

SECOND REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 2016**  
**93RD GENERAL ASSEMBLY**

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Reported from the Special Committee on Agri-Business May 2, 2006 with recommendation that House Committee Substitute for House Bill No. 2016 Do Pass. Referred to the Committee on Rules pursuant to Rule 25(26)(f).

STEPHEN S. DAVIS, Chief Clerk

5251L.05C

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**AN ACT**

To amend chapter 135, RSMo, by adding thereto one new section relating to a tax credit for sales of certain cattle.

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

Section A. Chapter 135, RSMo, is amended by adding thereto one new section, to be known as section 135.660, to read as follows:

**135.660. 1. This section shall be known and may be cited as the "Qualified Beef Tax Credit Act".**

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

**(1) "Agricultural property", any real and personal property, including but not limited to buildings, structures, improvements, equipment, and livestock, that is used in or is to be used in this state by residents of this state for:**

**(a) The operation of a farm or ranch; and**

**(b) Grazing, feeding, or the care of livestock;**

**(2) "Authority", the agricultural and small business development authority established in chapter 348, RSMo;**

**(3) "Qualifying beef animal", any beef animal certified by rule promulgated by the Missouri department of agriculture born in this state after August 28, 2006, that was raised and backgrounded or finished in this state by the taxpayer, and that weighs more than four**

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

14 **hundred fifty pounds, excluding breeding stock, and any beef animal more than thirty**  
15 **months of age;**

16 **(4) "Qualifying sale", the first time a qualifying beef animal is sold in this state**  
17 **after the qualifying beef animal's weight reaches four hundred fifty pounds, and a**  
18 **subsequent sale if the weight of the qualifying beef animal at the time of the subsequent**  
19 **sale is greater than the weight of the qualifying beef animal at the time of the first**  
20 **qualifying sale of such beef animal;**

21 **(5) "Tax credit", a credit against the tax otherwise due under chapter 143, RSMo,**  
22 **excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, or otherwise due**  
23 **under chapter 147, RSMo;**

24 **(6) "Taxpayer", any individual or entity who:**

25 **(a) Is subject to the tax imposed in chapter 143, RSMo, excluding withholding tax**  
26 **imposed by sections 143.191 to 143.265, RSMo, or the tax imposed in chapter 147, RSMo;**

27 **(b) In the case of an individual, is a resident of this state; and**

28 **(c) Owns or rents agricultural property.**

29 **3. For all taxable years beginning on or after January 1, 2007, but ending on or**  
30 **before December 31, 2010, a taxpayer shall be allowed a tax credit for each qualifying sale**  
31 **of a qualifying beef animal. The tax credit amount shall be based on the qualifying beef**  
32 **animal's weight at the time of the first qualifying sale, and shall be equal to ten cents per**  
33 **pound above four hundred fifty pounds and for a subsequent qualifying sale, ten cents per**  
34 **pound above the weight of the qualifying beef animal at the time of the first qualifying sale**  
35 **of such beef animal or four hundred fifty pounds, whichever weight is greater.**

36 **4. The amount of the tax credit claimed shall not exceed the amount of the**  
37 **taxpayer's state tax liability for the taxable year for which the credit is claimed. No tax**  
38 **credit claimed under this section shall be refundable. The tax credit shall be claimed in the**  
39 **taxable year in which the qualifying sale of the qualifying beef occurred, but any amount**  
40 **of credit that the taxpayer is prohibited by this section from claiming in a taxable year may**  
41 **be carried forward to any of the taxpayer's five subsequent taxable years and carried**  
42 **backward to any of the taxpayer's three previous taxable years. The amount of tax credits**  
43 **that may be issued to all eligible applicants claiming tax credits authorized in this section**  
44 **in a fiscal year shall not exceed ten million dollars, and the cumulative amount of tax**  
45 **credits that may be issued to all eligible applicants claiming all tax credits authorized in**  
46 **this section shall not exceed thirty million dollars.**

47 **5. To claim the tax credit allowed under this section, the taxpayer shall submit to**  
48 **the authority an application for the tax credit on a form provided by the authority. The**  
49 **application shall be filed with the authority at the end of each calendar year in which a**

50 qualified sale was made and for which a tax credit is claimed under this section. The  
51 application shall include any documentation and information required by the authority.  
52 All required information obtained by the authority shall be confidential and not disclosed  
53 except by court order or as otherwise provided by law. If the taxpayer and the qualified  
54 sale meets all criteria required by this section and is approved by the authority, the  
55 authority shall issue a tax credit certificate in the appropriate amount. Tax credit  
56 certificates issued under this section may be assigned, transferred, sold, or otherwise  
57 conveyed, and the new owner of the tax credit certificate shall have the same rights in the  
58 tax credit as the original taxpayer. Whenever a tax credit certificate is assigned,  
59 transferred, sold or otherwise conveyed, a notarized endorsement shall be filed with the  
60 authority specifying the name and address of the new owner of the tax credit certificate or  
61 the value of the tax credit.

62       6. Any information provided under this section that is related to premises  
63 registration shall be confidential information, to be shared with no one except state and  
64 federal animal health officials, and shall not be subject to subpoena or other compulsory  
65 production.

66       7. The department of agriculture and the authority shall promulgate rules to  
67 implement the provisions of this section. Any rule or portion of a rule, as that term is  
68 defined in section 536.010, RSMo, that is created under the authority delegated in this  
69 section shall become effective only if it complies with and is subject to all of the provisions  
70 of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter  
71 536, RSMo, are nonseverable and if any of the powers vested with the general assembly  
72 pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove and  
73 annul a rule are subsequently held unconstitutional, then the grant of rulemaking  
74 authority and any rule proposed or adopted after August 28, 2006, shall be invalid and  
75 void.

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