

SECOND REGULAR SESSION

[PERFECTED]

HOUSE SUBSTITUTE FOR

HOUSE BILL NO. 1409

92ND GENERAL ASSEMBLY

Taken up for Perfection April 14, 2004. House Substitute for House Bill No. 1409 ordered Perfected and printed, as amended.

STEPHEN S. DAVIS, Chief Clerk

4335L.07P

AN ACT

To repeal sections 32.105, 32.110, 71.620, 100.710, 135.208, 135.209, 135.215, 135.530, 144.030, 620.1400, 620.1410, 620.1420, 620.1430, 620.1440, 620.1450, 620.1460, 620.1560, RSMo, and section 100.850 as enacted by conference committee substitute for senate substitute for senate committee substitute for house committee substitute for house bill no. 289, ninety-second general assembly, first regular session, and section 100.850 as enacted by senate committee substitute for senate bill no. 620, ninety-second general assembly, first regular session, and to enact in lieu thereof forty-four new sections relating to economic development projects.

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

Section A. Sections 32.105, 32.110, 71.620, 100.710, 135.208, 135.209, 135.215, 2 135.530, 144.030, 620.1400, 620.1410, 620.1420, 620.1430, 620.1440, 620.1450, 620.1460, 3 620.1560, RSMo, and section 100.850 as enacted by conference committee substitute for senate 4 substitute for senate committee substitute for house committee substitute for house bill no. 289, 5 ninety-second general assembly, first regular session, and section 100.850 as enacted by senate 6 committee substitute for senate bill no. 620, ninety-second general assembly, first regular 7 session, are repealed and forty-four new sections enacted in lieu thereof, to be known as sections 8 32.105, 32.110, 67.1303, 71.620, 100.710, 100.850, 135.155, 135.208, 135.209, 135.214, 9 135.215, 135.216, 135.217, 135.218, 135.219, 135.221, 135.261, 135.262, 135.263, 135.286, 10 135.530, 135.536, 135.546, 135.900, 135.903, 135.910, 135.911, 135.1050, 135.1055, 135.1057,

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.

11 135.1060, 135.1065, 135.1070, 135.1075, 135.1077, 144.030, 178.980, 178.981, 178.982,
 12 178.983, 178.984, 178.985, 196.1104, and 1, to read as follows:

32.105. As used in sections 32.100 to 32.125, the following terms mean:

2 (1) "Affordable housing assistance activities", money, real or personal property, or
 3 professional services expended or devoted to the construction, or rehabilitation of affordable
 4 housing units;

5 (2) "Affordable housing unit", a residential unit generally occupied by persons and
 6 families with incomes at or below the levels described in this subdivision and bearing a cost to
 7 the occupant no greater than thirty percent of the maximum eligible household income for the
 8 affordable housing unit. In the case of owner-occupied units, the cost to the occupant shall be
 9 considered the amount of the gross monthly mortgage payment, including casualty insurance,
 10 mortgage insurance, and taxes. In the case of rental units, the cost to the occupant shall be
 11 considered the amount of the gross rent. The cost to the occupant shall include the cost of any
 12 utilities, other than telephone. If any utilities are paid directly by the occupant, the maximum
 13 cost that may be paid by the occupant is to be reduced by a utility allowance prescribed by the
 14 commission. Persons or families are eligible occupants of affordable housing units if the
 15 household combined, adjusted gross income as defined by the commission is equal to or less than
 16 the following percentages of the median family income for the geographic area in which the
 17 residential unit is located, or the median family income for the state of Missouri, whichever is
 18 larger; ("geographic area" means the metropolitan area or county designated as an area by the
 19 federal Department of Housing and Urban Development under Section 8 of the United States
 20 Housing Act of 1937, as amended, for purposes of determining fair market rental rates):

	Percent of State or Geographic Area Family	
Size of Household		Median Income
23 One Person		35%
24 Two Persons		40%
25 Three Persons		45%
26 Four Persons		50%
27 Five Persons		54%
28 Six Persons		58%
29 Seven Persons		62%
30 Eight Persons		66%

31 (3) "Business firm", person, firm, a partner in a firm, corporation or a shareholder in an
 32 S corporation doing business in the state of Missouri and subject to the state income tax imposed
 33 by the provisions of chapter 143, RSMo, or a corporation subject to the annual corporation
 34

35 franchise tax imposed by the provisions of chapter 147, RSMo, or an insurance company paying
36 an annual tax on its gross premium receipts in this state, or other financial institution paying
37 taxes to the state of Missouri or any political subdivision of this state pursuant to the provisions
38 of chapter 148, RSMo, or an express company which pays an annual tax on its gross receipts in
39 this state;

40 (4) "Commission", the Missouri housing development commission;

41 (5) "Community services", any type of counseling and advice, emergency assistance or
42 medical care furnished to individuals or groups in the state of Missouri or transportation services
43 at below-cost rates as provided in sections 208.250 to 208.275, RSMo;

44 (6) "Crime prevention", any activity which aids in the reduction of crime in the state of
45 Missouri;

46 (7) "Defense industry contractor", a person, corporation or other entity which will be or
47 has been negatively impacted as a result of its status as a prime contractor of the Department of
48 Defense or as a second or third tier contractor. A "second tier contractor" means a person,
49 corporation or other entity which contracts to perform manufacturing, maintenance or repair
50 services for a prime contractor of the Department of Defense, and a "third tier contractor" means
51 a person, corporation or other entity which contracts with a person, corporation or other entity
52 which contracts with a prime contractor of the Department of Defense;

53 (8) "Doing business", among other methods of doing business in the state of Missouri,
54 a partner in a firm or a shareholder in an S corporation shall be deemed to be doing business in
55 the state of Missouri if such firm or S corporation, as the case may be, is doing business in the
56 state of Missouri;

57 (9) "Economic development", the acquisition, renovation, improvement, or the
58 furnishing or equipping of existing buildings and real estate in distressed or blighted areas of the
59 state when such acquisition, renovation, improvement, or the furnishing or equipping of the
60 business development projects will result in the creation or retention of jobs within the state; or,
61 until June 30, 1996, a defense conversion pilot project located in a standard metropolitan
62 statistical area which contains a city with a population of at least three hundred fifty thousand
63 inhabitants, which will assist Missouri-based defense industry contractors in their conversion
64 from predominately defense-related contracting to nondefense-oriented manufacturing. Only
65 neighborhood organizations, as defined in subdivision (15) of this section, may apply to conduct
66 economic development projects. Prior to the approval of an economic development project, the
67 neighborhood organization shall enter into a contractual agreement with the department of
68 economic development. Credits approved for economic development projects may not exceed
69 four million dollars from within any one fiscal year's allocation, **except that for fiscal years**
70 **2005, 2006, and 2007 credits approved for economic development projects shall not exceed**

71 **six million dollars.** Neighborhood assistance program tax credits for economic development
72 projects and affordable housing assistance as defined in section 32.111, may be transferred, sold
73 or assigned by a notarized endorsement thereof naming the transferee;

74 (10) "Education", any type of scholastic instruction or scholarship assistance to an
75 individual who resides in the state of Missouri that enables the individual to prepare himself or
76 herself for better opportunities or community awareness activities rendered by a statewide
77 organization established for the purpose of archeological education and preservation;

78 (11) "Eligible farmers' market", a group of farmers, each of whom farms agricultural land
79 located within this state which he or she rents or owns, and who have formed a group for the
80 purpose of allowing each member farmer to sell his or her products derived from his or her
81 farming activities to the public at a common structure or building when at least fifty percent of
82 the costs of such structure or building are paid for by such group of farmers;

83 (12) "Eligible new generation cooperative", as defined in section 348.340, RSMo;

84 (13) "Homeless assistance pilot project", the program established pursuant to section
85 32.117;

86 (14) "Job training", any type of instruction to an individual who resides in the state of
87 Missouri that enables the individual to acquire vocational skills so that the individual can
88 become employable or be able to seek a higher grade of employment;

89 (15) "Neighborhood organization", any organization performing community services or
90 economic development activities in the state of Missouri and:

91 (a) Holding a ruling from the Internal Revenue Service of the United States Department
92 of the Treasury that the organization is exempt from income taxation pursuant to the provisions
93 of the Internal Revenue Code; or

94 (b) Incorporated in the state of Missouri as a not-for-profit corporation pursuant to the
95 provisions of chapter 355, RSMo; or

96 (c) Designated as a community development corporation by the United States
97 government pursuant to the provisions of Title VII of the Economic Opportunity Act of 1964;
98 or

99 (d) Contributing funds to help finance a building or structure or purchase equipment
100 located within this state and used to sell agricultural food products or to add value to food
101 products produced in this state by members of an eligible new generation cooperative; or
102 contributing funds to help finance a building or structure or purchase equipment owned by a not-
103 for-profit organization located within this state and used to sell agricultural food products or to
104 add value to food products produced by family farms as defined in subdivision (4) of section
105 350.010, RSMo, or family farm corporations as defined in subdivision (5) of section 350.010,
106 RSMo;

107 (16) "Physical revitalization", furnishing financial assistance, labor, material, or technical
108 advice to aid in the physical improvement or rehabilitation of any part or all of a neighborhood
109 area;

110 (17) "S corporation", a corporation described in Section 1361(a)(1) of the United States
111 Internal Revenue Code and not subject to the taxes imposed by section 143.071, RSMo, by
112 reason of section 143.471, RSMo;

113 (18) "Workfare renovation project", any project initiated pursuant to sections 215.340
114 to 215.355, RSMo.

32.110. 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)]
14 (13) of section 32.105, tax credits may be allowed as provided in section 32.115. The director
15 of the department of economic development is hereby authorized to promulgate rules and
16 regulations for establishing criteria for evaluating such proposals by business firms for approval
17 or 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)] (13) of section 32.105 is
26 two and one-half million dollars per fiscal year for fiscal years 2002 to 2006.

**67.1303. 1. The governing body of any home rule city with more than forty-five
2 thousand five hundred but less than forty-five thousand nine hundred inhabitants and the**

3 governing body of any city within any county of the first classification with more than one
4 hundred four thousand six hundred but less than one hundred four thousand seven
5 hundred inhabitants and the governing body of any county of the third classification
6 without a township form of government and with more than forty thousand eight hundred
7 but less than forty thousand nine hundred inhabitants may impose, by order or ordinance,
8 a sales tax on all retail sales made in the city or county which are subject to sales tax under
9 chapter 144, RSMo. The tax authorized in this section shall not be more than one-half of
10 one percent. The order or ordinance imposing the tax shall not become effective unless the
11 governing body of the city or county submits to the voters of the city or county at a state
12 general or primary election a proposal to authorize the governing body to impose a tax
13 under this section. The tax authorized in this section shall be in addition to all other sales
14 taxes imposed by law, and shall be stated separately from all other charges and taxes.

15 2. The ballot of submission for the tax authorized in this section shall be in
16 substantially the following form:

17 Shall (insert the name of the city or county) impose a sales tax at a rate of
18 (insert rate of percent) percent for economic development purposes?

19 YES NO

20
21 If a majority of the votes cast on the question by the qualified voters voting thereon are in
22 favor of the question, then the tax shall become effective on the first day of the second
23 calendar quarter following the calendar quarter in which the election was held. If a
24 majority of the votes cast on the question by the qualified voters voting thereon are
25 opposed to the question, then the tax shall not become effective unless and until the
26 question is resubmitted under this section to the qualified voters and such question is
27 approved by a majority of the qualified voters voting on the question, provided that no
28 proposal shall be resubmitted to the voters sooner than twelve months from the date of the
29 submission of the last proposal.

30 3. No revenue generated by the tax authorized in this section shall be used for any
31 retail development project. At least twenty percent of the revenue generated by the tax
32 authorized in this section shall be used solely for projects directly related to long-term
33 economic development preparation, including, but not limited to, the following:

- 34 (1) Acquisition of land;
- 35 (2) Installation of infrastructure for industrial or business parks;
- 36 (3) Improvement of water and wastewater treatment capacity;
- 37 (4) Extension of streets;
- 38 (5) Providing matching dollars for state or federal grants;

39 **(6) Marketing;**

40 **(7) Providing grants and low-interest loans to companies for job training,**
41 **equipment acquisition, site development, and infrastructure.**

42

43 **Not more than twenty-five percent of the revenue generated may be used annually for**
44 **administrative purposes, including staff and facility costs.**

45 **4. All revenue generated by the tax shall be deposited in a special trust fund and**
46 **shall be used solely for the designated purposes. If the tax is repealed, all funds remaining**
47 **in the special trust fund shall continue to be used solely for the designated purposes. Any**
48 **funds in the special trust fund which are not needed for current expenditures may be**
49 **invested by the governing body in accordance with applicable laws relating to the**
50 **investment of other city or county funds.**

51 **5. Any city or county imposing the tax authorized in this section shall establish an**
52 **economic development tax board. The board shall consist of eleven members, to be**
53 **appointed as follows:**

54 **(1) Two members shall be appointed by the school boards whose districts are**
55 **included within any economic development plan or area funded by the sales tax authorized**
56 **in this section. Such members shall be appointed in any manner agreed upon by the**
57 **affected districts;**

58 **(2) One member shall be appointed, in any manner agreed upon by the affected**
59 **districts, to represent all other districts levying ad valorem taxes within the area selected**
60 **for an economic development project or area funded by the sales tax authorized in this**
61 **section, excluding representatives of the governing body of the city or county;**

62 **(3) One member shall be appointed by the largest public school district in the city**
63 **or county;**

64 **(4) In each city or county, five members shall be appointed by the chief elected**
65 **officer of the city or county with the consent of the majority of the governing body of the**
66 **city or county;**

67 **(5) In each city, two members shall be appointed by the governing body of the**
68 **county in which the city is located. In each county, two members shall be appointed by the**
69 **governing body of the county.**

70

71 **At the option of the members appointed by a city or county the members who are**
72 **appointed by the school boards and other taxing districts may serve on the board for a**
73 **term to coincide with the length of time an economic development project, plan, or**
74 **designation of an economic development area is considered for approval by the board, or**

75 for the definite terms as provided in this subsection. If the members representing school
76 districts and other taxing districts are appointed for a term coinciding with the length of
77 time an economic development project, plan, or area is approved, such term shall terminate
78 upon final approval of the project, plan, or designation of the area by the governing body
79 of the city or county. If any school district or other taxing jurisdiction fails to appoint
80 members of the board within thirty days of receipt of written notice of a proposed
81 economic development plan, economic development project, or designation of an economic
82 development area, the remaining members may proceed to exercise the power of the board.
83 Of the members first appointed by the city or county, three shall be designated to serve for
84 terms of two years, three shall be designated to serve for a term of three years, and the
85 remaining members shall be designated to serve for a term of four years from the date of
86 such initial appointments. Thereafter, the members appointed by the city or county shall
87 serve for a term of four years, except that all vacancies shall be filled for unexpired terms
88 in the same manner as were the original appointments.

89 6. The board, subject to approval of the governing body of the city or county, shall
90 develop economic development plans, economic development projects, or designations of
91 an economic development area, and shall hold public hearings and provide notice of any
92 such hearings. The board shall vote on all proposed economic development plans,
93 economic development projects, or designations of an economic development area, and
94 amendments thereto, within thirty days following completion of the hearing on any such
95 plan, project, or designation, and shall make recommendations to the governing body
96 within ninety days of the hearing concerning the adoption of or amendment to economic
97 development plans, economic development projects, or designations of an economic
98 development area.

99 7. The board shall report at least annually to the governing body of the city or
100 county on the use of the funds provided under this section and on the progress of any plan,
101 project, or designation adopted under this section.

102 8. The governing body of any city or county that has adopted the sales tax
103 authorized in this section may submit the question of repeal of the tax to the voters on any
104 date available for elections for the city or county. The ballot of submission shall be in
105 substantially the following form:

106 Shall (insert the name of the city or county) repeal the sales tax imposed at a
107 rate of (insert rate of percent) percent for economic development purposes?

108 YES

NO

109

110 **If a majority of the votes cast on the proposal are in favor of repeal, that repeal shall**
111 **become effective on December thirty-first of the calendar year in which such repeal was**
112 **approved. If a majority of the votes cast on the question by the qualified voters voting**
113 **thereon are opposed to the repeal, then the sales tax authorized in this section shall remain**
114 **effective until the question is resubmitted under this section to the qualified voters of the**
115 **city or county, and the repeal is approved by a majority of the qualified voters voting on**
116 **the question.**

117 **9. Whenever the governing body of any city or county that has adopted the sales**
118 **tax authorized in this section receives a petition, signed by ten percent of the registered**
119 **voters of the city or county voting in the last gubernatorial election, calling for an election**
120 **to repeal the sales tax imposed under this section, the governing body shall submit to the**
121 **voters a proposal to repeal the tax. If a majority of the votes cast on the question by the**
122 **qualified voters voting thereon are in favor of the repeal, that repeal shall become effective**
123 **on December thirty-first of the calendar year in which such repeal was approved. If a**
124 **majority of the votes cast on the question by the qualified voters voting thereon are**
125 **opposed to the repeal, then the tax shall remain effective until the question is resubmitted**
126 **under this section to the qualified voters and the repeal is approved by a majority of the**
127 **qualified voters voting on the question.**

71.620. 1. Hereafter no person following for a livelihood the profession or calling of
2 minister of the gospel, duly accredited Christian Science practitioner, teacher, professor in a
3 college, priest, lawyer, certified public accountant, dentist, chiropractor, optometrist, chiropodist,
4 physician or surgeon in this state shall be taxed or made liable to pay any municipal or other
5 corporation tax or license fee of any description whatever for the privilege of following or
6 carrying on such profession or calling, and, after December 31, 2003, no investment funds
7 service corporation, as defined in section 143.451, RSMo, may be required to pay, or shall be
8 taxed or made liable to pay any municipal or other corporation tax or license fee of any
9 description whatever for the privilege of following or carrying on its business or occupation, in
10 excess of or in an aggregate amount exceeding twenty-five thousand dollars annually, any law,
11 ordinance or charter to the contrary notwithstanding.

12 2. No person following for a livelihood the profession of insurance agent or broker,
13 veterinarian, architect, professional engineer, land surveyor, auctioneer, or real estate broker or
14 salesman in this state shall be taxed or made liable to pay any municipal or other corporation tax
15 or license fee for the privilege of following or carrying on his **or her** profession by a municipality
16 unless that person maintains a business office within that municipality.

17 3. Notwithstanding any other provision of law to the contrary, after September 1, 2004,
18 no village with less than one thousand three hundred inhabitants shall impose a business license
19 tax in excess of [ten] **fifteen** thousand dollars per license.

 100.710. As used in sections 100.700 to 100.850, the following terms mean:

2 (1) "Assessment", an amount of up to five percent of the gross wages paid in one year
3 by an eligible industry to all eligible employees in new jobs, or up to ten percent if the economic
4 development project is located within a distressed community as defined in section 135.530,
5 RSMo;

6 (2) "Board", the Missouri development finance board as created by section 100.265;

7 (3) "Certificates", the revenue bonds or notes authorized to be issued by the board
8 pursuant to section 100.840;

9 (4) "Credit", the amount agreed to between the board and an eligible industry, but not
10 to exceed the assessment attributable to the eligible industry's project;

11 (5) "Department", the Missouri department of economic development;

12 (6) "Director", the director of the department of economic development;

13 (7) "Economic development project":

14 (a) The acquisition of any real property by the board, the eligible industry, or its affiliate;
15 or

16 (b) The fee ownership of real property by the eligible industry or its affiliate; and

17 (c) For both paragraphs (a) and (b) of this subdivision, "economic development project"
18 shall also include the development of the real property including construction, installation, or
19 equipping of a project, including fixtures and equipment, and facilities necessary or desirable for
20 improvement of the real property, including surveys; site tests and inspections; subsurface site
21 work; excavation; removal of structures, roadways, cemeteries and other surface obstructions;
22 filling, grading and provision of drainage, storm water retention, installation of utilities such as
23 water, sewer, sewage treatment, gas, electricity, communications and similar facilities; off-site
24 construction of utility extensions to the boundaries of the real property; and the acquisition,
25 installation, or equipping of facilities on the real property, for use and occupancy by the eligible
26 industry or its affiliates;

27 (8) "Eligible employee", a person employed on a full-time basis in a new job at the
28 economic development project averaging at least thirty-five hours per week who was not
29 employed by the eligible industry or a related taxpayer in this state at any time during the
30 twelve-month period immediately prior to being employed at the economic development project.
31 For an essential industry, a person employed on a full-time basis in an existing job at the
32 economic development project averaging at least thirty-five hours per week may be considered
33 an eligible employee for the purposes of the program authorized by sections 100.700 to 100.850;

34 (9) "Eligible industry", a business located within the state of Missouri which is engaged
35 in interstate or intrastate commerce for the purpose of manufacturing, processing or assembling
36 products, conducting research and development, or providing services in interstate commerce,
37 office industries, or agricultural processing, but excluding retail, health or professional services.
38 "Eligible industry" does not include a business which closes or substantially reduces its operation
39 at one location in the state and relocates substantially the same operation to another location in
40 the state. This does not prohibit a business from expanding its operations at another location in
41 the state provided that existing operations of a similar nature located within the state are not
42 closed or substantially reduced. This also does not prohibit a business from moving its
43 operations from one location in the state to another location in the state for the purpose of
44 expanding such operation provided that the board determines that such expansion cannot
45 reasonably be accommodated within the municipality in which such business is located, or in the
46 case of a business located in an incorporated area of the county, within the county in which such
47 business is located, after conferring with the chief elected official of such municipality or county
48 and taking into consideration any evidence offered by such municipality or county regarding the
49 ability to accommodate such expansion within such municipality or county. An eligible industry
50 must:

51 (a) Invest a minimum of fifteen million dollars, or ten million dollars for an office
52 industry, in an economic development project; and

53 (b) Create a minimum of one hundred new jobs for eligible employees at the economic
54 development project or a minimum of five hundred jobs if the economic development project
55 is an office industry or a minimum of two hundred new jobs if the economic development project
56 is an office industry located within a distressed community as defined in section 135.530, RSMo,
57 **in the case of an approved company for a project for a world headquarters of a business**
58 **whose primary function is tax return preparation in any home rule city with more than**
59 **four hundred thousand inhabitants and located in more than one county, create a**
60 **minimum of one hundred new jobs for eligible employees at the economic development**
61 **project.** An industry that meets the definition of "essential industry" may be considered an
62 eligible industry for the purposes of the program authorized by sections 100.700 to 100.850;

63 (10) "Essential industry", a business that otherwise meets the definition of eligible
64 industry except an essential industry shall:

65 (a) Be a targeted industry;

66 (b) Be located in a home rule city with more than twenty-six thousand but less than
67 twenty-seven thousand inhabitants located in any county with a charter form of government and
68 with more than one million inhabitants;

69 (c) Have maintained at least two thousand jobs at the proposed economic development
70 project site each year for a period of four years preceding the year in which application for the
71 program authorized by sections 100.700 to 100.850 is made and during the year in which said
72 application is made;

73 (d) For the duration of the certificates, retain at the proposed economic development
74 project site the level of employment that existed at the site in the taxable year immediately
75 preceding the year in which application for the program authorized by sections 100.700 to
76 100.850 is made; and

77 (e) Invest a minimum of five hundred million dollars in the economic development
78 project by the end of the third year after the issuance of the certificates under this program;

79 (11) "New job", a job in a new or expanding eligible industry not including jobs of
80 recalled workers, replacement jobs or jobs that formerly existed in the eligible industry in the
81 state. For an essential industry, an existing job may be considered a new job for the purposes of
82 the program authorized by sections 100.700 to 100.850;

83 (12) "Office industry", a regional, national or international headquarters, a
84 telecommunications operation, a computer operation, an insurance company, or a credit card
85 billing and processing center;

86 (13) "Program costs", all necessary and incidental costs of providing program services
87 including payment of the principal of premium, if any, and interest on certificates, including
88 capitalized interest, issued to finance a project, and funding and maintenance of a debt service
89 reserve fund to secure such certificates. Program costs shall include:

90 (a) Obligations incurred for labor and obligations incurred to contractors, subcontractors,
91 builders and materialmen in connection with the acquisition, construction, installation or
92 equipping of an economic development project;

93 (b) The cost of acquiring land or rights in land and any cost incidental thereto, including
94 recording fees;

95 (c) The cost of contract bonds and of insurance of all kinds that may be required or
96 necessary during the course of acquisition, construction, installation or equipping of an economic
97 development project which is not paid by the contractor or contractors or otherwise provided for;

98 (d) All costs of architectural and engineering services, including test borings, surveys,
99 estimates, plans and specifications, preliminary investigations and supervision of construction,
100 as well as the costs for the performance of all the duties required by or consequent upon the
101 acquisition, construction, installation or equipping of an economic development project;

102 (e) All costs which are required to be paid under the terms of any contract or contracts
103 for the acquisition, construction, installation or equipping of an economic development project;
104 and

- 105 (f) All other costs of a nature comparable to those described in this subdivision;
- 106 (14) "Program services", administrative expenses of the board, including contracted
- 107 professional services, and the cost of issuance of certificates;
- 108 (15) "Targeted industry", an industry or one of a cluster of industries that is identified
- 109 by the department as critical to the state's economic security and growth and affirmed as such by
- 110 the joint committee on economic development policy and planning established in section
- 111 620.602, RSMo.

[100.850. 1. The approved company shall remit to the board a job development assessment fee, not to exceed five percent of the gross wages of each eligible employee whose job was created as a result of the economic development project, or not to exceed ten percent if the economic development project is located within a distressed community as defined in section 135.530, RSMo, for the purpose of retiring bonds which fund the economic development project.

2. Any approved company remitting an assessment as provided in subsection 1 of this section shall make its payroll books and records available to the board at such reasonable times as the board shall request and shall file with the board documentation respecting the assessment as the board may require.

3. Any assessment remitted pursuant to subsection 1 of this section shall cease on the date the bonds are retired.

4. Any approved company which has paid an assessment for debt reduction shall be allowed a tax credit equal to the amount of the assessment. The tax credit may be claimed against taxes otherwise imposed by chapters 143 and 148, RSMo, except withholding taxes imposed under the provisions of sections 143.191 to 143.265, RSMo, which were incurred during the tax period in which the assessment was made.

5. In no event shall the aggregate amount of tax credits authorized by subsection 4 of this section exceed eleven million dollars annually.

6. The director of revenue shall issue a refund to the approved company to the extent that the amount of credits allowed in subsection 4 of this section exceeds the amount of the approved company's income tax.]

100.850. 1. The approved company shall remit to the board a job development assessment fee, not to exceed five percent of the gross wages of each eligible employee whose job was created as a result of the economic development project, or not to exceed ten percent if the economic development project is located within a distressed community as defined in section 135.530, RSMo, for the purpose of retiring bonds which fund the economic development project.

2. Any approved company remitting an assessment as provided in subsection 1 of this section shall make its payroll books and records available to the board at such reasonable times as the board shall request and shall file with the board documentation respecting the assessment as the board may require.

10 3. Any assessment remitted pursuant to subsection 1 of this section shall cease on the
11 date the bonds are retired.

12 4. Any approved company which has paid an assessment for debt reduction shall be
13 allowed a tax credit equal to the amount of the assessment. The tax credit may be claimed
14 against taxes otherwise imposed by chapters 143 and 148, RSMo, except withholding taxes
15 imposed under the provisions of sections 143.191 to 143.265, RSMo, which were incurred
16 during the tax period in which the assessment was made.

17 5. In no event shall the aggregate amount of tax credits authorized by subsection 4 of this
18 section exceed [eleven] **fifteen** million dollars annually.

19 6. The director of revenue shall issue a refund to the approved company to the extent that
20 the amount of credits allowed in subsection 4 of this section exceeds the amount of the approved
21 company's income tax.

**135.155. For facilities commencing operations on or after January 1, 2005, no tax
2 credits shall be approved, awarded, or issued to any person or entity claiming any tax
3 credit under sections 135.100 to 135.150.**

135.208. 1. In addition to the number of enterprise zones authorized under the
2 provisions of sections 135.206 and 135.210, the department of economic development shall
3 designate one such zone in any county of the third class which is south of the Missouri River and
4 which adjoins one county of the second class and also the state of Oklahoma. Such designation
5 shall only be made if the area of the county which is to be included in the enterprise zone meets
6 all the requirements of section 135.205.

7 2. In addition to the number of enterprise zones authorized under the provisions of
8 sections 135.206 and 135.210, the department of economic development shall designate one such
9 zone in any county of the third class which borders the Missouri River and which adjoins a
10 county of the second class with a population of at least one hundred thousand inhabitants and
11 which contains a branch of the state university. Such designation shall only be made if the area
12 of the county which is to be included in the enterprise zone meets all the requirements of section
13 135.205.

14 3. In addition to the number of enterprise zones authorized under the provisions of
15 sections 135.206, 135.210 and 135.256, the department of economic development shall designate
16 one such zone in every county of the third class without a township form of government with a
17 population of more than seven thousand eight hundred but less than ten thousand inhabitants
18 located south of the Missouri River, which adjoins one third class county with a township form
19 of government, and which adjoins no first or second class county. Such enterprise zone
20 designation shall only be made if the area in the county which is to be included in the enterprise
21 zone meets all the requirements of section 135.205.

22 4. In addition to the number of enterprise zones authorized pursuant to the provisions of
23 sections 135.206, 135.210 and 135.256, the department of economic development shall designate
24 one such zone in a city of the third class with a population of more than eight thousand but less
25 than ten thousand located in a county of the third classification with a township form of
26 government with a population of more than twenty thousand but less than twenty-two thousand.
27 Such enterprise zone designation shall only be made if the area in the city which is to be included
28 in the enterprise zone meets all the requirements of section 135.205.

29 5. In addition to the number of enterprise zones authorized pursuant to the provisions of
30 sections 135.206, 135.210 and 135.256, the department of economic development shall designate
31 one such zone for any city with a home rule form of government and a population of at least one
32 hundred ten thousand inhabitants but not more than one hundred thirty thousand inhabitants.
33 Such enterprise zone designation shall only be made if the area in the city which is to be included
34 in the enterprise zone meets all the requirements of section 135.205.

35 6. In addition to the number of enterprise zones authorized pursuant to the provisions of
36 sections 135.206, 135.210 and 135.256, the department of economic development shall designate
37 one such zone for any county of the first classification without a charter form of government with
38 a population of less than thirty thousand inhabitants. Such enterprise zone designation shall only
39 be made if the area in the city which is to be included in the enterprise zone meets all the
40 requirements of section 135.205.

41 7. In addition to the number of enterprise zones authorized pursuant to the provisions of
42 sections 135.206, 135.210, 135.256 and 135.257, the department of economic development shall
43 designate one such zone in a city of the fourth classification with a population of at least three
44 thousand but less than four thousand inhabitants located in a county of the second classification
45 with a population of at least twenty thousand but not more than twenty-five thousand inhabitants.
46 Such enterprise zone designation shall only be made if such area which is to be included in the
47 enterprise zone meets all the requirements of section 135.205.

48 8. In addition to the number of enterprise zones authorized pursuant to the provisions of
49 sections 135.206, 135.210, 135.256 and 135.257, the department of economic development shall
50 designate one such zone for any area that includes property in two adjoining counties where one
51 county is a county of the third classification without a township form of government with a
52 population of less than sixteen thousand three hundred and more than sixteen thousand
53 inhabitants and the other county is a county of the first classification having a population of at
54 least one hundred seventy-one thousand but less than one hundred seventy-two thousand
55 inhabitants. Such enterprise zone designation shall only be made if such area which is to be
56 included in the enterprise zone meets all the requirements of section 135.205.

57 9. In addition to the number of enterprise zones authorized pursuant to the provisions of
58 sections 135.206, 135.210 and 135.256, the department of economic development shall designate
59 one such zone in a city of the fourth class with a population of more than four thousand located
60 in a county of the third classification with a township form of government and with a population
61 of less than thirteen thousand. Such enterprise zone designation shall only be made if the area
62 in the city which is to be included in the enterprise zone meets all the requirements of section
63 135.205.

64 10. In addition to the number of enterprise zones authorized pursuant to the provisions
65 of sections 135.206, 135.210 and 135.256, the department of economic development shall
66 designate one such zone in a city of the fourth class with a population of more than two thousand
67 nine hundred located in a county of the third classification without a township form of
68 government with a population of less than twelve thousand and more than eleven thousand seven
69 hundred inhabitants. Such enterprise zone designation shall only be made if the area in the city
70 which is to be included in the enterprise zone meets all the requirements of section 135.205.

71 11. In addition to the number of enterprise zones authorized pursuant to the provisions
72 of sections 135.206, 135.210 and 135.256, the department of economic development shall
73 designate one such zone in a county of the third classification without a township form of
74 government with a population of less than twenty-four thousand five hundred and more than
75 twenty-four thousand inhabitants. Such enterprise zone designation shall only be made if the
76 area in the county which is to be included in the enterprise zone meets all the requirements of
77 section 135.205.

78 **12. In addition to the number of enterprise zones authorized in this chapter, the**
79 **department of economic development shall designate one such zone for any city of the**
80 **fourth classification with more than three thousand eight hundred but less than four**
81 **thousand inhabitants and located in more than one county. Such enterprise zone**
82 **designation shall only be made if the area in the city which is to be included in the**
83 **enterprise zone meets all the requirements of section 135.205.**

135.209. 1. Any city in which an enterprise zone is designated pursuant to subsection
2 5 or subsection 12 of section 135.208 may, upon approval of the local governing authority of
3 the city and the director of the department of economic development, designate one satellite
4 enterprise zone within its corporate limits. A prerequisite for the designation of the satellite zone
5 shall be the approval by the director of the department of economic development of a plan
6 submitted by the local governing authority of the city describing how the satellite zone
7 corresponds to the city's overall enterprise zone strategy.

8 2. The satellite enterprise zone authorized by this section shall be designated only if it
9 meets the criteria established by subdivisions (1) to (4) of subsection 2 of section 135.207. Retail

10 businesses, as identified by the 1997 North American Industry Classification System (NAICS)
11 sector numbers 44 to 45, located within the satellite enterprise zone shall be eligible for all
12 benefits provided pursuant to the provisions of sections 135.200 to 135.258.

**135.214. 1. In addition to any other enterprise zones authorized in this chapter, the
2 department of economic development shall designate one enterprise zone that shall be
3 located partially in any city of the fourth classification with more than twelve thousand one
4 hundred but less than twelve thousand four hundred inhabitants and partially in any city
5 of the fourth classification with more than nine thousand six hundred but less than nine
6 thousand seven hundred inhabitants and shall include all area in between any city of the
7 fourth classification with more than twelve thousand one hundred but less than twelve
8 thousand four hundred inhabitants and any city of the fourth classification with more than
9 nine thousand six hundred but less than nine thousand seven hundred inhabitants with
10 specific boundaries to be determined by the department of economic development in
11 conjunction with the governing authority of the county. Such enterprise zone designation
12 shall only be made if the area that is to be included in the enterprise zone meets all the
13 requirements of section 135.205.**

**14 2. Notwithstanding the provisions of section 135.230, to the contrary, any enterprise
15 zone designated in any county of the third classification with a township form of
16 government and with more than thirteen thousand seven hundred but less than thirteen
17 thousand eight hundred inhabitants or designated in any county of the third classification
18 without a township form of government and with more than fifteen thousand seven
19 hundred but less than fifteen thousand eight hundred inhabitants shall not expire before
20 December 31, 2015.**

**21 3. In addition to the number of enterprise zones authorized by the provisions of
22 sections 135.200 to 135.270, the department of economic development shall designate one
23 such zone in every county of the third classification without a township form of government
24 and with more than six thousand seven hundred fifty but less than six thousand eight
25 hundred fifty inhabitants. Such designation shall only be made if the area in the county
26 which is to be included in the enterprise zone meets all the requirements of section 135.205.**

135.215. 1. Improvements made to "real property" as such term is defined in section
2 137.010, RSMo, which are made in an enterprise zone subsequent to the date such zone or
3 expansion thereto was designated, may upon approval of an authorizing resolution by the
4 governing authority having jurisdiction of the area in which the improvements are made, be
5 exempt, in whole or in part, from assessment and payment of ad valorem taxes of one or more
6 affected political subdivisions, provided that, except as to the exemption allowed under
7 subsection 3 of this section, at least fifty new jobs that provide an average of at least thirty-five

8 hours of employment per week per job are created and maintained at the new or expanded facility. Such authorizing resolution shall specify the percent of the exemption to be granted, the duration of the exemption to be granted, and the political subdivisions to which such exemption is to apply and any other terms, conditions or stipulations otherwise required. A copy of the resolution shall be provided the director within thirty calendar days following adoption of the resolution by the governing authority.

2. No exemption shall be granted until the governing authority holds a public hearing for the purpose of obtaining the opinions and suggestions of residents of political subdivisions to be affected by the exemption from property taxes. The governing authority shall send, by certified mail, a notice of such hearing to each political subdivision in the area to be affected and shall publish notice of such hearing in a newspaper of general circulation in the area to be affected by the exemption at least twenty days prior to the hearing but not more than thirty days prior to the hearing. Such notice shall state the time, location, date and purpose of the hearing.

3. Notwithstanding subsection 1 of this section, at least one-half of the ad valorem taxes otherwise imposed on subsequent improvements to real property located in an enterprise zone shall become and remain exempt from assessment and payment of ad valorem taxes of any political subdivision of this state or municipality thereof for a period of not less than ten years following the date such improvements were assessed, provided the improved properties are used for assembling, fabricating, processing, manufacturing, mining, warehousing or distributing properties.

4. No exemption shall be granted for a period more than twenty-five years following the date on which the original enterprise zone was designated by the department.

5. The provisions of subsection 1 of this section shall not apply to improvements made to real property which have been started prior to August 28, 1991.

6. The mandatory abatement referred to in this section shall not relieve the assessor or other responsible official from ascertaining the amount of the equalized assessed value of all taxable property annually as required by section 99.855, RSMo, and shall not have the effect of reducing the payments in lieu of taxes referred to in subdivision (2) of section 99.845, RSMo, unless such reduction is set forth in the plan approved by the governing body of the municipality pursuant to subdivision (1) of section 99.820, RSMo.

7. Any business existing in an enterprise zone on the effective date of this section shall recertify for the abatement and exemption. Effective August 28, 2004, any abatement or exemption provided for in this section on an individual parcel of real property shall cease after a period of thirty days of business closure, work stoppage, major reduction in force, or a significant change in the type of business conducted at that location. For the purposes of this subsection, "work stoppage" shall not include strike or lockout or time

44 necessary to retool a plant, and "major reduction in force" is defined as a seventy-five
45 percent or greater reduction. Any owner or new owner may reapply, but cannot receive
46 the abatement or exemption for any period of time beyond the original life of the enterprise
47 zone.

135.216. In addition to any other enterprise zones authorized in this chapter, the
2 department of economic development shall designate one enterprise zone within any county
3 of the third classification without a township form of government and with more than
4 thirty-one thousand but less than thirty-one thousand one hundred inhabitants. Such
5 enterprise zone designation shall only be made if the area that is to be included in the
6 enterprise zone meets all the requirements of section 135.205.

135.217. In addition to any other enterprise zones authorized under this chapter,
2 the department of economic development shall designate one enterprise zone that shall
3 have boundaries that are the same as any county of the third classification without a
4 township form of government and with more than thirteen thousand seventy-five but less
5 than thirteen thousand one hundred seventy-five inhabitants. Such enterprise zone
6 designation shall only be made if the area that is to be included in the enterprise zone meets
7 all the requirements of section 135.205.

135.218. In addition to any other enterprise zones authorized pursuant to this
2 chapter, the department of economic development shall designate one enterprise zone that
3 shall have boundaries that are the same as any city of the fourth classification with more
4 than five thousand four hundred but less than five thousand five hundred inhabitants and
5 located in more than one county. Such enterprise zone designation shall only be made if
6 the area that is to be included in the enterprise zone meets all the requirements of section
7 135.205.

135.219. In addition to any other enterprise zones authorized pursuant to this
2 chapter, the department of economic development shall designate one enterprise zone that
3 shall have boundaries that are the same as any city of the fourth classification with more
4 than four thousand three hundred but less than four thousand five hundred inhabitants
5 located in a county of the first classification with more than ninety-three thousand eight
6 hundred but less than ninety-three thousand nine hundred inhabitants. Such enterprise
7 zone designation shall only be made if the area that is to be included in the enterprise zone
8 meets all the requirements of section 135.205.

135.221. In addition to the number of enterprise zones authorized by the provisions
2 of this chapter the department of economic development shall designate one such zone in
3 every city of the fourth classification with more than thirteen thousand six hundred but less
4 than thirteen thousand eight hundred inhabitants which shall have boundaries abutting

5 an international airport and an interstate highway with specific boundaries to be
6 determined by the department of economic development in conjunction with the governing
7 authority of the city. Such designation shall only be made if the area in the city which is
8 to be included in the enterprise zone meets all the requirements of section 135.205.

135.261. In addition to all other enterprise zones authorized in this chapter, the
2 department of economic development shall designate one such zone in any county of the
3 third classification without a township form of government and with more than thirty-two
4 thousand five hundred but less than thirty-two thousand six hundred inhabitants. Such
5 enterprise zone designation shall only be made if such area which is to be included in the
6 enterprise zone meets all the requirements of section 135.205.

135.262. In addition to the number of enterprise zones authorized under the
2 provisions of sections 135.206 to 135.260, the department of economic development shall
3 designate any area that meets all the requirements of section 135.205 as an enterprise zone.

135.263. 1. In addition to any other enterprise zones authorized in this chapter, the
2 department of economic development shall designate one enterprise zone in the portions
3 of any city of the fourth classification with more than three thousand eight hundred but
4 less than four thousand inhabitants and located in more than one county and any home
5 rule city with more than one hundred thirteen thousand two hundred but less than one
6 hundred thirteen thousand three hundred inhabitants which include a political subdivision
7 that receives a portion of its funding from section 163.031, RSMo, and is located in part in
8 ay home rule city with more than four hundred thousand inhabitants and located in more
9 than one county. Such enterprise zone shall only be made if the area to be included in the
10 enterprise zone meets all the requirements of section 135.205.

11 2. In addition to any other enterprise zones authorized in this chapter, the
12 department of economic development shall designate one such zone in a city of the fourth
13 classification with more than thirty thousand three hundred but less than thirty thousand
14 seven hundred inhabitants. Such enterprise zone shall only be made if the area to be
15 included in the enterprise zone meets all the requirements of section 135.205.

135.286. 1. Notwithstanding any provision of law to the contrary, no
2 revenue-producing enterprise shall receive the state tax exemption, state tax credits, or
3 state tax refund as provided in sections 135.200 to 135.283 for facilities commencing
4 operations on or after January 1, 2005. This provision is not intended to affect in any way
5 the local real property tax abatement authorized by section 135.215.

6 2. Notwithstanding subsection 4 of section 135.215 to the contrary, if an exemption
7 pursuant to section 135.215 is granted on property prior to the expiration of the twenty-five
8 year anniversary of the designation of the enterprise zone, the property may continue to

9 **receive that exemption for up to twenty-five years following the date the exemption on that**
10 **property was granted, provided that the total number of years of exemption on that**
11 **property shall not exceed twenty-five.**

135.530. For the purposes of sections 100.010, 100.710 and 100.850, RSMo, sections
2 135.110, 135.200, 135.258, 135.313, 135.403, 135.405, 135.503, 135.530 and 135.545, section
3 215.030, RSMo, sections 348.300 and 348.302, RSMo, and sections 620.1400 to 620.1460,
4 RSMo, "distressed community" means either a Missouri municipality within a metropolitan
5 statistical area which has a median household income of under seventy percent of the median
6 household income for the metropolitan statistical area, according to the last decennial census, or
7 a United States census block group or contiguous group of block groups within a metropolitan
8 statistical area which has a population of at least [two thousand] five hundred, and each block
9 group having a median household income of under seventy percent of the median household
10 income for the metropolitan area in Missouri, according to the last decennial census. In addition
11 the definition shall include municipalities not in a metropolitan statistical area, with a median
12 household income of under seventy percent of the median household income for the
13 nonmetropolitan areas in Missouri according to the last decennial census or a census block group
14 or contiguous group of block groups which has a population of at least two thousand five
15 hundred each block group having a median household income of under seventy percent of the
16 median household income for the nonmetropolitan areas of Missouri, according to the last
17 decennial census. **In metropolitan statistical areas, the definition shall include areas that**
18 **are designated as either a federal empowerment zone; or a federal enhanced enterprise**
19 **community; or a state enterprise zone that was originally designated before January 1,**
20 **1986, but shall not include expansions of such state enterprise zones done after March 16,**
21 **1988.**

135.536. For all tax years beginning on or after January 1, 2005, no tax credits shall
2 **be approved, awarded, or issued to any person or entity claiming any tax credit under**
3 **section 135.535.**

135.546. For all tax years beginning on or after January 1, 2005, no tax credits shall
2 **be approved, awarded, or issued to any person or entity claiming any tax credit under**
3 **section 135.545.**

135.900. As used in sections 135.900 to 135.910, the following terms mean:

- 2 (1) "Department", the department of economic development;
- 3 (2) "Director", the director of the department of economic development;
- 4 (3) "Earned income", all income not derived from retirement accounts, pensions,
5 or transfer payments;

- 6 **(4) "New business facility", the same meaning as such term is defined in section**
7 **135.100; except that the term "lease" as used therein shall not include the leasing of**
8 **property defined in paragraph (d) of subdivision (6) of this section;**
- 9 **(5) "Population", all residents living in an area who are not enrolled in any course**
10 **at a college or university in the area;**
- 11 **(6) "Revenue-producing enterprise":**
- 12 **(a) Manufacturing activities classified as SICs 20 through 39;**
- 13 **(b) Agricultural activities classified as SIC 025;**
- 14 **(c) Rail transportation terminal activities classified as SIC 4013;**
- 15 **(d) Renting or leasing of residential property to low- and moderate-income persons**
16 **as defined in 42 U.S.C.A. 5302(a)(20);**
- 17 **(e) Motor freight transportation terminal activities classified as SIC 4231;**
- 18 **(f) Public warehousing and storage activities classified as SICs 422 and 423 except**
19 **SIC 4221, miniwarehouse warehousing and warehousing self-storage;**
- 20 **(g) Water transportation terminal activities classified as SIC 4491;**
- 21 **(h) Airports, flying fields, and airport terminal services classified as SIC 4581;**
- 22 **(i) Wholesale trade activities classified as SICs 50 and 51;**
- 23 **(j) Insurance carriers activities classified as SICs 631, 632, and 633;**
- 24 **(k) Research and development activities classified as SIC 873, except 8733;**
- 25 **(l) Farm implement dealer activities classified as SIC 5999;**
- 26 **(m) Employment agency activities classified as SIC 7361;**
- 27 **(n) Computer programming, data processing, and other computer-related activities**
28 **classified as SIC 737;**
- 29 **(o) Health service activities classified as SICs 801, 802, 803, 804, 806, 807, 8092, and**
30 **8093;**
- 31 **(p) Interexchange telecommunications as defined in subdivision (20) of section**
32 **386.020, RSMo, or training activities conducted by an interexchange telecommunications**
33 **company as defined in subdivision (19) of section 386.020, RSMo;**
- 34 **(q) Recycling activities classified as SIC 5093;**
- 35 **(r) Banking activities classified as SICs 602 and 603;**
- 36 **(s) Office activities as defined in subdivision (8) of section 135.100, notwithstanding**
37 **SIC classification;**
- 38 **(t) Mining activities classified as SICs 10 through 14;**
- 39 **(u) The administrative management of any of the foregoing activities; or**
- 40 **(v) Any combination of any of the foregoing activities;**

41 **(8) "SIC", the standard industrial classification as such classifications are defined**
42 **in the 1987 edition of the standard industrial classification manual as prepared by the**
43 **executive office of the president, office of management and budget;**

44 **(9) "Transfer payments", payments made under Medicaid, Medicare, Social**
45 **Security, child support or custody agreements, and separation agreements.**

135.903. 1. To qualify as a rural empowerment zone, an area shall meet all the
2 **following criteria:**

3 **(1) The area is one of pervasive poverty, unemployment, and general distress;**

4 **(2) At least sixty-five percent of the population has earned income below eighty**
5 **percent of the median income of all residents within the state according to the last**
6 **decennial census or other appropriate source as approved by the director;**

7 **(3) The population of the area is at least four hundred but not more than three**
8 **thousand five hundred at the time of designation as a rural empowerment zone;**

9 **(4) The level of unemployment of persons, according to the most recent data**
10 **available from the division of employment security or from the United States Bureau of**
11 **Census and approved by the director, within the area exceeds one and one-half times the**
12 **average rate of unemployment for the state of Missouri over the previous twelve months,**
13 **or the percentage of area residents employed on a full-time basis is less than fifty percent**
14 **of the statewide percentage of residents employed on a full-time basis;**

15 **(5) The area is situated more than ten miles from any existing rural empowerment**
16 **zone;**

17 **(6) The area is situated in a third or fourth class county; and**

18 **(7) The area is not situated in an existing enterprise zone.**

19 **2. The governing body of any county in which an area may be designated a rural**
20 **empowerment zone shall submit to the department an application showing that the area**
21 **complies with the requirements of subsection 1 of this section. The department shall**
22 **declare the area a rural empowerment zone if upon investigation the department finds that**
23 **the area meets the requirements of subsection 1 of this section. If the area is found not to**
24 **meet the requirements, the governing body shall have the opportunity to submit another**
25 **application for designation as a rural empowerment zone and the department shall**
26 **designate the area a rural empowerment zone if upon investigation the department finds**
27 **that the area meets the requirements of subsection 1 of this section.**

135.910. All of the Missouri taxable income attributed to a new business facility in
2 **a rural empowerment zone which is earned by a taxpayer establishing and operating a new**
3 **business facility located within a rural empowerment zone shall be exempt from taxation**
4 **under chapter 143, RSMo, if such new business facility is responsible for the creation of**

5 ten new full-time jobs in the zone within one year from the date on which the tax abatement
6 begins. All of the Missouri taxable income attributed to a revenue-producing enterprise
7 in a rural empowerment zone which is earned by a taxpayer operating a revenue-
8 producing enterprise located within a rural empowerment zone and employing nineteen
9 or fewer full-time employees shall be exempt from taxation under chapter 143, RSMo, if
10 such revenue-producing enterprise is responsible for the creation of five new full-time jobs
11 in the zone within one year from the date on which the tax abatement begins. All of the
12 Missouri taxable income attributed to a revenue-producing enterprise in a rural
13 empowerment zone which is earned by a taxpayer operating a revenue-producing
14 enterprise located within a rural empowerment zone and employing twenty or more full-
15 time employees shall be exempt from taxation under chapter 143, RSMo, if such revenue-
16 producing enterprise is responsible for the creation of a number of new full-time jobs in
17 the zone equal to twenty-five percent of the number of full-time employees employed by the
18 revenue-producing enterprise on the date on which tax abatement begins within one year
19 from the date on which the tax abatement begins.

135.911. The provisions of sections 135.900 to 135.910 shall expire on August 28,
2 2014.

135.1050. The following terms, whenever used in sections 135.1050 to 135.1075
2 mean:

3 (1) "Blighted area", an area which by reason of the predominance of defective or
4 inadequate street layout, unsanitary or unsafe conditions, deterioration of site
5 improvements, improper subdivision or obsolete platting, or the existence of conditions
6 which endanger life or property by fire and other causes, or any combination of such
7 factors, retards the provision of housing accommodations or constitutes an economic or
8 social liability or a menace to the public health, safety, morals, or welfare in its present
9 condition and use;

10 (2) "Board", an enhanced enterprise zone board established under section
11 135.1057;

12 (3) "Commencement of commercial operations", shall be deemed to occur during
13 the first taxable year for which the new business facility is first put into use by the taxpayer
14 in the enhanced business enterprise in which the taxpayer intends to use the new business
15 facility;

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

17 (5) "Director", the director of the department of economic development;

18 (6) "Employee", A person employed by the enhanced business enterprise on:

19 (a) A regular, full-time basis;

20 **(b) A part-time basis, provided such person is customarily performing such duties**
21 **an average of at least twenty hours per week; or**

22 **(c) A seasonal basis, provided such person performs such duties for at least eighty**
23 **percent of the season customary for the position in which such person is employed;**

24 **(7) "Enhanced business enterprise", an industry or one of a cluster of industries**
25 **that is either:**

26 **(a) Identified by the department as critical to the state's economic security and**
27 **growth; or**

28 **(b) Will have an impact on industry cluster development, as identified by the**
29 **governing authority in its application for designation of an enhanced enterprise zone and**
30 **approved by the department, but excluding gambling establishments (NAICS industry**
31 **group 7132), retail trade (NAICS sectors 44 and 45) and food and drinking places (NAICS**
32 **subsector 722). A service industry shall be eligible only if a majority of its annual revenues**
33 **will be derived from services provided out of the state;**

34 **(8) "Existing business facility", any facility in this state that was employed by the**
35 **taxpayer claiming the credit in the operation of an enhanced business enterprise**
36 **immediately prior to an expansion, acquisition, addition, or replacement;**

37 **(9) "Facility", any building used as an enhanced business enterprise located within**
38 **an enhanced enterprise zone including the land on which the facility is located and all**
39 **machinery, equipment, and other real and depreciable tangible personal property acquired**
40 **for use at and located at or within such facility and used in connection with the operation**
41 **of such facility;**

42 **(10) "Governing authority", the body holding primary legislative authority over**
43 **a county or incorporated municipality;**

44 **(11) "NAICS", the 1997 edition of the North American Industry Classification**
45 **System as prepared by the Executive Office of the President, Office of Management and**
46 **Budget. Any NAICS sector, subsector, industry group, or industry identified in this section**
47 **shall include its corresponding classification in subsequent federal industry classification**
48 **systems;**

49 **(12) "New business facility", a facility that satisfies the following requirements:**

50 **(a) Such facility is employed by the taxpayer in the operation of an enhanced**
51 **business enterprise. Such facility shall not be considered a new business facility in the**
52 **hands of the taxpayer if the taxpayer's only activity with respect to such facility is to lease**
53 **it to another person or persons. If the taxpayer employs only a portion of such facility in**
54 **the operation of an enhanced business enterprise, and leases another portion of such**
55 **facility to another person or persons or does not otherwise use such other portions in the**

56 operation of an enhanced business enterprise, the portion employed by the taxpayer in the
57 operation of an enhanced business enterprise shall be considered a new business facility,
58 if the requirements of paragraphs (b), (c), and (d) of this subdivision are satisfied;

59 (b) Such facility is acquired by or leased to the taxpayer after December 31, 2004.
60 A facility shall be deemed to have been acquired by or leased to the taxpayer after
61 December 31, 2004, if the transfer of title to the taxpayer, the transfer of possession under
62 a binding contract to transfer title to the taxpayer, or the commencement of the term of the
63 lease to the taxpayer occurs after December 31, 2004;

64 (c) If such facility was acquired by the taxpayer from another taxpayer and such
65 facility was employed immediately prior to the acquisition by another taxpayer in the
66 operation of an enhanced business enterprise, the operation of the same or a substantially
67 similar enhanced business enterprise is not continued by the taxpayer at such facility; and

68 (d) Such facility is not a replacement business facility, as defined in subdivision (16)
69 of this section;

70 (13) "New business facility employee", an employee of the taxpayer in the operation
71 of a new business facility, except that truck drivers and rail and barge vehicle operators
72 and other operators of rolling stock for hire shall not constitute new business facility
73 employees;

74 (14) "New business facility investment", the value of real and depreciable tangible
75 personal property, acquired by the taxpayer as part of the new business facility that is used
76 by the taxpayer in the operation of the new business facility, except that trucks,
77 truck-trailers, truck semitrailers, rail vehicles, barge vehicles, aircraft and other rolling
78 stock for hire, track, switches, barges, bridges, tunnels, and rail yards and spurs shall not
79 constitute new business facility investments. The total value of such property during such
80 taxable year shall be:

81 (a) Its original cost if owned by the taxpayer; or

82 (b) Eight times the net annual rental rate, if leased by the taxpayer. The net annual
83 rental rate shall be the annual rental rate paid by the taxpayer less any annual rental rate
84 received by the taxpayer from subrentals. The new business facility investment shall be
85 determined by dividing by twelve the sum of the total value of such property on the last
86 business day of each calendar month of the taxable year. If the new business facility is in
87 operation for less than an entire taxable year, the new business facility investment shall be
88 determined by dividing the sum of the total value of such property on the last business day
89 of each full calendar month during the portion of such taxable year during which the new
90 business facility was in operation by the number of full calendar months during such
91 period;

92 **(15) "Related taxpayer":**

93 **(a) A corporation, partnership, trust, or association controlled by the taxpayer;**

94 **(b) An individual, corporation, partnership, trust, or association in control of the**
95 **taxpayer; or**

96 **(c) A corporation, partnership, trust, or association controlled by an individual,**
97 **corporation, partnership, trust or association in control of the taxpayer. "Control of a**
98 **corporation" shall mean ownership, directly or indirectly, of stock possessing at least fifty**
99 **percent of the total combined voting power of all classes of stock entitled to vote, "control**
100 **of a partnership or association" shall mean ownership of at least fifty percent of the capital**
101 **or profits interest in such partnership or association, and "control of a trust" shall mean**
102 **ownership, directly or indirectly, of at least fifty percent of the beneficial interest in the**
103 **principal or income of such trust; ownership shall be determined as provided in Section**
104 **318 of the Internal Revenue Code of 1986, as amended;**

105 **(16) "Replacement business facility", a facility otherwise described in subdivision**
106 **(12) of this section, hereafter referred to in this subdivision as "new facility", which**
107 **replaces another facility, hereafter referred to in this subdivision as "old facility", located**
108 **within the state, which the taxpayer or a related taxpayer previously operated but**
109 **discontinued operating on or before the close of the first taxable year for which the credit**
110 **allowed by this section is claimed. A new facility shall be deemed to replace an old facility**
111 **if the following conditions are met:**

112 **(a) The old facility was operated by the taxpayer or a related taxpayer during the**
113 **taxpayer's or related taxpayer's taxable period immediately preceding the taxable year in**
114 **which commencement of commercial operations occurs at the new facility; and**

115 **(b) The old facility was employed by the taxpayer or a related taxpayer in the**
116 **operation of an enhanced business enterprise and the taxpayer continues the operation of**
117 **the same or substantially similar enhanced business enterprise at the new facility.**

118

119 **Notwithstanding the preceding provisions of this subdivision, a facility shall not be**
120 **considered a replacement business facility if the taxpayer's new business facility investment**
121 **as computed in subdivision (14) of this section in the new facility exceeds one million**
122 **dollars and if the total number of employees at the new facility exceeds the total number**
123 **of employees at the old facility by at least two;**

124 **(17) "Same or substantially similar enhanced business enterprise", an enhanced**
125 **business enterprise in which the products produced or sold, or activities conducted, are**
126 **similar in character and use to those of another enhanced business enterprise or the**

127 products produced or sold or activities conducted are produced, sold, or conducted in the
128 same or similar manner as in another enhanced business enterprise.

135.1055. 1. For purposes of sections 135.1050 to 135.1075, an area shall meet the
2 following criteria in order to qualify as an enhanced enterprise zone:

3 (1) The area shall be a blighted area, have pervasive poverty, unemployment and
4 general distress; and

5 (2) At least sixty percent of the residents living in the area have incomes below
6 ninety percent of the median income of all residents:

7 (a) Within the state of Missouri, according to the last decennial census or other
8 appropriate source as approved by the director; or

9 (b) Within the county or city not within a county in which the area is located,
10 according to the last decennial census or other appropriate source as approved by the
11 director; and

12 (3) The resident population of the area shall be at least five hundred but not more
13 than one hundred thousand at the time of designation as an enhanced enterprise zone if the
14 area lies within a metropolitan statistical area, as established by the United States Census
15 Bureau, or if the area does not lie within a metropolitan statistical area, the resident
16 population of the area at the time of designation shall be at least five hundred but not more
17 than forty thousand inhabitants. If the population of the jurisdiction of the governing
18 authority does not meet the minimum population requirements set forth in this subdivision,
19 the population of the area shall be at least fifty percent of the population of the jurisdiction.
20 However, no enhanced enterprise zone shall be created that consists of the total area within
21 the political boundaries of a county; and

22 (4) The level of unemployment of persons according to the most recent data
23 available from the United States Bureau of Census and approved by the director within the
24 area is equal to or exceeds the average rate of unemployment for:

25 (a) The state of Missouri over the previous twelve months; or

26 (b) The county or city not within a county over the previous twelve months.

27 2. Notwithstanding the requirements of subsection 1 of this section to the contrary,
28 an enhanced enterprise zone may be established in an area located within a county for
29 which public and individual assistance has been requested by the governor under Section
30 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121
31 et seq., for an emergency proclaimed by the governor under section 44.100, RSMo, due to
32 a natural disaster of major proportions, if the area to be designated is blighted and
33 sustained severe damage as a result of such natural disaster, as determined by the state
34 emergency management agency. An application for designation as an enhanced enterprise

35 zone under this subsection shall be made before the expiration of one year from the date
36 the governor requested federal relief for the area sought to be designated.

37 3. Notwithstanding the requirements of subsection 1 of this section to the contrary,
38 an enhanced enterprise zone may be designated in a county of declining population if it
39 meets the requirements of subdivisions (1) and (3), and either subdivision (2) or (4) of
40 subsection 1 of this section. For the purposes of this subsection a "county of declining
41 population" is one that has lost one percent or more of its population as demonstrated by
42 comparing the most recent decennial census population to the next most recent decennial
43 census population for the county.

44 4. In addition to meeting the requirements of subsection 1, 2, or 3 of this section,
45 an area, to qualify as an enhanced enterprise zone shall be demonstrated by the governing
46 authority to have either:

- 47 (1) The potential to create sustainable jobs in a targeted industry; or
48 (2) A demonstrated impact on industry cluster development.

135.1057. 1. A governing authority planning to seek designation of an enhanced
2 enterprise zone shall establish an enhanced enterprise zone board. The number of
3 members on the board shall be seven. One member of the board shall be appointed by the
4 school district or districts located within the area proposed for designation as an enhanced
5 enterprise zone. One member of the board shall be appointed by other affected taxing
6 districts. The remaining five members shall be chosen by the chief elected official of the
7 county or municipality.

8 2. The school district member and the affected taxing district member shall each
9 have initial terms of five years. Of the five members appointed by the chief elected official,
10 two shall have initial terms of four years, two shall have initial terms of three years, and
11 one shall have an initial term of two years. Thereafter, members shall serve terms of five
12 years. Each commissioner shall hold office until a successor has been appointed. All
13 vacancies shall be filled in the same manner as the original appointment. For inefficiency
14 or neglect of duty or misconduct in office, a member of the board may be removed by the
15 applicable appointing authority.

16 3. A majority of the members shall constitute a quorum of such board for the
17 purpose of conducting business and exercising the powers of the board and for all other
18 purposes. Action may be taken by the board upon a vote of a majority of the members
19 present.

20 4. The members of the board annually shall elect a chair from among the members.

21 5. The role of the board shall be to conduct the activities necessary to advise the
22 governing authority on the designation of an enhanced enterprise zone and any other

23 advisory duties as determined by the governing authority. The role of the board after the
24 designation of an enhanced enterprise zone shall be review and assess the status zone
25 activities which the enhanced enterprise zone is required to report on annually under
26 section 135.1060.

135.1060. 1. Any governing authority that desires to have any portion of a city or
2 unincorporated area of a county under its control designated as an enhanced enterprise
3 zone shall hold a public hearing for the purpose of obtaining the opinion and suggestions
4 of those persons who will be affected by such designation. The governing authority shall
5 notify the director of such hearing at least thirty days prior thereto and shall publish notice
6 of such hearing in a newspaper of general circulation in the area to be affected by such
7 designation at least twenty days prior to the date of the hearing but not more than thirty
8 days prior to such hearing. Such notice shall state the time, location, date, and purpose of
9 the hearing. The director, or the director's designee, shall attend such hearing.

10 2. After a public hearing is held as required in subsection 1 of this section, the
11 governing authority may file a petition with the department requesting the designation of
12 a specific area as an enhanced enterprise zone. Such petition shall include, in addition to
13 a description of the physical, social, and economic characteristics of the area:

14 (1) A plan to provide adequate police protection within the area;

15 (2) A specific and practical process for individual businesses to obtain waivers from
16 burdensome local regulations, ordinances, and orders that serve to discourage economic
17 development within the area to be designated an enhanced enterprise zone, except that
18 such waivers shall not substantially endanger the health or safety of the employees of any
19 such business or the residents of the area;

20 (3) A description of what other specific actions will be taken to support and
21 encourage private investment within the area;

22 (4) A plan to ensure that resources are available to assist area residents to
23 participate in increased development through self-help efforts and in ameliorating any
24 negative effects of designation of the area as an enhanced enterprise zone;

25 (5) A statement describing the projected positive and negative effects of designation
26 of the area as an enhanced enterprise zone;

27 (6) A specific plan to provide assistance to any person or business dislocated as a
28 result of activities within the enhanced enterprise zone. Such plan shall determine the need
29 of dislocated persons for relocation assistance; provide, prior to displacement, information
30 about the type, location, and price of comparable housing or commercial property; provide
31 information concerning state and federal programs for relocation assistance and provide
32 other advisory services to displaced persons. Public agencies may choose to provide

33 assistance under the Uniform Relocation and Real Property Acquisition Act, 42 U.S.C.
34 section 4601, et seq., to meet the requirements of this subdivision; and

35 (7) A description or plan that demonstrates the requirements of subsection 2 of
36 section 135.1055.

37 3. An enhanced enterprise zone designation shall be effective upon such approval
38 by the department and shall expire in twenty-five years.

39 4. Each designated enhanced enterprise zone board shall report to the director on
40 an annual basis regarding the status of the zone and business activity within the zone.

135.1065. 1. Improvements made to "real property" as such term is defined in
2 section 137.010, RSMo, that are made in an enhanced enterprise zone subsequent to the
3 date such zone or expansion to the zone was designated, may upon approval of an
4 authorizing resolution by the governing authority having jurisdiction of the area in which
5 the improvements are made be exempt in whole or in part from assessment and payment
6 of ad valorem taxes of one or more affected political subdivisions. This exemption shall
7 become effective on the date on which such improvements are assessed.

8 2. Such authorizing resolution shall specify the percent of the exemption to be
9 granted, the duration of the exemption to be granted, and the political subdivisions to
10 which such exemption is to apply and any other terms, conditions, or stipulations otherwise
11 required. A copy of the resolution shall be provided to the director within thirty calendar
12 days following adoption of the resolution by the governing authority.

13 3. No exemption shall be granted until the governing authority holds a public
14 hearing for the purpose of obtaining the opinions and suggestions of residents of political
15 subdivisions to be affected by the exemption from property taxes. The governing authority
16 shall send by certified mail a notice of such hearing to each political subdivision in the area
17 to be affected and shall publish notice of such hearing in a newspaper of general circulation
18 in the area to be affected by the exemption at least twenty days prior to the hearing but not
19 more than thirty days prior to the hearing. Such notice shall state the time, location, date,
20 and purpose of the hearing.

21 4. Notwithstanding subsection 1 of this section, at least one-half of the ad valorem
22 taxes otherwise imposed on subsequent improvements to real property located in an
23 enhanced enterprise zone shall become and remain exempt from assessment and payment
24 of ad valorem taxes of any political subdivision of this state or municipality thereof for a
25 period of not less than ten years following the date such improvements were assessed,
26 provided the improved properties are used for enhanced business enterprises.

27 5. No exemption shall be granted for a period more than twenty-five years following
28 the date on which the improvements were first assessed.

29 **6. The provisions of subsection 1 of this section shall not apply to improvements**
30 **made to real property begun prior to August 28, 2004.**

31 **7. The abatement referred to in this section shall not relieve the assessor or other**
32 **responsible official from ascertaining the amount of the equalized assessed value of all**
33 **taxable property annually as required by section 99.855, 99.957, or 99.1042, RSMo, and**
34 **shall not have the effect of reducing the payments in lieu of taxes referred to in subdivision**
35 **(2) of subsection 1 of section 99.845, RSMo, subdivision (2) of subsection 3 of section**
36 **99.957, RSMo, or subdivision (2) of subsection 3 of section 99.1042, RSMo, unless such**
37 **reduction is set forth in the plan approved by the governing body of the municipality under**
38 **subdivision (1) of section 99.820, section 99.942, or section 99.1027, RSMo.**

135.1070. 1. A taxpayer who establishes a new business facility may, upon approval
2 **by the department, be allowed a credit each tax year for up to ten tax years in an amount**
3 **determined as set forth in this section, against the tax imposed by chapter 143, RSMo,**
4 **excluding withholding tax imposed by sections 143.191 to 143.265, RSMo. No taxpayer**
5 **shall receive multiple ten-year periods for subsequent expansions at the same facility.**

6 **2. Notwithstanding any provision of law to the contrary, any taxpayer who**
7 **establishes a new business facility in an enhanced enterprise zone and is awarded state tax**
8 **credits under this section shall not also receive tax credits under sections 135.100 to**
9 **135.150, sections 135.200 to 135.268, or section 135.535.**

10 **3. No credit shall be issued under this section unless:**

11 **(1) The number of new business facility employees engaged or maintained in**
12 **employment at the new business facility for the taxable year for which the credit is claimed**
13 **equals or exceeds two; and**

14 **(2) The new business facility investment for the taxable year for which the credit**
15 **is claimed equals or exceeds one hundred thousand dollars.**

16 **4. The annual amount of credits allowed for an approved enhanced business**
17 **enterprise shall be the lesser of:**

18 **(1) The annual amount authorized by the department for the enhanced business**
19 **enterprise, which shall be limited to the projected state economic benefit, as determined by**
20 **the department; or**

21 **(2) The sum calculated based upon the following:**

22 **(a) A credit of four hundred dollars for each new business facility employee**
23 **employed within an enhanced enterprise zone;**

24 **(b) An additional credit of four hundred dollars for each new business facility**
25 **employee who is a resident of an enhanced enterprise zone;**

26 (c) An additional credit of four hundred dollars for each new business facility
27 employee who is paid by the enhanced business enterprise a wage that exceeds the average
28 wage paid within the county in which the facility is located, as determined by the
29 department; and

30 (d) A credit equal to two percent of new business facility investment within an
31 enhanced enterprise zone.

32 5. In no event shall the department authorize more than seven million dollars
33 annually to be issued for all enhanced business enterprises.

34 6. If a facility, that does not constitute a new business facility, is expanded by the
35 taxpayer, the expansion shall be considered eligible for the credit allowed by this section
36 if:

37 (1) The taxpayer's new business facility investment in the expansion during the tax
38 period in which the credits allowed in this section are claimed exceeds one hundred
39 thousand dollars and if the number of new business facility employees engaged or
40 maintained in employment at the expansion facility for the taxable year for which credit
41 is claimed equals or exceeds two, and the total number of employees at the facility after the
42 expansion is at least two greater than the total number of employees before the expansion;
43 and

44 (2) The taxpayer's investment in the expansion and in the original facility prior to
45 expansion shall be determined in the manner provided in subdivision (12) of section
46 135.1050.

47 7. The number of new business facility employees during any taxable year shall be
48 determined by dividing by twelve the sum of the number of individuals employed on the
49 last business day of each month of such taxable year. If the new business facility is in
50 operation for less than the entire taxable year, the number of new business facility
51 employees shall be determined by dividing the sum of the number of individuals employed
52 on the last business day of each full calendar month during the portion of such taxable year
53 during which the new business facility was in operation by the number of full calendar
54 months during such period. For the purpose of computing the credit allowed by this
55 section in the case of a facility that qualifies as an expanded business facility under
56 subsection 6 of this section, and in the case of a new business facility that satisfies the
57 requirements of paragraph (c) of subdivision (12) of section 135.1050, or subdivision (14)
58 of section 135.1050, the number of new business facility employees at such facility shall be
59 reduced by the average number of individuals employed computed as provided in this
60 subsection at the facility during the taxable year immediately preceding the taxable year
61 in which such expansion, acquisition, or replacement occurred and shall further be reduced

62 by the number of individuals employed by the taxpayer or related taxpayer that was
63 subsequently transferred to the new business facility from another Missouri facility and
64 for which credits authorized in this section are not being earned, whether such credits are
65 earned because of an expansion, acquisition, relocation, or the establishment of a new
66 facility.

67 **8.** In the case where a new business facility employee who is a resident of an
68 enhanced enterprise zone for less than a twelve-month period is employed for less than a
69 twelve-month period, the credit allowed by paragraph (b) of subdivision (2) of subsection
70 4 of this section shall be determined by multiplying four hundred dollars by a fraction, the
71 numerator of which is the number of calendar days during the taxpayer's tax year for
72 which such credits are claimed, in which the employee was a resident of an enhanced
73 enterprise zone, and the denominator of which is three hundred sixty-five.

74 **9.** For the purpose of computing the credit allowed by this section in the case of a
75 facility that qualifies as a new business facility under subsection 6 of this section, and in the
76 case of a new business facility that satisfies the requirements of paragraph (c) of
77 subdivision (12) or subdivision (16) of section 135.1050, the amount of the taxpayer's new
78 business facility investment in such facility shall be reduced by the average amount,
79 computed as provided in subdivision (14) of section 135.1050 for new business facility
80 investment, of the investment of the taxpayer, or related taxpayer immediately preceding
81 such expansion or replacement or at the time of acquisition. In addition, the amount of the
82 taxpayer's new business facility investment shall be reduced by the amount of investment
83 employed by the taxpayer or related taxpayer that was subsequently transferred to the new
84 business facility from another Missouri facility and for which credits authorized in this
85 section are not being earned, whether such credits are earned because of an expansion,
86 acquisition, relocation, or the establishment of a new facility.

87 **10.** For a taxpayer with flow-through tax treatment to its members, partners, or
88 shareholders, the credit shall be allowed to members, partners, or shareholders in
89 proportion to their share of ownership on the last day of the taxpayer's tax period.

90 **11.** Credits may not be carried forward but shall be claimed for the taxable year
91 during which commencement of commercial operations occurs at such new business
92 facility, and for each of the nine succeeding taxable years for which the credit is issued.

93 **12.** Certificates of tax credit authorized by this section may be transferred, sold, or
94 assigned by filing a notarized endorsement thereof with the department that names the
95 transferee, the amount of tax credit transferred, and the value received for the credit, as
96 well as any other information reasonably requested by the department. The sale price
97 cannot be less than seventy-five percent of the par value of such credits.

98 **13. The director of revenue shall issue a refund to the taxpayer to the extent that**
99 **the amount of credits allowed in this section exceeds the amount of the taxpayer's income**
100 **tax.**

135.1075. The department may adopt such rules, statements of policy, procedures,
2 **forms, and guidelines as may be necessary to carry out the provisions of sections 135.1050**
3 **to 135.1070. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,**
4 **that is created under the authority delegated in this section shall become effective only if**
5 **it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if**
6 **applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable**
7 **and if any of the powers vested with the general assembly under chapter 536, RSMo, to**
8 **review, to delay the effective date, or to disapprove and annul a rule are subsequently held**
9 **unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted**
10 **after August 28, 2004, shall be invalid and void.**

135.1077. Under section 23.253, RSMo, of the Missouri Sunset Act:

2 **(1) The provisions of the new program authorized under sections 135.1055 to**
3 **135.1075 shall automatically sunset six years after the effective date of sections 135.1055**
4 **to 135.1075 unless reauthorized by an act of the general assembly; and**

5 **(2) If such program is reauthorized, the program authorized under sections**
6 **135.1055 to shall automatically sunset twelve years after the effective date of the**
7 **reauthorization of sections 135.1055 to 135.1075; and**

8 **(3) Sections 135.1055 to 135.1075 shall terminate on September first of the calendar**
9 **year immediately following the calendar year in which the program authorized under**
10 **sections 135.1055 to 135.1075 is sunset.**

 144.030. 1. There is hereby specifically exempted from the provisions of sections
2 144.010 to 144.525 and from the computation of the tax levied, assessed or payable pursuant to
3 sections 144.010 to 144.525 such retail sales as may be made in commerce between this state and
4 any other state of the United States, or between this state and any foreign country, and any retail
5 sale which the state of Missouri is prohibited from taxing pursuant to the Constitution or laws
6 of the United States of America, and such retail sales of tangible personal property which the
7 general assembly of the state of Missouri is prohibited from taxing or further taxing by the
8 constitution of this state.

9 2. There are also specifically exempted from the provisions of the local sales tax law as
10 defined in section 32.085, RSMo, section 238.235, RSMo, and sections 144.010 to 144.525 and
11 144.600 to 144.745 and from the computation of the tax levied, assessed or payable pursuant to
12 the local sales tax law as defined in section 32.085, RSMo, section 238.235, RSMo, and sections
13 144.010 to 144.525 and 144.600 to 144.745:

14 (1) Motor fuel or special fuel subject to an excise tax of this state, unless all or part of
15 such excise tax is refunded pursuant to section 142.584, RSMo; or upon the sale at retail of fuel
16 to be consumed in manufacturing or creating gas, power, steam, electrical current or in furnishing
17 water to be sold ultimately at retail; or feed for livestock or poultry; or grain to be converted into
18 foodstuffs which are to be sold ultimately in processed form at retail; or seed, limestone or
19 fertilizer which is to be used for seeding, liming or fertilizing crops which when harvested will
20 be sold at retail or will be fed to livestock or poultry to be sold ultimately in processed form at
21 retail; economic poisons registered pursuant to the provisions of the Missouri pesticide
22 registration law (sections 281.220 to 281.310, RSMo) which are to be used in connection with
23 the growth or production of crops, fruit trees or orchards applied before, during, or after planting,
24 the crop of which when harvested will be sold at retail or will be converted into foodstuffs which
25 are to be sold ultimately in processed form at retail;

26 (2) Materials, manufactured goods, machinery and parts which when used in
27 manufacturing, processing, compounding, mining, producing or fabricating become a component
28 part or ingredient of the new personal property resulting from such manufacturing, processing,
29 compounding, mining, producing or fabricating and which new personal property is intended to
30 be sold ultimately for final use or consumption; and materials, including without limitation, gases
31 and manufactured goods, including without limitation, slagging materials and firebrick, which
32 are ultimately consumed in the manufacturing process by blending, reacting or interacting with
33 or by becoming, in whole or in part, component parts or ingredients of steel products intended
34 to be sold ultimately for final use or consumption;

35 (3) Materials, replacement parts and equipment purchased for use directly upon, and for
36 the repair and maintenance or manufacture of, motor vehicles, watercraft, railroad rolling stock
37 or aircraft engaged as common carriers of persons or property;

38 (4) Replacement machinery, equipment, and parts and the materials and supplies solely
39 required for the installation or construction of such replacement machinery, equipment, and parts,
40 used directly in manufacturing, mining, fabricating or producing a product which is intended to
41 be sold ultimately for final use or consumption; and machinery and equipment, and the materials
42 and supplies required solely for the operation, installation or construction of such machinery and
43 equipment, purchased and used to establish new, or to replace or expand existing, material
44 recovery processing plants in this state. For the purposes of this subdivision, a "material recovery
45 processing plant" means a facility which converts recovered materials into a new product, or a
46 different form which is used in producing a new product, and shall include a facility or
47 equipment which is used exclusively for the collection of recovered materials for delivery to a
48 material recovery processing plant but shall not include motor vehicles used on highways. For

49 purposes of this section, the terms "motor vehicle" and "highway" shall have the same meaning
50 pursuant to section 301.010, RSMo;

51 (5) Machinery and equipment, and parts and the materials and supplies solely required
52 for the installation or construction of such machinery and equipment, purchased and used to
53 establish new or to expand existing manufacturing, mining or fabricating plants in the state if
54 such machinery and equipment is used directly in manufacturing, mining or fabricating a product
55 which is intended to be sold ultimately for final use or consumption;

56 (6) Tangible personal property which is used exclusively in the manufacturing,
57 processing, modification or assembling of products sold to the United States government or to
58 any agency of the United States government;

59 (7) Animals or poultry used for breeding or feeding purposes;

60 (8) Newsprint, ink, computers, photosensitive paper and film, toner, printing plates and
61 other machinery, equipment, replacement parts and supplies used in producing newspapers
62 published for dissemination of news to the general public, **provided, however, that this**
63 **exemption shall not apply to the purchase of said products by a publicly traded company,**
64 **if said company, or its parent company, has annual operating revenues in excess of two**
65 **hundred fifty million dollars and a Missouri based average daily newspaper circulation in**
66 **excess of two hundred thousand;**

67 (9) The rentals of films, records or any type of sound or picture transcriptions for public
68 commercial display;

69 (10) Pumping machinery and equipment used to propel products delivered by pipelines
70 engaged as common carriers;

71 (11) Railroad rolling stock for use in transporting persons or property in interstate
72 commerce and motor vehicles licensed for a gross weight of twenty-four thousand pounds or
73 more or trailers used by common carriers, as defined in section 390.020, RSMo, solely in the
74 transportation of persons or property in interstate commerce;

75 (12) Electrical energy used in the actual primary manufacture, processing, compounding,
76 mining or producing of a product, or electrical energy used in the actual secondary processing
77 or fabricating of the product, or a material recovery processing plant as defined in subdivision
78 (4) of this subsection, in facilities owned or leased by the taxpayer, if the total cost of electrical
79 energy so used exceeds ten percent of the total cost of production, either primary or secondary,
80 exclusive of the cost of electrical energy so used or if the raw materials used in such processing
81 contain at least twenty-five percent recovered materials as defined in section 260.200, RSMo.
82 For purposes of this subdivision, "processing" means any mode of treatment, act or series of acts
83 performed upon materials to transform and reduce them to a different state or thing, including

84 treatment necessary to maintain or preserve such processing by the producer at the production
85 facility;

86 (13) Anodes which are used or consumed in manufacturing, processing, compounding,
87 mining, producing or fabricating and which have a useful life of less than one year;

88 (14) Machinery, equipment, appliances and devices purchased or leased and used solely
89 for the purpose of preventing, abating or monitoring air pollution, and materials and supplies
90 solely required for the installation, construction or reconstruction of such machinery, equipment,
91 appliances and devices, and so certified as such by the director of the department of natural
92 resources, except that any action by the director pursuant to this subdivision may be appealed to
93 the air conservation commission which may uphold or reverse such action;

94 (15) Machinery, equipment, appliances and devices purchased or leased and used solely
95 for the purpose of preventing, abating or monitoring water pollution, and materials and supplies
96 solely required for the installation, construction or reconstruction of such machinery, equipment,
97 appliances and devices, and so certified as such by the director of the department of natural
98 resources, except that any action by the director pursuant to this subdivision may be appealed to
99 the Missouri clean water commission which may uphold or reverse such action;

100 (16) Tangible personal property purchased by a rural water district;

101 (17) All amounts paid or charged for admission or participation or other fees paid by or
102 other charges to individuals in or for any place of amusement, entertainment or recreation, games
103 or athletic events, including museums, fairs, zoos and planetariums, owned or operated by a
104 municipality or other political subdivision where all the proceeds derived therefrom benefit the
105 municipality or other political subdivision and do not inure to any private person, firm, or
106 corporation;

107 (18) All sales of insulin and prosthetic or orthopedic devices as defined on January 1,
108 1980, by the federal Medicare program pursuant to Title XVIII of the Social Security Act of
109 1965, including the items specified in Section 1862(a)(12) of that act, and also specifically
110 including hearing aids and hearing aid supplies and all sales of drugs which may be legally
111 dispensed by a licensed pharmacist only upon a lawful prescription of a practitioner licensed to
112 administer those items, including samples and materials used to manufacture samples which may
113 be dispensed by a practitioner authorized to dispense such samples and all sales of medical
114 oxygen, home respiratory equipment and accessories, hospital beds and accessories and
115 ambulatory aids, all sales of manual and powered wheelchairs, stairway lifts, Braille writers,
116 electronic Braille equipment and, if purchased by or on behalf of a person with one or more
117 physical or mental disabilities to enable them to function more independently, all sales of
118 scooters, reading machines, electronic print enlargers and magnifiers, electronic alternative and
119 augmentative communication devices, and items used solely to modify motor vehicles to permit

120 the use of such motor vehicles by individuals with disabilities or sales of over-the-counter or
121 nonprescription drugs to individuals with disabilities;

122 (19) All sales made by or to religious and charitable organizations and institutions in
123 their religious, charitable or educational functions and activities and all sales made by or to all
124 elementary and secondary schools operated at public expense in their educational functions and
125 activities;

126 (20) All sales of aircraft to common carriers for storage or for use in interstate commerce
127 and all sales made by or to not-for-profit civic, social, service or fraternal organizations,
128 including fraternal organizations which have been declared tax- exempt organizations pursuant
129 to Section 501(c)(8) or (10) of the 1986 Internal Revenue Code, as amended, solely in their civic
130 or charitable functions and activities and all sales made to eleemosynary and penal institutions
131 and industries of the state, and all sales made to any private not-for-profit institution of higher
132 education not otherwise excluded pursuant to subdivision (19) of this subsection or any
133 institution of higher education supported by public funds, and all sales made to a state relief
134 agency in the exercise of relief functions and activities;

135 (21) All ticket sales made by benevolent, scientific and educational associations which
136 are formed to foster, encourage, and promote progress and improvement in the science of
137 agriculture and in the raising and breeding of animals, and by nonprofit summer theater
138 organizations if such organizations are exempt from federal tax pursuant to the provisions of the
139 Internal Revenue Code and all admission charges and entry fees to the Missouri state fair or any
140 fair conducted by a county agricultural and mechanical society organized and operated pursuant
141 to sections 262.290 to 262.530, RSMo;

142 (22) All sales made to any private not-for-profit elementary or secondary school, all sales
143 of feed additives, medications or vaccines administered to livestock or poultry in the production
144 of food or fiber, all sales of pesticides used in the production of crops, livestock or poultry for
145 food or fiber, all sales of bedding used in the production of livestock or poultry for food or fiber,
146 all sales of propane or natural gas, electricity or diesel fuel used exclusively for drying
147 agricultural crops, natural gas used in the primary manufacture or processing of fuel ethanol as
148 defined in section 142.028, RSMo, and all sales of farm machinery and equipment, other than
149 airplanes, motor vehicles and trailers. As used in this subdivision, the term "feed additives"
150 means tangible personal property which, when mixed with feed for livestock or poultry, is to be
151 used in the feeding of livestock or poultry. As used in this subdivision, the term "pesticides"
152 includes adjuvants such as crop oils, surfactants, wetting agents and other assorted pesticide
153 carriers used to improve or enhance the effect of a pesticide and the foam used to mark the
154 application of pesticides and herbicides for the production of crops, livestock or poultry. As used
155 in this subdivision, the term "farm machinery and equipment" means new or used farm tractors

156 and such other new or used farm machinery and equipment and repair or replacement parts
157 thereon, and supplies and lubricants used exclusively, solely, and directly for producing crops,
158 raising and feeding livestock, fish, poultry, pheasants, chukar, quail, or for producing milk for
159 ultimate sale at retail and one-half of each purchaser's purchase of diesel fuel therefor which is:

160 (a) Used exclusively for agricultural purposes;

161 (b) Used on land owned or leased for the purpose of producing farm products; and

162 (c) Used directly in producing farm products to be sold ultimately in processed form or
163 otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold
164 ultimately in processed form at retail;

165 (23) Except as otherwise provided in section 144.032, all sales of metered water service,
166 electricity, electrical current, natural, artificial or propane gas, wood, coal or home heating oil
167 for domestic use and in any city not within a county, all sales of metered or unmetered water
168 service for domestic use;

169 (a) "Domestic use" means that portion of metered water service, electricity, electrical
170 current, natural, artificial or propane gas, wood, coal or home heating oil, and in any city not
171 within a county, metered or unmetered water service, which an individual occupant of a
172 residential premises uses for nonbusiness, noncommercial or nonindustrial purposes. Utility
173 service through a single or master meter for residential apartments or condominiums, including
174 service for common areas and facilities and vacant units, shall be deemed to be for domestic use.
175 Each seller shall establish and maintain a system whereby individual purchases are determined
176 as exempt or nonexempt;

177 (b) Regulated utility sellers shall determine whether individual purchases are exempt or
178 nonexempt based upon the seller's utility service rate classifications as contained in tariffs on file
179 with and approved by the Missouri public service commission. Sales and purchases made
180 pursuant to the rate classification "residential" and sales to and purchases made by or on behalf
181 of the occupants of residential apartments or condominiums through a single or master meter,
182 including service for common areas and facilities and vacant units, shall be considered as sales
183 made for domestic use and such sales shall be exempt from sales tax. Sellers shall charge sales
184 tax upon the entire amount of purchases classified as nondomestic use. The seller's utility service
185 rate classification and the provision of service thereunder shall be conclusive as to whether or
186 not the utility must charge sales tax;

187 (c) Each person making domestic use purchases of services or property and who uses any
188 portion of the services or property so purchased for a nondomestic use shall, by the fifteenth day
189 of the fourth month following the year of purchase, and without assessment, notice or demand,
190 file a return and pay sales tax on that portion of nondomestic purchases. Each person making
191 nondomestic purchases of services or property and who uses any portion of the services or

192 property so purchased for domestic use, and each person making domestic purchases on behalf
193 of occupants of residential apartments or condominiums through a single or master meter,
194 including service for common areas and facilities and vacant units, under a nonresidential utility
195 service rate classification may, between the first day of the first month and the fifteenth day of
196 the fourth month following the year of purchase, apply for credit or refund to the director of
197 revenue and the director shall give credit or make refund for taxes paid on the domestic use
198 portion of the purchase. The person making such purchases on behalf of occupants of residential
199 apartments or condominiums shall have standing to apply to the director of revenue for such
200 credit or refund;

201 (24) All sales of handicraft items made by the seller or the seller's spouse if the seller or
202 the seller's spouse is at least sixty-five years of age, and if the total gross proceeds from such
203 sales do not constitute a majority of the annual gross income of the seller;

204 (25) Excise taxes, collected on sales at retail, imposed by Sections 4041, 4061, 4071,
205 4081, 4091, 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code. The director of
206 revenue shall promulgate rules pursuant to chapter 536, RSMo, to eliminate all state and local
207 sales taxes on such excise taxes;

208 (26) Sales of fuel consumed or used in the operation of ships, barges, or waterborne
209 vessels which are used primarily in or for the transportation of property or cargo, or the
210 conveyance of persons for hire, on navigable rivers bordering on or located in part in this state,
211 if such fuel is delivered by the seller to the purchaser's barge, ship, or waterborne vessel while
212 it is afloat upon such river;

213 (27) All sales made to an interstate compact agency created pursuant to sections 70.370
214 to 70.430, RSMo, or sections 238.010 to 238.100, RSMo, in the exercise of the functions and
215 activities of such agency as provided pursuant to the compact;

216 (28) Computers, computer software and computer security systems purchased for use by
217 architectural or engineering firms headquartered in this state. For the purposes of this
218 subdivision, "headquartered in this state" means the office for the administrative management
219 of at least four integrated facilities operated by the taxpayer is located in the state of Missouri;

220 (29) All livestock sales when either the seller is engaged in the growing, producing or
221 feeding of such livestock, or the seller is engaged in the business of buying and selling, bartering
222 or leasing of such livestock;

223 (30) All sales of barges which are to be used primarily in the transportation of property
224 or cargo on interstate waterways;

225 (31) Electrical energy or gas, whether natural, artificial or propane, which is ultimately
226 consumed in connection with the manufacturing of cellular glass products;

227 (32) Notwithstanding other provisions of law to the contrary, all sales of pesticides or
228 herbicides used in the production of crops, aquaculture, livestock or poultry;

229 (33) Tangible personal property purchased for use or consumption directly or exclusively
230 in the research and development of prescription pharmaceuticals consumed by humans or
231 animals;

232 (34) All sales of grain bins for storage of grain for resale;

233 (35) All sales of feed which are developed for and used in the feeding of pets owned by
234 a commercial breeder when such sales are made to a commercial breeder, as defined in section
235 273.325, RSMo, and licensed pursuant to sections 273.325 to 273.357, RSMo;

236 (36) All purchases by a contractor on behalf of an entity located in another state,
237 provided that the entity is authorized to issue a certificate of exemption for purchases to a
238 contractor under the provisions of that state's laws. For purposes of this subdivision, the term
239 "certificate of exemption" shall mean any document evidencing that the entity is exempt from
240 sales and use taxes on purchases pursuant to the laws of the state in which the entity is located.
241 Any contractor making purchases on behalf of such entity shall maintain a copy of the entity's
242 exemption certificate as evidence of the exemption. If the exemption certificate issued by the
243 exempt entity to the contractor is later determined by the director of revenue to be invalid for any
244 reason and the contractor has accepted the certificate in good faith, neither the contractor or the
245 exempt entity shall be liable for the payment of any taxes, interest and penalty due as the result
246 of use of the invalid exemption certificate. Materials shall be exempt from all state and local
247 sales and use taxes when purchased by a contractor for the purpose of fabricating tangible
248 personal property which is used in fulfilling a contract for the purpose of constructing, repairing
249 or remodeling facilities for the following:

250 (a) An exempt entity located in this state, if the entity is one of those entities able to issue
251 project exemption certificates in accordance with the provisions of section 144.062; or

252 (b) An exempt entity located outside the state if the exempt entity is authorized to issue
253 an exemption certificate to contractors in accordance with the provisions of that state's law and
254 the applicable provisions of this section;

255 (37) Tangible personal property purchased for use or consumption directly or exclusively
256 in research or experimentation activities performed by life science companies and so certified
257 as such by the director of the department of economic development or the director's designees;
258 except that, the total amount of exemptions certified pursuant to this section shall not exceed one
259 million three hundred thousand dollars in state and local taxes per fiscal year. For purposes of
260 this subdivision, the term "life science companies" means companies whose primary research
261 activities are in agriculture, pharmaceuticals, biomedical or food ingredients, and whose North
262 American Industry Classification System (NAICS) Codes fall under industry 541710 (biotech

263 research or development laboratories), 621511 (medical laboratories) or 541940 (veterinary
264 services). The exemption provided by this subdivision shall expire on June 30, 2003.

178.980. As used in sections 178.980 to 178.985, the following terms mean:

- 2 **(1) "Agreement", the agreement between an employer and a junior college district**
3 **concerning a project. An agreement may be for a period not to exceed ten years when the**
4 **program services associated with a project are not in excess of five hundred thousand**
5 **dollars. For a project where the associated program costs are greater than five hundred**
6 **thousand dollars, the agreement may not exceed a period of eight years;**
- 7 **(2) "Board of trustees", the board of trustees of a junior college district;**
- 8 **(3) "Capital investment", an investment in research and development, working**
9 **capital, and real and tangible personal business property except inventory or property**
10 **intended for sale to customers. Trucks, truck trailers, truck semi-trailers, rail and barge**
11 **vehicles and other rolling stock for hire, track, switches, barges, bridges, tunnels, rail**
12 **yards, and spurs shall not qualify as a capital investment. The amount of such investment**
13 **shall be the original cost of the property if owned, or eight times the net annual rental rate**
14 **if leased;**
- 15 **(4) "Certificate", industrial retained jobs training certificates issued under section**
16 **178.983;**
- 17 **(5) "Date of commencement of the project", the date of the agreement;**
- 18 **(6) "Employee", the person employed in a retained job;**
- 19 **(7) "Employer", the person maintaining retained jobs in conjunction with a**
20 **project;**
- 21 **(8) "Industry", a business located within this state which enters into an agreement**
22 **with a community college district and which is engaged in interstate or intrastate commerce**
23 **for the purpose of manufacturing, processing, or assembling products, conducting research**
24 **and development, or providing services in interstate commerce, but excluding retail**
25 **services;**
- 26 **(9) "Program costs", all necessary and incidental costs of providing program**
27 **services, including payment of the principal, premium, and interest on certificates,**
28 **including capitalized interest, issued to finance a project, funding and maintenance of a**
29 **debt service reserve fund to secure such certificates and wages, salaries and benefits of**
30 **employees participating in on-the-job training;**
- 31 **(10) "Program services" includes, but is not limited to, the following:**
 - 32 **(a) Retained jobs training;**
 - 33 **(b) Adult basic education and job-related instruction;**
 - 34 **(c) Vocational and skill-assessment services and testing;**

- 35 **(d) Training facilities, equipment, materials, and supplies;**
36 **(e) On-the-job training;**
37 **(f) Administrative expenses equal to seventeen percent of the total training costs,**
38 **two percent to be paid to the department of economic development for deposit into the**
39 **Missouri job development fund created under section 620.478, RSMo;**
40 **(g) Subcontracted services with state institutions of higher education, private**
41 **colleges or universities, or other federal, state, or local agencies;**
42 **(h) Contracted or professional services; and**
43 **(i) Issuance of certificates;**
44 **(11) "Project", a training arrangement which is the subject of an agreement**
45 **entered into between the community college district and an employer to provide program**
46 **services that is not also the subject of an agreement entered into between a community**
47 **college district and an employer to provide program services under sections 178.892 to**
48 **178.896;**
49 **(12) "Retained job", a job in a stable industry, not including jobs for recalled**
50 **workers, which was in existence for at least two consecutive calendar years preceding the**
51 **year in which the application for the retained jobs training program was made;**
52 **(13) "Retained jobs credit from withholding", the credit as provided in section**
53 **178.982;**
54 **(14) "Retained jobs training program", or "program", the project or projects**
55 **established by a community college district for the retention of jobs, by providing**
56 **education and training of workers for existing jobs for stable industry in the state;**
57 **(15) "Stable industry", a business that otherwise meets the definition of industry**
58 **and retains existing jobs. To be a stable industry, the business shall have:**
59 **(a) Maintained at least one hundred employees per year at the employer's site in**
60 **the state at which the jobs are based, for each of the two calendar years preceding the year**
61 **in which application for the program is made;**
62 **(b) Retained at that site the level of employment that existed in the taxable year**
63 **immediately preceding the year in which application for the program is made; and**
64 **(c) Made or agree to make a capital investment aggregating at least one million**
65 **dollars to acquire or improve long-term assets (including leased facilities) such as property,**
66 **plant, or equipment (excluding program costs) at the employer's site in the state at which**
67 **jobs are based over a period of three consecutive calendar years, as certified by the**
68 **employer and:**
69 **a. Have made substantial investment in new technology requiring the upgrading**
70 **of worker's skills; or**

71 **b. Be located in a border county of the state and represent a potential risk of**
72 **relocation from the state; or**

73 **c. Be determined to represent a substantial risk of relocation from the state by the**
74 **director of the department of economic development;**

75 **(16) "Total training costs", costs of training, including supplies, wages and benefits**
76 **of instructors, subcontracted services, on-the-job training, training facilities, equipment,**
77 **skill assessment, and all program services excluding issuance of certificates.**

178.981. A community college district, with the approval of the department of
2 **economic development in consultation with the office of administration, may enter into an**
3 **agreement to establish a project and provide program services to an employer. As soon as**
4 **possible after initial contact between a community college district and a potential employer**
5 **regarding the possibility of entering into an agreement, the district shall inform the division**
6 **of workforce development of the department of economic development and the office of**
7 **administration about the potential project. The division of workforce development shall**
8 **evaluate the proposed project within the overall job training efforts of the state to ensure**
9 **that the project will not duplicate other job training programs. The department of**
10 **economic development shall have fourteen days from receipt of the application to approve**
11 **or disapprove projects. If no response is received by the community college within fourteen**
12 **days, the projects are approved. Any project that is disapproved must be in writing stating**
13 **the reasons for the disapproval. If an agreement is entered into, the district and the**
14 **employer shall notify the department of revenue within fifteen calendar days. An**
15 **agreement may provide, but is not limited to:**

16 **(1) Payment of program costs, including deferred costs, which may be paid from**
17 **one or a combination of the following sources:**

18 **(a) Funds appropriated by the general assembly from the Missouri community**
19 **college job retention program fund and disbursed by the division of workforce**
20 **development in respect of retained jobs credit from withholding to be received or derived**
21 **from retained employment resulting from the project;**

22 **(b) Tuition, student fees, or special charges fixed by the board of trustees to defray**
23 **program costs in whole or in part;**

24 **(c) Guarantee of payments to be received under paragraph (a) or (b) of this**
25 **subdivision;**

26 **(2) Payment of program costs shall not be deferred for a period longer than ten**
27 **years if program costs do not exceed five hundred thousand dollars, or eight years if**
28 **program costs exceed five hundred thousand dollars from the date of commencement of**
29 **the project;**

30 **(3) Costs of on-the-job training for employees shall include wages or salaries of**
31 **participating employees. Payments for on-the-job training shall not exceed the average of**
32 **fifty percent of the total percent of the total wages paid by the employer to each participant**
33 **during the period of training. Payment for on-the-job training may continue for up to six**
34 **months from the date of the employer's capital investment;**

35 **(4) A provision which fixes the minimum amount of retained jobs credit from**
36 **withholding, or tuition and fee payments which shall be paid for program costs;**

37 **(5) Any payment required to be made by an employer is a lien upon the employer's**
38 **business property until paid and has equal precedence with ordinary taxes and shall not**
39 **be divested by a judicial sale. Property subject to the lien may be sold for sums due and**
40 **delinquent at a tax sale, with the same forfeitures, penalties, and consequences as for the**
41 **nonpayment of ordinary taxes. The purchasers at tax sale obtain the property subject to**
42 **the remaining payments.**

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

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

6 **(2) A portion of the total payments made by the employer under section 143.221,**
7 **RSMo, shall be designated as the retained jobs credit from withholding. Such portion shall**
8 **be an amount equal to two and one-half percent of the gross wages paid by the employer**
9 **for each of the first one hundred jobs included in the project and one and one-half percent**
10 **of the gross wages paid by the employer for each of the remaining jobs included in the**
11 **project. If business or employment conditions cause the amount of the retained jobs credit**
12 **from withholding to be less than the amount projected in the agreement for any time**
13 **period, then other withholding tax paid by the employer under section 143.221, RSMo,**
14 **shall be credited to the Missouri junior college retained job training fund by the amount**
15 **of such difference. The employer shall remit the amount of the retained jobs credit to the**
16 **department of revenue in the manner prescribed in section 178.984. When all program**
17 **costs, including the principal, premium, and interest on the certificates have been paid, the**
18 **employer credits shall cease;**

19 **(3) The community college district participating in a project shall establish a special**
20 **fund for and in the name of the project. All funds appropriated by the general assembly**
21 **from the Missouri community college job training retention program fund and disbursed**
22 **by the division of workforce development for the project and other amounts received by**
23 **the district in respect of the project and required by the agreement to be used to pay**

24 program costs for the project shall be deposited in the special fund. Amounts held in the
25 special fund may be used and disbursed by the district only to pay program costs for the
26 project. The special fund may be divided into such accounts and subaccounts as shall be
27 provided in the agreement, and amounts held therein may be invested in investments which
28 are legal for the investment of the district's other funds;

29 (4) Any disbursement in respect of a project received from the division of workforce
30 development under sections 178.980 to 178.985 and the special fund into which it is paid
31 may be irrevocably pledged by a junior college district for the payment of the principal,
32 premium, and interest on the certificate issued by a junior college district to finance or
33 refinance, in whole or in part, the project;

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

37 (6) An employee participating in a project will receive full credit for the amount
38 designated as a retained jobs credit from withholding and withheld as provided in section
39 143.221, RSMo;

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

178.983. 1. To provide funds for the present payment of the costs of retained jobs
2 training programs, a community college district may borrow money and issue and sell
3 certificates payable from a sufficient portion of the future receipts of payments authorized
4 by the agreement including disbursements from the Missouri community college job
5 retention training program to the special fund established by the district for each project.
6 The total amount of outstanding certificates sold by all junior college districts shall not
7 exceed fifteen million dollars, unless an increased amount is authorized in writing by a
8 majority of members of the Missouri job training joint legislative oversight committee. The
9 certificates shall be marketed through financial institutions authorized to do business in
10 Missouri. The receipts shall be pledged to the payment of principal of and interest on the
11 certificates. Certificates may be sold at public sale or at private sale at par, premium, or
12 discount of not less than ninety-five percent of the par value thereof, at the discretion of the
13 board of trustees, and may bear interest at such rate or rates as the board of trustees shall
14 determine, notwithstanding the provisions of section 108.170, RSMo, to the contrary.
15 However, chapter 176, RSMo, does not apply to the issuance of these certificates.
16 Certificates may be issued with respect to a single project or multiple projects and may

17 **contain terms or conditions as the board of trustees may provide by resolution authorizing**
18 **the issuance of the certificates.**

19 **2. Certificates issued to refund other certificates may be sold at public sale or at**
20 **private sale as provided in this section with the proceeds from the sale to be used for the**
21 **payment of the certificates being refunded. The refunding certificates may be exchanged**
22 **in payment and discharge of the certificates being refunded, in installments at different**
23 **times or an entire issue or series at one time. Refunding certificates may be sold or**
24 **exchanged at any time on, before, or after the maturity of the outstanding certificates to**
25 **be refunded. They may be issued for the purpose of refunding a like, greater, or lesser**
26 **principal amount of certificates and may bear a higher, lower, or equivalent rate of interest**
27 **than the certificates being renewed or refunded.**

28 **3. Before certificates are issued, the board of trustees shall publish once a notice of**
29 **its intention to issue the certificates, stating the amount, the purpose, and the project or**
30 **projects for which the certificates are to be issued. A person may, within fifteen days after**
31 **the publication of the notice, by action in the circuit court of a county in the district, appeal**
32 **the decision of the board of trustees to issue the certificates. The action of the board of**
33 **trustees in determining to issue the certificates is final and conclusive unless the circuit**
34 **court finds that the board of trustees has exceeded its legal authority. An action shall not**
35 **be brought which questions the legality of the certificates, the power of the board of**
36 **trustees to issue the certificates, the effectiveness of any proceedings relating to the**
37 **authorization of the project, or the authorization and issuance of the certificates from and**
38 **after fifteen days from the publication of the notice of intention to issue.**

39 **4. The board of trustees shall make a finding based on information supplied by the**
40 **employer that revenues provided in the agreement are sufficient to secure the faithful**
41 **performance of obligations in the agreement.**

42 **5. Certificates issued under this section shall not be deemed to be an indebtedness**
43 **of the state or the community college district or of any other political subdivision of the**
44 **state, and the principal and interest on such certificates shall be payable only from the**
45 **sources provided in subdivision (1) of section 178.981 which are pledged in the agreement.**

46 **6. The department of economic development shall coordinate the retained jobs**
47 **training program, and may promulgate rules that districts will use in developing projects**
48 **with industrial retained jobs training proposals which shall include rules providing for the**
49 **coordination of such proposals with the service delivery areas established in the state to**
50 **administer federal funds pursuant to the federal Workforce Investment Act. No rule or**
51 **portion of a rule promulgated pursuant to the authority of this section shall become**
52 **effective unless it has been promulgated pursuant to chapter 536, RSMo.**

53 **7. No community college district may sell certificates as described in this section**
54 **after July 1, 2014.**

178.984. 1. There is hereby established within the state treasury a special fund, to
2 **be known as the "Missouri Community College Job Retention Training Program Fund",**
3 **to be administered by the division of workforce development. The department of revenue**
4 **shall credit to the community college job retention training program fund, as received, all**
5 **retained jobs credit from withholding remitted by employers pursuant to section 178.982.**
6 **The fund shall also consist of any gifts, contributions, grants, or bequests received from**
7 **federal, private, or other sources. The general assembly, however, shall not provide for any**
8 **transfer of general revenue funds into the community college job retention training**
9 **program fund. Moneys in the Missouri community college job retention training program**
10 **fund shall be disbursed to the division of workforce development pursuant to regular**
11 **appropriations by the general assembly. The division shall disburse such appropriated**
12 **funds in a timely manner into the special funds established by community college districts**
13 **for projects, which funds shall be used to pay program costs, including the principal,**
14 **premium, and interest on certificates issued by the district to finance or refinance, in whole**
15 **or in part, a project. Such disbursements by the division of workforce development shall**
16 **be made to the special fund for each project in the same proportion as the retained jobs**
17 **credit from withholding remitted by the employer participating in such project bears to the**
18 **total retained jobs credit from withholding remitted by all employers participating in**
19 **projects during the period for which the disbursement is made. Moneys for retained jobs**
20 **training programs established under sections 178.980 to 178.985 shall be obtained from**
21 **appropriations made by the general assembly from the Missouri community college job**
22 **retention training program fund. All moneys remaining in the Missouri community college**
23 **job retention training program fund at the end of any fiscal year shall not lapse to the**
24 **general revenue fund, as provided in section 33.080, RSMo, but shall remain in the**
25 **Missouri community college job retention training program fund.**

26 **2. The department of revenue shall develop such forms as are necessary to**
27 **demonstrate accurately each employer's retained jobs credit from withholding paid into**
28 **the Missouri community college job retention training program fund. The retained jobs**
29 **credit from withholding shall be accounted as separate from the normal withholding tax**
30 **paid to the department of revenue by the employer. Reimbursements made by all**
31 **employers to the Missouri community college job retention training program fund shall be**
32 **no less than all allocations made by the division of workforce development to all**
33 **community college districts for all job retention projects. The employer shall remit the**

34 amount of the retained job credit to the department of revenue in the same manner as
35 provided in sections 143.191 to 143.265, RSMo.

178.985. Pursuant to section 23.253, RSMo, of the Missouri Sunset Act:

2 (1) The provisions of the new program authorized under sections 178.980 to 178.985
3 shall automatically sunset six years after the effective date of sections 178.980 to 178.985
4 unless reauthorized by an act of the general assembly; and

5 (2) If such program is reauthorized, the program authorized under sections 178.980
6 to 178.985 shall automatically sunset four years after the effective date of the
7 reauthorization of sections 178.980 to 178.985; and

8 (3) Sections 178.980 to 178.985 shall terminate on September first of the calendar
9 year immediately following the calendar year in which the program authorized under
10 sections 178.980 to 178.985 is sunset.

196.1104. 1. Beginning in fiscal year 2007, the president of any public university
2 in the state of Missouri shall be authorized to present to the life sciences research board on
3 behalf of any campus within the its system:

4 (1) A commitment from any budgetary sources other than the state, including but
5 not limited to private, federal, earned income, or other sources, to pay to the public
6 university a minimum of two million dollars as an endowment or one hundred thousand
7 dollars a year for a minimum of twenty years toward the funding of an academic position
8 within the health and life sciences fields, to be designated as an "Endowed Life Sciences
9 Research Chair (ELSRC)" including agricultural life science positions; and

10 (2) A commitment from the university, including any of its separate campuses, to
11 pay a minimum of one hundred thousand dollars each year for the ELSRC position
12 described in subdivision (1) of this subsection for the same length of payment term for
13 which the budgetary sources other than the state have committed to under subdivision (1)
14 of this subsection for the ELSRC position;

15 (3) Following the commitments in subdivisions (1) and (2) of this subsection have
16 been made, the life sciences research board shall review the commitments and subject to
17 board approval shall pay to the university from the life sciences research trust fund one
18 hundred thousand dollars each year for the same payment term committed to by budgetary
19 sources other than the state under subdivision (1) of this subsection toward the funding of
20 the ELSRC position. The life sciences research board shall also commit from the life
21 sciences research fund a one-time disbursement of research and programmatic start-up
22 moneys of five hundred thousand dollars over a two-year period beginning with the hiring
23 of the ELSRC position. Such one-time disbursement shall include, and not be in addition
24 to, the one hundred thousand dollar a year payment authorized under this subdivision.

25 **The commitments in subdivisions (1) and (2) of this subsection shall be evidenced by a**
26 **notarized letter of intent and the establishment of an escrow account containing at least ten**
27 **percent of the total commitment of moneys by the nonstate entity or university under this**
28 **subsection.**

29 **2. The life sciences research board shall not be required to provide the matching**
30 **moneys described in subdivision (3) of subsection 1 of this section in an amount exceeding**
31 **ten million dollars in any single fiscal year. If at any time the commitment of moneys in**
32 **subdivisions (1) and (2) of subsection 1 of this section are not fulfilled by either the nonstate**
33 **entity or the university, the commitment of moneys under subdivision (3) of subsection 1**
34 **of this section by life sciences research board shall terminate.**

35 **3. When the president of any public university of this state receives the**
36 **commitments from budgetary sources other than the state under subdivision (1) of**
37 **subsection 1 of this section from a campus of the university, the life sciences research board**
38 **or, if the funding commitment is made prior to the appointment of any member of the**
39 **board, the president of the university shall take note thereon of the date and time of the**
40 **receipt of such funding commitment and the life sciences research board shall provide its**
41 **matching moneys under subdivision (3) of subsection 1 of this section for ELSRC positions**
42 **in the order in which funding commitments are received.**

43 **4. Any public university of this state, or any other qualified entity that has a formal**
44 **contract with such public university of this state for such purposes, shall hold the matching**
45 **moneys provided by the life sciences research board for the funding of an ELSRC position**
46 **and any life sciences research conducted under the direction of the ELSRC and shall not**
47 **spend, loan, or encumber such matching moneys for any other purpose.**

48 **5. Within ninety days of receipt of the commitments in subsection 1 of this section**
49 **and annually thereafter, any public or private entity may submit a proposal for life**
50 **sciences research to be conducted under the direction of an ELSCR funded by this section.**
51 **Commitments made under subdivisions (1) and (2) of subsection 1 of this section may be**
52 **made in conjunction with such entities desiring to submit proposals under this subsection.**
53 **The life sciences research board shall establish criteria for selecting proposals**
54 **competitively.**

55 **6. Any moneys withdrawn from the life sciences research trust fund but not**
56 **expended under this section shall be distributed in accordance with the provisions of**
57 **sections 196.1100 to 196.1130. All moneys committed, contributed, or paid under the**
58 **provisions of this section, that are derived from federal, state, or local taxes, from loans or**
59 **grants of any federal, state, or local government or governmental authority, from loans or**
60 **grants of a federal or state institution, instrumentality, or agency, from the proceeds of**

61 **bonds issued by any public authority, from intergovernmental transfers, and from the**
 62 **adjudication or settlement of any claims or causes of action pursued by a federal, state, or**
 63 **local government or any agency thereof, shall be treated as if appropriated to the life**
 64 **sciences research board pursuant to sections 196.1100 to 196.1124, and shall be subject to**
 65 **the provisions of subsections 2 to 5 of section 196.1127.**

Section 1. All enterprise zones designated before January 1, 2006, shall be eligible
 2 **to receive the tax benefits under sections 135.1050 through 135.1075, RSMo.**

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

2 [620.1410. There is hereby established an "Individual Training Account
 3 Program" within the department of economic development. Job training and
 4 retraining activities conducted pursuant to the provisions of sections 620.1400 to
 5 620.1460 shall be directed to employee advancement, where jobs are linked to
 6 training before the training commences, and shall emphasize upgrade training where
 7 current or potential employers, by means of educational programs, provide existing
 8 employees with training for higher skilled positions. Job training activities provided
 9 pursuant to the provisions of the individual training account program shall attempt
 10 to prepare employed workers, including those with obsolete or inadequate job skills,
 11 for positions that remain unfilled or that may be created by current or potential
 12 employers.]

2 [620.1420. As used in sections 620.1400 to 620.1460, the following terms
 3 mean:

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

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

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

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

17 (5) "Individual training account", an account funded by the tax credits
 provided for in section 620.1440 for the provision of employee upgrade training to

18 employees through their participation in classroom training provided by educational
19 institutions;

20 (6) "Local educational institution", a publicly funded or privately funded
21 local educational institution which is certified by a recognized accrediting association
22 as capable of providing adequate classroom training to accomplish the purpose of
23 sections 620.1400 to 620.1460.]
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[620.1430. 1. A Missouri employer who desires to participate in the
2 individual training account program shall provide the department of economic
3 development with notification of intent to participate. The notification shall include,
4 but need not be limited to, the names and occupations of employees whom the
5 employer has selected to be trained, whether or not the employees are currently
6 working for the employer, the name of the local educational institution that will
7 provide the training, and a brief description of the training to be given by the
8 institution.

9 2. The employer shall have complete discretion in the selection of the local
10 educational institution or institutions to provide training and shall be responsible for
11 the payment of the costs of classroom training.]
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[620.1440. 1. Employers may be reimbursed for the costs of training
2 provided pursuant to the provisions of the individual training account program. Such
3 reimbursement shall be in the form of tax credits as authorized in subsection 2 of this
4 section. The tax credits may be claimed for courses provided in no more than two
5 calendar years for each employee. For each year, the maximum amount of credit per
6 employee which can be certified by the department of economic development shall
7 be the lesser of fifty percent of the costs of classroom training or one thousand five
8 hundred dollars.

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

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

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

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[620.1460. The department of economic development may promulgate necessary rules and regulations to carry out the provisions of sections 620.1400 to 620.1460. No rule or portion of a rule promulgated pursuant to the authority of sections 620.1400 to 620.1460 shall become effective unless it has been promulgated pursuant to the provisions of chapter 536, RSMo.]

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

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

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

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

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

(c) The individual faces serious barriers to employment including displaced homemakers; dislocated workers; veterans; or individuals who possess outdated skills;

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

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

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

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

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

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

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

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

38 5. In addition to tax credits currently available under the neighborhood
39 assistance program, a participating facility shall be allowed a credit against the tax
40 imposed by chapter 143, RSMo, excluding withholding tax imposed by sections
41 143.191 to 143.265, RSMo, and chapter 147, 148 or 153, RSMo, pursuant to this
42 section. The amount of tax credit claimed shall not exceed the amount of the
43 taxpayer's state tax liability for the taxable year that the credit is claimed. Taxpayers
44 eligible for such tax credit may transfer, sell or assign them. Individual salaries up
45 to ten thousand dollars per program participant each taxable year are eligible for the
46 tax credit which shall not exceed twenty-five percent of the eligible salary amount.
47 Total tax credits taken through the program shall not exceed two million dollars.

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

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