 appropriated to it by the general assembly, and also any gifts, contributions, grants or bequests
94 received from federal, private or other sources. Moneys for loans, loan guarantees and grants
95 under the small business incubator program may be obtained from appropriations made by the
96 general assembly from the Missouri small business incubators fund. Any moneys remaining in
97 the Missouri small business incubators fund at the end of any fiscal year shall not lapse to the
98 general revenue fund, as provided in section 33.080, RSMo, but shall remain in the Missouri
99 small business incubators fund.

100 11. For any taxable year beginning after December 31, 1989, a taxpayer shall be entitled
101 to a tax credit against any tax otherwise due under the provisions of chapter 143, RSMo, or
102 chapter 147, RSMo, or chapter 148, RSMo, excluding withholding tax imposed by sections
103 143.191 to 143.265, RSMo, in the amount of fifty percent of any amount contributed by the
104 taxpayer to the Missouri small business incubators fund during the taxpayer's tax year or any
105 contribution by the taxpayer to a local sponsor after the local sponsor's application has been
106 accepted and approved by the department. The tax credit allowed by this subsection shall be
107 claimed by the taxpayer at the time he files his return and shall be applied against the income tax
108 liability imposed by chapter 143, RSMo, or chapter 147, RSMo, or chapter 148, RSMo, after all
109 other credits provided by law have been applied. That portion of earned tax credits which
110 exceeds the taxpayer's tax liability may be carried forward for up to five years. The aggregate
111 of all tax credits authorized under this section shall not exceed five hundred thousand dollars in
112 any taxable year.

113 12. Notwithstanding any provision of Missouri law to the contrary, any taxpayer may
114 sell, assign, exchange, convey or otherwise transfer tax credits allowed in subsection 11 of this
115 section under the terms and conditions prescribed in subdivisions (1) and (2) of this subsection.
116 Such taxpayer, hereinafter the assignor for the purpose of this subsection, may sell, assign,
117 exchange or otherwise transfer earned tax credits:

118 (1) For no less than seventy-five percent of the par value of such credits; and

119 (2) In an amount not to exceed one hundred percent of annual earned credits.

120 The taxpayer acquiring earned credits, hereinafter the assignee for the purpose of this subsection,
121 may use the acquired credits to offset up to one hundred percent of the tax liabilities otherwise
122 imposed by chapter 143, RSMo, or chapter 147, RSMo, or chapter 148, RSMo, excluding
123 withholding tax imposed by sections 143.191 to 143.265, RSMo. Unused credits in the hands

124 of the assignee may be carried forward for up to five years. The assignor shall enter into a
125 written agreement with the assignee establishing the terms and conditions of the agreement and
126 shall perfect such transfer by notifying the department of economic development in writing
127 within thirty calendar days following the effective day of the transfer and shall provide any
128 information as may be required by the department of economic development to administer and
129 carry out the provisions of this section. The director of the department of economic development
130 shall prescribe the method for submitting applications for claiming the tax credit allowed under
131 subsection 11 of this section and shall, if the application is approved, certify to the director of
132 revenue that the taxpayer claiming the credit has satisfied all the requirements specified in this
133 section and is eligible to claim the credit.

134 **13. Any credits authorized pursuant to this section shall not apply against any state**
135 **tax liability incurred following the taxable year ending December 31, 2009.**

620.644. 1. The Missouri seed capital and commercialization strategy shall be jointly
2 developed and approved by the boards of directors of all of the qualified economic development
3 organizations and submitted as one plan to the board for its approval. The board shall not
4 approve any qualified fund, exclusive of the fund approved by the corporation, unless such fund
5 is described in the Missouri seed capital and commercialization strategy. The strategy shall
6 include a proposal for the establishment and operation of between one and four qualified funds
7 in Missouri, including the fund approved by the corporation pursuant to the provisions of section
8 620.653. The initial strategy shall be submitted to the board no later than July 1, 2000, and shall
9 be approved or rejected by the board within three months of receipt. No tax credits authorized
10 pursuant to the provisions of sections 620.635 to 620.653 shall be awarded until such strategy
11 has been approved by the board, other than tax credits authorized for qualified contributions to
12 the fund approved by the corporation.

13 2. The department shall authorize the use of up to twenty million dollars in tax credits
14 by the approved qualified funds, in aggregate pursuant to the provisions of section 620.650, with
15 not more than five million dollars of tax credits being issued in any one year.

16 3. The board or corporation shall approve the professional managers employed by the
17 qualified funds according to criteria similar to that used by the U.S. Small Business
18 Administration's Small Business Investment Corporation Program.

19 4. The department may promulgate any rules and regulations necessary to administer the
20 provisions of sections 620.635 to 620.653. No rule or regulation or portion of a rule or
21 regulation promulgated pursuant to the authority of this section shall become effective unless it
22 has been promulgated pursuant to the provisions of chapter 536, RSMo.

23 5. The Missouri seed capital investment board shall report the following to the
24 department:

25 (1) As soon as practicable after the receipt of a qualified contribution the name of each
26 person from which the qualified contribution was received, the amount of each contributor's
27 qualified contribution and the tax credits computed pursuant to this section;

28 (2) On a quarterly basis, the amount of qualified investments made to any qualified
29 business;

30 (3) On a quarterly basis, verification that the investment of seed capital, start-up capital,
31 or follow-up capital in a qualified business does not direct more than ten percent of all the
32 qualified contributions to a qualified fund to be invested in a single qualifying business.

33 6. Each qualified fund shall provide annual audited financial statements, including the
34 opinion of an independent certified public accountant, to the department within ninety days of
35 the close of the state fiscal year. The audit shall address the methods of operation and conduct
36 of the business of the qualified economic development organization to determine compliance
37 with the statutes and program and program rules and that the qualified contributions received by
38 the qualified fund have been invested as required by this section.

39 **7. Any credits authorized pursuant to sections 620.635 to 620.653 shall not apply**
40 **against any state tax liability incurred following the taxable year ending December 31,**
41 **2009.**

620.1039. 1. As used in this section, the term "taxpayer" means an individual, a
2 partnership, or a corporation as described in section 143.441 or 143.471, RSMo, or section
3 148.370, RSMo, and the term "qualified research expenses" has the same meaning as prescribed
4 in 26 U.S.C. 41.

5 2. For tax years beginning on or after January 1, 2001, the director of the department of
6 economic development may authorize a taxpayer to receive a tax credit against the tax otherwise
7 due pursuant to chapter 143, RSMo, or chapter 148, RSMo, other than the taxes withheld
8 pursuant to sections 143.191 to 143.265, RSMo, in an amount up to six and one-half percent of
9 the excess of the taxpayer's qualified research expenses, as certified by the director of the
10 department of economic development, within this state during the taxable year over the average
11 of the taxpayer's qualified research expenses within this state over the immediately preceding
12 three taxable years; except that, no tax credit shall be allowed on that portion of the taxpayer's
13 qualified research expenses incurred within this state during the taxable year in which the credit
14 is being claimed, to the extent such expenses exceed two hundred percent of the taxpayer's
15 average qualified research expenses incurred during the immediately preceding three taxable
16 years.

17 3. The director of economic development shall prescribe the manner in which the tax
18 credit may be applied for. The tax credit authorized by this section may be claimed by the
19 taxpayer to offset the tax liability imposed by chapter 143, RSMo, or chapter 148, RSMo, that

20 becomes due in the tax year during which such qualified research expenses were incurred.
21 Where the amount of the credit exceeds the tax liability, the difference between the credit and
22 the tax liability may only be carried forward for the next five succeeding taxable years or until
23 the full credit has been claimed, whichever first occurs. The application for tax credits
24 authorized by the director pursuant to subsection 2 of this section shall be made no later than the
25 end of the taxpayer's tax period immediately following the tax period for which the credits are
26 being claimed.

27 4. Certificates of tax credit issued pursuant to this section may be transferred, sold or
28 assigned by filing a notarized endorsement thereof with the department which names the
29 transferee and the amount of tax credit transferred. The director of economic development may
30 allow a taxpayer to transfer, sell or assign up to forty percent of the amount of the certificates of
31 tax credit issued to and not claimed by such taxpayer pursuant to this section during any tax year
32 commencing on or after January 1, 1996, and ending not later than December 31, 1999. Such
33 taxpayer shall file, by December 31, 2001, an application with the department which names the
34 transferee, the amount of tax credit desired to be transferred, and a certification that the funds
35 received by the applicant as a result of the transfer, sale or assignment of the tax credit shall be
36 expended within three years at the state university for the sole purpose of conducting research
37 activities agreed upon by the department, the taxpayer and the state university. Failure to expend
38 such funds in the manner prescribed pursuant to this section shall cause the applicant to be
39 subject to the provisions of section 620.017.

40 5. [No rule or portion of a rule promulgated under the authority of this section shall
41 become effective unless it has been promulgated pursuant to the provisions of chapter 536,
42 RSMo. All rulemaking authority delegated prior to June 27, 1997, is of no force and effect and
43 repealed; however, nothing in this section shall be interpreted to repeal or affect the validity of
44 any rule filed or adopted prior to June 27, 1997, if such rule complied with the provisions of
45 chapter 536, RSMo. The provisions of this section and chapter 536, RSMo, are nonseverable
46 and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo,
47 including the ability to review, to delay the effective date, or to disapprove and annul a rule or
48 portion of a rule, are subsequently held unconstitutional, then the purported grant of rulemaking
49 authority and any rule so proposed and contained in the order of rulemaking shall be invalid and
50 void.] **Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that
51 is created under the authority delegated in this section shall become effective only if it
52 complies with and is subject to all of the provisions of chapter 536, RSMo, and, if
53 applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable
54 and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo,
55 to review, to delay the effective date, or to disapprove and annul a rule are subsequently**

56 **held unconstitutional, then the grant of rulemaking authority and any rule proposed or**
57 **adopted after August 28, 2003, shall be invalid and void.**

58 6. The aggregate of all tax credits authorized pursuant to this section shall not exceed
59 nine million seven hundred thousand dollars in any year.

60 **7. Any credits authorized pursuant to this section shall not apply against any state**
61 **tax liability incurred following the taxable year ending December 31, 2009.**

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

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

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

22 **4. Any credits authorized pursuant to this section shall not apply against any state**
23 **tax liability incurred following the taxable year ending December 31, 2009.**

620.1560. 1. For purposes of this section, the following terms mean:

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

3 (2) "Disadvantaged", an individual shall be considered disadvantaged and eligible to
4 participate in the program if such individual meets any one of the following elements:

5 (a) The family income is at or below one hundred fifty percent of the poverty line;

6 (b) The individual is receiving public support for the care of a foster child;

7 (c) The individual faces serious barriers to employment including displaced

8 homemakers; dislocated workers; veterans; or individuals who possess outdated skills;

9 (3) "Program", the mature worker child care program.

10 2. There is hereby established within the department of economic development a
11 program to be known as the "Mature Worker Child Care Program". The program will administer
12 a statewide community service, in cooperation with the neighborhood assistance program, to
13 enroll disadvantaged individuals, who are fifty years of age or older, to work in child-care
14 assignments. Enrollees may include qualified individuals who are currently participating in
15 existing community service programs.

16 3. The department shall solicit proposals from organizations seeking to contract to
17 supervise the participants. Organizations that are awarded a contract will be responsible for
18 recruiting and training participants, locating child-care assignments, and paying participants.
19 Contract proposals shall include:

20 (1) A requirement that participants in the program be paid the federal minimum wage;

21 (2) A process that allows participants to work an average of twenty-four hours a week
22 for public and not-for-profit day care providers and for school latch-key programs that provide
23 before- and after-school care;

24 (3) A description of the range of services to be performed by program participants,
25 including, but not limited to, child care, food preparation, transportation, activity coordination,
26 and clerical duties;

27 (4) A requirement that the participating facilities provide proof of required licensure
28 under sections 210.201 to 210.259, RSMo, with the exception of the public school system.

29 4. The program shall be implemented by July 1, 2000, and shall be funded through
30 general revenue funds with no more than twelve percent of the funds to be used for
31 administrative purposes.

32 5. In addition to tax credits currently available under the neighborhood assistance
33 program, a participating facility shall be allowed a credit against the tax imposed by chapter 143,
34 RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, and chapter
35 147, 148 or 153, RSMo, pursuant to this section. The amount of tax credit claimed shall not
36 exceed the amount of the taxpayer's state tax liability for the taxable year that the credit is
37 claimed. Taxpayers eligible for such tax credit may transfer, sell or assign them. Individual
38 salaries up to ten thousand dollars per program participant each taxable year are eligible for the
39 tax credit which shall not exceed twenty-five percent of the eligible salary amount. Total tax
40 credits taken through the program shall not exceed two million dollars.

41 6. The department of economic development shall verify all tax credit claims by
42 participating facilities. The tax credit allowed by this section shall apply to all taxable years
43 beginning after December 31, 1999.

44 7. Subject to appropriations and to the provisions of chapter 34, RSMo, the oversight
45 division of the committee on legislative research shall award up to thirty thousand dollars every
46 two years for an independent evaluation of the program. Based on this program evaluation, the
47 department shall provide a comprehensive report on the program to the speaker of the house and
48 the president pro tem of the senate by March first of each year, beginning in 2001.

49 **8. Any credits authorized pursuant to this section shall not apply against any state**
50 **tax liability incurred following the taxable year ending December 31, 2009.**

 660.055. 1. Any registered caregiver who meets the requirements of this section shall
2 be eligible for a shared care tax credit in an amount not to exceed five hundred dollars to defray
3 the cost of caring for an elderly person. In order to be eligible for a shared care tax credit, a
4 registered caregiver shall:

5 (1) Care for an elderly person, age sixty or older, who:

6 (a) Is physically or mentally incapable of living alone, as determined and certified by his
7 or her physician licensed pursuant to chapter 334, RSMo, or by the division of aging staff when
8 an assessment has been completed for the purpose of qualification for other services; and

9 (b) Requires assistance with activities of daily living to the extent that without care and
10 oversight at home would require placement in a facility licensed pursuant to chapter 198, RSMo;
11 and

12 (c) Under no circumstances, is able or allowed to operate a motor vehicle; and

13 (d) Does not receive funding or services through Medicaid or social services block grant
14 funding;

15 (2) Live in the same residence to give protective oversight for the elderly person meeting
16 the requirements described in subdivision (1) of this subsection for an aggregate of more than
17 six months per tax year;

18 (3) Not receive monetary compensation for providing care for the elderly person meeting
19 the requirements described in subdivision (1) of this subsection; and

20 (4) File the original completed and signed physician certification for shared care tax
21 credit form or the original completed and signed division of aging certification for shared care
22 tax credit form provided for in subsection 2 of section 660.054 along with such caregiver's
23 Missouri individual income tax return to the department of revenue.

24 2. The tax credit allowed by this section shall apply to any year beginning after
25 December 31, 1999.

26 3. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that
27 is created under the authority delegated in sections 660.050 to 660.057 shall become effective
28 only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if
29 applicable, section 536.028, RSMo. All rulemaking authority delegated prior to August 28,

30 1999, is of no force and effect and repealed. Nothing in this section shall be interpreted to repeal
31 or affect the validity of any rule filed or adopted prior to August 28, 1999, if it fully complied
32 with all applicable provisions of law. This section and chapter 536, RSMo, are nonseverable and
33 if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, to review,
34 to delay the effective date or to disapprove and annul a rule are subsequently held
35 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after
36 August 28, 1999, shall be invalid and void.

37 4. Any person who knowingly falsifies any document required for the shared care tax
38 credit shall be subject to the same penalties for falsifying other tax documents as provided in
39 chapter 143, RSMo.

40 **5. Any credits authorized pursuant to this section shall not apply against any state**
41 **tax liability incurred following the taxable year ending December 31, 2009.**

Section 1. 1. Notwithstanding any provision of law to the contrary, for all taxable
2 **years beginning on or after January 1, 2004, the Missouri income tax liability of all**
3 **residents and nonresidents shall be governed by the provisions of sections 1 to 5 of this act.**

4 **2. There shall be imposed a tax on the Missouri taxable income of every resident**
5 **and nonresident in an amount equal to four percent.**

6 **3. For the purposes of sections 1 to 5 of this act, the terms "resident" and**
7 **"nonresident" shall mean only those residents and nonresidents that are natural persons.**

Section 2. 1. The Missouri taxable income of a resident shall be the resident's
2 **federal adjusted gross income less the Missouri deduction for personal exemptions as**
3 **provided in subsection 2 of this section, and plus or minus the adjustments provided in**
4 **subsection 3 of this section. No other deductions and no tax credits shall apply to reduce**
5 **the tax liability imposed against any resident pursuant to this section, with the exception**
6 **of:**

7 **(1) The credit for withholding of tax authorized pursuant to section 143.211,**
8 **RSMo;**

9 **(2) The reduction to tax liability for payments of estimated income tax authorized**
10 **pursuant to subsection 7 of section 143.541, RSMo; and**

11 **(3) Those tax credits which have been issued but not redeemed as of the effective**
12 **date of this act shall continue to be valid through the taxable year ending December 31,**
13 **2009, the expiration of the credit as provided by law, or maximum carry-forward of the**
14 **credit as provided by law, whichever is sooner.**

15 **2. A resident shall be allowed a deduction of ten thousand dollars for the resident**
16 **and ten thousand dollars for such resident's spouse; except that, a resident filing as a head**
17 **of household shall be allowed a deduction of fifteen thousand dollars for the resident, and**

18 a resident filing as a surviving spouse shall, in the taxable year in which the death of the
19 resident's spouse occurred, be allowed a deduction of twenty thousand dollars.

20 3. The following adjustments shall be made to a resident's federal adjusted gross
21 income:

22 (1) There shall be added to federal adjusted gross income: interest on certain
23 governmental obligations excluded from federal gross income by section 103 of the Internal
24 Revenue Code. The previous sentence shall not apply to interest on obligations of the state
25 of Missouri or any of its political subdivisions or authorities and shall not apply to the
26 interest described in subdivision (2) of this subsection. The amount added pursuant to this
27 paragraph shall be reduced by the amounts applicable to such interest that would have
28 been deductible in computing the taxable income of the taxpayer except only for the
29 application of section 265 of the Internal Revenue Code. The reduction shall only be made
30 if it is at least five hundred dollars;

31 (2) There shall be subtracted from federal adjusted gross income the following
32 amounts to the extent included in federal adjusted gross income: interest or dividends on
33 obligations of the United States and its territories and possessions or of any authority,
34 commission or instrumentality of the United States to the extent exempt from Missouri
35 income taxes pursuant to the laws of the United States. The amount subtracted pursuant
36 to this subdivision shall be reduced by any interest on indebtedness incurred to carry the
37 described obligations or securities and by any expenses incurred in the production of
38 interest or dividend income described in this subdivision. The reduction in the previous
39 sentence shall only apply to the extent that such expenses including amortizable bond
40 premiums are deducted in determining its federal adjusted gross income. The reduction
41 shall only be made if the expenses total at least five hundred dollars;

42 (3) There shall be subtracted from federal adjusted gross income: the amount of
43 any benefits received pursuant to the Railroad Retirement Tax Act, Sections 3201 and 3211
44 of the Internal Revenue Code, as amended.

Section 3. 1. In the case of a nonresident, the tax shall only be imposed on income
2 of the nonresident which is derived from sources in this state. The Missouri taxable income
3 shall be that part of the nonresident individual's federal taxable income derived from
4 sources within Missouri. It shall be the sum of:

5 (1) The net amount of items of income, gain, loss, and deduction entering into the
6 nonresident's federal taxable income which are derived from or connected with sources in
7 this state including the following:

8 (a) The nonresident's distributive share of partnership income and deductions
9 determined pursuant to section 4 of this act;

10 (b) The nonresident's share of estate or trust income and deductions determined
11 pursuant to section 143.391, RSMo; and

12 (c) The nonresident's pro rata share of S corporation income and deductions
13 pursuant to subsection 3 of section 143.471, RSMo;

14 (2) Adjustments for tax-free bonds and railroad retirement benefits as provided in
15 subsection 3 of section 2 of this act.

16 2. Items of income, gain, loss and deduction derived from or connected with sources
17 within this state are those items attributable to the ownership or disposition of any interest
18 in real or tangible personal property in this state, and a business, trade, profession or
19 occupation carried on in this state.

20 3. Income from intangible personal property, including annuities, dividends,
21 interest and gains from the disposition of intangible personal property, shall constitute
22 income derived from sources within this state only to the extent that such income is from
23 property employed in a business, trade, profession or occupation carried on in this state.

24 4. There shall be no deductions from federal taxable income for capital losses, net
25 long-term capital gains and net operation losses.

26 5. If a business, trade, profession or occupation is carried on partly within and
27 partly without this state, the items of income and deduction derived from or connected with
28 sources within this state shall be determined by apportionment and allocation pursuant to
29 regulations to be prescribed by the director.

30 6. Compensation paid by the United States for service in the armed forces of the
31 United States performed by a nonresident shall not constitute income derived from sources
32 within this state.

33 7. Except as provided in this section, no other deductions and no tax credits shall
34 apply to reduce the tax liability imposed against any nonresident pursuant to this section,
35 with the exception of:

36 (1) The credit for withholding of tax authorized pursuant to section 143.211,
37 RSMo;

38 (2) The reduction to tax liability for payments of estimated income tax authorized
39 pursuant to subsection 7 of section 143.541, RSMo; and

40 (3) Those tax credits which have been issued but not redeemed as of the effective
41 date of this act shall continue to be valid through the taxable year ending December 31,
42 2009, the expiration of the credit as provided by law, or maximum carry-forward of the
43 credit as provided by law, whichever is sooner.

Section 4. 1. In determining the taxable income of a nonresident partner of any
2 partnership, there shall be included only that part derived from or connected with sources

3 in this state of the partner's distributive share of items of partnership income, gain, loss,
4 and deduction entering into the partner's federal adjusted gross income, as such part is
5 determined pursuant to regulations prescribed by the director of revenue in accordance
6 with the general rules in section 143.181, RSMo.

7 2. In determining the source of a nonresident partner's taxable income, no effect
8 shall be given to a provision in the partnership agreement which:

9 (1) Characterizes payments to the partner as being for services or for the use of
10 capital, or allocated to the partner, as income or gain from sources outside this state, a
11 greater proportion of the partner's distributive share of partnership income or gain than
12 the ratio of partnership income or gain from sources outside this state to partnership
13 income or gain from all sources, except as authorized in subsection 4 of this section; or

14 (2) Allocates to the partner a greater proportion of a partnership item of loss or
15 deduction connected with sources in this state than the partner's proportionate share, for
16 federal income tax purposes, of partnership loss or deduction generally, except as
17 authorized in subsection 5 of this section.

18 3. An item of partnership income, gain, loss, or deduction shall be made in
19 accordance with the partner's distributive share for federal income tax purposes, but
20 limited to the portion of such item derived from or connected with sources in this state.

21 4. The director of revenue may, on application, authorize the use of such other
22 methods of determining a nonresident partner's portion of partnership items derived from
23 or connected with sources in this state, and the modifications related thereto, as may be
24 appropriate and equitable, on such terms and conditions as the director may require.

25 5. A nonresident partner's distributive share of items of income, gain, loss, or
26 deduction shall be determined pursuant to subsection 1 of section 143.411, RSMo. The
27 character of partnership items for a nonresident partner shall be determined pursuant to
28 subsection 2 of section 143.411, RSMo. The effect of a special provision in a partnership
29 agreement, other than a provision referred to in subsection 2 of this section, having as a
30 principal purpose the avoidance of tax pursuant to sections 143.011 to 143.996, RSMo,
31 shall be determined pursuant to subsection 3 of section 143.411, RSMo.

Section 5. Notwithstanding any provision of law to the contrary, any tax credit or
2 aggregation of credits issued after the effective date of this act for the same project or
3 purpose and claimed by a taxpayer against any tax liability of this state shall be subject to
4 appropriations if the amount claimed is in excess of the maximum threshold. For the
5 purposes of this section, the term "maximum threshold" means five hundred thousand
6 dollars. In the case of an aggregation of credits being claimed that exceeds the maximum
7 threshold, if any of such credits claimed was issued after the effective date of this act, then

8 the entire claim shall be subject to appropriations.

[135.535. 1. A corporation, limited liability corporation, partnership or sole proprietorship, which moves its operations from outside Missouri or outside a distressed community into a distressed community, or which commences operations in a distressed community on or after January 1, 1999, and in either case has more than seventy-five percent of its employees at the facility in the distressed community, and which has fewer than one hundred employees for whom payroll taxes are paid, and which is a manufacturing, biomedical, medical devices, scientific research, animal research, computer software design or development, computer programming, telecommunications or a professional firm shall receive a forty percent credit against income taxes owed pursuant to chapter 143, 147 or 148, RSMo, other than taxes withheld pursuant to sections 143.191 to 143.265, RSMo, for each of the three years after such move, if approved by the department of economic development, which shall issue a certificate of eligibility if the department determines that the taxpayer is eligible for such credit. The maximum amount of credits per taxpayer set forth in this subsection shall not exceed one hundred twenty-five thousand dollars for each of the three years for which the credit is claimed. The department of economic development, by means of rule or regulation promulgated pursuant to the provisions of chapter 536, RSMo, shall assign appropriate standard industrial classification numbers to the companies which are eligible for the tax credits provided for in this section. Such three-year credits shall be awarded only one time to any company which moves its operations from outside of Missouri or outside of a distressed community into a distressed community or to a company which commences operations within a distressed community. A taxpayer shall file an application for certification of the tax credits for the first year in which credits are claimed and for each of the two succeeding taxable years for which credits are claimed.

2. Employees of such facilities physically working and earning wages for that work within a distressed community whose employers have been approved for tax credits pursuant to subsection 1 of this section by the department of economic development for whom payroll taxes are paid shall, also be eligible to receive a tax credit against individual income tax, imposed pursuant to chapter 143, RSMo, equal to one and one-half percent of their gross salary paid at such facility earned for each of the three years that the facility receives the tax credit provided by this section, so long as they were qualified employees of such entity. The employer shall calculate the amount of such credit and shall report the amount to the employee and the department of revenue.

3. A tax credit against income taxes owed pursuant to chapter 143, 147 or 148, RSMo, other than the taxes withheld pursuant to sections 143.191 to 143.265, RSMo, in lieu of the credit against income taxes as provided in subsection 1 of this section, may be taken by such an entity in a distressed community in an amount of forty percent of the amount of funds expended for computer equipment and its maintenance, medical laboratories and equipment, research laboratory equipment, manufacturing equipment, fiber optic equipment, high speed telecommunications,

43 wiring or software development expense up to a maximum of seventy-five thousand
44 dollars in tax credits for such equipment or expense per year per entity and for each
45 of three years after commencement in or moving operations into a distressed
46 community. A corporation, partnership or sole proprietorship, which has no more
47 than one hundred employees for whom payroll taxes are paid, and which is already
48 located in a distressed community, which expends funds for such equipment as set
49 forth in this subsection in an amount exceeding its average of the prior two years for
50 such equipment, shall be eligible to receive a twenty-five percent tax credit against
51 income taxes owed pursuant to chapters 143, 147 and 148, RSMo, up to a maximum
52 of seventy-five thousand dollars in tax credits for such additional equipment and
53 expense per such entity. Tax credits pursuant to this subsection or subsection 1 may
54 be used to satisfy the state tax liability due in the tax year the credit is certified, and
55 that was due during the previous three years, and in any of the five tax years
56 thereafter.

57 4. Tax credits shall be approved for applicants meeting the requirements of
58 this section in the order that such applications are received. Certificates of tax credits
59 issued in accordance with this section may be transferred, sold or assigned by
60 notarized endorsement which names the transferee.

61 5. The tax credits allowed pursuant to subsections 1, 2 and 3 of this section
62 shall be for an amount of no more than ten million dollars for each year beginning
63 in 1999. The total maximum credit for all entities already located in distressed
64 communities and claiming credits pursuant to subsection 3 of this section shall be
65 seven hundred and fifty thousand dollars. The department of economic development
66 in approving taxpayers for the credit as provided for in subsection 4 of this section
67 shall use information provided by the department of revenue regarding taxes paid in
68 the previous year, or projected taxes for those entities newly established in the state,
69 as the method of determining when this maximum will be reached and shall maintain
70 a record of the order of approval. Any tax credit not used in the period for which the
71 credit was approved may be carried over until the full credit has been allowed.

72 6. A Missouri employer relocating into a distressed community and having
73 employees covered by a collective bargaining agreement at the facility from which
74 it is relocating shall not be eligible for the credits in subsection 1 or 3 of this section,
75 and its employees shall not be eligible for the credit in subsection 2 of this section if
76 the relocation violates or terminates a collective bargaining agreement covering
77 employees at the facility, unless the affected collective bargaining unit concurs with
78 the move.

79 7. Notwithstanding any provision of law to the contrary, no taxpayer shall
80 earn the tax credits allowed in this section and the tax credits otherwise allowed in
81 section 135.110, or the tax credits, exemptions, and refund otherwise allowed in
82 sections 135.200, 135.220, 135.225 and 135.245, respectively, for the same business
83 for the same tax period.

84 8. An existing business located within a distressed community, that hires new
85 employees within such distressed communities may be eligible for the tax credits

86 provided in this section. In order to be eligible for such tax credits, the business
87 located within the distressed community, during one of its tax years, must employ
88 within such distressed communities at least twice as many workers as were employed
89 at the beginning of that tax year. Prior to the addition of the new employees, the
90 business shall have no more than one hundred employees. The provisions of this
91 section shall apply only to a business which is a manufacturing, biomedical, medical
92 devices, scientific research, animal research, computer software design or
93 development, computer programming, or telecommunications business or a
94 professional firm.]

Section B. Because of the need to balance the state budget, the enactment of sections 1
2 to 5 of this act is deemed necessary for the immediate preservation of the public health, welfare,
3 peace and safety, and is hereby declared to be an emergency act within the meaning of the
4 constitution, and the enactment of sections 1 to 5 of this act shall be in full force and effect upon
5 its passage and approval.