

FIRST REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]
SENATE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 327
94TH GENERAL ASSEMBLY

1217S.07T

2007

AN ACT

To repeal sections 21.750, 32.105, 32.115, 99.805, 99.820, 99.825, 100.286, 135.400, 135.403, 135.460, 135.478, 135.500, 135.535, 135.545, 135.550, 135.600, 135.630, 135.750, 135.950, 135.963, 135.967, 135.1150, 137.106, 142.815, 144.030, 144.605, 147.010, 173.196, 173.796, 178.895, 178.896, 208.750, 208.755, 238.202, 238.207, 238.208, 238.225, 238.230, 238.275, 348.300, 578.395, 620.495, 620.521, 620.523, 620.527, 620.528, 620.529, 620.530, 620.537, 620.638, 620.1039, 620.1878, and 620.1881, RSMo, and to enact in lieu thereof eighty-two new sections relating to certain programs administered by the department of economic development.

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

Section A. Sections 21.750, 32.105, 32.115, 99.805, 99.820, 99.825, 100.286, 135.400, 2 135.403, 135.460, 135.478, 135.500, 135.535, 135.545, 135.550, 135.600, 135.630, 135.750, 3 135.950, 135.963, 135.967, 135.1150, 137.106, 142.815, 144.030, 144.605, 147.010, 173.196, 4 173.796, 178.895, 178.896, 208.750, 208.755, 238.202, 238.207, 238.208, 238.225, 238.230, 5 238.275, 348.300, 578.395, 620.495, 620.521, 620.523, 620.527, 620.528, 620.529, 620.530, 6 620.537, 620.638, 620.1039, 620.1878, and 620.1881, RSMo, are repealed and eighty-two new 7 sections enacted in lieu thereof, to be known as sections 21.750, 32.105, 32.115, 99.805, 99.812, 8 99.820, 99.825, 99.841, 99.1200, 100.286, 135.400, 135.403, 135.460, 135.478, 135.500, 9 135.535, 135.545, 135.550, 135.562, 135.571, 135.600, 135.630, 135.660, 135.662, 135.710, 10 135.750, 135.950, 135.963, 135.967, 135.1150, 137.106, 142.815, 142.817, 143.006, 143.114,

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.

11 143.128, 144.030, 144.054, 144.061, 144.605, 144.806, 147.010, 173.196, 173.796, 178.715,
12 178.895, 178.896, 208.750, 208.755, 238.202, 238.207, 238.208, 238.225, 238.230, 238.275,
13 348.300, 388.700, 388.703, 388.706, 388.709, 388.712, 388.715, 388.718, 388.721, 388.724,
14 388.727, 388.730, 388.733, 388.736, 388.739, 388.742, 388.745, 620.495, 620.504, 620.507,
15 620.509, 620.638, 620.1039, 620.1878, 620.1881, 620.1892, and 1, to read as follows:

21.750. 1. The general assembly hereby occupies and preempts the entire field of
2 legislation touching in any way firearms, components, ammunition and supplies to the complete
3 exclusion of any order, ordinance or regulation by any political subdivision of this state. Any
4 existing or future orders, ordinances or regulations in this field are hereby and shall be null and
5 void except as provided in subsection 3 of this section.

6 2. No county, city, town, village, municipality, or other political subdivision of this state
7 shall adopt any order, ordinance or regulation concerning in any way the sale, purchase, purchase
8 delay, transfer, ownership, use, keeping, possession, bearing, transportation, licensing, permit,
9 registration, taxation other than sales and compensating use taxes or other controls on firearms,
10 components, ammunition, and supplies except as provided in subsection 3 of this section.

11 3. Nothing contained in this section shall prohibit any ordinance of any political
12 subdivision which conforms exactly with any of the provisions of sections 571.010 to 571.070,
13 RSMo, with appropriate penalty provisions, or which regulates the open carrying of firearms
14 readily capable of lethal use or the discharge of firearms within a jurisdiction, **provided such**
15 **ordinance complies with the provisions of section 99.812, RSMo.**

16 4. The lawful design, marketing, manufacture, distribution, or sale of firearms or
17 ammunition to the public is not an abnormally dangerous activity and does not constitute a public
18 or private nuisance.

19 5. No county, city, town, village or any other political subdivision nor the state shall
20 bring suit or have any right to recover against any firearms or ammunition manufacturer, trade
21 association or dealer for damages, abatement or injunctive relief resulting from or relating to the
22 lawful design, manufacture, marketing, distribution, or sale of firearms or ammunition to the
23 public. This subsection shall apply to any suit pending as of October 12, 2003, as well as any
24 suit which may be brought in the future. Provided, however, that nothing in this section shall
25 restrict the rights of individual citizens to recover for injury or death caused by the negligent or
26 defective design or manufacture of firearms or ammunition.

27 6. Nothing in this section shall prevent the state, a county, city, town, village or any other
28 political subdivision from bringing an action against a firearms or ammunition manufacturer or
29 dealer for breach of contract or warranty as to firearms or ammunition purchased by the state or
30 such political subdivision.

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

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

(2) "Affordable housing unit", a residential unit generally occupied by persons and families with incomes at or below the levels described in this subdivision and bearing a cost to the occupant no greater than thirty percent of the maximum eligible household income for the affordable housing unit. In the case of owner-occupied units, the cost to the occupant shall be considered the amount of the gross monthly mortgage payment, including casualty insurance, mortgage insurance, and taxes. In the case of rental units, the cost to the occupant shall be considered the amount of the gross rent. The cost to the occupant shall include the cost of any utilities, other than telephone. If any utilities are paid directly by the occupant, the maximum cost that may be paid by the occupant is to be reduced by a utility allowance prescribed by the commission. Persons or families are eligible occupants of affordable housing units if the household combined, adjusted gross income as defined by the commission is equal to or less than the following percentages of the median family income for the geographic area in which the residential unit is located, or the median family income for the state of Missouri, whichever is larger; ("geographic area" means the metropolitan area or county designated as an area by the federal Department of Housing and Urban Development under Section 8 of the United States 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
One Person	35%
Two Persons	40%
Three Persons	45%
Four Persons	50%
Five Persons	54%
Six Persons	58%
Seven Persons	62%
Eight Persons	66%

(3) "Business firm", person, firm, a partner in a firm, corporation or a shareholder in an S corporation doing business in the state of Missouri and subject to the state income tax imposed by the provisions of chapter 143, RSMo, **including any charitable organization that is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under such chapter**, or a corporation subject to the annual corporation franchise tax imposed by the provisions of chapter 147, RSMo,

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

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

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

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

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

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

59 (9) "Economic development", the acquisition, renovation, improvement, or the
60 furnishing or equipping of existing buildings and real estate in distressed or blighted areas of the
61 state when such acquisition, renovation, improvement, or the furnishing or equipping of the
62 business development projects will result in the creation or retention of jobs within the state; or,
63 until June 30, 1996, a defense conversion pilot project located in a standard metropolitan
64 statistical area which contains a city with a population of at least three hundred fifty thousand
65 inhabitants, which will assist Missouri-based defense industry contractors in their conversion
66 from predominately defense-related contracting to nondefense-oriented manufacturing. Only
67 neighborhood organizations, as defined in subdivision (13) of this section, may apply to conduct
68 economic development projects. Prior to the approval of an economic development project, the
69 neighborhood organization shall enter into a contractual agreement with the department of
70 economic development. Credits approved for economic development projects may not exceed
71 four million dollars from within any one fiscal year's allocation, except that for fiscal years 2005,
72 2006, and 2007 credits approved for economic development projects shall not exceed six million
73 dollars. Neighborhood assistance program tax credits for economic development projects and

74 affordable housing assistance as defined in section 32.111 may be transferred, sold or assigned
75 by a notarized endorsement thereof naming the transferee;

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

80 (11) "Homeless assistance pilot project", the program established pursuant to section
81 32.117;

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

85 (13) "Neighborhood organization", any organization performing community services or
86 economic development activities in the state of Missouri and:

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

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

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

94 (14) "Physical revitalization", furnishing financial assistance, labor, material, or technical
95 advice to aid in the physical improvement or rehabilitation of any part or all of a neighborhood
96 area;

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

100 (16) "Workfare renovation project", any project initiated pursuant to sections 215.340
101 to 215.355, RSMo.

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

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

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

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

- 9 (4) The tax on other financial institutions in chapter 148, RSMo;
10 (5) The corporation franchise tax in chapter 147, RSMo;
11 (6) The state income tax in chapter 143, RSMo; and
12 (7) The annual tax on gross receipts of express companies in chapter 153, RSMo.

13 2. For proposals approved pursuant to section 32.110:

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

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

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

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

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

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

32

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

37 (4) Such tax credit allocation, equal to seventy percent of the total amount contributed,
38 shall not exceed four million dollars in fiscal year 1999 and six million dollars in fiscal year 2000
39 and any subsequent fiscal year. When the maximum dollar limit on the seventy percent tax credit
40 allocation is committed, the tax credit allocation for such programs shall then be equal to fifty
41 percent credit of the total amount contributed. Regulations establishing special program
42 priorities are to be promulgated during the first month of each fiscal year and at such times
43 during the year as the public interest dictates. Such credit shall not exceed two hundred and fifty
44 thousand dollars annually except as provided in subdivision (5) of this subsection. No tax credit

45 shall be approved for any bank, bank and trust company, insurance company, trust company,
46 national bank, savings association, or building and loan association for activities that are a part
47 of its normal course of business. Any tax credit not used in the period the contribution was made
48 may be carried over the next five succeeding calendar or fiscal years until the full credit has been
49 claimed. Except as otherwise provided for proposals approved pursuant to section 32.111,
50 32.112 or 32.117, in no event shall the total amount of all other tax credits allowed pursuant to
51 sections 32.100 to 32.125 exceed thirty-two million dollars in any one fiscal year, of which six
52 million shall be credits allowed pursuant to section 135.460, RSMo. If six million dollars in
53 credits are not approved, then the remaining credits may be used for programs approved pursuant
54 to sections 32.100 to 32.125 **and section 135.571, RSMo, with the first one hundred thousand**
55 **dollars in tax credits remaining to be issued as provided under section 135.571, RSMo;**

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

63 3. For proposals approved pursuant to section 32.111:

64 (1) The amount of the tax credit shall not exceed fifty-five percent of the total amount
65 invested in affordable housing assistance activities or market rate housing in distressed
66 communities as defined in section 135.530, RSMo, by a business firm. Whenever such
67 investment is made in the form of an equity investment or a loan, as opposed to a donation alone,
68 tax credits may be claimed only where the loan or equity investment is accompanied by a
69 donation which is eligible for federal income tax charitable deduction, and where the total value
70 of the tax credits herein plus the value of the federal income tax charitable deduction is less than
71 or equal to the value of the donation. Any tax credit not used in the period for which the credit
72 was approved may be carried over the next ten succeeding calendar or fiscal years until the full
73 credit has been allowed. If the affordable housing units or market rate housing units in distressed
74 communities for which a tax is claimed are within a larger structure, parts of which are not the
75 subject of a tax credit claim, then expenditures applicable to the entire structure shall be reduced
76 on a prorated basis in proportion to the ratio of the number of square feet devoted to the
77 affordable housing units or market rate housing units in distressed communities, for purposes of
78 determining the amount of the tax credit. The total amount of tax credit granted for programs
79 approved pursuant to section 32.111 for the fiscal year beginning July 1, 1991, shall not exceed

80 two million dollars, to be increased by no more than two million dollars each succeeding fiscal
81 year, until the total tax credits that may be approved reaches ten million dollars in any fiscal year;

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

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

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

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

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

6. Notwithstanding any other law to the contrary, any tax credits granted under this section may be assigned, transferred, sold, or otherwise conveyed without consent or approval.

99.805. As used in sections 99.800 to 99.865, unless the context clearly requires otherwise, the following terms shall mean:

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

(2) "Collecting officer", the officer of the municipality responsible for receiving and processing payments in lieu of taxes or economic activity taxes from taxpayers or the department of revenue;

(3) "Conservation area", any improved area within the boundaries of a redevelopment area located within the territorial limits of a municipality in which fifty percent or more of the structures in the area have an age of thirty-five years or more. Such an area is not yet a blighted area but is detrimental to the public health, safety, morals, or welfare and may become a blighted area because of any one or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning. A conservation area shall meet at least three of the factors provided in this subdivision for projects approved on or after December 23, 1997;

(4) "Economic activity taxes", the total additional revenue from taxes which are imposed by a municipality and other taxing districts, and which are generated by economic activities within a redevelopment area over the amount of such taxes generated by economic activities within such redevelopment area in the calendar year prior to the adoption of the ordinance designating such a redevelopment area, while tax increment financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments. For redevelopment projects or redevelopment plans approved after December 23, 1997, if a retail establishment

31 relocates within one year from one facility to another facility within the same county and the
32 governing body of the municipality finds that the relocation is a direct beneficiary of tax
33 increment financing, then for purposes of this definition, the economic activity taxes generated
34 by the retail establishment shall equal the total additional revenues from economic activity taxes
35 which are imposed by a municipality or other taxing district over the amount of economic
36 activity taxes generated by the retail establishment in the calendar year prior to its relocation to
37 the redevelopment area;

38 (5) "Economic development area", any area or portion of an area located within the
39 territorial limits of a municipality, which does not meet the requirements of subdivisions (1) and
40 (3) of this section, and in which the governing body of the municipality finds that redevelopment
41 will not be solely used for development of commercial businesses which unfairly compete in the
42 local economy and is in the public interest because it will:

43 (a) Discourage commerce, industry or manufacturing from moving their operations to
44 another state; or

45 (b) Result in increased employment in the municipality; or

46 (c) Result in preservation or enhancement of the tax base of the municipality;

47 (6) "Gambling establishment", an excursion gambling boat as defined in section 313.800,
48 RSMo, and any related business facility including any real property improvements which are
49 directly and solely related to such business facility, whose sole purpose is to provide goods or
50 services to an excursion gambling boat and whose majority ownership interest is held by a person
51 licensed to conduct gambling games on an excursion gambling boat or licensed to operate an
52 excursion gambling boat as provided in sections 313.800 to 313.850, RSMo. This subdivision
53 shall be applicable only to a redevelopment area designated by ordinance adopted after December
54 23, 1997;

55 (7) **"Greenfield area", any vacant, unimproved, or agricultural property that is**
56 **located wholly outside the incorporated limits of a city, town, or village, or that is**
57 **substantially surrounded by contiguous properties with agricultural zoning classifications**
58 **or uses unless said property was annexed into the incorporated limits of a city, town, or**
59 **village ten years prior to the adoption of the ordinance approving the redevelopment plan**
60 **for such greenfield area;**

61 (8) "Municipality", a city, village, or incorporated town or any county of this state. For
62 redevelopment areas or projects approved on or after December 23, 1997, "municipality" applies
63 only to cities, villages, incorporated towns or counties established for at least one year prior to
64 such date;

65 [(8)] (9) "Obligations", bonds, loans, debentures, notes, special certificates, or other
66 evidences of indebtedness issued by a municipality to carry out a redevelopment project or to
67 refund outstanding obligations;

68 [(9)] (10) "Ordinance", an ordinance enacted by the governing body of a city, town, or
69 village or a county or an order of the governing body of a county whose governing body is not
70 authorized to enact ordinances;

71 [(10)] (11) "Payment in lieu of taxes", those estimated revenues from real property in the
72 area selected for a redevelopment project, which revenues according to the redevelopment
73 project or plan are to be used for a private use, which taxing districts would have received had
74 a municipality not adopted tax increment allocation financing, and which would result from
75 levies made after the time of the adoption of tax increment allocation financing during the time
76 the current equalized value of real property in the area selected for the redevelopment project
77 exceeds the total initial equalized value of real property in such area until the designation is
78 terminated pursuant to subsection 2 of section 99.850;

79 [(11)] (12) "Redevelopment area", an area designated by a municipality, in respect to
80 which the municipality has made a finding that there exist conditions which cause the area to be
81 classified as a blighted area, a conservation area, an economic development area, an enterprise
82 zone pursuant to sections 135.200 to 135.256, RSMo, or a combination thereof, which area
83 includes only those parcels of real property directly and substantially benefited by the proposed
84 redevelopment project;

85 [(12)] (13) "Redevelopment plan", the comprehensive program of a municipality for
86 redevelopment intended by the payment of redevelopment costs to reduce or eliminate those
87 conditions, the existence of which qualified the redevelopment area as a blighted area,
88 conservation area, economic development area, or combination thereof, and to thereby enhance
89 the tax bases of the taxing districts which extend into the redevelopment area. Each
90 redevelopment plan shall conform to the requirements of section 99.810;

91 [(13)] (14) "Redevelopment project", any development project within a redevelopment
92 area in furtherance of the objectives of the redevelopment plan; any such redevelopment project
93 shall include a legal description of the area selected for the redevelopment project;

94 [(14)] (15) "Redevelopment project costs" include the sum total of all reasonable or
95 necessary costs incurred or estimated to be incurred, and any such costs incidental to a
96 redevelopment plan or redevelopment project, as applicable. Such costs include, but are not
97 limited to, the following:

98 (a) Costs of studies, surveys, plans, and specifications;

99 (b) Professional service costs, including, but not limited to, architectural, engineering,
100 legal, marketing, financial, planning or special services. Except the reasonable costs incurred

101 by the commission established in section 99.820 for the administration of sections 99.800 to
102 99.865, such costs shall be allowed only as an initial expense which, to be recoverable, shall be
103 included in the costs of a redevelopment plan or project;

104 (c) Property assembly costs, including, but not limited to, acquisition of land and other
105 property, real or personal, or rights or interests therein, demolition of buildings, and the clearing
106 and grading of land;

107 (d) Costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings
108 and fixtures;

109 (e) Initial costs for an economic development area;

110 (f) Costs of construction of public works or improvements;

111 (g) Financing costs, including, but not limited to, all necessary and incidental expenses
112 related to the issuance of obligations, and which may include payment of interest on any
113 obligations issued pursuant to sections 99.800 to 99.865 accruing during the estimated period
114 of construction of any redevelopment project for which such obligations are issued and for not
115 more than eighteen months thereafter, and including reasonable reserves related thereto;

116 (h) All or a portion of a taxing district's capital costs resulting from the redevelopment
117 project necessarily incurred or to be incurred in furtherance of the objectives of the
118 redevelopment plan and project, to the extent the municipality by written agreement accepts and
119 approves such costs;

120 (i) Relocation costs to the extent that a municipality determines that relocation costs shall
121 be paid or are required to be paid by federal or state law;

122 (j) Payments in lieu of taxes;

123 [(15)] (16) "Special allocation fund", the fund of a municipality or its commission which
124 contains at least two separate segregated accounts for each redevelopment plan, maintained by
125 the treasurer of the municipality or the treasurer of the commission into which payments in lieu
126 of taxes are deposited in one account, and economic activity taxes and other revenues are
127 deposited in the other account;

128 [(16)] (17) "Taxing districts", any political subdivision of this state having the power to
129 levy taxes;

130 [(17)] (18) "Taxing districts' capital costs", those costs of taxing districts for capital
131 improvements that are found by the municipal governing bodies to be necessary and to directly
132 result from the redevelopment project; and

133 [(18)] (19) "Vacant land", any parcel or combination of parcels of real property not used
134 for industrial, commercial, or residential buildings.

**99.812. 1. This section shall be known as and may be cited as the "Hunting
2 Heritage Protection Areas Act". Hunting heritage protection areas shall include all land**

3 located within the one hundred-year flood plain of the Missouri River and all land located
4 within the one hundred-year flood plain of the Mississippi River, as designated by the
5 Federal Emergency Management Agency as amended from time to time.

6 2. In addition to the provisions of section 99.847 no new tax increment financing
7 project shall be authorized in any hunting heritage protection area after August 28, 2007.
8 This subsection shall not apply to tax increment financing projects or districts approved:

9 (1) Prior to August 28, 2007, and shall allow the modification, amendment, or
10 expansion of such projects including redevelopment project costs by not more than forty
11 percent of such project's original projected cost and the tax increment finance district by
12 not more than five percent of the district as it existed as of August 28, 2007;

13 (2) For the purpose of flood or drainage protection and for any public
14 infrastructure included therewith; or

15 (3) For the purpose of constructing or operating a renewable fuel facility as defined
16 in section 348.430, RSMo, or for the purpose of providing infrastructure necessary solely
17 for the construction or operation of such renewable fuel production facility, provided no
18 residential, commercial, or industrial development not directly associated with the
19 production of renewable fuel shall occur within a hunting heritage protection area, either
20 directly or indirectly, as a result of such tax increment financing project.

21 3. The discharge of firearms for lawful hunting, sporting, target shooting, and all
22 other lawful purposes shall not be prohibited in hunting heritage protection areas, subject
23 to all applicable state and federal laws.

24 4. Notwithstanding the provisions of subsection 1 of this section to the contrary,
25 hunting heritage protection areas shall not include:

26 (1) Any area with a population of not less than fifty thousand persons that has been
27 defined and designated in the 2000 United States Census as an "urbanized area" by the
28 United States Secretary of Commerce;

29 (2) Any land ever owned by an entity regulated by the Federal Energy Regulatory
30 Commission or any land ever used or operated by an entity regulated by the Federal
31 Energy Regulatory Commission;

32 (3) Any land used for the operation of a physical port of commerce to include
33 customs ports, but shall not include other land managed or governed by a port authority
34 if such other land extends beyond the actual physical port;

35 (4) Any land contained within the boundary of any home rule city with more than
36 four hundred thousand inhabitants and located in more than one county, or any land
37 contained within a city not within a county; or

38 **(5) Any land located within one-half mile of any interstate highway, as such**
39 **highways exist as of August 28, 2007.**

99.820. 1. A municipality may:

2 (1) By ordinance introduced in the governing body of the municipality within fourteen
3 to ninety days from the completion of the hearing required in section 99.825, approve
4 redevelopment plans and redevelopment projects, and designate redevelopment project areas
5 pursuant to the notice and hearing requirements of sections 99.800 to 99.865. No redevelopment
6 project shall be approved unless a redevelopment plan has been approved and a redevelopment
7 area has been designated prior to or concurrently with the approval of such redevelopment
8 project and the area selected for the redevelopment project shall include only those parcels of real
9 property and improvements thereon directly and substantially benefited by the proposed
10 redevelopment project improvements;

11 (2) Make and enter into all contracts necessary or incidental to the implementation and
12 furtherance of its redevelopment plan or project;

13 (3) Pursuant to a redevelopment plan, subject to any constitutional limitations, acquire
14 by purchase, donation, lease or, as part of a redevelopment project, eminent domain, own,
15 convey, lease, mortgage, or dispose of, land and other property, real or personal, or rights or
16 interests therein, and grant or acquire licenses, easements and options with respect thereto, all
17 in the manner and at such price the municipality or the commission determines is reasonably
18 necessary to achieve the objectives of the redevelopment plan. No conveyance, lease, mortgage,
19 disposition of land or other property, acquired by the municipality, or agreement relating to the
20 development of the property shall be made except upon the adoption of an ordinance by the
21 governing body of the municipality. Each municipality or its commission shall establish written
22 procedures relating to bids and proposals for implementation of the redevelopment projects.
23 Furthermore, no conveyance, lease, mortgage, or other disposition of land or agreement relating
24 to the development of property shall be made without making public disclosure of the terms of
25 the disposition and all bids and proposals made in response to the municipality's request. Such
26 procedures for obtaining such bids and proposals shall provide reasonable opportunity for any
27 person to submit alternative proposals or bids;

28 (4) Within a redevelopment area, clear any area by demolition or removal of existing
29 buildings and structures;

30 (5) Within a redevelopment area, renovate, rehabilitate, or construct any structure or
31 building;

32 (6) Install, repair, construct, reconstruct, or relocate streets, utilities, and site
33 improvements essential to the preparation of the redevelopment area for use in accordance with
34 a redevelopment plan;

35 (7) Within a redevelopment area, fix, charge, and collect fees, rents, and other charges
36 for the use of any building or property owned or leased by it or any part thereof, or facility
37 therein;

38 (8) Accept grants, guarantees, and donations of property, labor, or other things of value
39 from a public or private source for use within a redevelopment area;

40 (9) Acquire and construct public facilities within a redevelopment area;

41 (10) Incur redevelopment costs and issue obligations;

42 (11) Make payment in lieu of taxes, or a portion thereof, to taxing districts;

43 (12) Disburse surplus funds from the special allocation fund to taxing districts as
44 follows:

45 (a) Such surplus payments in lieu of taxes shall be distributed to taxing districts within
46 the redevelopment area which impose ad valorem taxes on a basis that is proportional to the
47 current collections of revenue which each taxing district receives from real property in the
48 redevelopment area;

49 (b) Surplus economic activity taxes shall be distributed to taxing districts in the
50 redevelopment area which impose economic activity taxes, on a basis that is proportional to the
51 amount of such economic activity taxes the taxing district would have received from the
52 redevelopment area had tax increment financing not been adopted;

53 (c) Surplus revenues, other than payments in lieu of taxes and economic activity taxes,
54 deposited in the special allocation fund, shall be distributed on a basis that is proportional to the
55 total receipt of such other revenues in such account in the year prior to disbursement;

56 (13) If any member of the governing body of the municipality, a member of a
57 commission established pursuant to subsection 2 of this section, or an employee or consultant
58 of the municipality, involved in the planning and preparation of a redevelopment plan, or
59 redevelopment project for a redevelopment area or proposed redevelopment area, owns or
60 controls an interest, direct or indirect, in any property included in any redevelopment area, or
61 proposed redevelopment area, which property is designated to be acquired or improved pursuant
62 to a redevelopment project, he or she shall disclose the same in writing to the clerk of the
63 municipality, and shall also so disclose the dates, terms, and conditions of any disposition of any
64 such interest, which disclosures shall be acknowledged by the governing body of the
65 municipality and entered upon the minutes books of the governing body of the municipality. If
66 an individual holds such an interest, then that individual shall refrain from any further official
67 involvement in regard to such redevelopment plan, redevelopment project or redevelopment area,
68 from voting on any matter pertaining to such redevelopment plan, redevelopment project or
69 redevelopment area, or communicating with other members concerning any matter pertaining
70 to that redevelopment plan, redevelopment project or redevelopment area. Furthermore, no such

71 member or employee shall acquire any interest, direct or indirect, in any property in a
72 redevelopment area or proposed redevelopment area after either (a) such individual obtains
73 knowledge of such plan or project, or (b) first public notice of such plan, project or area pursuant
74 to section 99.830, whichever first occurs;

75 (14) Charge as a redevelopment cost the reasonable costs incurred by its clerk or other
76 official in administering the redevelopment project. The charge for the clerk's or other official's
77 costs shall be determined by the municipality based on a recommendation from the commission,
78 created pursuant to this section.

79 2. Prior to adoption of an ordinance approving the designation of a redevelopment area
80 or approving a redevelopment plan or redevelopment project, the municipality shall create a
81 commission of nine persons if the municipality is a county or a city not within a county and not
82 a first class county with a charter form of government with a population in excess of nine
83 hundred thousand, and eleven persons if the municipality is not a county and not in a first class
84 county with a charter form of government having a population of more than nine hundred
85 thousand, and twelve persons if the municipality is located in or is a first class county with a
86 charter form of government having a population of more than nine hundred thousand, to be
87 appointed as follows:

88 (1) In all municipalities two members shall be appointed by the school boards whose
89 districts are included within the redevelopment plan or redevelopment area. Such members shall
90 be appointed in any manner agreed upon by the affected districts;

91 (2) In all municipalities one member shall be appointed, in any manner agreed upon by
92 the affected districts, to represent all other districts levying ad valorem taxes within the area
93 selected for a redevelopment project or the redevelopment area, excluding representatives of the
94 governing body of the municipality;

95 (3) In all municipalities six members shall be appointed by the chief elected officer of
96 the municipality, with the consent of the majority of the governing body of the municipality;

97 (4) In all municipalities which are not counties and not in a first class county with a
98 charter form of government having a population in excess of nine hundred thousand, two
99 members shall be appointed by the county of such municipality in the same manner as members
100 are appointed in subdivision (3) of this subsection;

101 (5) In a municipality which is a county with a charter form of government having a
102 population in excess of nine hundred thousand, three members shall be appointed by the cities
103 in the county which have tax increment financing districts in a manner in which the cities shall
104 agree;

105 (6) In a municipality which is located in the first class county with a charter form of
106 government having a population in excess of nine hundred thousand, three members shall be

107 appointed by the county of such municipality in the same manner as members are appointed in
108 subdivision (3) of this subsection;

109 (7) **In a municipality which is in a county under the authority of the East-West**
110 **Gateway Council of Governments, except any municipality in any county of the first**
111 **classification with more than ninety-three thousand eight hundred but fewer than ninety-**
112 **three thousand nine hundred inhabitants, the municipality shall create a commission in the**
113 **same manner as the commission for a first class county with a charter form of government**
114 **having a population of more than nine hundred thousand, such commission shall have**
115 **twelve members with two such members appointed by the school boards whose districts**
116 **are included in the county in a manner in which such school boards agree, with one such**
117 **member to represent all other districts levying ad valorem taxes in a manner in which all**
118 **such districts agree, three such members appointed either by the county executive or**
119 **county commissioner, and six such members appointed by the cities in the county which**
120 **have tax increment financing districts in a manner in which the cities shall agree;**

121 (8) **When any city, town, or village under the authority of the East-West Gateway**
122 **Council of Governments desires to implement a tax increment financing project, such city,**
123 **town, or village shall first obtain the permission of the county tax increment financing**
124 **commission created in this subsection within which the city, town, or village is located;**

125 (9) At the option of the members appointed by the municipality, the members who are
126 appointed by the school boards and other taxing districts may serve on the commission for a term
127 to coincide with the length of time a redevelopment project, redevelopment plan or designation
128 of a redevelopment area is considered for approval by the commission, or for a definite term
129 pursuant to this subdivision. If the members representing school districts and other taxing
130 districts are appointed for a term coinciding with the length of time a redevelopment project, plan
131 or area is approved, such term shall terminate upon final approval of the project, plan or
132 designation of the area by the governing body of the municipality. Thereafter the commission
133 shall consist of the six members appointed by the municipality, except that members representing
134 school boards and other taxing districts shall be appointed as provided in this section prior to any
135 amendments to any redevelopment plans, redevelopment projects or designation of a
136 redevelopment area. If any school district or other taxing jurisdiction fails to appoint members
137 of the commission within thirty days of receipt of written notice of a proposed redevelopment
138 plan, redevelopment project or designation of a redevelopment area, the remaining members may
139 proceed to exercise the power of the commission. Of the members first appointed by the
140 municipality, two shall be designated to serve for terms of two years, two shall be designated to
141 serve for a term of three years and two shall be designated to serve for a term of four years from
142 the date of such initial appointments. Thereafter, the members appointed by the municipality

143 shall serve for a term of four years, except that all vacancies shall be filled for unexpired terms
144 in the same manner as were the original appointments.

145 3. The commission, subject to approval of the governing body of the municipality, may
146 exercise the powers enumerated in sections 99.800 to 99.865, except final approval of plans,
147 projects and designation of redevelopment areas. The commission shall hold public hearings and
148 provide notice pursuant to sections 99.825 and 99.830. The commission shall vote on all
149 proposed redevelopment plans, redevelopment projects and designations of redevelopment areas,
150 and amendments thereto, within thirty days following completion of the hearing on any such
151 plan, project or designation and shall make recommendations to the governing body within
152 ninety days of the hearing referred to in section 99.825 concerning the adoption of or amendment
153 to redevelopment plans and redevelopment projects and the designation of redevelopment areas.
154 The requirements of subsection 2 of this section and this subsection shall not apply to
155 redevelopment projects upon which the required hearings have been duly held prior to August
156 31, 1991.

99.825. 1. Prior to the adoption of an ordinance proposing the designation of a
2 redevelopment area, or approving a redevelopment plan or redevelopment project, the
3 commission shall fix a time and place for a public hearing and notify each taxing district located
4 wholly or partially within the boundaries of the proposed redevelopment area, plan or project.
5 At the public hearing any interested person or affected taxing district may file with the
6 commission written objections to, or comments on, and may be heard orally in respect to, any
7 issues embodied in the notice. The commission shall hear and consider all protests, objections,
8 comments and other evidence presented at the hearing. The hearing may be continued to another
9 date without further notice other than a motion to be entered upon the minutes fixing the time
10 and place of the subsequent hearing. Prior to the conclusion of the hearing, changes may be
11 made in the redevelopment plan, redevelopment project, or redevelopment area, provided that
12 each affected taxing district is given written notice of such changes at least seven days prior to
13 the conclusion of the hearing. After the public hearing but prior to the adoption of an ordinance
14 approving a redevelopment plan or redevelopment project, or designating a redevelopment area,
15 changes may be made to the redevelopment plan, redevelopment projects or redevelopment areas
16 without a further hearing, if such changes do not enlarge the exterior boundaries of the
17 redevelopment area or areas, and do not substantially affect the general land uses established in
18 the redevelopment plan or substantially change the nature of the redevelopment projects,
19 provided that notice of such changes shall be given by mail to each affected taxing district and
20 by publication in a newspaper of general circulation in the area of the proposed redevelopment
21 not less than ten days prior to the adoption of the changes by ordinance. After the adoption of
22 an ordinance approving a redevelopment plan or redevelopment project, or designating a

23 redevelopment area, no ordinance shall be adopted altering the exterior boundaries, affecting the
24 general land uses established pursuant to the redevelopment plan or changing the nature of the
25 redevelopment project without complying with the procedures provided in this section pertaining
26 to the initial approval of a redevelopment plan or redevelopment project and designation of a
27 redevelopment area. Hearings with regard to a redevelopment project, redevelopment area, or
28 redevelopment plan may be held simultaneously.

29 **2. If, after concluding the hearing required under this section, the commission**
30 **makes a recommendation under section 99.820 in opposition to a proposed redevelopment**
31 **plan, redevelopment project, or designation of a redevelopment area, or any amendments**
32 **thereto, a municipality desiring to approve such project, plan, designation, or amendments**
33 **shall do so only upon a two-thirds majority vote of the governing body of such**
34 **municipality.**

35 **3. Tax incremental financing projects within an economic development area shall apply**
36 **to and fund only the following infrastructure projects: highways, roads, streets, bridges, sewers,**
37 **traffic control systems and devices, water distribution and supply systems, curbing, sidewalks**
38 **and any other similar public improvements, but in no case shall it include buildings.**

99.841. 1. Notwithstanding the provisions of sections 99.800 to 99.865 to the
2 **contrary, no new tax increment financing project shall be authorized in any greenfield**
3 **area, as such term is defined in section 99.805, that is located within a city not within a**
4 **county or any county subject to the authority of the East West Gateway Council of**
5 **Governments. Municipalities not subject to the authority of the East West Gateway**
6 **Council of Governments may authorize tax increment finance projects in greenfield areas.**

99.1200. 1. This section shall be known and may be cited as the "Distressed Areas
2 **Land Assemblage Tax Credit Act".**

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

4 **(1) "Acquisition costs", the purchase price for the eligible parcel, costs of**
5 **environmental assessments, closing costs, real estate brokerage fees, demolition costs of**
6 **vacant structures, and maintenance costs incurred to maintain an acquired eligible parcel**
7 **for a period of five years after the acquisition of such eligible parcel. Acquisition costs**
8 **shall not include costs for title insurance and survey, attorney's fees, or relocation costs;**

9 **(2) "Applicant", any person, firm, partnership, trust, limited liability company, or**
10 **corporation which has:**

11 **(a) Incurred, within an eligible project area, acquisition costs for the acquisition**
12 **of land sufficient to satisfy the requirements under subdivision (8) of subsection 2 of this**
13 **section; and**

(b) Been appointed or selected, pursuant to a redevelopment agreement by a municipal authority, as a redeveloper or similar designation, under an economic incentive act, to redevelop an urban renewal area or a redevelopment area that includes all of an eligible project area or whose redevelopment plan or redevelopment area, which encompasses all of an eligible project area, has been approved or adopted under an economic incentive act. The redevelopment agreement shall provide that the funds generated through the use or sale of the tax credits issued under this section be used to redevelop the eligible project area and, in addition to being designated the redeveloper, the applicant shall have been designated to receive economic incentives after the municipal authority has considered the amount of the tax credits in adopting such economic incentives as provided in subsection 8 of this section;

(3) "Certificate", a tax credit certificate issued under this section;

(4) "Condemnation proceedings", any action taken by, or on behalf of, an applicant to initiate an action in a court of competent jurisdiction to use the power of eminent domain to acquire a parcel within the eligible project area. Condemnation proceedings shall include any and all actions taken after the submission of a notice of intended acquisition to an owner of a parcel within the eligible project area by a municipal authority or any other person or entity under section 523.250, RSMo;

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

(6) "Economic incentive acts", any provision of Missouri law pursuant to which economic incentives are provided to redevelopers of a parcel or parcels to redevelop the land, such as tax abatement or payments in lieu of taxes, or redevelopment plans or redevelopment projects approved or adopted which include the use of economic incentives to redevelop the land. Economic incentive acts include, but are not limited to, the land clearance for redevelopment authority law, the real property tax increment allocation redevelopment act, the Missouri downtown and rural economic stimulus act, and the downtown revitalization preservation program;

(7) "Eligible parcel", a parcel:

(a) Which is located within an eligible project area;

(b) Which is to be redeveloped;

(c) On which the applicant has not commenced construction prior to August 28, 2007; and

(d) Which has been acquired without the commencement of any condemnation proceedings with respect to such parcel brought by or on behalf of the applicant. Any parcel acquired by the applicant from a municipal authority shall not constitute an eligible parcel;

50 (8) "Eligible project area", an area which shall have satisfied the following
51 requirements:

52 (a) The eligible project area shall consist of at least one hundred acres and may
53 include parcels within its boundaries that do not constitute an eligible parcel;

54 (b) At least eighty percent of the eligible project area shall be located within a
55 Missouri qualified census tract area as designated by the United States Department of
56 Housing and Urban Development under 26 U.S.C. Section 42;

57 (c) The eligible parcels acquired by the applicant within the eligible project area
58 shall total at least seventy-five acres, which may consist of contiguous and noncontiguous
59 parcels;

60 (d) The average number of parcels per acre in an eligible project area shall be four;

61 (e) Less than five percent of the acreage within the boundaries of the eligible
62 project area shall consist of owner-occupied residences which the applicant has identified
63 for acquisition under the urban renewal plan or the redevelopment plan pursuant to which
64 the applicant was appointed or selected as the redeveloper or by which the person or entity
65 was qualified as an applicant under this section on the date of the approval or adoption of
66 such plan;

67 (9) "Interest costs", interest, loan fees, and closing costs. Interest costs shall not
68 include attorney's fees;

69 (10) "Municipal authority", any city, town, village, county, public body corporate
70 and politic, political subdivision, or land trust of this state established and authorized to
71 own land within the state;

72 (11) "Municipality", any city, town, village, or county;

73 (12) "Parcel", a single lot or tract of land, and the improvements thereon, owned
74 by, or recorded as the property of, one or more persons or entities;

75 (13) "Redeveloped", the process of undertaking and carrying out a redevelopment
76 plan or urban renewal plan pursuant to which the conditions which provided the basis for
77 an eligible project area to be included in a redevelopment plan or urban renewal plan are
78 to be reduced or eliminated by redevelopment or rehabilitation; and

79 (14) Redevelopment agreement", the redevelopment agreement or similar
80 agreement into which the applicant entered with a municipal authority and which is the
81 agreement for the implementation of the urban renewal plan or redevelopment plan
82 pursuant to which the applicant was appointed or selected as the redeveloper or by which
83 the person or entity was qualified as an applicant under this section.

84 3. Any applicant shall be entitled to a tax credit against the taxes imposed under
85 chapters 143, 147, and 148, RSMo, except for sections 143.191 to 143.265, RSMo, in an

86 amount equal to fifty percent of the acquisition costs, and one hundred percent of the
87 interest costs incurred for a period of five years after the acquisition of an eligible parcel.
88 No tax credits shall be issued under this section until after January 1, 2008.

89 4. If the amount of such tax credit exceeds the total tax liability for the year in
90 which the applicant is entitled to receive a tax credit, the amount that exceeds the state tax
91 liability may be carried forward for credit against the taxes imposed under chapters 143,
92 147, and 148, RSMo, for the succeeding six years, or until the full credit is used, whichever
93 occurs first. The applicant shall not be entitled to a tax credit for taxes imposed under
94 sections 143.191 to 143.265, RSMo. Applicants entitled to receive such tax credits may
95 transfer, sell, or assign the tax credits. Tax credits granted to a partnership, a limited
96 liability company taxed as a partnership, or multiple owners of property shall be passed
97 through to the partners, members, or owners respectively pro rata or pursuant to an
98 executed agreement among the partners, members, or owners documenting an alternate
99 distribution method.

100 5. A purchaser, transferee, or assignee of the tax credits may use acquired tax
101 credits to offset up to one hundred percent of the tax liabilities otherwise imposed under
102 chapters 143, 147, and 148, RSMo, except for sections 143.191 to 143.265, RSMo. A seller,
103 transferor, or assignor shall perfect such transfer by notifying the department in writing
104 within thirty calendar days following the effective date of the transfer and shall provide
105 any information as may be required by the department to administer and to carry out the
106 provisions of this section.

107 6. To claim tax credits authorized under this section, an applicant shall submit to
108 the department an application for a certificate. An applicant shall identify the boundaries
109 of the eligible project area in the application. The department shall verify that the
110 applicant has submitted a valid application in the form and format required by the
111 department. On an annual basis, an applicant may file for the tax credit for the acquisition
112 costs, and for the tax credit for the interest costs, subject to the limitations of this section.
113 If an applicant applying for the tax credit meets the criteria required under this section,
114 the department shall issue a certificate in the appropriate amount.

115 7. The total aggregate amount of tax credits authorized under this section shall not
116 exceed one hundred million dollars. At no time shall the annual amount of the tax credits
117 issued under this section exceed twelve million dollars. If the tax credits that are to be
118 issued under this section exceed, in any year, the twelve million dollar limitation, the
119 department shall either:

120 (1) Issue tax credits to the applicant in the amount of twelve million dollars, if there
121 is only one applicant entitled to receive tax credits in that year; or

(2) Issue the tax credits on a pro rata basis to all applicants entitled to receive tax credits in that year. Any amount of tax credits, which an applicant is, or applicants are, entitled to receive on an annual basis and are not issued due to the twelve million dollar limitation, shall be carried forward for the benefit of the applicant or applicants to subsequent years.

No tax credits provided under this section shall be authorized after August 28, 2013. Any tax credits which have been authorized on or before August 28, 2013, but not issued, may be issued, subject to the limitations provided under this subsection, until all such authorized tax credits have been issued.

8. Upon issuance of any tax credits pursuant to this section, the department shall report to the municipal authority the applicant's name and address, the parcel numbers of the eligible parcels for which the tax credits were issued, the itemized acquisition costs and interest costs for which tax credits were issued, and the total value of the tax credits issued. The municipal authority and the state shall not consider the amount of the tax credits as an applicant's cost, but shall include the tax credits in any sources and uses and cost benefit analysis reviewed or created for the purpose of awarding other economic incentives. The amount of the tax credits shall not be considered an applicant's cost in the evaluation of the amount of any award of any other economic incentives, but shall be considered in measuring the reasonableness of the rate of return to the applicant with respect to such award of other economic incentives. The municipal authority shall provide the report to any relevant commission, board, or entity responsible for the evaluation and recommendation or approval of other economic incentives to assist in the redevelopment of the eligible project area.

9. The department may promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

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

- 5 (1) Is requested to finance any project or export trade activity;
- 6 (2) Is requested by a borrower who is demonstrated to be financially responsible;
- 7 (3) Can reasonably be expected to provide a benefit to the economy of this state;
- 8 (4) Is otherwise secured by a mortgage or deed of trust on real or personal property or
- 9 other security satisfactory to the board; provided that loans to finance export trade activities may
- 10 be secured by export accounts receivable or inventories of exportable goods satisfactory to the
- 11 board;
- 12 (5) Does not exceed five million dollars;
- 13 (6) Does not have a term longer than five years if such loan is made to finance export
- 14 trade activities; and
- 15 (7) Is, when used to finance export trade activities, made to small or medium size
- 16 businesses or agricultural businesses, as may be defined by the board.
- 17 2. The board shall prescribe standards for the evaluation of the financial condition,
- 18 business history, and qualifications of each borrower and the terms and conditions of loans which
- 19 may be secured, and may require each application to include a financial report and evaluation
- 20 by an independent certified public accounting firm, in addition to such examination and
- 21 evaluation as may be conducted by any participating lender.
- 22 3. Each application for a loan secured by the development and reserve fund, the
- 23 infrastructure development fund or the export finance fund shall be reviewed in the first instance
- 24 by any participating lender to whom the application was submitted. If satisfied that the standards
- 25 prescribed by the board are met and that the loan is otherwise eligible to be secured by the
- 26 development and reserve fund, the infrastructure development fund or the export finance fund,
- 27 the participating lender shall certify the same and forward the application for final approval to
- 28 the board.
- 29 4. The securing of any loans by the development and reserve fund, the infrastructure
- 30 development fund or the export finance fund shall be conditioned upon approval of the
- 31 application by the board, and receipt of an annual reserve participation fee, as prescribed by the
- 32 board, submitted by or on behalf of the borrower.
- 33 5. The securing of any loan by the export finance fund for export trade activities shall
- 34 be conditioned upon the board's compliance with any applicable treaties and international
- 35 agreements, such as the general agreement on tariffs and trade and the subsidies code, to which
- 36 the United States is then a party.
- 37 6. Any taxpayer, **including any charitable organization that is exempt from federal**
- 38 **income tax and whose Missouri unrelated business taxable income, if any, would be subject**
- 39 **to the state income tax imposed under chapter 143, RSMo,** shall be entitled to a tax credit
- 40 against any tax otherwise due under the provisions of chapter 143, RSMo, excluding withholding

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

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

- 63 (1) For no less than seventy-five percent of the par value of such credits; and
64 (2) In an amount not to exceed one hundred percent of annual earned credits.

65

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

77 shall be taxable as income of the assignor, and the excess of the par value of such credit over the
78 amount paid by the assignee for such credit shall be taxable as income of the assignee.

135.400. As used in sections 135.400 to 135.430, the following terms mean:

2 (1) "Certificate", a tax credit certificate issued by the department of economic
3 development in accordance with sections 135.400 to 135.430;

4 (2) ["Community bank", either a bank community development corporation or
5 development bank, which are financial organizations which receive investments from
6 commercial financial institutions regulated by the federal reserve, the office of the comptroller
7 of the currency, the office of thrift supervision, or the Missouri division of finance. Community
8 banks, in addition to their other privileges, shall be allowed to make loans to businesses or equity
9 investments in businesses or in real estate provided that such transactions have associated public
10 benefits;

11 (3) "Community development corporation", a not-for-profit corporation whose board of
12 directors is composed of businesses, civic and community leaders, and whose primary purpose
13 is to encourage and promote the industrial, economic, entrepreneurial, commercial, and civic
14 development or redevelopment of a community or area, including the provision of housing and
15 community development projects that benefit low-income individuals and communities;

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

17 [(5)] (3) "Director", the director of the department of economic development, or a person
18 acting under the supervision of the director;

19 [(6)] (4) "Investment", a transaction in which a Missouri small business [or a community
20 bank] receives a monetary benefit from an investor pursuant to the provisions of sections
21 135.403 to 135.414;

22 [(7)] (5) "Investor", an individual, partnership, financial institution, trust or corporation
23 meeting the eligibility requirements of sections 135.403 to 135.414. In the case of partnerships
24 and nontaxable trusts, the individual partners or beneficiaries shall be treated as the investors;

25 (6) **"Missouri innovation center", an innovation center created under section**
26 **348.271, RSMo;**

27 [(8)] (7) "Missouri small business", an independently owned and operated business as
28 defined in Title 15 U.S.C. Section 632(a) and as described by Title 13 CFR Part 121, which is
29 headquartered in Missouri and which employs at least eighty percent of its employees in
30 Missouri, except that no such small business shall employ more than one hundred employees.
31 Such businesses must be involved in interstate or intrastate commerce for the purpose of
32 manufacturing, processing or assembling products, conducting research and development, or
33 providing services in interstate commerce, but excluding retail, real estate, insurance or
34 professional services[. For the purpose of qualifying for the tax credit pursuant to sections

35 135.400 to 135.430, "Missouri small business" shall include cooperative marketing associations
36 organized pursuant to chapter 274, RSMo, which are engaged in the business of producing and
37 marketing fuels derived from agriculture commodities, without regard for whether a cooperative
38 marketing association has more than one hundred employees. Cooperative marketing
39 associations organized pursuant to chapter 274, RSMo, shall not be required to comply with the
40 requirements of section 135.414];

41 [(9)] **(8)** "Primary employment", work which pays at least the [minimum] **county**
42 **average** wage and which is not seasonal or part-time;

43 [(10)] **(9)** "Principal owners", one or more persons who own an aggregate of fifty percent
44 or more of the Missouri small business and who are involved in the operation of the business as
45 a full-time professional activity;

46 [(11)] **(10)** "Project", any commercial or industrial business or other economic
47 development activity undertaken in a target area, designed to reduce conditions of blight,
48 unemployment or widespread reliance on public assistance which creates permanent primary
49 employment opportunities;

50 **(11) "Rural area", a county with a population of less than seventy-five thousand**
51 **inhabitants or that does not contain an individual city with a population greater than fifty**
52 **thousand inhabitants according to the most recent federal consensus;**

53 **(12) "Small business development center", a center as referenced in section**
54 **620.1003, RSMo;**

55 [(12)] **(13)** "State tax liability", any liability incurred by a taxpayer pursuant to the
56 provisions of chapter 143, RSMo, chapter 147, RSMo, chapter 148, RSMo, section 375.916,
57 RSMo, and chapter 153, RSMo, exclusive of the provisions relating to the withholding of tax
58 as provided for in sections 143.191 to 143.265, RSMo, and related provisions;

59 [(13)] "Target area", a group of blocks or a self-defined neighborhood where the rate of
60 poverty in the area is greater than twice the national poverty rate and as defined by the
61 department of social services in conjunction with the department of economic development.
62 Areas of the state satisfying the criteria of this subdivision may be designated as a "target area"
63 following appropriate findings made and certified by the departments of economic development
64 and social services. In making such findings, the departments of economic development and
65 social services may use any commonly recognized records and statistical indices published or
66 made available by any agency or instrumentality of the federal or state government. No area of
67 the state shall be a target area until so certified by the department of social services and the
68 revitalization plan submitted pursuant to section 208.335, RSMo, has received approval.] **(14)**
69 **"Small business tax credit review committee", a committee consisting of two**
70 **representatives from the department of economic development, two representatives from**

71 **the Missouri small business development centers, and one representative from a Missouri**
72 **innovation center. This committee shall review all applications for the Missouri small**
73 **business investment tax credit and make recommendations to the department of economic**
74 **development on the authorization of such tax credits.**

135.403. 1. Any investor who makes a qualified investment **up to one hundred**
2 **thousand dollars** in a Missouri small business [shall be entitled to receive] **may be issued** a tax
3 credit equal to [forty] **thirty** percent of the amount of the investment [or, in the case of a
4 qualified investment in a Missouri small business in a distressed community as defined by
5 section 135.530, a credit equal to sixty percent of the amount of the investment, and any investor
6 who makes a qualified investment in a community bank or a community development
7 corporation shall be entitled to receive a tax credit equal to fifty percent of the amount of the
8 investment if the investment is made in a community bank or community development
9 corporation for direct investment. The total amount of tax credits available for qualified
10 investments in Missouri small businesses shall not exceed thirteen million dollars and at least
11 four million dollars of the amount authorized by this section and certified by the department of
12 economic development shall be for investment in Missouri small businesses in distressed
13 communities. Authorization for all or any part of this four-million-dollar amount shall in no way
14 restrict the eligibility of Missouri small businesses in distressed communities, as defined in
15 section 135.530, for the remaining amounts authorized within this section. No more than twenty
16 percent of the tax credits available each year for investments in community banks or community
17 development corporations for direct investment shall be certified for any one project, as defined
18 in section 135.400]. **If the investment is in small businesses located in a distressed**
19 **community as defined in section 135.530 or in a rural area, the investor may be issued tax**
20 **credits equal to forty percent of the amount of the investment. Effective August 28, 2007,**
21 **ten million dollars of tax credits each fiscal year shall be available for qualified investments**
22 **in Missouri small businesses.** The tax credit shall be evidenced by a tax credit certificate in
23 accordance with the provisions of sections 135.400 to 135.430 and may be used to satisfy the
24 state tax liability of the owner of the certificate that becomes due in the tax year in which the
25 qualified investment is made, or in any of the ten tax years thereafter. [When the qualified small
26 business is in a distressed community, as defined in section 135.530, the tax credit may also be
27 used to satisfy the state tax liability of the owner of the certificate that was due during each of
28 the previous three years in addition to the year in which the investment is made and any of the
29 ten years thereafter.] No investor may receive a tax credit pursuant to sections 135.400 to
30 135.430 unless that person presents a tax credit certificate to the department of revenue for
31 payment of such state tax liability. The department of revenue shall grant tax credits in the same
32 order as established by subsection 1 of section 32.115, RSMo. Subject to the provisions of

33 sections 135.400 to 135.430, certificates of tax credit issued in accordance with these sections
34 may be transferred, sold or assigned by notarized endorsement thereof which names the
35 transferee.

36 2. [Five hundred thousand dollars in tax credits shall be available annually from the total
37 amount of tax credits authorized by section 32.110, RSMo, and subdivision (4) of subsection 2
38 of section 32.115, RSMo, as a result of investments in community banks or community
39 development corporations. Aggregate investments eligible for tax credits in any one Missouri
40 small business shall not be more than one million dollars. Aggregate investments eligible for
41 tax credits in any one Missouri small business shall not be less than five thousand dollars as of
42 the date of issuance of the first tax credit certificate for investment in that business.] **All**
43 **applications for the Missouri small business investment tax credit shall be submitted to the**
44 **department of economic development. The small business tax credit review committee**
45 **shall review and qualify all applications for the small business investment tax credit. The**
46 **department of economic development shall not issue any certificates without the approval**
47 **of the committee.**

48 3. [This section and section 620.1039, RSMo, shall become effective January 1, 2001.]
49 **If the investor is an individual, partnership, trust, or corporation meeting the eligibility**
50 **requirements of sections 135.403 to 135.414, a tax credit shall be issued if approved. In the**
51 **case of partnerships and nontaxable trusts, the individual partners or beneficiaries shall**
52 **be treated as the investors. If the investor is a financial institution that has made a loan not**
53 **to exceed one million dollars to the qualified Missouri small business, the tax credit shall**
54 **be held as a guarantee on the loan and shall only be issued and redeemed by the financial**
55 **institution if the small business defaults on the loan within the first five years of the loan.**

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

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

5 3. A taxpayer shall be allowed a tax credit against the tax otherwise due pursuant to
6 chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo,
7 chapter 147, RSMo, chapter 148, RSMo, or chapter 153, RSMo, in an amount equal to thirty
8 percent for property contributions and fifty percent for monetary contributions of the amount
9 such taxpayer contributed to the programs described in subsection 5 of this section, not to exceed
10 two hundred thousand dollars per taxable year, per taxpayer; except as otherwise provided in
11 subdivision (5) of subsection 5 of this section. The department of economic development shall
12 prescribe the method for claiming the tax credits allowed in this section. No rule or portion of
13 a rule promulgated under the authority of this section shall become effective unless it has been

14 promulgated pursuant to the provisions of chapter 536, RSMo. All rulemaking authority
15 delegated prior to June 27, 1997, is of no force and effect and repealed; however, nothing in this
16 section shall be interpreted to repeal or affect the validity of any rule filed or adopted prior to
17 June 27, 1997, if such rule complied with the provisions of chapter 536, RSMo. The provisions
18 of this section and chapter 536, RSMo, are nonseverable and if any of the powers vested with
19 the general assembly pursuant to chapter 536, RSMo, including the ability to review, to delay
20 the effective date, or to disapprove and annul a rule or portion of a rule, are subsequently held
21 unconstitutional, then the purported grant of rulemaking authority and any rule so proposed and
22 contained in the order of rulemaking shall be invalid and void.

23 4. The tax credits allowed by this section shall be claimed by the taxpayer to offset the
24 taxes that become due in the taxpayer's tax period in which the contribution was made. Any tax
25 credit not used in such tax period may be carried over the next five succeeding tax periods.
26 **Notwithstanding any other law to the contrary, any tax credits granted under this section**
27 **may be assigned, transferred, sold, or otherwise conveyed without consent or approval.**

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

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

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

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

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

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

45 (6) Mentor and role model programs;

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

47 (8) Donation of property or equipment of the taxpayer to schools, including schools
48 which primarily educate children who have been expelled from other schools, or donation of the

49 same to municipalities, or not-for-profit corporations or other not-for-profit organizations which
50 offer programs dedicated to youth violence prevention as authorized by the department;

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

52 (10) Nonviolent conflict resolution and mediation programs;

53 (11) Youth outreach and counseling programs.

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

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

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

63 9. For the purposes of the credits described in this section, in the case of a corporation
64 described in section 143.471, RSMo, partnership, limited liability company described in section
65 347.015, RSMo, cooperative, marketing enterprise, or partnership, in computing Missouri's tax
66 liability, such credits shall be allowed to the following:

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

68 (2) The partners of the partnership;

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

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

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

135.478. As used in sections 135.481 to 135.487, 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) "Distressed community", as defined in section 135.530;

5 (4) "Eligible costs for a new residence", expenses incurred for property acquisition,
6 development, site preparation other than demolition, surveys, architectural and engineering
7 services and construction and all other necessary and incidental expenses incurred for
8 constructing a new market rate residence, which is or will be owner-occupied, which is not
9 replacing a national register listed or local historic structure; except that, costs paid for by the
10 taxpayer with grants or forgivable loans, other than tax credits, provided pursuant to state or
11 federal governmental programs are ineligible;

12 (5) "Eligible costs for rehabilitation", expenses incurred for the renovation or
13 rehabilitation of an existing residence including site preparation, surveys, architectural and
14 engineering services, construction, modification, expansion, remodeling, structural alteration,
15 replacements and alterations; except that, costs paid for by the taxpayer with grants or forgivable
16 loans other than tax credits provided pursuant to state or federal governmental programs are
17 ineligible;

18 (6) "Eligible residence", a single-family residence forty years of age or older, located in
19 this state and not within a distressed community as defined by section 135.530, which is
20 occupied or intended to be or occupied long-term by the owner or offered for sale at market rate
21 for owner-occupancy and which is either located within a United States census block group
22 which, if in a metropolitan statistical area, has a median household income of less than ninety
23 percent, but greater than or equal to seventy percent of the median household income for the
24 metropolitan statistical area in which the census block group is located, or which, if located
25 within a United States census block group in a nonmetropolitan area, has a median household
26 income of less than ninety percent, but greater than or equal to seventy percent of the median
27 household income for the nonmetropolitan areas in the state;

28 (7) "Flood plain", any land or area susceptible to being inundated by water from any
29 source or located in a one hundred-year flood plain area determined by Federal Emergency
30 Management Agency mapping as subject to flooding;

31 (8) "New residence", a residence constructed on land which if located within a distressed
32 community has either been vacant for at least two years or is or was occupied by a structure
33 which has been condemned by the local entity in which the structure is located or which, if
34 located outside of a distressed community but within a census block group as described in
35 subdivision (6) or (10) of this section, either replaces a residence forty years of age or older
36 demolished for purposes of constructing a replacement residence, or which is constructed on
37 vacant property which has been classified for not less than forty continuous years as residential
38 or utility, commercial, railroad or other real property pursuant to article X, section 4(b) of the
39 Missouri Constitution, as defined in section 137.016, RSMo; except that, no new residence shall
40 be constructed in a flood plain or on property used for agricultural purposes. In a distressed
41 community, the term "new residence" shall include condominiums, owner-occupied units or
42 other units intended to be owner-occupied in multiple unit structures;

43 (9) "Project", new construction, rehabilitation or substantial rehabilitation of a residence
44 that qualifies for a tax credit pursuant to sections 135.475 to 135.487;

45 (10) "Qualifying residence", a single-family residence, forty years of age or older, located
46 in this state which is occupied or intended to be occupied long-term by the owner or offered for
47 sale at market rate for owner-occupancy and which is located in a metropolitan statistical area

48 or nonmetropolitan statistical area within a United States census block group which has a median
49 household income of less than seventy percent of the median household income for the
50 metropolitan statistical area or nonmetropolitan area, respectively, or which is located within a
51 distressed community. A qualifying residence shall include a condominium or residence within
52 a multiple residential structure or a structure containing multiple single-family residences which
53 is located within a distressed community;

54 (11) "Substantial rehabilitation", rehabilitation the costs of which exceed fifty percent
55 of either the purchase price or the cost basis of the structure immediately prior to rehabilitation;
56 provided that, the structure is at least fifty years old notwithstanding any provision of sections
57 135.475 to 135.487 to the contrary;

58 (12) "Tax liability", the tax due pursuant to chapter 143, 147 or 148, RSMo, other than
59 taxes withheld pursuant to sections 143.191 to 143.265, RSMo;

60 (13) "Taxpayer", any person, partnership, corporation, trust [or] , limited liability
61 company, **or any charitable organization which is exempt from federal income tax and**
62 **whose Missouri unrelated business taxable income, if any, would be subject to the state**
63 **income tax imposed under chapter 143, RSMo.**

135.500. 1. Sections 135.500 to 135.529 shall be known and may be cited as the
2 "Missouri Certified Capital Company Law".

3 2. As used in sections 135.500 to 135.529, the following terms mean:

4 (1) "Affiliate of a certified company":

5 (a) Any person, directly or indirectly owning, controlling or holding power to vote ten
6 percent or more of the outstanding voting securities or other ownership interests of the Missouri
7 certified capital company;

8 (b) Any person ten percent or more of whose outstanding voting securities or other
9 ownership interest are directly or indirectly owned, controlled or held with power to vote by the
10 Missouri certified capital company;

11 (c) Any person directly or indirectly controlling, controlled by, or under common control
12 with the Missouri certified capital company;

13 (d) A partnership in which the Missouri certified capital company is a general partner;

14 (e) Any person who is an officer, director or agent of the Missouri certified capital
15 company or an immediate family member of such officer, director or agent;

16 (2) "Applicable percentage", one hundred percent;

17 (3) "Capital in a qualified Missouri business", any debt, equity or hybrid security, of any
18 nature and description whatsoever, including a debt instrument or security which has the
19 characteristics of debt but which provides for conversion into equity or equity participation

20 instruments such as options or warrants which are acquired by a Missouri certified capital
21 company or a qualified investing entity as a result of a transfer of cash to a business;

22 (4) "Certified capital", an investment of cash by an investor in a Missouri certified
23 capital company;

24 (5) "Certified capital company", any partnership, corporation, trust or limited liability
25 company, whether organized on a profit or not-for-profit basis, that is located, headquartered and
26 registered to conduct business in Missouri that has as its primary business activity, the
27 investment of cash in qualified Missouri businesses, and which is certified by the department as
28 meeting the criteria of sections 135.500 to 135.529;

29 (6) "Department", the Missouri department of economic development;

30 (7) "Director", the director of the department of economic development or a person
31 acting under the supervision of the director;

32 (8) "Investor", any insurance company that contributes cash;

33 (9) "Liquidating distribution", payments to investors or to the certified capital company
34 from earnings;

35 (10) "Person", any natural person or entity, including a corporation, general or limited
36 partnership, trust [or] , limited liability company, **or any charitable organization which is**
37 **exempt from federal income tax and whose Missouri unrelated business taxable income,**
38 **if any, would be subject to the state income tax imposed under chapter 143, RSMo;**

39 (11) "Qualified distribution", any distribution or payment to equity holders of a certified
40 capital company in connection with the following:

41 (a) Reasonable costs and expenses of forming, syndicating, managing and operating the
42 certified capital company;

43 (b) Management fees for managing and operating the certified capital company; and

44 (c) Any increase in federal or state taxes, penalties and interest, including those related
45 to state and federal income taxes, of equity owners of a certified capital company which related
46 to the ownership, management or operation of a certified capital company;

47 (12) "Qualified investing entity", any partnership, corporation, trust, or limited liability
48 company, whether organized on a for-profit or not-for-profit basis, that:

49 (a) Is registered to do business in this state;

50 (b) Is a wholly owned subsidiary of a certified capital company or otherwise affiliated
51 with and under common control with a certified capital company; and

52 (c) Has been designated as a qualified investing entity by such certified capital company.

53

54 Such designation shall be effective upon delivery by the certified capital company of written
55 notice of the designation to the department. A qualified investing entity may raise debt or equity

56 capital for investment, but such capital shall not be considered certified capital. Any qualified
57 investment made by a qualified investing entity after the effective date of this act shall be
58 deemed to have been made by a certified capital company that designated the qualified investing
59 entity as such; provided that no qualified investment may be deemed to have been made by more
60 than one certified capital company;

61 (13) "Qualified investment", the investment of cash by a Missouri certified capital
62 company or a qualified investing entity in such a manner as to acquire capital in a qualified
63 Missouri business;

64 (14) "Qualified Missouri business", an independently owned and operated business,
65 which is headquartered and located in Missouri and which is in need of venture capital and
66 cannot obtain conventional financing. Such business shall have no more than two hundred
67 employees, eighty percent of which are employed in Missouri. Such business shall be involved
68 in commerce for the purpose of manufacturing, processing or assembling products, conducting
69 research and development, or providing services in interstate commerce, but excluding retail, real
70 estate, real estate development, insurance and professional services provided by accountants,
71 lawyers or physicians. At the time a certified capital company or qualified investing entity
72 makes an initial investment in a business, such business shall be a small business concern that
73 meets the requirements of the United States Small Business Administration's qualification size
74 standards for its venture capital program, as defined in Section 13 CFR 121.301 (c) of the Small
75 Business Investment Act of 1958, as amended. Any business which is classified as a qualified
76 Missouri business at the time of the first investment in such business by a Missouri certified
77 capital company or qualified investing entity shall, for a period of seven years from the date of
78 such first investment, remain classified as a qualified Missouri business and may receive
79 follow-on investments from any Missouri certified capital company or qualified investing entity
80 and such follow-on investments shall be qualified investments even though such business may
81 not meet the other qualifications of this subsection at the time of such follow-on investments;

82 (15) "State premium tax liability", any liability incurred by an insurance company
83 pursuant to the provisions of section 148.320, 148.340, 148.370 or 148.376, RSMo, and any
84 other related provisions, which may impose a tax upon the premium income of insurance
85 companies after January 1, 1997.

135.535. 1. A corporation, limited liability corporation, partnership or sole
2 proprietorship, which moves its operations from outside Missouri or outside a distressed
3 community into a distressed community, or which commences operations in a distressed
4 community on or after January 1, 1999, and in either case has more than seventy-five percent of
5 its employees at the facility in the distressed community, and which has fewer than one hundred
6 employees for whom payroll taxes are paid, and which is a manufacturing, biomedical, medical

7 devices, scientific research, animal research, computer software design or development,
8 computer programming, including Internet, web hosting, and other information technology,
9 wireless or wired or other telecommunications or a professional firm shall receive a forty percent
10 credit against income taxes owed pursuant to chapter 143, 147 or 148, RSMo, other than taxes
11 withheld pursuant to sections 143.191 to 143.265, RSMo, for each of the three years after such
12 move, if approved by the department of economic development, which shall issue a certificate
13 of eligibility if the department determines that the taxpayer is eligible for such credit. The
14 maximum amount of credits per taxpayer set forth in this subsection shall not exceed one
15 hundred twenty-five thousand dollars for each of the three years for which the credit is claimed.
16 The department of economic development, by means of rule or regulation promulgated pursuant
17 to the provisions of chapter 536, RSMo, shall assign appropriate North American Industry
18 Classification System numbers to the companies which are eligible for the tax credits provided
19 for in this section. Such three-year credits shall be awarded only one time to any company which
20 moves its operations from outside of Missouri or outside of a distressed community into a
21 distressed community or to a company which commences operations within a distressed
22 community. A taxpayer shall file an application for certification of the tax credits for the first
23 year in which credits are claimed and for each of the two succeeding taxable years for which
24 credits are claimed.

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

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

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

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

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

67 7. The tax credits allowed pursuant to subsections 1, 2, 3, 4 and 5 of this section shall
68 be for an amount of no more than ten million dollars for each year beginning in 1999. **To the**
69 **extent there are available tax credits remaining under the ten million dollar cap provided**
70 **in this section, up to one hundred thousand dollars in the remaining credits shall first be**
71 **used for tax credits authorized under section 135.562.** The total maximum credit for all
72 entities already located in distressed communities and claiming credits pursuant to subsection
73 4 of this section shall be seven hundred and fifty thousand dollars. The department of economic
74 development in approving taxpayers for the credit as provided for in subsection 6 of this section
75 shall use information provided by the department of revenue regarding taxes paid in the previous
76 year, or projected taxes for those entities newly established in the state, as the method of
77 determining when this maximum will be reached and shall maintain a record of the order of

78 approval. Any tax credit not used in the period for which the credit was approved may be carried
79 over until the full credit has been allowed.

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

86 9. Notwithstanding any provision of law to the contrary, no taxpayer shall earn the tax
87 credits allowed in this section and the tax credits otherwise allowed in section 135.110, or the
88 tax credits, exemptions, and refund otherwise allowed in sections 135.200, 135.220, 135.225 and
89 135.245, respectively, for the same business for the same tax period.

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

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

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

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

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

13 (4) "Taxpayer", a person, firm, a partner in a firm, corporation or a shareholder in an S
14 corporation doing business in the state of Missouri and subject to the state income tax imposed
15 by the provisions of chapter 143, RSMo, or a corporation subject to the annual corporation
16 franchise tax imposed by the provisions of chapter 147, RSMo, **including any charitable**
17 **organization which is exempt from federal income tax and whose Missouri unrelated**
18 **business taxable income, if any, would be subject to the state income tax imposed under**
19 **chapter 143, RSMo**, or an insurance company paying an annual tax on its gross premium
20 receipts in this state, or other financial institution paying taxes to the state of Missouri or any
21 political subdivision of this state pursuant to the provisions of chapter 148, RSMo, or an express
22 company which pays an annual tax on its gross receipts in this state pursuant to chapter 153,
23 RSMo, or an individual subject to the state income tax imposed by the provisions of chapter 143,
24 RSMo.

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

28 3. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's
29 state tax liability for the taxable year that the credit is claimed, and such taxpayer shall not be
30 allowed to claim a tax credit in excess of fifty thousand dollars per taxable year. However, any
31 tax credit that cannot be claimed in the taxable year the contribution was made may be carried
32 over to the next four succeeding taxable years until the full credit has been claimed.
33 **Notwithstanding any other law to the contrary, any tax credits granted under this section**
34 **may be assigned, transferred, sold, or otherwise conveyed without consent or approval.**

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

39 5. The director of the department of social services shall determine, at least annually,
40 which facilities in this state may be classified as shelters for victims of domestic violence. The
41 director of the department of social services may require of a facility seeking to be classified as
42 a shelter for victims of domestic violence whatever information is reasonably necessary to make
43 such a determination. The director of the department of social services shall classify a facility
44 as a shelter for victims of domestic violence if such facility meets the definition set forth in
45 subsection 1 of this section.

46 6. The director of the department of social services shall establish a procedure by which
47 a taxpayer can determine if a facility has been classified as a shelter for victims of domestic
48 violence, and by which such taxpayer can then contribute to such shelter for victims of domestic
49 violence and claim a tax credit. Shelters for victims of domestic violence shall be permitted to
50 decline a contribution from a taxpayer. The cumulative amount of tax credits which may be
51 claimed by all the taxpayers contributing to shelters for victims of domestic violence in any one
52 fiscal year shall not exceed two million dollars.

53 7. The director of the department of social services shall establish a procedure by which,
54 from the beginning of the fiscal year until some point in time later in the fiscal year to be
55 determined by the director of the department of social services, the cumulative amount of tax
56 credits are equally apportioned among all facilities classified as shelters for victims of domestic
57 violence. If a shelter for victims of domestic violence fails to use all, or some percentage to be
58 determined by the director of the department of social services, of its apportioned tax credits
59 during this predetermined period of time, the director of the department of social services may
60 reapportion these unused tax credits to those shelters for victims of domestic violence that have
61 used all, or some percentage to be determined by the director of the department of social
62 services, of their apportioned tax credits during this predetermined period of time. The director
63 of the department of social services may establish more than one period of time and reapportion
64 more than once during each fiscal year. To the maximum extent possible, the director of the
65 department of social services shall establish the procedure described in this subsection in such
66 a manner as to ensure that taxpayers can claim all the tax credits possible up to the cumulative
67 amount of tax credits available for the fiscal year.

68 8. This section shall become effective January 1, 2000, and shall apply to all tax years
69 after December 31, 1999.

**135.562. 1. If any taxpayer with a federal adjusted gross income of thirty thousand
2 dollars or less incurs costs for the purpose of making all or any portion of such taxpayer's
3 principal dwelling accessible to an individual with a disability who permanently resides
4 with the taxpayer, such taxpayer shall receive a tax credit against such taxpayer's Missouri
5 income tax liability in an amount equal to the lesser of one hundred percent of such costs**

6 or two thousand five hundred dollars per taxpayer, per tax year. No taxpayer shall be
7 eligible to receive tax credits under this section in any tax year immediately following a tax
8 year in which such taxpayer received tax credits under the provisions of this section.

9 2. Any taxpayer with a federal adjusted gross income greater than thirty thousand
10 dollars but less than sixty thousand dollars who incurs costs for the purpose of making all
11 or any portion of such taxpayer's principal dwelling accessible to an individual with a
12 disability who permanently resides with the taxpayer, shall receive a tax credit against such
13 taxpayer's Missouri income tax liability in an amount equal to the lesser of fifty percent
14 of such costs or two thousand five hundred dollars per taxpayer, per tax year. No taxpayer
15 shall be eligible to receive tax credits under this section in any tax year immediately
16 following a tax year in which such taxpayer received tax credits under the provisions of
17 this section.

18 3. Tax credits issued pursuant to this section may be refundable in an amount not
19 to exceed two thousand five hundred dollars per tax year.

20 4. Eligible costs for which the credit may be claimed include:

- 21 (1) Constructing entrance or exit ramps;
- 22 (2) Widening exterior or interior doorways;
- 23 (3) Widening hallways;
- 24 (4) Installing handrails or grab bars;
- 25 (5) Moving electrical outlets and switches;
- 26 (6) Installing stairway lifts;
- 27 (7) Installing or modifying fire alarms, smoke detectors, and other alerting systems;
- 28 (8) Modifying hardware of doors; or
- 29 (9) Modifying bathrooms.

30 5. The tax credits allowed, including the maximum amount that may be claimed,
31 pursuant to this section shall be reduced by an amount sufficient to offset any amount of
32 such costs a taxpayer has already deducted from such taxpayer's federal adjusted gross
33 income or to the extent such taxpayer has applied any other state or federal income tax
34 credit to such costs.

35 6. A taxpayer shall claim a credit allowed by this section in the same taxable year
36 as the credit is issued, and at the time such taxpayer files his or her Missouri income tax
37 return; provided that, such return is timely filed.

38 7. The department may, in consultation with the department of social services,
39 promulgate such rules or regulations as are necessary to administer the provisions of this
40 section. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,
41 that is created under the authority delegated in this section shall become effective only if

42 it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if
43 applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable
44 and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo,
45 to review, to delay the effective date or to disapprove and annul a rule are subsequently
46 held unconstitutional, then the grant of rulemaking authority and any rule proposed or
47 adopted after August 28, 2007, shall be invalid and void.

48 8. The provisions of this section shall apply to all tax years beginning on or after
49 January 1, 2008.

50 9. The provisions of this section shall expire December 31, 2013.

51 10. In no event shall the aggregate amount of all tax credits allowed pursuant to
52 this section exceed one hundred thousand dollars in any given fiscal year. The tax credits
53 issued pursuant to this section shall be on a first-come, first-served filing basis.

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

2 (1) "Contribution", a payment, gift, loan, advance, deposit, or donation of money
3 or anything of value for the purpose of supporting membership organizations created
4 under chapter 355, RSMo, for the purpose of preserving sites located within the state
5 associated with the Civil War. A contribution of anything of value shall be deemed to have
6 a money value equivalent to the fair market value. "Contribution" includes, but is not
7 limited to:

8 (a) A taxpayer's own money or property used in support of an eligible organization
9 for the preservation of Missouri's Civil War sites other than expense of the taxpayer's food,
10 lodging, or travel;

11 (b) Payment by a taxpayer to compensate another person for services rendered to
12 preserve Missouri's Civil War sites, which has been approved by an eligible organization;

13 (c) Donation of goods and services, including the gift of advertising space in a
14 brochure, booklet, program, pamphlet, or signs to an eligible organization;

15 (d) Donation of money, goods, property, or services for the creation of signs,
16 pathways, parking, lighting, landscaping, National Register Designation, and
17 environmental and appraisal costs associated with the preservation of Missouri's Civil War
18 sites approved by an eligible organization;

19 (e) Payments made or services rendered to an eligible organization, its affiliate, or
20 agent for the acquisition of trademark rights, and consulting by employees and agents of
21 a taxpayer;

22 (f) Facilities, office space, or equipment supplied by any person without charge or
23 at reduced charges, except gratuitous space for meeting purposes which is made available

24 regularly to the public, to an eligible organization for purposes of the preservation of
25 Missouri's Civil War sites;

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

27 (3) "Director", the director of the Missouri department of economic development;

28 (4) "Eligible organization", a membership organization created under chapter 355,
29 RSMo, having among its purposes according to its article of incorporation the preservation
30 of sites located within the state associated with the Civil War, and having been in existence
31 for two years prior to application for certification under this section;

32 (5) "State Tax Liability", in the case of a business taxpayer, any liability incurred
33 by such taxpayer pursuant to the provisions of chapters 143, 147, and 153, RSMo, and
34 related provisions, and in the case of an individual taxpayer, any liability incurred by such
35 taxpayer pursuant to the provisions of chapter 143, RSMo, excluding sections 143.191 to
36 143.265, RSMo, and related provisions;

37 (6) "Taxpayer", a person, firm, a partner in a firm, corporation, or a shareholder
38 in an S corporation doing business in the state of Missouri and subject to the state income
39 tax imposed by the provisions of chapter 143, RSMo, or a corporation subject to the annual
40 corporation franchise tax imposed by the provisions of chapter 147, RSMo, or an insurance
41 company paying an annual tax on its gross premium receipts in this state, or other
42 financial institution paying taxes to the state of Missouri or any political subdivision of this
43 state under the provisions of chapter 148, RSMo, or an individual subject to the state
44 income tax imposed by the provisions of chapter 143, RSMo;

45 2. For tax years beginning on or after January 1, 2008, a taxpayer shall be allowed
46 a credit in an amount equal to fifty percent of the amount of contribution made to an
47 eligible organization for the preservation of Missouri's Civil War sites. The tax credit
48 authorized by this section shall be fully transferrable, assignable, and saleable. In the case
49 where the credits issued under this section to a taxpayer exceed such taxpayer's tax
50 liability, the excess shall not result in a refund. Such excess credit may be carried forward
51 the next five years until fully claimed. In no case shall the amount of tax credit issued
52 under this section exceed one hundred thousand dollars in any given tax year. In no case
53 shall a taxpayer receive more than twenty-five thousand dollars in tax credits issued under
54 this section in any given tax year. To the extent there are tax credits remaining unissued
55 under subsection 2 of section 32.115, RSMo, the first one hundred thousand dollars of tax
56 credits remaining shall be made available for issuance under this section.

57 3. An organization desiring certification by the department as an eligible
58 organization shall make application to the department. The department shall examine the
59 organization and determine eligibility as provided in this section. Upon certification, the

60 department shall notify the director of the department of revenue as to the organization's
61 eligibility under the provisions of this section.

62 **4. The department and the department of revenue shall promulgate rules necessary**
63 **for the implementation of the provisions of this section. Any rule or portion of a rule, as**
64 **that term is defined in section 536.010, RSMo, that is created under the authority delegated**
65 **in this section shall become effective only if it complies with and is subject to all of the**
66 **provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section**
67 **and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general**
68 **assembly pursuant to chapter 536, RSMo, to review, to delay the effective date, or to**
69 **disapprove and annul a rule are subsequently held unconstitutional, then the grant of**
70 **rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be**
71 **invalid and void.**

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

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

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

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

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

25 2. A taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax
26 liability, in an amount equal to fifty percent of the amount such taxpayer contributed to a
27 maternity home.

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

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

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

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

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

61 in this subsection in such a manner as to ensure that taxpayers can claim all the tax credits
62 possible up to the cumulative amount of tax credits available for the fiscal year.

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

65 **9. Notwithstanding any other law to the contrary, any tax credits granted under this**
66 **section may be assigned, transferred, sold, or otherwise conveyed without consent or**
67 **approval.**

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

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

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

5 (3) "Pregnancy resource center", a nonresidential facility located in this state:

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

10 (b) Where childbirths are not performed; and

11 (c) Which does not perform, induce, or refer for abortions and which does not hold itself
12 out as performing, inducing, or referring for abortions; and

13 (d) Which provides direct client services at the facility, as opposed to merely providing
14 counseling or referral services by telephone; and

15 (e) Which provides its services at no cost to its clients; and

16 (f) When providing medical services, such medical services must be performed in
17 accordance with Missouri statute; and

18 (g) Which is exempt from income taxation pursuant to the Internal Revenue Code of
19 1986, as amended;

20 (4) "State tax liability", in the case of a business taxpayer, any liability incurred by such
21 taxpayer pursuant to the provisions of chapters 143, 147, 148, and 153, RSMo, excluding
22 sections 143.191 to 143.265, RSMo, and related provisions, and in the case of an individual
23 taxpayer, any liability incurred by such taxpayer pursuant to the provisions of chapter 143,
24 RSMo, excluding sections 143.191 to 143.265, RSMo, and related provisions;

25 (5) "Taxpayer", a person, firm, a partner in a firm, corporation, or a shareholder in an S
26 corporation doing business in the state of Missouri and subject to the state income tax imposed
27 by the provisions of chapter 143, RSMo, or a corporation subject to the annual corporation
28 franchise tax imposed by the provisions of chapter 147, RSMo, or an insurance company paying
29 an annual tax on its gross premium receipts in this state, or other financial institution paying

30 taxes to the state of Missouri or any political subdivision of this state pursuant to the provisions
31 of chapter 148, RSMo, or an express company which pays an annual tax on its gross receipts in
32 this state pursuant to chapter 153, RSMo, or an individual subject to the state income tax
33 imposed by the provisions of chapter 143, RSMo, **or any charitable organization which is**
34 **exempt from federal income tax and whose Missouri unrelated business taxable income,**
35 **if any, would be subject to the state income tax imposed under chapter 143, RSMo.**

36 2. For all tax years beginning on or after January 1, 2007, a taxpayer shall be allowed to
37 claim a tax credit against the taxpayer's state tax liability in an amount equal to fifty percent of
38 the amount such taxpayer contributed to a pregnancy resource center.

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

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

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

53 6. The director shall establish a procedure by which a taxpayer can determine if a facility
54 has been classified as a pregnancy resource center. Pregnancy resource centers shall be permitted
55 to decline a contribution from a taxpayer. The cumulative amount of tax credits which may be
56 claimed by all the taxpayers contributing to pregnancy resource centers in any one fiscal year
57 shall not exceed two million dollars. Tax credits shall be issued in the order contributions are
58 received.

59 7. The director shall establish a procedure by which, from the beginning of the fiscal year
60 until some point in time later in the fiscal year to be determined by the director, the cumulative
61 amount of tax credits are equally apportioned among all facilities classified as pregnancy
62 resource centers. If a pregnancy resource center fails to use all, or some percentage to be
63 determined by the director, of its apportioned tax credits during this predetermined period of
64 time, the director may reapportion these unused tax credits to those pregnancy resource centers
65 that have used all, or some percentage to be determined by the director, of their apportioned tax

66 credits during this predetermined period of time. The director may establish more than one
67 period of time and reapportion more than once during each fiscal year. To the maximum extent
68 possible, the director shall establish the procedure described in this subsection in such a manner
69 as to ensure that taxpayers can claim all the tax credits possible up to the cumulative amount of
70 tax credits available for the fiscal year.

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

77 9. **Notwithstanding any other law to the contrary, any tax credits granted under**
78 **this section may be assigned, transferred, sold, or otherwise conveyed without consent or**
79 **approval.**

80 10. Pursuant to section 23.253, RSMo, of the Missouri sunset act:

81 (1) Any new program authorized under this section shall automatically sunset six years
82 after August 28, 2006, unless reauthorized by an act of the general assembly; and

83 (2) If such program is reauthorized, the program authorized under this section shall
84 automatically sunset twelve years after the effective date of the reauthorization of this section;
85 and

86 (3) This section shall terminate on September first of the calendar year immediately
87 following the calendar year in which a program authorized under this section is sunset.

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

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

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

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

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

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

11 (3) **"Qualifying beef animal", any beef animal that is certified by the authority, that**
12 **was born in this state after August 28, 2008, that was raised and backgrounded or finished**
13 **in this state by the taxpayer, and that weighs more than four hundred fifty pounds,**
14 **excluding any beef animal more than thirty months of age;**

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

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

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

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

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

27 (c) Owns or rents agricultural property.

28 3. For all taxable years beginning on or after January 1, 2009, but ending on or
29 before December 31, 2016, a taxpayer shall be allowed a tax credit for each qualifying sale
30 of a qualifying beef animal. The tax credit amount shall be based on the qualifying beef
31 animal's weight at the time of the first qualifying sale, and shall be equal to ten cents per
32 pound above four hundred fifty pounds and for a subsequent qualifying sale, ten cents per
33 pound above the weight of the qualifying beef animal at the time of the first qualifying sale
34 of such beef animal or four hundred fifty pounds, whichever weight is greater.

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

46 5. To claim the tax credit allowed under this section, the taxpayer shall submit to
47 the authority an application for the tax credit on a form provided by the authority. The
48 application shall be filed with the authority at the end of each calendar year in which a
49 qualified sale was made and for which a tax credit is claimed under this section. The
50 application shall include any documentation and information required by the authority.

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

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

64 7. The department of agriculture and the authority may promulgate rules to
65 implement the provisions of this section. Any rule or portion of a rule, as that term is
66 defined in section 536.010, RSMo, that is created under the authority delegated in this
67 section shall become effective only if it complies with and is subject to all of the provisions
68 of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter
69 536, RSMo, are nonseverable and if any of the powers vested with the general assembly
70 pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove and
71 annul a rule are subsequently held unconstitutional, then the grant of rulemaking
72 authority and any rule proposed or adopted after August 28, 2007, shall be invalid and
73 void.

74 8. This section shall not be subject to the Missouri sunset act, sections 23.250 to
75 23.298, RSMo.

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

2 (1) "Adjusted purchase price", the product of:

3 (a) The amount paid to the issuer of a qualified equity investment for such qualified
4 equity investment; and

5 (b) The following fraction:

6 a. The numerator shall be the dollar amount of qualified low-income community
7 investments held by the issuer in this state as of the credit allowance date during the
8 applicable tax year; and

9 b. The denominator shall be the total dollar amount of qualified low-income
10 community investments held by the issuer in all states as of the credit allowance date
11 during the applicable tax year;

12 c. For purposes of calculating the amount of qualified low-income community
13 investments held by an issuer, an investment shall be considered held by an issuer even if
14 the investment has been sold or repaid; provided that the issuer reinvests an amount equal
15 to the capital returned to or recovered by the issuer from the original investment, exclusive
16 of any profits realized, in another qualified low-income community investment within
17 twelve months of the receipt of such capital. An issuer shall not be required to reinvest
18 capital returned from qualified low-income community investments after the sixth
19 anniversary of the issuance of the qualified equity investment, the proceeds of which were
20 used to make the qualified low-income community investment, and the qualified low-
21 income community investment shall be considered held by the issuer through the seventh
22 anniversary of the qualified equity investment's issuance;

23 (2) "Applicable percentage", zero percent for each of the first two credit allowance
24 dates, seven percent for the third credit allowance date, and eight percent for the next four
25 credit allowance dates;

26 (3) "Credit allowance date", with respect to any qualified equity investment:

27 (a) The date on which such investment is initially made; and

28 (b) Each of the six anniversary dates of such dates thereafter;

29 (4) "Long-term debt security", any debt instrument issued by a qualified
30 community development entity, at par value or a premium, with an original maturity date
31 of at least seven years from the date of its issuance, with no acceleration of repayment,
32 amortization, or prepayment features prior to its original maturity date, and with no
33 distribution, payment, or interest features related to the profitability of the qualified
34 community development entity or the performance of the qualified community
35 development entity's investment portfolio. The foregoing shall in no way limit the holder's
36 ability to accelerate payments on the debt instrument in situations where the issuer has
37 defaulted on covenants designed to ensure compliance with this section or Section 45D of
38 the Internal Revenue Code of 1986, as amended;

39 (5) "Qualified active low-income community business", the meaning given such
40 term in Section 45D of the Internal Revenue Code of 1986, as amended; provided that any
41 business that derives or projects to derive fifteen percent or more of its annual revenue
42 from the rental or sale of real estate shall not be considered to be a qualified active low-
43 income community business;

44 (6) "Qualified community development entity", the meaning given such term in
45 Section 45D of the Internal Revenue Code of 1986, as amended; provided that such entity
46 has entered into an allocation agreement with the Community Development Financial

47 Institutions Fund of the U.S. Treasury Department with respect to credits authorized by
48 Section 45D of the Internal Revenue Code of 1986, as amended;

49 (7) "Qualified Equity Investment", any equity investment in, or long-term debt
50 security issued by, a qualified community development entity that:

51 (a) Is acquired after the effective date of this section at its original issuance solely
52 in exchange for cash;

53 (b) Has at least eighty-five percent of its cash purchase price used by the issuer to
54 make qualified low-income community investments; and

55 (c) Is designated by the issuer as a qualified equity investment.

56

57 This term shall include any qualified equity investment that does not meet the provisions
58 of paragraph (a) of this subdivision if such investment was a qualified equity investment
59 in the hands of a prior holder;

60 (8) "Qualified low-income community investment", any capital or equity
61 investment in, or loan to, any qualified active low-income community business. With
62 respect to any one qualified active low-income community business, the maximum amount
63 of qualified low-income community investments made in such business, on a collective basis
64 with all of its affiliates, that may be used from the calculation of any numerator described
65 in subparagraph (a) of paragraph (b) of subdivision (1) of this subsection shall be ten
66 million dollars whether issued to one or several qualified community development entities;

67 (9) "Tax credit", a credit against the tax otherwise due under chapter 143, RSMo,
68 excluding withholding tax imposed in sections 143.191 to 143.265, RSMo, or otherwise due
69 under section 375.916, RSMo, or chapter 147, 148, or 153, RSMo;

70 (10) "Taxpayer", any individual or entity subject to the tax imposed in chapter 143,
71 RSMo, excluding withholding tax imposed in sections 143.191 to 143.265, RSMo, or the tax
72 imposed in section 375.916, RSMo, or chapter 147, 148, or 153, RSMo.

73 2. A taxpayer that holds a qualified equity investment on a credit allowance date
74 of such qualified equity investment shall be entitled to a tax credit during the taxable year
75 including such credit allowance date. The tax credit amount shall be equal to the
76 applicable percentage of the adjusted purchase price paid to the issuer of such qualified
77 equity investment. The amount of the tax credit claimed shall not exceed the amount of the
78 taxpayer's state tax liability for the tax year for which the tax credit is claimed. No tax
79 credit claimed under this section shall be refundable or transferable. Tax credits earned
80 by a partnership, limited liability company, S-corporation, or other "pass-through" entity
81 may be allocated to the partners, members, or shareholders of such entity for their direct
82 use in accordance with the provisions of any agreement among such partners, members,

83 or shareholders. Any amount of tax credit that the taxpayer is prohibited by this section
84 from claiming in a taxable year may be carried forward to any of the taxpayer's five
85 subsequent taxable years. The department of economic development shall limit the
86 monetary amount of qualified equity investments permitted under this section to a level
87 necessary to limit tax credit utilization at no more than fifteen million dollars of tax credits
88 in any fiscal year. Such limitation on qualified equity investments shall be based on the
89 anticipated utilization of credits without regard to the potential for taxpayers to carry
90 forward tax credits to later tax years.

91 3. The issuer of the qualified equity investment shall certify to the department of
92 economic development the anticipated dollar amount of such investments to be made in
93 this state during the first twelve-month period following the initial credit allowance date.
94 If on the second credit allowance date, the actual dollar amount of such investments is
95 different than the amount estimated, the department of economic development shall adjust
96 the credits arising on the second allowance date to account for such difference.

97 4. The department of economic development shall recapture the tax credit allowed
98 under this section with respect to such qualified equity investment under this section if:

99 (1) Any amount of the federal tax credit available with respect to a qualified equity
100 investment that is eligible for a tax credit under this section is recaptured under Section
101 45D of the Internal Revenue Code of 1986, as amended; or

102 (2) The issuer redeems or makes principal repayment with respect to a qualified
103 equity investment prior to the seventh anniversary of the issuance of such qualified equity
104 investment.

105

106 Any tax credit that is subject to recapture shall be recaptured from the taxpayer that
107 claimed the tax credit on a return.

108 5. The department of economic development shall promulgate rules to implement
109 the provisions of this section, including recapture provisions on a scaled proportional basis,
110 and to administer the allocation of tax credits issued for qualified equity investments,
111 which shall be conducted on a first-come, first-serve basis. Any rule or portion of a rule,
112 as that term is defined in section 536.010, RSMo, that is created under the authority
113 delegated in this section shall become effective only if it complies with and is subject to all
114 of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This
115 section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the
116 general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date, or
117 to disapprove and annul a rule are subsequently held unconstitutional, then the grant of

118 rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be
119 invalid and void.

120 6. For fiscal years following fiscal year 2010, qualified equity investments shall not
121 be made under this section unless reauthorization is made pursuant to this subsection. For
122 all fiscal years following fiscal year 2010, unless the general assembly adopts a concurrent
123 resolution granting authority to the department of economic development to approve
124 qualified equity investments for the Missouri new markets development program and
125 clearly describing the amount of tax credits available for the next fiscal year, or otherwise
126 complies with the provisions of this subsection, no qualified equity investments may be
127 permitted to be made under this section. The amount of available tax credits contained in
128 such a resolution shall not exceed the limitation provided under subsection 2 of this section.
129 In any year in which the provisions of this section shall sunset pursuant to subsection 7 of
130 this section, reauthorization shall be made by general law and not by concurrent
131 resolution. Nothing in this subsection shall preclude a taxpayer who makes a qualified
132 equity investment prior to the expiration of authority to make qualified equity investments
133 from claiming tax credits relating to such qualified equity investment for each applicable
134 credit allowance date.

135 7. Under section 23.253, RSMo, of the Missouri sunset act:

136 (1) The provisions of the new program authorized under this section shall
137 automatically sunset six years after the effective date of this section unless reauthorized by
138 an act of the general assembly; and

139 (2) If such program is reauthorized, the program authorized under this section
140 shall automatically sunset twelve years after the effective date of the reauthorization of this
141 section; and

142 (3) This section shall terminate on September first of the calendar year immediately
143 following the calendar year in which the program authorized under this section is sunset.

144

145 However, nothing in this subsection shall preclude a taxpayer who makes a qualified equity
146 investment prior to sunset of this section under the provisions of section 23.253, RSMo,
147 from claiming tax credits relating to such qualified equity investment for each credit
148 allowance date.

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

2 (1) "Alternative fuels", any motor fuel at least seventy percent of the volume of
3 which consists of one or more of the following:

4 (a) Ethanol;

5 (b) Natural gas;

- 6 (c) Compressed natural gas;
- 7 (d) Liquified natural gas;
- 8 (e) Liquified petroleum gas;
- 9 (f) Any mixture of biodiesel and diesel fuel, without regard to any use of kerosene;
- 10 (2) "Department", the department of natural resources;
- 11 (3) "Eligible applicant", a business entity that is the owner of a qualified
- 12 alternative fuel vehicle refueling property;
- 13 (4) "Qualified alternative fuel vehicle refueling property", property in this state
- 14 owned by a firm or corporation and used for storing alternative fuels and for dispensing
- 15 such alternative fuels into fuel tanks of motor vehicles owned by such firm or corporation
- 16 or private citizens.

17 2. For all tax years beginning on or after January 1, 2008, but before January 1,
18 2011, any eligible applicant who installs and operates a qualified alternative fuel vehicle
19 refueling property shall be allowed a credit against the tax otherwise due under chapter
20 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, or
21 due under chapter 147, RSMo, or chapter 148, RSMo, for any tax year in which the
22 applicant is constructing the refueling property. The credit allowed in this section per
23 eligible applicant shall not exceed the lesser of twenty thousand dollars or twenty percent
24 of the total costs directly associated with the purchase and installation of any alternative
25 fuel storage and dispensing equipment on any qualified alternative fuel vehicle refueling
26 property, which shall not include the following:

- 27 (1) Costs associated with the purchase of land upon which to place a qualified
- 28 alternative fuel vehicle refueling property;
- 29 (2) Costs associated with the purchase of an existing qualified alternative fuel
- 30 vehicle refueling property; or
- 31 (3) Costs for the construction or purchase of any structure.

32 3. The tax credits allowed by this section shall be claimed by the eligible applicant
33 at the time such applicant files a return for the tax year in which the storage and
34 dispensing facilities were placed in service at a qualified alternative fuel vehicle refueling
35 property, and shall be applied against the income tax liability imposed by chapter 143,
36 RSMo, chapter 147, RSMo, or chapter 148, RSMo, after all other credits provided by law
37 have been applied. The cumulative amount of tax credits which may be claimed by eligible
38 applicants claiming all credits authorized in this section shall not exceed the following
39 amounts:

- 40 (1) In taxable year 2008, three million dollars;
- 41 (2) In taxable year 2009, two million dollars; and

42 **(3) In taxable year 2010, one million dollars.**

43 **4. If the amount of the tax credit exceeds the eligible applicant's tax liability, the**
44 **difference shall not be refundable. Any amount of credit that an eligible applicant is**
45 **prohibited by this section from claiming in a taxable year may be carried forward to any**
46 **of such applicant's two subsequent taxable years. Tax credits allowed under this section**
47 **may be assigned, transferred, sold, or otherwise conveyed.**

48 **5. An alternative fuel vehicle refueling property, for which an eligible applicant**
49 **receives tax credits under this section, which ceases to sell alternative fuel shall cause the**
50 **forfeiture of such eligible applicant's tax credits provided under this section for the taxable**
51 **year in which the alternative fuel vehicle refueling property ceased to sell alternative fuel**
52 **and for future taxable years with no recapture of tax credits obtained by an eligible**
53 **applicant with respect to such applicant's tax years which ended before the sale of**
54 **alternative fuel ceased.**

55 **6. The director of revenue shall establish the procedure by which the tax credits in**
56 **this section may be claimed, and shall establish a procedure by which the cumulative**
57 **amount of tax credits is apportioned equally among all eligible applicants claiming the**
58 **credit. To the maximum extent possible, the director of revenue shall establish the**
59 **procedure described in this subsection in such a manner as to ensure that eligible**
60 **applicants can claim all the tax credits possible up to the cumulative amount of tax credits**
61 **available for the taxable year. No eligible applicant claiming a tax credit under this section**
62 **shall be liable for any interest or penalty for filing a tax return after the date fixed for**
63 **filing such return as a result of the apportionment procedure under this subsection.**

64 **7. Any eligible applicant desiring to claim a tax credit under this section shall**
65 **submit the appropriate application for such credit with the department. The application**
66 **for a tax credit under this section shall include any information required by the**
67 **department. The department shall review the applications and certify to the department**
68 **of revenue each eligible applicant that qualifies for the tax credit.**

69 **8. The department and the department of revenue may promulgate rules to**
70 **implement the provisions of this section. Any rule or portion of a rule, as that term is**
71 **defined in section 536.010, RSMo, that is created under the authority delegated in this**
72 **section shall become effective only if it complies with and is subject to all of the provisions**
73 **of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter**
74 **536, RSMo, are nonseverable and if any of the powers vested with the general assembly**
75 **pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove and**
76 **annul a rule are subsequently held unconstitutional, then the grant of rulemaking**

77 authority and any rule proposed or adopted after August 28, 2007, shall be invalid and
78 void.

79 9. Pursuant to section 23.253, RSMo, of the Missouri sunset act:

80 (1) The provisions of the new program authorized under this section shall
81 automatically sunset six years after the effective date of this section unless reauthorized by
82 an act of the general assembly; and

83 (2) If such program is reauthorized, the program authorized under this section
84 shall automatically sunset twelve years after the effective date of the reauthorization of this
85 section; and

86 (3) This section shall terminate on December thirty-first of the calendar year
87 immediately following the calendar year in which the program authorized under this
88 section is sunset.

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

2 (1) "Highly compensated individual", any individual who receives compensation
3 in excess of one million dollars in connection with a single qualified film production
4 project;

5 (2) "Qualified film production project", any film, video, commercial, or television
6 production, as approved by the department of economic development and the office of the
7 Missouri film commission, that is under thirty minutes in length with an expected in-state
8 expenditure budget in excess of fifty thousand dollars, or that is over thirty minutes in
9 length with an expected in-state expenditure budget in excess of one hundred thousand
10 dollars. Regardless of the production costs, "qualified film production project" shall not
11 include any:

12 (a) News or current events programming;

13 (b) Talk show;

14 (c) Production produced primarily for industrial, corporate, or institutional
15 purposes, and for internal use;

16 (d) Sports event or sports program;

17 (e) Gala presentation or awards show;

18 (f) Infomercial or any production that directly solicits funds;

19 (g) Political ad;

20 (h) Production that is considered obscene, as defined in section 573.010, RSMo;

21 (3) "Qualifying expenses", the sum of the total amount spent in this state for the
22 following by a production company in connection with a qualified film production project:

23 (a) Goods and services leased or purchased by the production company. For goods
24 with a purchase price of twenty-five thousand dollars or more, the amount included in

25 **qualifying expenses shall be the purchase price less the fair market value of the goods at**
26 **the time the production is completed;**

27 (b) **Compensation and wages paid by the production company on which the**
28 **production company remitted withholding payments to the department of revenue under**
29 **chapter 143, RSMo. For purposes of this section, compensation and wages shall not**
30 **include any amounts paid to a highly compensated individual;**

31 (4) **"Tax credit", a credit against the tax otherwise due under chapter 143, RSMo,**
32 **excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, or otherwise due**
33 **under chapter 148, RSMo;**

34 (5) **"Taxpayer", any individual, partnership, or corporation as described in section**
35 **143.441, 143.471, RSMo, or section 148.370, RSMo, that is subject to the tax imposed in**
36 **chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265,**
37 **RSMo, or the tax imposed in chapter 148, RSMo, or any charitable organization which is**
38 **exempt from federal income tax and whose Missouri unrelated business taxable income,**
39 **if any, would be subject to the state income tax imposed under chapter 143, RSMo.**

40 **2. For all taxable years beginning on or after January 1, 1999, but ending on or**
41 **before December 31, 2007, a taxpayer shall be granted a tax credit [against the tax otherwise**
42 **due pursuant to chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to**
43 **143.261, RSMo, or chapter 148, RSMo,] for up to fifty percent of the amount of investment in**
44 **production or production-related activities in [a qualified film production project. As used in this**
45 **section, the term "taxpayer" means an individual, a partnership, or a corporation as described in**
46 **section 143.441, 143.471, RSMo, or section 148.370, RSMo, and the term "qualified film**
47 **production project" means] any film production project with an expected in-state expenditure**
48 **budget in excess of three hundred thousand dollars. For all taxable years beginning on or**
49 **after January 1, 2008, a taxpayer shall be allowed a tax credit for up to thirty-five percent**
50 **of the amount of qualifying expenses in a qualified film production project. Each film**
51 **production company shall be limited to one qualified film production project per year. Activities**
52 **qualifying a taxpayer for the tax credit pursuant to this subsection shall be approved by the office**
53 **of the Missouri film commission and the department of economic development.**

54 [2.] **3. Taxpayers shall apply for the film production tax credit by submitting an**
55 **application to the department of economic development, on a form provided by the department.**
56 **As part of the application, the expected in-state expenditures of the qualified film production**
57 **project shall be documented. In addition, the application shall include an economic impact**
58 **statement, showing the economic impact from the activities of the film production project. Such**
59 **economic impact statement shall indicate the impact on the region of the state in which the film**
60 **production or production-related activities are located and on the state as a whole.**

61 **[3.] 4. For all taxable years ending on or before December 31, 2007,** tax credits
62 certified pursuant to subsection 1 of this section shall not exceed one million dollars per taxpayer
63 per year, and shall not exceed a total for all tax credits certified of one million five hundred
64 thousand dollars per year. **For all taxable years beginning on or after January 1, 2008, tax**
65 **credits certified under subsection 1 of this section shall not exceed a total for all tax credits**
66 **certified of ten million five hundred thousand dollars per year.** Taxpayers may carry forward
67 unused credits for up to five tax periods, provided all such credits shall be claimed within ten tax
68 periods following the tax period in which the film production or production-related activities for
69 which the credits are certified by the department occurred.

70 **[4.] 5.** Notwithstanding any provision of law to the contrary, any taxpayer may sell,
71 assign, exchange, convey or otherwise transfer tax credits allowed in subsection 1 of this section.
72 The taxpayer acquiring the tax credits may use the acquired credits to offset the tax liabilities
73 otherwise imposed by chapter 143, RSMo, excluding withholding tax imposed by sections
74 143.191 to [143.261] **143.265**, RSMo, or chapter 148, RSMo. Unused acquired credits may be
75 carried forward for up to five tax periods, provided all such credits shall be claimed within ten
76 tax periods following the tax period in which the film production or production-related activities
77 for which the credits are certified by the department occurred.

78 **6. Under section 23.253, RSMo, of the Missouri sunset act:**

79 **(1) The provisions of the new program authorized under this section shall**
80 **automatically sunset six years after the effective date of this section unless reauthorized by**
81 **an act of the general assembly; and**

82 **(2) If such program is reauthorized, the program authorized under this section**
83 **shall automatically sunset twelve years after the effective date of the reauthorization of this**
84 **section; and**

85 **(3) This section shall terminate on September first of the calendar year immediately**
86 **following the calendar year in which the program authorized under this section is sunset.**

135.950. The following terms, whenever used in sections 135.950 to 135.970 mean:

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

8 (2) "Board", an enhanced enterprise zone board established pursuant to section 135.957;

- 9 (3) "Commencement of commercial operations" shall be deemed to occur during the first
10 taxable year for which the new business facility is first put into use by the taxpayer in the
11 enhanced business enterprise in which the taxpayer intends to use the new business facility;
- 12 (4) "Department", the department of economic development;
- 13 (5) "Director", the director of the department of economic development;
- 14 (6) "Employee", [a person employed by the enhanced business enterprise on:
- 15 (a) A regular, full-time basis;
- 16 (b) A part-time basis, provided such person is customarily performing such duties an
17 average of at least twenty hours per week; or
- 18 (c) A seasonal basis, provided such person performs such duties for at least eighty
19 percent of the season customary for the position in which such person is employed] **a person**
20 **employed by the enhanced business enterprise that is scheduled to work an average of at**
21 **least one thousand hours per year, and such person at all times has health insurance**
22 **offered to him or her, which is partially paid for by the employer;**
- 23 (7) "Enhanced business enterprise", an industry or one of a cluster of industries that is
24 either:
- 25 (a) Identified by the department as critical to the state's economic security and growth;
- 26 or
- 27 (b) Will have an impact on industry cluster development, as identified by the governing
28 authority in its application for designation of an enhanced enterprise zone and approved by the
29 department; but excluding gambling establishments (NAICS industry group 7132), retail trade
30 (NAICS sectors 44 and 45), **educational services (NAICS sector 61), religious organizations**
31 **(NAICS industry group 8131), public administration (NAICS sector 92), and food and**
32 **drinking places (NAICS subsector 722), however, notwithstanding the provisions of this**
33 **section, headquarters or administrative offices of an otherwise excluded business may**
34 **qualify for benefits if the offices serve a multistate territory. In the event a national, state,**
35 **or regional headquarters operation is not the predominant activity of a project facility, the**
36 **new jobs and investment of such headquarters operation is considered eligible for benefits**
37 **under this section if the other requirements are satisfied.** Service industries may be eligible
38 only if a majority of its annual revenues will be derived from [services provided] out of the state;
- 39 (8) "Existing business facility", any facility in this state which was employed by the
40 taxpayer claiming the credit in the operation of an enhanced business enterprise immediately
41 prior to an expansion, acquisition, addition, or replacement;
- 42 (9) "Facility", any building used as an enhanced business enterprise located within an
43 enhanced enterprise zone, including the land on which the facility is located and all machinery,

44 equipment, and other real and depreciable tangible personal property acquired for use at and
45 located at or within such facility and used in connection with the operation of such facility;

46 (10) **"Facility base employment", the greater of the number of full-time employees**
47 **located at the facility on the date of the notice of intent, or for the twelve-month period**
48 **prior to the date of the notice of intent, the average number of full-time equivalent**
49 **employees located at the facility, or in the event the project facility has not been in**
50 **operation for a full twelve-month period, the average number of full-time equivalent**
51 **employees for the number of months the facility has been in operation prior to the date of**
52 **the notice of intent;**

53 (11) **"Facility base payroll", the total amount of taxable wages paid by the**
54 **enhanced business enterprise to employees of the enhanced business enterprise located at**
55 **the facility in the twelve months prior to the notice of intent, not including the payroll of**
56 **owners of the enhanced business enterprise unless the enhanced business enterprise is**
57 **participating in an employee stock ownership plan. For the purposes of calculating the**
58 **benefits under this program, the amount of base payroll shall increase each year based on**
59 **the consumer price index or other comparable measure, as determined by the department;**

60 (12) **"Governing authority", the body holding primary legislative authority over a county**
61 **or incorporated municipality;**

62 [(11)] (13) **"NAICS", the 1997 edition of the North American Industry Classification**
63 **System as prepared by the Executive Office of the President, Office of Management and Budget.**
64 **Any NAICS sector, subsector, industry group or industry identified in this section shall include**
65 **its corresponding classification in subsequent federal industry classification systems;**

66 [(12)] (14) **"New business facility", a facility that satisfies the following requirements:**

67 (a) **Such facility is employed by the taxpayer in the operation of an enhanced business**
68 **enterprise. Such facility shall not be considered a new business facility in the hands of the**
69 **taxpayer if the taxpayer's only activity with respect to such facility is to lease it to another person**
70 **or persons. If the taxpayer employs only a portion of such facility in the operation of an**
71 **enhanced business enterprise, and leases another portion of such facility to another person or**
72 **persons or does not otherwise use such other portions in the operation of an enhanced business**
73 **enterprise, the portion employed by the taxpayer in the operation of an enhanced business**
74 **enterprise shall be considered a new business facility, if the requirements of paragraphs (b), (c),**
75 **and (d) of this subdivision are satisfied;**

76 (b) **Such facility is acquired by, or leased to, the taxpayer after December 31, 2004. A**
77 **facility shall be deemed to have been acquired by, or leased to, the taxpayer after December 31,**
78 **2004, if the transfer of title to the taxpayer, the transfer of possession pursuant to a binding**

79 contract to transfer title to the taxpayer, or the commencement of the term of the lease to the
80 taxpayer occurs after December 31, 2004;

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

85 (d) Such facility is not a replacement business facility, as defined in subdivision [(16)]
86 (22) of this section;

87 [(13)] (15) "New business facility employee", an employee of the taxpayer in the
88 operation of a new business facility during the taxable year for which the credit allowed by
89 section 135.967 is claimed, except that truck drivers and rail and barge vehicle operators and
90 other operators of rolling stock for hire shall not constitute new business facility employees;

91 [(14)] (16) "New business facility investment", the value of real and depreciable tangible
92 personal property, acquired by the taxpayer as part of the new business facility, which is used by
93 the taxpayer in the operation of the new business facility, during the taxable year for which the
94 credit allowed by 135.967 is claimed, except that trucks, truck-trailers, truck semitrailers, rail
95 vehicles, barge vehicles, aircraft and other rolling stock for hire, track, switches, barges, bridges,
96 tunnels, and rail yards and spurs shall not constitute new business facility investments. The total
97 value of such property during such taxable year shall be:

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

99 (b) Eight times the net annual rental rate, if leased by the taxpayer. The net annual rental
100 rate shall be the annual rental rate paid by the taxpayer less any annual rental rate received by the
101 taxpayer from subrentals. The new business facility investment shall be determined by dividing
102 by twelve the sum of the total value of such property on the last business day of each calendar
103 month of the taxable year. If the new business facility is in operation for less than an entire
104 taxable year, the new business facility investment shall be determined by dividing the sum of the
105 total value of such property on the last business day of each full calendar month during the
106 portion of such taxable year during which the new business facility was in operation by the
107 number of full calendar months during such period;

108 (17) "New job", the number of employees located at the facility that exceeds the
109 facility base employment less any decrease in the number of the employees at related
110 facilities below the related facility base employment. No job that was created prior to the
111 date of the notice of intent shall be deemed a new job;

112 (18) "Notice of intent", a form developed by the department which is completed by
113 the enhanced business enterprise and submitted to the department which states the

114 enhanced business enterprise's intent to hire new jobs and request benefits under such
115 program;

116 (19) "Related facility", a facility operated by the enhanced business enterprise or
117 a related company in this state that is directly related to the operation of the project
118 facility;

119 (20) "Related facility base employment", the greater of:

120 (a) The number of employees located at all related facilities on the date of the notice
121 of intent; or

122 (b) For the twelve-month period prior to the date of the notice of intent, the average
123 number of employees located at all related facilities of the enhanced business enterprise or
124 a related company located in this state;

125 [(15)] (21) "Related taxpayer":

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

127 (b) An individual, corporation, partnership, trust, or association in control of the
128 taxpayer; or

129 (c) A corporation, partnership, trust or association controlled by an individual,
130 corporation, partnership, trust or association in control of the taxpayer. "Control of a
131 corporation" shall mean ownership, directly or indirectly, of stock possessing at least fifty
132 percent of the total combined voting power of all classes of stock entitled to vote, "control of a
133 partnership or association" shall mean ownership of at least fifty percent of the capital or profits
134 interest in such partnership or association, and "control of a trust" shall mean ownership, directly
135 or indirectly, of at least fifty percent of the beneficial interest in the principal or income of such
136 trust; ownership shall be determined as provided in Section 318 of the Internal Revenue Code
137 of 1986, as amended;

138 [(16)] (22) "Replacement business facility", a facility otherwise described in subdivision
139 [(12)] (14) of this section, hereafter referred to in this subdivision as "new facility", which
140 replaces another facility, hereafter referred to in this subdivision as "old facility", located within
141 the state, which the taxpayer or a related taxpayer previously operated but discontinued operating
142 on or before the close of the first taxable year for which the credit allowed by this section is
143 claimed. A new facility shall be deemed to replace an old facility if the following conditions are
144 met:

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

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

Notwithstanding the preceding provisions of this subdivision, a facility shall not be considered a replacement business facility if the taxpayer's new business facility investment, as computed in subdivision [(14)] **(16)** of this section, in the new facility during the tax period for which the credits allowed in section 135.967 are claimed exceed one million dollars and if the total number of employees at the new facility exceeds the total number of employees at the old facility by at least two;

[(17)] **(23)** "Same or substantially similar enhanced business enterprise", an enhanced business enterprise in which the nature of the products produced or sold, or activities conducted, are similar in character and use or are produced, sold, performed, or conducted in the same or similar manner as in another enhanced business enterprise.

135.963. 1. Improvements made to real property as such term is defined in section 137.010, RSMo, which are made **to an enhanced business enterprise as defined in subdivision (7) of section 135.950** in an enhanced enterprise zone subsequent to the date such zone or expansion thereto was designated, may, upon approval of an authorizing resolution by the governing authority having jurisdiction of the area in which the improvements are made, be exempt, in whole or in part, from assessment and payment of ad valorem taxes of one or more affected political subdivisions. **In addition to enhanced business enterprises, a speculative industrial or warehouse building constructed by a public entity or a private entity if the land is leased by a public entity may be subject to such exemption.**

2. 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 to the director within thirty calendar days following adoption of the resolution by the governing authority.

3. 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.

22 4. Notwithstanding subsection 1 of this section, at least one-half of the ad valorem taxes
23 otherwise imposed on subsequent improvements to real property located in an enhanced
24 enterprise zone **of enhanced business enterprises or speculative industrial or warehouse**
25 **buildings as indicated in subsection 1 of this section** shall become and remain exempt from
26 assessment and payment of ad valorem taxes of any political subdivision of this state or
27 municipality thereof for a period of not less than ten years following the date such improvements
28 were assessed, provided the improved properties are used for enhanced business enterprises.
29 **The exemption for speculative buildings is subject to the approval of the governing**
30 **authority for a period not to exceed two years, if the building is owned by a private entity**
31 **and five years if the building is owned or ground leased by a public entity. This shall not**
32 **preclude the building receiving an exemption for the remaining time period established by**
33 **the governing authority if it was occupied by an enhanced business enterprise. The two**
34 **and five year time periods indicated for speculative buildings shall not be an addition to**
35 **the local abatement time period for such facility.**

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

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

40 7. The abatement referred to in this section shall not relieve the assessor or other
41 responsible official from ascertaining the amount of the equalized assessed value of all taxable
42 property annually as required by section 99.855, 99.957, or 99.1042, RSMo, and shall not have
43 the effect of reducing the payments in lieu of taxes referred to in subdivision (2) of subsection
44 1 of section 99.845, RSMo, subdivision (2) of subsection 3 of section 99.957, RSMo, or
45 subdivision (2) of subsection 3 of section 99.1042, RSMo, unless such reduction is set forth in
46 the plan approved by the governing body of the municipality pursuant to subdivision (1) of
47 subsection 1 of section 99.820, section 99.942, or section 99.1027, RSMo.

135.967. 1. A taxpayer who establishes a new business facility may, upon approval by
2 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, excluding
4 withholding tax imposed by sections 143.191 to 143.265, RSMo. No taxpayer shall receive
5 multiple ten-year periods for subsequent expansions at the same facility.

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

10 3. No credit shall be issued pursuant to 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 is
15 claimed equals or exceeds one hundred thousand dollars.

16 4. The annual amount of credits allowed for an approved enhanced business enterprise
17 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 the
20 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 employed
23 within an enhanced enterprise zone;

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

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

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

31 5. Prior to January 1, 2007, in no event shall the department authorize more than four
32 million dollars annually to be issued for all enhanced business enterprises. After December 31,
33 2006, in no event shall the department authorize more than [seven] **twenty-five** million dollars
34 annually to be issued for all enhanced business enterprises.

35 6. If a facility, which does not constitute a new business facility, is expanded by the
36 taxpayer, the expansion shall be considered eligible for the credit allowed by this section 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 thousand
39 dollars and if the number of new business facility employees engaged or maintained in
40 employment at the expansion facility for the taxable year for which credit is claimed equals or
41 exceeds two, and the total number of employees at the facility after the expansion is at least two
42 greater than the total number of employees before the expansion; and

43 (2) The taxpayer's investment in the expansion and in the original facility prior to
44 expansion shall be determined in the manner provided in subdivision [(12)] **(14)** of section
45 135.950.

46 7. The number of new business facility employees during any taxable year shall be
47 determined by dividing by twelve the sum of the number of individuals employed on the last
48 business day of each month of such taxable year. If the new business facility is in operation for
49 less than the entire taxable year, the number of new business facility employees shall be
50 determined by dividing the sum of the number of individuals employed on the last business day
51 of each full calendar month during the portion of such taxable year during which the new
52 business facility was in operation by the number of full calendar months during such period. For
53 the purpose of computing the credit allowed by this section in the case of a facility which
54 qualifies as a new business facility under subsection 6 of this section, and in the case of a new
55 business facility which satisfies the requirements of paragraph (c) of subdivision [(12)] **(14)** of
56 section 135.950, or subdivision [(16)] **(22)** of section 135.950, the number of new business
57 facility employees at such facility shall be reduced by the average number of individuals
58 employed, computed as provided in this subsection, at the facility during the taxable year
59 immediately preceding the taxable year in which such expansion, acquisition, or replacement
60 occurred and shall further be reduced by the number of individuals employed by the taxpayer or
61 related taxpayer that was subsequently transferred to the new business facility from another
62 Missouri facility and for which credits authorized in this section are not being earned, whether
63 such credits are earned because of an expansion, acquisition, relocation, or the establishment of
64 a new facility.

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

72 9. For the purpose of computing the credit allowed by this section in the case of a facility
73 which qualifies as a new business facility pursuant to subsection 6 of this section, and in the case
74 of a new business facility which satisfies the requirements of paragraph (c) of subdivision [(12)]
75 **(14)** of section 135.950 or subdivision [(16)] **(22)** of section 135.950, the amount of the
76 taxpayer's new business facility investment in such facility shall be reduced by the average
77 amount, computed as provided in subdivision [(12)] **(14)** of section 135.950 for new business
78 facility investment, of the investment of the taxpayer, or related taxpayer immediately preceding
79 such expansion or replacement or at the time of acquisition. Furthermore, the amount of the
80 taxpayer's new business facility investment shall also be reduced by the amount of investment
81 employed by the taxpayer or related taxpayer which was subsequently transferred to the new

82 business facility from another Missouri facility and for which credits authorized in this section
83 are not being earned, whether such credits are earned because of an expansion, acquisition,
84 relocation, or the establishment of a new facility.

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

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

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

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

98 **14. Prior to the issuance of tax credits, the department shall verify through the**
99 **department of revenue that the tax credit applicant does not owe any delinquent income,**
100 **sales, or use tax or interest or penalties on such taxes, and through the department of**
101 **insurance that the applicant does not owe any delinquent insurance taxes. Such**
102 **delinquency shall not affect the authorization of the application for such tax credits, except**
103 **that the amount of credits issued shall be reduced by the applicant's tax delinquency. If**
104 **the department of revenue or the department of insurance concludes that a taxpayer is**
105 **delinquent after June fifteenth but before July first of any year and the application of tax**
106 **credits to such delinquency causes a tax deficiency on behalf of the taxpayer to arise, then**
107 **the taxpayer shall be granted thirty days to satisfy the deficiency in which interest,**
108 **penalties, and additions to tax shall be tolled. After applying all available credits toward**
109 **a tax delinquency, the administering agency shall notify the appropriate department, and**
110 **that department shall update the amount of outstanding delinquent tax owed by the**
111 **applicant. If any credits remain after satisfying all insurance, income, sales, and use tax**
112 **delinquencies, the remaining credits shall be issued to the applicant, subject to the**
113 **restrictions of other provisions of law.**

135.1150. 1. This section shall be known and may be cited as the "Residential
2 Treatment Agency Tax Credit Act".

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

4 (1) "Certificate", a tax credit certificate issued under this section;

5 (2) "Department", the Missouri department of social services;

6 (3) "Eligible monetary donation", donations received from a taxpayer by an agency that
7 are used solely to provide direct care services to children who are residents of this state. For
8 purposes of this section, "direct care services" include but are not limited to increasing the
9 quality of care and service for children through improved employee compensation and training;

10 (4) "Qualified residential treatment agency" or "agency", a residential care facility that
11 is licensed under section 210.484, RSMo, accredited by the Council on Accreditation (COA),
12 the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), or the
13 Commission on Accreditation of Rehabilitation Facilities (CARF), and is under contract with
14 the Missouri department of social services to provide treatment services for children who are
15 residents or wards of residents of this state, and that receives eligible monetary donations. Any
16 agency that operates more than one facility or at more than one location shall be eligible for the
17 tax credit under this section only for any eligible monetary donations made to facilities or
18 locations of the agency which are licensed and accredited;

19 (5) "Taxpayer", any of the following individuals or entities who make eligible monetary
20 donations to an agency:

21 (a) A person, firm, partner in a firm, corporation, or a shareholder in an S corporation
22 doing business in the state of Missouri and subject to the state income tax imposed in chapter
23 143, RSMo;

24 (b) A corporation subject to the annual corporation franchise tax imposed in chapter 147,
25 RSMo;

26 (c) An insurance company paying an annual tax on its gross premium receipts in this
27 state;

28 (d) Any other financial institution paying taxes to the state of Missouri or any political
29 subdivision of this state under chapter 148, RSMo;

30 (e) An individual subject to the state income tax imposed in chapter 143, RSMo;

31 (f) **Any charitable organization which is exempt from federal income tax and whose**
32 **Missouri unrelated business taxable income, if any, would be subject to the state income**
33 **tax imposed under chapter 143, RSMo.**

34 3. For all taxable years beginning on or after January 1, 2007, any taxpayer shall be
35 allowed a credit against the taxes otherwise due under chapter 147, 148, or 143, RSMo,
36 excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, in an amount equal
37 to fifty percent of the amount of an eligible monetary donation, subject to the restrictions in this
38 section. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state
39 income tax liability in the tax year for which the credit is claimed. Any amount of credit that the

40 taxpayer is prohibited by this section from claiming in a tax year shall not be refundable, but may
41 be carried forward to any of the taxpayer's four subsequent taxable years.

42 4. To claim the credit authorized in this section, an agency may submit to the department
43 an application for the tax credit authorized by this section on behalf of taxpayers. The
44 department shall verify that the agency has submitted the following items accurately and
45 completely:

46 (1) A valid application in the form and format required by the department;

47 (2) A statement attesting to the eligible monetary donation received, which shall include
48 the name and taxpayer identification number of the individual making the eligible monetary
49 donation, the amount of the eligible monetary donation, and the date the eligible monetary
50 donation was received by the agency; and

51 (3) Payment from the agency equal to the value of the tax credit for which application
52 is made.

53

54 If the agency applying for the tax credit meets all criteria required by this subsection, the
55 department shall issue a certificate in the appropriate amount.

56 5. An agency may apply for tax credits in an aggregate amount that does not exceed forty
57 percent of the payments made by the department to the agency in the preceding twelve months.

58 6. Tax credits issued under this section may be assigned, transferred, sold, or otherwise
59 conveyed, and the new owner of the tax credit shall have the same rights in the credit as the
60 taxpayer. Whenever a certificate is assigned, transferred, sold, or otherwise conveyed, a
61 notarized endorsement shall be filed with the department specifying the name and address of the
62 new owner of the tax credit or the value of the credit.

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

72 8. Under section 23.253, RSMo, of the Missouri sunset act:

73 (1) The provisions of the new program authorized under this section shall automatically
74 sunset six years after August 28, 2006, unless reauthorized by an act of the general assembly; and

75 (2) If such program is reauthorized, the program authorized under this section shall
76 automatically sunset twelve years after the effective date of the reauthorization of this section;
77 and

78 (3) This section shall terminate on September first of the calendar year immediately
79 following the calendar year in which the program authorized under this section is sunset.

137.106. 1. This section may be known and may be cited as "The Missouri Homestead
2 Preservation Act".

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

4 (1) "Department", the department of revenue;

5 (2) "Director", the director of revenue;

6 (3) "Disabled", as such term is defined in section 135.010, RSMo;

7 (4) "Eligible owner", any individual owner of property who is sixty-five years old or
8 older as of January first of the tax year in which the individual is claiming the credit or who is
9 disabled, and who had an income of equal to or less than the maximum upper limit in the year
10 prior to completing an application pursuant to this section; or

11 (a) In the case of a married couple owning property either jointly or as tenants by the
12 entirety, or where only one spouse owns the property, such couple shall be considered an eligible
13 taxpayer if both spouses have reached the age of sixty-five or if one spouse is disabled, or if one
14 spouse is at least sixty-five years old and the other spouse is at least sixty years old, and the
15 combined income of the couple in the year prior to completing an application pursuant to this
16 section did not exceed the maximum upper limit; or

17 (b) In the case of joint ownership by unmarried persons or ownership by tenancy in
18 common by two or more unmarried persons, such owners shall be considered an eligible owner
19 if each person with an ownership interest individually satisfies the eligibility requirements for
20 an individual eligible owner under this section and the combined income of all individuals with
21 an interest in the property is equal to or less than the maximum upper limit in the year prior to
22 completing an application under this section. If any individual with an ownership interest in the
23 property fails to satisfy the eligibility requirements of an individual eligible owner or if the
24 combined income of all individuals with interest in the property exceeds the maximum upper
25 limit, then all individuals with an ownership interest in such property shall be deemed ineligible
26 owners regardless of such other individual's ability to individually meet the eligibility
27 requirements; or

28 (c) In the case of property held in trust, the eligible owner and recipient of the tax credit
29 shall be the trust itself provided the previous owner of the homestead or the previous owner's
30 spouse: is the settlor of the trust with respect to the homestead; currently resides in such
31 homestead; and but for the transfer of such property would have satisfied the age, ownership, and

32 maximum upper limit requirements for income as defined in subdivisions (7) and (8) of this
33 subsection;

34

35 No individual shall be an eligible owner if the individual has not paid their property tax liability,
36 if any, in full by the payment due date in any of the three prior tax years, except that a late
37 payment of a property tax liability in any prior year shall not disqualify a potential eligible owner
38 if such owner paid in full the tax liability and any and all penalties, additions and interest that
39 arose as a result of such late payment; no individual shall be an eligible owner if such person
40 filed a valid claim for the senior citizens property tax relief credit pursuant to sections 135.010
41 to 135.035, RSMo;

42 (5) "Homestead", as such term is defined pursuant to section 135.010, RSMo, except as
43 limited by provisions of this section to the contrary. No property shall be considered a
44 homestead if such property was improved since the most recent annual assessment by more than
45 five percent of the prior year appraised value, except where an eligible owner of the property has
46 made such improvements to accommodate a disabled person;

47 (6) "Homestead exemption limit", a percentage increase, rounded to the nearest
48 hundredth of a percent, which shall be equal to the percentage increase to tax liability, not
49 including improvements, of a homestead from one tax year to the next that exceeds a certain
50 percentage set pursuant to subsection 10 of this section. For applications filed in 2005 or 2006,
51 the homestead exemption limit shall be based on the increase to tax liability from 2004 to 2005.
52 For applications filed between April 1, 2005, and September 30, 2006, an eligible owner, who
53 otherwise satisfied the requirements of this section, shall not apply for the homestead exemption
54 credit more than once during such period. For applications filed after 2006, the homestead
55 exemption limit shall be based on the increase to tax liability from two years prior to application
56 to the year immediately prior to application;

57 (7) "Income", federal adjusted gross income, and in the case of ownership of the
58 homestead by trust, the income of the settlor applicant shall be imputed to the income of the trust
59 for purposes of determining eligibility with regards to the maximum upper limit;

60 (8) "Maximum upper limit", in the calendar year 2005, the income sum of seventy
61 thousand dollars; in each successive calendar year this amount shall be raised by the incremental
62 increase in the general price level, as defined pursuant to article X, section 17 of the Missouri
63 Constitution.

64 3. Pursuant to article X, section 6(a) of the Constitution of Missouri, if in the prior tax
65 year, the property tax liability on any parcel of subclass (1) real property increased by more than
66 the homestead exemption limit, without regard for any prior credit received due to the provisions
67 of this section, then any eligible owner of the property shall receive a homestead exemption

68 credit to be applied in the current tax year property tax liability to offset the prior year increase
69 to tax liability that exceeds the homestead exemption limit, except as eligibility for the credit is
70 limited by the provisions of this section. The amount of the credit shall be listed separately on
71 each taxpayer's tax bill for the current tax year, or on a document enclosed with the taxpayer's
72 bill. The homestead exemption credit shall not affect the process of setting the tax rate as
73 required pursuant to article X, section 22 of the Constitution of Missouri and section 137.073 in
74 any prior, current, or subsequent tax year.

75 4. If application is made in 2005, any potential eligible owner may apply for the
76 homestead exemption credit by completing an application through their local assessor's office.
77 Applications may be completed between April first and September thirtieth of any tax year in
78 order for the taxpayer to be eligible for the homestead exemption credit in the tax year next
79 following the calendar year in which the homestead exemption credit application was completed.
80 The application shall be on forms provided to the assessor's office by the department. Forms also
81 shall be made available on the department's Internet site and at all permanent branch offices and
82 all full-time, temporary, or fee offices maintained by the department of revenue. The applicant
83 shall attest under penalty of perjury:

84 (1) To the applicant's age;
85 (2) That the applicant's prior year income was less than the maximum upper limit;
86 (3) To the address of the homestead property; and
87 (4) That any improvements made to the homestead, not made to accommodate a disabled
88 person, did not total more than five percent of the prior year appraised value. The applicant shall
89 also include with the application copies of receipts indicating payment of property tax by the
90 applicant for the homestead property for the two prior tax years.

91 5. If application is made in 2005, the assessor, upon request for an application, shall:

92 (1) Certify the parcel number and owner of record as of January first of the homestead,
93 including verification of the acreage classified as residential on the assessor's property record
94 card;

95 (2) Obtain appropriate prior tax year levy codes for each homestead from the county
96 clerks for inclusion on the form;

97 (3) Record on the application the assessed valuation of the homestead for the current tax
98 year, and any new construction or improvements for the current tax year; and

99 (4) Sign the application, certifying the accuracy of the assessor's entries.

100 6. If application is made after 2005, any potential eligible owner may apply for the
101 homestead exemption credit by completing an application. Applications may be completed
102 between April first and October fifteenth of any tax year in order for the taxpayer to be eligible
103 for the homestead exemption credit in the tax year next following the calendar year in which the

104 homestead exemption credit application was completed. The application shall be on forms
105 provided by the department. Forms also shall be made available on the department's Internet site
106 and at all permanent branch offices and all full-time, temporary, or fee offices maintained by the
107 department of revenue. The applicant shall attest under penalty of perjury:

- 108 (1) To the applicant's age;
- 109 (2) That the applicant's prior year income was less than the maximum upper limit;
- 110 (3) To the address of the homestead property;
- 111 (4) That any improvements made to the homestead, not made to accommodate a disabled
112 person, did not total more than five percent of the prior year appraised value; and
- 113 (5) The applicant shall also include with the application copies of receipts indicating
114 payment of property tax by the applicant for the homestead property for the three prior tax years.

115 7. Each applicant shall send the application to the department by September thirtieth of
116 each year for the taxpayer to be eligible for the homestead exemption credit in the tax year next
117 following the calendar year in which the application was completed.

118 8. If application is made in 2005, upon receipt of the applications, the department shall
119 calculate the tax liability, adjusted to exclude new construction or improvements verify
120 compliance with the maximum income limit, verify the age of the applicants, and make
121 adjustments to these numbers as necessary on the applications. The department also shall
122 disallow any application where the applicant has also filed a valid application for the senior
123 citizens property tax credit, pursuant to sections 135.010 to 135.035, RSMo. Once adjusted tax
124 liability, age, and income are verified, the director shall determine eligibility for the credit, and
125 provide a list of all verified eligible owners to the county collectors or county clerks in counties
126 with a township form of government by December fifteenth of each year. By January fifteenth,
127 the county collectors or county clerks in counties with a township form of government shall
128 provide a list to the department of any verified eligible owners who failed to pay the property tax
129 due for the tax year that ended immediately prior. Such eligible owners shall be disqualified
130 from receiving the credit in the current tax year.

131 9. If application is made after 2005, upon receipt of the applications, the department shall
132 calculate the tax liability, verify compliance with the maximum income limit, verify the age of
133 the applicants, and make adjustments to these numbers as necessary on the applications. The
134 department also shall disallow any application where the applicant also has filed a valid
135 application for the senior citizens property tax credit under sections 135.010 to 135.035, RSMo.
136 Once adjusted tax liability, age, and income are verified, the director shall determine eligibility
137 for the credit and provide a list of all verified eligible owners to the county assessors or county
138 clerks in counties with a township form of government by December fifteenth of each year. By
139 January fifteenth, the county assessors shall provide a list to the department of any verified

140 eligible owners who made improvements not for accommodation of a disability to the homestead
141 and the dollar amount of the assessed value of such improvements. If the dollar amount of the
142 assessed value of such improvements totaled more than five percent of the prior year appraised
143 value, such eligible owners shall be disqualified from receiving the credit in the current tax year.

144 10. The director shall calculate the level of appropriation necessary to set the homestead
145 exemption limit at five percent when based on a year of general reassessment or at two and
146 one-half percent when based on a year without general reassessment for the homesteads of all
147 verified eligible owners, and provide such calculation to the speaker of the house of
148 representatives, the president pro tempore of the senate, and the director of the office of budget
149 and planning in the office of administration by January thirty-first of each year. **For all years**
150 **after 2007, the director shall calculate the levels of appropriation necessary to set the**
151 **homestead exemption limit anywhere between one hundredth of one percent and five**
152 **percent when based on a year of general reassessment or anywhere between one hundredth**
153 **of one percent and two and one-half percent when based on a year without general**
154 **reassessment for the homesteads of all verified eligible owners, and provide such**
155 **calculation to the speaker of the house of representatives, the president pro tempore of the**
156 **senate, and the director of the office of budget and planning in the office of administration**
157 **by January thirty-first of each year.**

158 11. For applications made in 2005, the general assembly shall make an appropriation for
159 the funding of the homestead exemption credit that is signed by the governor, then the director
160 shall, by July thirty-first of such year, set the homestead exemption limit. The limit shall be a
161 single, statewide percentage increase to tax liability, rounded to the nearest hundredth of a
162 percent, which, if applied to all homesteads of verified eligible owners who applied for the
163 homestead exemption credit in the immediately prior tax year, would cause all but one-quarter
164 of one percent of the amount of the appropriation, minus any withholding by the governor, to be
165 distributed during that fiscal year. The remaining one-quarter of one percent shall be distributed
166 to the county assessment funds of each county on a proportional basis, based on the number of
167 eligible owners in each county; such one-quarter percent distribution shall be delineated in any
168 such appropriation as a separate line item in the total appropriation. If no appropriation is made
169 by the general assembly during any tax year or no funds are actually distributed pursuant to any
170 appropriation therefor, then no homestead preservation credit shall apply in such year.

171 12. After setting the homestead exemption limit for applications made in 2005, the
172 director shall apply the limit to the homestead of each verified eligible owner and calculate the
173 credit to be associated with each verified eligible owner's homestead, if any. The director shall
174 send a list of those eligible owners who are to receive the homestead exemption credit, including
175 the amount of each credit, the certified parcel number of the homestead, and the address of the

176 homestead property, to the county collectors or county clerks in counties with a township form
177 of government by August thirty-first. Pursuant to such calculation, the director shall instruct the
178 state treasurer as to how to distribute the appropriation and assessment fund allocation to the
179 county collector's funds of each county or the treasurer ex officio collector's fund in counties with
180 a township form of government where recipients of the homestead exemption credit are located,
181 so as to exactly offset each homestead exemption credit being issued, plus the one-quarter of one
182 percent distribution for the county assessment funds. As a result of the appropriation, in no case
183 shall a political subdivision receive more money than it would have received absent the
184 provisions of this section plus the one-quarter of one percent distribution for the county
185 assessment funds. Funds, at the direction of the county collector or the treasurer ex officio
186 collector in counties with a township form of government, shall be deposited in the county
187 collector's fund of a county or the treasurer ex officio collector's fund or may be sent by mail to
188 the collector of a county, or the treasurer ex officio collector in counties with a township form
189 of government, not later than October first in any year a homestead exemption credit is
190 appropriated as a result of this section and shall be distributed as moneys in such funds are
191 commonly distributed from other property tax revenues by the collector of the county or the
192 treasurer ex officio collector of the county in counties with a township form of government, so
193 as to exactly offset each homestead exemption credit being issued. In counties with a township
194 form of government, the county clerk shall provide the treasurer ex officio collector a summary
195 of the homestead exemption credit for each township for the purpose of distributing the total
196 homestead exemption credit to each township collector in a particular county.

197 13. If, in any given year after 2005, the general assembly shall make an appropriation for
198 the funding of the homestead exemption credit that is signed by the governor, then the director
199 shall, by July thirty-first of such year, set the homestead exemption limit. The limit shall be a
200 single, statewide percentage increase to tax liability, rounded to the nearest hundredth of a
201 percent, which, if applied to all homesteads of verified eligible owners who applied for the
202 homestead exemption credit in the immediately prior tax year, would cause all of the amount of
203 the appropriation, minus any withholding by the governor, to be distributed during that fiscal
204 year. If no appropriation is made by the general assembly during any tax year or no funds are
205 actually distributed pursuant to any appropriation therefor, then no homestead preservation credit
206 shall apply in such year.

207 14. After setting the homestead exemption limit for applications made after 2005, the
208 director shall apply the limit to the homestead of each verified eligible owner and calculate the
209 credit to be associated with each verified eligible owner's homestead, if any. The director shall
210 send a list of those eligible owners who are to receive the homestead exemption credit, including
211 the amount of each credit, the certified parcel number of the homestead, and the address of the

homestead property, to the county collectors or county clerks in counties with a township form of government by August thirty-first. Pursuant to such calculation, the director shall instruct the state treasurer as to how to distribute the appropriation to the county collector's fund of each county where recipients of the homestead exemption credit are located, so as to exactly offset each homestead exemption credit being issued. As a result of the appropriation, in no case shall a political subdivision receive more money than it would have received absent the provisions of this section. Funds, at the direction of the collector of the county or treasurer ex officio collector in counties with a township form of government, shall be deposited in the county collector's fund of a county or may be sent by mail to the collector of a county, or treasurer ex officio collector in counties with a township form of government, not later than October first in any year a homestead exemption credit is appropriated as a result of this section and shall be distributed as moneys in such funds are commonly distributed from other property tax revenues by the collector of the county or the treasurer ex officio collector of the county in counties with a township form of government, so as to exactly offset each homestead exemption credit being issued.

15. The department shall promulgate rules for implementation of this section. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2004, shall be invalid and void. Any rule promulgated by the department shall in no way impact, affect, interrupt, or interfere with the performance of the required statutory duties of any county elected official, more particularly including the county collector when performing such duties as deemed necessary for the distribution of any homestead appropriation and the distribution of all other real and personal property taxes.

16. In the event that an eligible owner dies or transfers ownership of the property after the homestead exemption limit has been set in any given year, but prior to January first of the year in which the credit would otherwise be applied, the credit shall be void and any corresponding moneys, pursuant to subsection 12 of this section, shall lapse to the state to be credited to the general revenue fund. In the event the collector of the county or the treasurer ex officio collector of the county in counties with a township form of government determines prior to issuing the credit that the individual is not an eligible owner because the individual did not pay the prior three years' property tax liability in full, the credit shall be void and any corresponding

247 moneys, under subsection 11 of this section, shall lapse to the state to be credited to the general
248 revenue fund.

249 17. This section shall apply to all tax years beginning on or after January 1, 2005. This
250 subsection shall become effective June 28, 2004.

251 18. In accordance with the provisions of sections 23.250 to 23.298, RSMo, and unless
252 otherwise authorized pursuant to section 23.253, RSMo:

253 (1) Any new program authorized under the provisions of this section shall automatically
254 sunset six years after the effective date of this section; and

255 (2) This section shall terminate on September first of the year following the year in
256 which any new program authorized under this section is sunset, and the revisor of statutes shall
257 designate such sections and this section in a revision bill for repeal.

142.815. 1. Motor fuel used for the following nonhighway purposes is exempt from the
2 fuel tax imposed by this chapter, and a refund may be claimed by the consumer, except as
3 provided for in subsection (1) of this section, if the tax has been paid and no refund has been
4 previously issued:

5 (1) Motor fuel used for nonhighway purposes including fuel for farm tractors or
6 stationary engines owned or leased and operated by any person and used exclusively for
7 agricultural purposes and including, beginning January 1, 2006, bulk sales of one hundred
8 gallons or more of gasoline made to farmers and delivered by the ultimate vender to a farm
9 location for agricultural purposes only. As used in this section, the term "farmer" shall mean any
10 person engaged in farming in an authorized farm corporation, family farm, or family farm
11 corporation as defined in section 350.010, RSMo. At the discretion of the ultimate vender, the
12 refund may be claimed by the ultimate vender on behalf of the consumer for sales made to
13 farmers and to persons engaged in construction for agricultural purposes as defined in section
14 142.800. After December 31, 2000, the refund may be claimed only by the consumer and may
15 not be claimed by the ultimate vender unless bulk sales of gasoline are made to a farmer after
16 January 1, 2006, as provided in this subdivision and the farmer provides an exemption certificate
17 to the ultimate vender, in which case the ultimate vender may make a claim for refund under
18 section 142.824 but shall be liable for any erroneous refund;

19 (2) Kerosene sold for use as fuel to generate power in aircraft engines, whether in aircraft
20 or for training, testing or research purposes of aircraft engines;

21 (3) Diesel fuel used as heating oil, or in railroad locomotives or any other motorized
22 flanged-wheel rail equipment, or used for other nonhighway purposes other than as expressly
23 exempted pursuant to another provision.

24 2. Subject to the procedural requirements and conditions set out in this chapter, the
25 following uses are exempt from the tax imposed by section 142.803 on motor fuel, and a
26 deduction or a refund may be claimed:

27 (1) Motor fuel for which proof of export is available in the form of a terminal-issued
28 destination state shipping paper and which is either:

29 (a) Exported by a supplier who is licensed in the destination state or through the bulk
30 transfer system;

31 (b) Removed by a licensed distributor for immediate export to a state for which all the
32 applicable taxes and fees (however nominated in that state) of the destination state have been
33 paid to the supplier, as a trustee, who is licensed to remit tax to the destination state; or which
34 is destined for use within the destination state by the federal government for which an exemption
35 has been made available by the destination state subject to procedural rules and regulations
36 promulgated by the director; or

37 (c) Acquired by a licensed distributor and which the tax imposed by this chapter has
38 previously been paid or accrued either as a result of being stored outside of the bulk transfer
39 system immediately prior to loading or as a diversion across state boundaries properly reported
40 in conformity with this chapter and was subsequently exported from this state on behalf of the
41 distributor;

42

43 The exemption pursuant to paragraph (a) of this subdivision shall be claimed by a deduction on
44 the report of the supplier which is otherwise responsible for remitting the tax upon removal of
45 the product from a terminal or refinery in this state. The exemption pursuant to paragraphs (b)
46 and (c) of this subdivision shall be claimed by the distributor, upon a refund application made
47 to the director within three years. A refund claim may be made monthly or whenever the claim
48 exceeds one thousand dollars;

49 (2) Undyed K-1 kerosene sold at retail through dispensers which have been designed and
50 constructed to prevent delivery directly from the dispenser into a vehicle fuel supply tank, and
51 undyed K-1 kerosene sold at retail through nonbarricaded dispensers in quantities of not more
52 than twenty-one gallons for use other than for highway purposes. Exempt use of undyed
53 kerosene shall be governed by rules and regulations of the director. If no rules or regulations are
54 promulgated by the director, then the exempt use of undyed kerosene shall be governed by rules
55 and regulations of the Internal Revenue Service. A distributor or supplier delivering to a retail
56 facility shall obtain an exemption certificate from the owner or operator of such facility stating
57 that its sales conform to the dispenser requirements of this subdivision. A licensed distributor,
58 having obtained such certificate, may provide a copy to his or her supplier and obtain undyed
59 kerosene without the tax levied by section 142.803. Having obtained such certificate in good

60 faith, such supplier shall be relieved of any responsibility if the fuel is later used in a taxable
61 manner. An ultimate vendor who obtained undyed kerosene upon which the tax levied by
62 section 142.803 had been paid and makes sales qualifying pursuant to this subsection may apply
63 for a refund of the tax pursuant to application, as provided in section 142.818, to the director
64 provided the ultimate vendor did not charge such tax to the consumer;

65 (3) Motor fuel sold to the United States or any agency or instrumentality thereof. This
66 exemption shall be claimed as provided in section 142.818;

67 (4) **Motor fuel used solely and exclusively as fuel to propel school buses, as such**
68 **term is defined under subdivision (19) of section 302.010, RSMo, on the public roads and**
69 **highways of this state when leased or owned and when being operated by a public school**
70 **district of this state, or leased or owned by a person under contract with such district for**
71 **the provision of bus services for educational purposes. The exemption for use under this**
72 **subdivision shall be made available to the school district for whose educational purposes**
73 **the fuel is consumed, whether the fuel was purchased by such school district or by another**
74 **under a contract to provide bus service for such school district, upon a refund application**
75 **stating that the motor fuel was purchased for the exclusive use of the school districts.**

76 (5) Motor fuel used solely and exclusively as fuel to propel motor vehicles on the public
77 roads and highways of this state when leased or owned and when being operated by a federally
78 recognized Indian tribe in the performance of essential governmental functions, such as
79 providing police, fire, health or water services. The exemption for use pursuant to this
80 subdivision shall be made available to the tribal government upon a refund application stating
81 that the motor fuel was purchased for the exclusive use of the tribe in performing named
82 essential governmental services;

83 [(5)] (6) Motor fuel sold within an Indian reservation or within Indian country by a
84 federally recognized Indian tribe to a member of that tribe and used in motor vehicles owned by
85 a member of the tribe within Indian country. This exemption does not apply to sales within an
86 Indian reservation or within Indian country by a federally recognized Indian tribe to non-Indian
87 consumers or to Indian consumers who are not members of the tribe selling the motor fuel. This
88 exemption shall be administered as provided in section 142.821;

89 [(6)] (7) That portion of motor fuel used to operate equipment attached to a motor
90 vehicle, if the motor fuel was placed into the fuel supply tank of a motor vehicle that has a
91 common fuel reservoir for travel on a highway and for the operation of equipment, or if the
92 motor fuel was placed in a separate fuel tank and used only for the operation of auxiliary
93 equipment. The exemption for use pursuant to this subdivision shall be claimed by a refund
94 claim filed by the consumer who shall provide evidence of an allocation of use satisfactory to
95 the director;

96 [(7)] (8) Motor fuel acquired by a consumer out-of-state and carried into this state,
97 retained within and consumed from the same vehicle fuel supply tank within which it was
98 imported, except interstate motor fuel users;

99 [(8)] (9) Motor fuel which was purchased tax-paid and which was lost or destroyed as
100 a direct result of a sudden and unexpected casualty or which had been accidentally contaminated
101 so as to be unsalable as highway fuel as shown by proper documentation as required by the
102 director. The exemption pursuant to this subdivision shall be refunded to the person or entity
103 owning the motor fuel at the time of the contamination or loss. Such person shall notify the
104 director in writing of such event and the amount of motor fuel lost or contaminated within ten
105 days from the date of discovery of such loss or contamination, and within thirty days after such
106 notice, shall file an affidavit sworn to by the person having immediate custody of such motor fuel
107 at the time of the loss or contamination, setting forth in full the circumstances and the amount
108 of the loss or contamination and such other information with respect thereto as the director may
109 require;

110 [(9)] (10) Dyed diesel fuel or dyed kerosene used for an exempt purpose. This exemption
111 shall be claimed as follows:

112 (a) A supplier or importer shall take a deduction against motor fuel tax owed on their
113 monthly report for those gallons of dyed diesel fuel or dyed kerosene imported or removed from
114 a terminal or refinery destined for delivery to a point in this state as shown on the shipping
115 papers;

116 (b) This exemption shall be claimed by a deduction on the report of the supplier which
117 is otherwise responsible for remitting the tax on removal of the product from a terminal or
118 refinery in this state;

119 (c) This exemption shall be claimed by the distributor, upon a refund application made
120 to the director within three years. A refund claim may be made monthly or whenever the claim
121 exceeds one thousand dollars.

142.817. Motor fuel sold to be used to operate public mass transportation service
2 **by a city transit authority, a city utilities board, or an interstate transportation authority,**
3 **as such terms are defined in section 94.600, RSMo, a city, or an agency receiving funding**
4 **from either the Federal Transit Administration's urban or nonurban formula transit**
5 **programs is exempt from the fuel tax imposed by this chapter. The department shall**
6 **promulgate rules to implement the provisions of this section. Any rule or portion of a rule,**
7 **as that term is defined in section 536.010, RSMo, that is created under the authority**
8 **delegated in this section shall become effective only if it complies with and is subject to all**
9 **of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This**
10 **section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the**

11 general assembly under chapter 536, RSMo, to review, to delay the effective date, or to
12 disapprove and annul a rule are subsequently held unconstitutional, then the grant of
13 rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be
14 invalid and void.

143.006. Notwithstanding any other provision of this chapter to the contrary,
2 whether a corporation or an individual has substantial nexus with this state for income tax
3 purposes is determined without regard to whether the corporation or individual:

- 4 (1) Is a related taxpayer within the meaning of the definition found in subdivision
5 (9) of section 135.100, RSMo, in regard to either a distribution facility in this state or a data
6 storage facility in this state;
- 7 (2) Utilizes such distribution facility;
- 8 (3) Utilizes property at such distribution facility that is used at, or distributed from,
9 that facility; or
- 10 (4) Sells property shipped or distributed from such distribution facility.

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

- 2 (1) "Motor vehicle", any self-propelled vehicle not operated exclusively upon
3 tracks, except farm tractors;
- 4 (2) "Qualified hybrid motor vehicle", any motor vehicle licensed under chapter
5 301, RSMo, and:
 - 6 (a) Which meets the definition of new qualified hybrid motor vehicle in section
7 30B(d)(3)(A) of the Internal Revenue Code of 1986, as amended;
 - 8 (b) The original use of which commences with the taxpayer; and
 - 9 (c) Which is acquired for use by the taxpayer and not for resale.

10 2. For the tax year beginning on January 1, 2008, any taxpayer who purchases a
11 qualified hybrid vehicle shall be allowed to subtract from the taxpayer's Missouri adjusted
12 gross income to determine Missouri taxable income, for the tax year in which the taxpayer
13 purchases the vehicle, an amount equal to one thousand five hundred dollars or ten percent
14 of the purchase price of the vehicle, whichever is less.

15 3. The director of revenue shall establish the procedure by which the deduction in
16 this section may be claimed, and shall promulgate rules to provide for the submission of
17 documents by the taxpayer proving the purchase price and date of the qualified hybrid
18 motor vehicle and to implement the provisions of this section.

19 4. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,
20 that is created under the authority delegated in this section shall become effective only if
21 it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if
22 applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable

23 and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo,
24 to review, to delay the effective date, or to disapprove and annul a rule are subsequently
25 held unconstitutional, then the grant of rulemaking authority and any rule proposed or
26 adopted after August 28, 2007, shall be invalid and void.

143.128. 1. For purposes of this section the term "E-85 gasoline" shall mean
2 ethanol blended gasoline formulated with a minimum percentage of between seventy-five
3 and eighty-five percent by volume of ethanol, "biodiesel" shall mean fuel as defined in
4 ASTM Standard D-6751 or its subsequent standard specifications for biodiesel fuel (B100)
5 blend stock for distillate fuels, and "biodiesel-blended fuel" shall mean a blend of biodiesel
6 and conventional diesel fuel. For all tax years beginning on or after January 1, 2008, a
7 taxpayer who purchases E-85 gasoline, biodiesel, or biodiesel-blended fuel in a tax year
8 shall be allowed to claim a tax credit against the tax otherwise due under this chapter,
9 excluding sections 143.191 to 143.265, in the following amounts:

10 (1) For calendar year 2008, the amount of the credit shall be equal to twenty-five
11 cents per gallon of E-85 gasoline or equal to five cents per gallon of biodiesel or biodiesel-
12 blended fuel purchased by the taxpayer;

13 (2) For calendar years 2009 and 2010, the amount of the credit shall be equal to
14 twenty cents per gallon of E-85 gasoline or equal to three cents per gallon of biodiesel or
15 biodiesel-blended fuel purchased by the taxpayer;

16 (3) For calendar year 2011 and each subsequent calendar year, the amount of the
17 credit shall be equal to fifteen cents per gallon of E-85 gasoline or equal to five cents per
18 gallon of biodiesel or biodiesel-blended fuel purchased by the taxpayer.

19 2. The amount of credits claimed per taxpayer annually shall not exceed five
20 hundred dollars. The minimum amount of tax credits a taxpayer may claim shall not be
21 less than fifty dollars. A taxpayer shall claim the credit allowed by this section at the time
22 such taxpayer files a return. In the event the amount of the tax credit provided under this
23 section exceeds a taxpayer's income tax liability, no refund shall result, but such excess tax
24 credits may be carried forward to any of the taxpayer's three subsequent tax years. The
25 aggregate amount of tax credits which may be redeemed in any fiscal year shall not exceed
26 five hundred thousand dollars. The tax credit shall be available regardless of whether the
27 taxpayer opts to take a standard deduction. The department of revenue is authorized to
28 adopt any rule or regulations deemed necessary for the effective administration of this
29 section. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,
30 that is created under the authority delegated in this section shall become effective only if
31 it complies with and is subject to all of the provisions of chapter 536, RSMo, and if
32 applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable

33 **and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo,**
34 **to review, to delay the effective date, or to disapprove and annul a rule are subsequently**
35 **held unconstitutional, then the grant of rulemaking authority and any rule proposed or**
36 **adopted after August 28, 2007, shall be invalid and void.**

37 **3. Pursuant to section 23.253, RSMo, of the Missouri sunset act:**

38 **(1) The provisions of the new program authorized under this section shall sunset**
39 **automatically six years after the effective date of this section unless reauthorized by an act**
40 **of the general assembly; and**

41 **(2) If such program is reauthorized, the program authorized under this section**
42 **shall sunset automatically twelve years after the effective date of the reauthorization of this**
43 **section; and**

44 **(3) This section shall terminate on September first of the calendar year immediately**
45 **following the calendar year in which the program authorized under this section is sunset.**

46 **4. Nothing in this section shall be construed as authorizing, approving, or**
47 **condoning the violation of a motor vehicle manufacturer's stated warranty with regard to**
48 **recommended fuel use.**

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 144.761 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 142.824, 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,
31 gases and manufactured goods, including without limitation, slagging materials and firebrick,
32 which are ultimately consumed in the manufacturing process by blending, reacting or interacting
33 with or by becoming, in whole or in part, component parts or ingredients of steel products
34 intended 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
40 parts, used directly in manufacturing, mining, fabricating or producing a product which is
41 intended to be sold ultimately for final use or consumption; and machinery and equipment, and
42 the materials and supplies required solely for the operation, installation or construction of such
43 machinery and equipment, purchased and used to establish new, or to replace or expand existing,
44 material recovery processing plants in this state. For the purposes of this subdivision, a "material
45 recovery processing plant" means a facility that has as its primary purpose the recovery of
46 materials into a useable product or a different form which is used in producing a new product and
47 shall include a facility or equipment which are used exclusively for the collection of recovered
48 materials for delivery to a material recovery processing plant but shall not include motor vehicles
49 used on highways. For purposes of this section, the terms "motor vehicle" and "highway" shall
50 have the same meaning pursuant to section 301.010, RSMo. Material recovery is not the reuse
51 of materials within a manufacturing process or the use of a product previously recovered. The
52 material recovery processing plant shall qualify under the provisions of this section regardless
53 of ownership of the material being recovered;

54 (5) Machinery and equipment, and parts and the materials and supplies solely required
55 for the installation or construction of such machinery and equipment, purchased and used to
56 establish new or to expand existing manufacturing, mining or fabricating plants in the state if

57 such machinery and equipment is used directly in manufacturing, mining or fabricating a product
58 which is intended to be sold ultimately for final use or consumption;

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

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

63 (8) Newsprint, ink, computers, photosensitive paper and film, toner, printing plates and
64 other machinery, equipment, replacement parts and supplies used in producing newspapers
65 published for dissemination of news to the general public;

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

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

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

74 (12) Electrical energy used in the actual primary manufacture, processing, compounding,
75 mining or producing of a product, or electrical energy used in the actual secondary processing
76 or fabricating of the product, or a material recovery processing plant as defined in subdivision
77 (4) of this subsection, in facilities owned or leased by the taxpayer, if the total cost of electrical
78 energy so used exceeds ten percent of the total cost of production, either primary or secondary,
79 exclusive of the cost of electrical energy so used or if the raw materials used in such processing
80 contain at least twenty-five percent recovered materials as defined in section 260.200, RSMo.

81 **There shall be a rebuttable presumption that the raw materials used in the primary**
82 **manufacture of automobiles contain at least twenty-five percent recovered materials.** For
83 purposes of this subdivision, "processing" means any mode of treatment, act or series of acts
84 performed upon materials to transform and reduce them to a different state or thing, including
85 treatment necessary to maintain or preserve such processing by the producer at the production
86 facility;

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

89 (14) Machinery, equipment, appliances and devices purchased or leased and used solely
90 for the purpose of preventing, abating or monitoring air pollution, and materials and supplies
91 solely required for the installation, construction or reconstruction of such machinery, equipment,
92 appliances and devices, and so certified as such by the director of the department of natural

93 resources, except that any action by the director pursuant to this subdivision may be appealed to
94 the air conservation commission which may uphold or reverse such action;

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

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

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

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

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

127 (20) All sales of aircraft to common carriers for storage or for use in interstate commerce
128 and all sales made by or to not-for-profit civic, social, service or fraternal organizations,

including fraternal organizations which have been declared tax-exempt organizations pursuant to Section 501(c)(8) or (10) of the 1986 Internal Revenue Code, as amended, in their civic or charitable functions and activities and all sales made to eleemosynary and penal institutions and industries of the state, and all sales made to any private not-for-profit institution of higher education not otherwise excluded pursuant to subdivision (19) of this subsection or any institution of higher education supported by public funds, and all sales made to a state relief agency in the exercise of relief functions and activities;

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

(22) All sales made to any private not-for-profit elementary or secondary school, all sales of feed additives, medications or vaccines administered to livestock or poultry in the production of food or fiber, all sales of pesticides used in the production of crops, livestock or poultry for food or fiber, all sales of bedding used in the production of livestock or poultry for food or fiber, all sales of propane or natural gas, electricity or diesel fuel used exclusively for drying agricultural crops, natural gas used in the primary manufacture or processing of fuel ethanol as defined in section 142.028, RSMo, natural gas, propane, and electricity used by an eligible new generation cooperative or an eligible new generation processing entity as defined in section 348.432, RSMo, and all sales of farm machinery and equipment, other than airplanes, motor vehicles and trailers. As used in this subdivision, the term "feed additives" means tangible personal property which, when mixed with feed for livestock or poultry, is to be used in the feeding of livestock or poultry. As used in this subdivision, the term "pesticides" includes adjuvants such as crop oils, surfactants, wetting agents and other assorted pesticide carriers used to improve or enhance the effect of a pesticide and the foam used to mark the application of pesticides and herbicides for the production of crops, livestock or poultry. As used in this subdivision, the term "farm machinery and equipment" means new or used farm tractors and such other new or used farm machinery and equipment and repair or replacement parts thereon, and supplies and lubricants used exclusively, solely, and directly for producing crops, raising and feeding livestock, fish, poultry, pheasants, chukar, quail, or for producing milk for ultimate sale at retail, including field drain tile, and one-half of each purchaser's purchase of diesel fuel therefor which is:

(a) Used exclusively for agricultural purposes;

165 (b) Used on land owned or leased for the purpose of producing farm products; and
166 (c) Used directly in producing farm products to be sold ultimately in processed form or
167 otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold
168 ultimately in processed form at retail;

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

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

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

191 (c) Each person making domestic use purchases of services or property and who uses any
192 portion of the services or property so purchased for a nondomestic use shall, by the fifteenth day
193 of the fourth month following the year of purchase, and without assessment, notice or demand,
194 file a return and pay sales tax on that portion of nondomestic purchases. Each person making
195 nondomestic purchases of services or property and who uses any portion of the services or
196 property so purchased for domestic use, and each person making domestic purchases on behalf
197 of occupants of residential apartments or condominiums through a single or master meter,
198 including service for common areas and facilities and vacant units, under a nonresidential utility
199 service rate classification may, between the first day of the first month and the fifteenth day of
200 the fourth month following the year of purchase, apply for credit or refund to the director of

201 revenue and the director shall give credit or make refund for taxes paid on the domestic use
202 portion of the purchase. The person making such purchases on behalf of occupants of residential
203 apartments or condominiums shall have standing to apply to the director of revenue for such
204 credit or refund;

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

208 (25) Excise taxes, collected on sales at retail, imposed by Sections 4041, 4061, 4071,
209 4081, 4091, 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code. The director of
210 revenue shall promulgate rules pursuant to chapter 536, RSMo, to eliminate all state and local
211 sales taxes on such excise taxes;

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

217 (27) All sales made to an interstate compact agency created pursuant to sections 70.370
218 to 70.441, RSMo, or sections 238.010 to 238.100, RSMo, in the exercise of the functions and
219 activities of such agency as provided pursuant to the compact;

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

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

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

229 (31) Electrical energy or gas, whether natural, artificial or propane, water, or other
230 utilities which are ultimately consumed in connection with the manufacturing of cellular glass
231 products or in any material recovery processing plant as defined in subdivision (4) of subsection
232 2 of this section;

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

(33) Tangible personal property **and utilities** purchased for use or consumption directly or exclusively in the research and development of **agricultural, biotechnology and plant genomics products, and** prescription pharmaceuticals consumed by humans or animals;

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

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

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

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

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

[(37) Tangible personal property purchased for use or consumption directly or exclusively in research or experimentation activities performed by life science companies and so certified as such by the director of the department of economic development or the director's designees; except that, the total amount of exemptions certified pursuant to this section shall not exceed one million three hundred thousand dollars in state and local taxes per fiscal year. For purposes of this subdivision, the term "life science companies" means companies whose primary research activities are in agriculture, pharmaceuticals, biomedical or food ingredients, and whose North American Industry Classification System (NAICS) Codes fall under industry 541710 (biotech research or development laboratories), 621511 (medical laboratories) or 541940

270 (veterinary services). The exemption provided by this subdivision shall expire on June 30,
271 2003;]

272 [(38)] **(37)** All sales or other transfers of tangible personal property to a lessor who leases
273 the property under a lease of one year or longer executed or in effect at the time of the sale or
274 other transfer to an interstate compact agency created pursuant to sections 70.370 to 70.441,
275 RSMo, or sections 238.010 to 238.100, RSMo; [and]

276 [(39)] **(38)** Sales of tickets to any collegiate athletic championship event that is held in
277 a facility owned or operated by a governmental authority or commission, a quasi-governmental
278 agency, a state university or college or by the state or any political subdivision thereof, including
279 a municipality, and that is played on a neutral site and may reasonably be played at a site located
280 outside the state of Missouri. For purposes of this subdivision, "neutral site" means any site that
281 is not located on the campus of a conference member institution participating in the event ; **and**

282 **(39) Sales of new diesel-powered motor vehicles with a gross vehicle rating not**
283 **exceeding eight thousand five hundred pounds.**

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

2 **(1) "Processing", any mode of treatment, act, or series of acts performed upon**
3 **materials to transform or reduce them to a different state or thing, including treatment**
4 **necessary to maintain or preserve such processing by the producer at the production**
5 **facility;**

6 **(2) "Recovered materials", those materials which have been diverted or removed**
7 **from the solid waste stream for sale, use, reuse, or recycling, whether or not they require**
8 **subsequent separation and processing.**

9 **2. In addition to all other exemptions granted under this chapter, there is hereby**
10 **specifically exempted from the provisions of sections 144.010 to 144.525 and 144.600 to**
11 **144.761, and section 238.235, RSMo, and the local sales tax law as defined in section 32.085,**
12 **RSMo, and from the computation of the tax levied, assessed, or payable under sections**
13 **144.010 to 144.525 and 144.600 to 144.761, and section 238.235, RSMo, and the local sales**
14 **tax law as defined in section 32.085, RSMo, electrical energy and gas, whether natural,**
15 **artificial, or propane, water, coal, and other utilities, chemicals, machinery, equipment,**
16 **and materials used or consumed in the manufacturing, processing, compounding, mining,**
17 **or producing of any product, or used or consumed in the processing of recovered materials,**
18 **or used in research and development related to manufacturing, processing, compounding,**
19 **mining, or producing any product.**

144.061. For fiscal year 2008, there shall hereby be exempted from state sales tax,
2 **sales of new motor vehicles designed to operate on eighty-five percent ethanol fuel.**

144.605. The following words and phrases as used in sections 144.600 to 144.745 mean and include:

(1) "Calendar quarter", the period of three consecutive calendar months ending on March thirty-first, June thirtieth, September thirtieth or December thirty-first;

(2) "Engages in business activities within this state" includes:

(a) [Purposefully or systematically exploiting the market provided by this state by any media-assisted, media-facilitated, or media-solicited means, including, but not limited to, direct mail advertising, distribution of catalogs, computer-assisted shopping, telephone, television, radio, or other electronic media, or magazine or newspaper advertisements, or other media; or

(b) Being owned or controlled by the same interests which own or control any seller engaged in the same or similar line of business in this state; or

(c) Maintaining or having a franchisee or licensee operating under the seller's trade name in this state if the franchisee or licensee is required to collect sales tax pursuant to sections 144.010 to 144.525; or

[(d)] **(b) Soliciting sales or taking orders by sales agents or traveling representatives in this state;**

(c) Notwithstanding any other provision of this chapter to the contrary, whether a person engages in business activities within this state and whether the person has substantial nexus with this state shall be determined without regard to whether the person is a related taxpayer within the meaning of the definition found in subdivision (9) of section 135.100, RSMo, in regard to either a distribution facility in this state or a data storage facility in this state, or:

a. Utilizes such distribution facility;

b. Utilizes property at such distribution facility that is used at, or distributed from, that facility; or

c. Sells property shipped or distributed from such distribution facility;

(3) "Maintains a place of business in this state" includes **directly** maintaining, occupying, or using[, permanently or temporarily, directly or indirectly, or through a subsidiary, or agent, by whatever name called,] an office, [place of distribution, sales or sample room or place,] warehouse or storage place, or other place of business **in this state;**

(4) "Person", any individual, firm, copartnership, joint venture, association, corporation, municipal or private, and whether organized for profit or not, state, county, political subdivision, state department, commission, board, bureau or agency, except the state transportation department, estate, trust, business trust, receiver or trustee appointed by the state or federal court, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular number;

37 (5) "Purchase", the acquisition of the ownership of, or title to, tangible personal property,
38 through a sale, as defined herein, for the purpose of storage, use or consumption in this state;

39 (6) "Purchaser", any person who is the recipient for a valuable consideration of any sale
40 of tangible personal property acquired for use, storage or consumption in this state;

41 (7) "Sale", any transfer, barter or exchange of the title or ownership of tangible personal
42 property, or the right to use, store or consume the same, for a consideration paid or to be paid,
43 and any transaction whether called leases, rentals, bailments, loans, conditional sales or
44 otherwise, and notwithstanding that the title or possession of the property or both is retained for
45 security. For the purpose of this law the place of delivery of the property to the purchaser, user,
46 storer or consumer is deemed to be the place of sale, whether the delivery be by the vendor or
47 by common carriers, private contractors, mails, express, agents, salesmen, solicitors, hawkers,
48 representatives, consignors, peddlers, canvassers or otherwise;

49 (8) "Sales price", the consideration including the charges for services, except charges
50 incident to the extension of credit, paid or given, or contracted to be paid or given, by the
51 purchaser to the vendor for the tangible personal property, including any services that are a part
52 of the sale, valued in money, whether paid in money or otherwise, and any amount for which
53 credit is given to the purchaser by the vendor, without any deduction therefrom on account of the
54 cost of the property sold, the cost of materials used, labor or service cost, losses or any other
55 expenses whatsoever, except that cash discounts allowed and taken on sales shall not be included
56 and "sales price" shall not include the amount charged for property returned by customers upon
57 rescission of the contract of sales when the entire amount charged therefor is refunded either in
58 cash or credit or the amount charged for labor or services rendered in installing or applying the
59 property sold, the use, storage or consumption of which is taxable pursuant to sections 144.600
60 to 144.745. In determining the amount of tax due pursuant to sections 144.600 to 144.745, any
61 charge incident to the extension of credit shall be specifically exempted;

62 (9) "Selling agent", every person acting as a representative of a principal, when such
63 principal is not registered with the director of revenue of the state of Missouri for the collection
64 of the taxes imposed pursuant to sections 144.010 to 144.525 or sections 144.600 to 144.745 and
65 who receives compensation by reason of the sale of tangible personal property of the principal,
66 if such property is to be stored, used, or consumed in this state;

67 (10) "Storage", any keeping or retention in this state of tangible personal property
68 purchased from a vendor, except property for sale or property that is temporarily kept or retained
69 in this state for subsequent use outside the state;

70 (11) "Tangible personal property", all items subject to the Missouri sales tax as provided
71 in subdivisions (1) and (3) of section 144.020;

72 (12) "Taxpayer", any person remitting the tax or who should remit the tax levied by
73 sections 144.600 to 144.745;

74 (13) "Use", the exercise of any right or power over tangible personal property incident
75 to the ownership or control of that property, except that it does not include the temporary storage
76 of property in this state for subsequent use outside the state, or the sale of the property in the
77 regular course of business;

78 (14) "Vendor", every person engaged in making sales of tangible personal property by
79 mail order, by advertising, by agent or peddling tangible personal property, soliciting or taking
80 orders for sales of tangible personal property, for storage, use or consumption in this state, all
81 salesmen, solicitors, hawkers, representatives, consignees, peddlers or canvassers, as agents of
82 the dealers, distributors, consignors, supervisors, principals or employers under whom they
83 operate or from whom they obtain the tangible personal property sold by them, and every person
84 who maintains a place of business in this state, maintains a stock of goods in this state, or
85 engages in business activities within this state and every person who engages in this state in the
86 business of acting as a selling agent for persons not otherwise vendors as defined in this
87 subdivision. Irrespective of whether they are making sales on their own behalf or on behalf of
88 the dealers, distributors, consignors, supervisors, principals or employers, they must be regarded
89 as vendors and the dealers, distributors, consignors, supervisors, principals or employers must
90 be regarded as vendors for the purposes of sections 144.600 to 144.745. A person shall not be
91 considered a vendor for the purposes of sections 144.600 to 144.745 if all of the following apply:

92 (a) The person's total gross receipts did not exceed five hundred thousand dollars in this
93 state, or twelve and one-half million dollars in the entire United States, in the immediately
94 preceding calendar year;

95 (b) The person maintains no place of business in this state; and

96 (c) The person has no selling agents in this state.

144.806. 1. In addition to the exemptions granted pursuant to the provisions of
2 **section 144.030, there shall also be specifically exempted from the provisions of sections**
3 **144.010 to 144.525, sections 144.600 to 144.748, section 144.805, and section 238.235, RSMo,**
4 **and the provisions of any local sales tax law, as defined in section 32.085, RSMo, and from**
5 **the computation of the tax levied, assessed, or payable pursuant to sections 144.010 to**
6 **144.525, sections 144.600 to 144.748, and section 238.235, RSMo, and the provisions of any**
7 **local sales tax law, as defined in section 32.085, RSMo, all aviation jet fuel sold to an air**
8 **common carrier for immediate consumption or shipment in the conduct of its business as**
9 **an air common carrier or affiliate carrier, on a transoceanic flight. As used in this**
10 **subsection, the term "immediate consumption or shipment", shall mean that the delivery**
11 **of the aviation jet fuel by the seller is directly to an aircraft for consumption or**

12 transportation on a transoceanic flight and not for storage by the purchaser or any third
13 party. The term "transoceanic flight" shall mean a flight destined for or continuing from
14 a location situated on the other side of the Atlantic or Pacific ocean.

15 2. To qualify for the exemption prescribed in subsection 1 of this section, the air
16 common carrier shall furnish to the seller a certificate in writing to the effect that an
17 exemption pursuant to this section is applicable to the aviation jet fuel so purchased,
18 stored, used, and consumed.

19 3. For purposes of determining eligibility for the state sales and use tax exemption
20 on aviation jet fuel provided under section 144.805, sales of such fuel for transoceanic
21 flights exempt from taxation under this section shall be treated as though subject to sales
22 tax and such tax shall be deemed paid for purposes of calculating the maximum aggregate
23 calendar year amount of state sales and use tax required for the exemption provided under
24 section 144.805, however, no state sales or use tax liability shall accrue for purchases of fuel
25 exempted under this section.

26 4. The director of revenue shall adopt appropriate rules and regulations to
27 implement the provisions of this section. Any rule or portion of a rule, as that term is
28 defined in section 536.010, RSMo, that is created under the authority delegated in this
29 section shall become effective only if it complies with and is subject to all of the provisions
30 of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter
31 536, RSMo, are nonseverable and if any of the powers vested with the general assembly
32 pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove and
33 annul a rule are subsequently held unconstitutional, then the grant of rulemaking
34 authority and any rule proposed or adopted after August 28, 2007, shall be invalid and
35 void.

147.010. 1. For the transitional year defined in subsection 4 of this section and each
2 taxable year beginning on or after January 1, 1980, but before January 1, 2000, every corporation
3 organized pursuant to or subject to chapter 351, RSMo, or pursuant to any other law of this state
4 shall, in addition to all other fees and taxes now required or paid, pay an annual franchise tax to
5 the state of Missouri equal to one-twentieth of one percent of the par value of its outstanding
6 shares and surplus if its outstanding shares and surplus exceed two hundred thousand dollars, or
7 if the outstanding shares of such corporation or any part thereof consist of shares without par
8 value, then, in that event, for the purpose contained in this section, such shares shall be
9 considered as having a value of five dollars per share unless the actual value of such shares
10 exceeds five dollars per share, in which case the tax shall be levied and collected on the actual
11 value and the surplus if the actual value and the surplus exceed two hundred thousand dollars.
12 If such corporation employs a part of its outstanding shares in business in another state or

13 country, then such corporation shall pay an annual franchise tax equal to one-twentieth of one
14 percent of its outstanding shares and surplus employed in this state if its outstanding shares and
15 surplus employed in this state **exceed** two hundred thousand dollars, and for the purposes of
16 sections 147.010 to 147.120, such corporation shall be deemed to have employed in this state
17 that proportion of its entire outstanding shares and surplus that its property and assets employed
18 in this state bears to all its property and assets wherever located. A foreign corporation engaged
19 in business in this state, whether pursuant to a certificate of authority issued pursuant to chapter
20 351, RSMo, or not, shall be subject to this section. Any corporation whose outstanding shares
21 and surplus as calculated in this subsection does not exceed two hundred thousand dollars shall
22 state that fact on the annual report form prescribed by the secretary of state. For all taxable years
23 beginning on or after January 1, 2000, the annual franchise tax shall be equal to one-thirtieth of
24 one percent of the corporation's outstanding shares and surplus if the outstanding shares and
25 surplus exceed one million dollars. Any corporation whose outstanding shares and surplus do
26 not exceed one million dollars shall state that fact on the annual report form prescribed by the
27 director of revenue.

28 2. Sections 147.010 to 147.120 shall not apply to corporations not organized for profit,
29 nor to corporations organized pursuant to the provisions of chapter 349, RSMo, nor to express
30 companies, which now pay an annual tax on their gross receipts in this state, nor to insurance
31 companies, which pay an annual tax on their premium receipts in this state, nor to state, district,
32 county, town and farmers' mutual companies now organized or that may be hereafter organized
33 pursuant to any of the laws of this state, organized for the sole purpose of writing fire, lightning,
34 windstorm, tornado, cyclone, hail and plate glass and mutual automobile insurance and for the
35 purpose of paying any loss incurred by any member by assessment, nor to any mutual insurance
36 corporation not having shares, nor to a company or association organized to transact business of
37 life or accident insurance on the assessment plan for the purpose of mutual protection and benefit
38 to its members and the payment of stipulated sums of moneys to the family, heirs, executors,
39 administrators or assigns of the deceased member, nor to foreign life, fire, accident, surety,
40 liability, steam boiler, tornado, health, or other kind of insurance company of whatever nature
41 coming within the provisions of section 147.050 and doing business in this state, nor to savings
42 and loan associations and domestic and foreign regulated investment companies as defined by
43 Section 170 of the Act of Congress commonly known as the "Revenue Act of 1942", nor to
44 electric and telephone corporations organized pursuant to chapter 351, RSMo, and chapter 392,
45 RSMo, prior to January 1, 1980, which have been declared tax exempt organizations pursuant
46 to Section 501(c) of the Internal Revenue Code of 1986, nor for taxable years beginning after
47 December 31, 1986, to banking institutions subject to the annual franchise tax imposed by
48 sections 148.010 to 148.110, RSMo; but bank deposits shall be considered as funds of the

49 individual depositor left for safekeeping and shall not be considered in computing the amount
50 of tax collectible pursuant to the provisions of sections 147.010 to 147.120.

51 3. A corporation's "taxable year" for purposes of sections 147.010 to 147.120 shall be
52 its taxable year as provided in section 143.271, RSMo.

53 4. A corporation's "transitional year" for the purposes of sections 147.010 to 147.120
54 shall be its taxable year which includes parts of each of the years 1979 and 1980.

55 5. The franchise tax payable for a corporation's transitional year shall be computed by
56 multiplying the amount otherwise due for that year by a fraction, the numerator of which is the
57 number of months between January 1, 1980, and the end of the taxable year and the denominator
58 of which is twelve. The franchise tax payable, if a corporation's taxable year is changed as
59 provided in section 143.271, RSMo, shall be similarly computed pursuant to regulations
60 prescribed by the director of revenue.

61 6. All franchise reports and franchise taxes shall be returned to the director of revenue.
62 All checks and drafts remitted for payment of franchise taxes shall be made payable to the
63 director of revenue.

64 7. Pursuant to section 32.057, RSMo, the director of revenue shall maintain the
65 confidentiality of all franchise tax reports returned to the director.

66 8. The director of the department of revenue shall honor all existing agreements between
67 taxpayers and the director of the department of revenue.

68 **9. Notwithstanding any other provision of this chapter to the contrary, whether a**
69 **corporation has substantial nexus with this state for franchise tax purposes is determined**
70 **without regard to whether the corporation:**

71 **(1) Is a related taxpayer within the meaning of the definition found in subdivision**
72 **(9) of section 135.100, RSMo, in regard to either a distribution facility in this state or a data**
73 **storage facility in this state;**

74 **(2) Utilizes such distribution facility;**

75 **(3) Utilizes property at such distribution facility that is used at, or distributed from,**
76 **that facility; or**

77 **(4) Sells property shipped or distributed from such distribution facility.**

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

7 2. The department of revenue shall grant tax credits approved under this section which
8 shall be applied in the order specified in subsection 1 of section 32.115, RSMo, until used. The
9 tax credits provided under this section shall be refundable, and any tax credit not used in the
10 fiscal year in which approved may be carried over the next five succeeding calendar or fiscal
11 years until the full credit has been claimed. **Notwithstanding any other law to the contrary,**
12 **any tax credits granted under this section may be assigned, transferred, sold, or otherwise**
13 **conveyed without consent or approval.**

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

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

18 5. For all tax years beginning on or after January 1, 2005, no tax credits shall be
19 authorized, awarded, or issued to any person or entity claiming any tax credit under this section.

173.796. 1. As used in this section, the term "taxpayer" means an individual, a
2 partnership, or a corporation as described in section 143.441 or 143.471, RSMo, **and includes**
3 **any charitable organization which is exempt from federal income tax and whose Missouri**
4 **unrelated business taxable income, if any, would be subject to the state income tax imposed**
5 **under chapter 143, RSMo.**

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

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

17 4. If the amount of tax credit exceeds the total tax liability for the year in which the tax
18 credit is claimed, the amount that exceeds the state tax liability may be carried forward for credit
19 against the taxes imposed pursuant to chapter 143, RSMo, except for sections 143.191 to
20 143.265, RSMo, for the succeeding ten years, or until the full credit is used, whichever occurs
21 first.

22 5. For all tax years beginning on or after January 1, 2005, no tax credits shall be
23 authorized, awarded, or issued to any person or entity claiming any tax credit under this section.

24 6. The provisions of this section shall become effective January 1, 1999.

**178.715. 1. Residents of the counties of Butler, Stoddard, Wayne, Ripley, New
2 Madrid, Pemiscot, Dunklin, Mississippi, Cape Girardeau, Bollinger, and Scott may
3 organize a vocational school district in the manner provided in sections 178.770 to 178.780.
4 Prior to the organization of a district under sections 178.770 to 178.890, the coordinating
5 board for higher education shall establish standards for the organization of the district
6 which shall include among other things:**

7 **(1) Whether a vocational school is needed in the proposed district;**

8 **(2) Whether the assessed valuation of taxable, tangible property in the proposed
9 district is sufficient to support adequately the proposed vocational school; and**

10 **(3) Whether there were a sufficient number of graduates of high school in the
11 proposed district during the preceding year to support a vocational school in the proposed
12 district.**

13 **2. When a district is organized, it shall be a body corporate and a subdivision of the
14 state of Missouri and shall be known as "The Vocational School District of,
15 Missouri" and, in that name, may sue and be sued, levy and collect taxes within the
16 limitations of sections 178.770 to 178.890, issue bonds and possess the same corporate
17 powers as common and seven-director school districts in this state, other than urban
18 districts, except as herein otherwise provided.**

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

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

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

37 4. The board of trustees shall determine if revenues provided in the agreement are
38 sufficient to secure the faithful performance of obligations in the agreement.

39 5. Certificates issued under this section shall not be deemed to be an indebtedness of the
40 state or the community college district or of any other political subdivision of the state and the
41 principal and interest on such certificates shall be payable only from the sources provided in
42 subdivision (1) of section 178.893 which are pledged in the agreement.

43 6. The department of economic development shall coordinate the new jobs training
44 program, and may promulgate rules that districts will use in developing projects with new and
45 expanding industrial new jobs training proposals which shall include rules providing for the
46 coordination of such proposals with the service delivery areas established in the state to
47 administer federal funds pursuant to the federal Job Training Partnership Act. No rule or portion
48 of a rule promulgated under the authority of sections 178.892 to 178.896 shall become effective
49 unless it has been promulgated pursuant to the provisions of chapter 536, RSMo. All rulemaking
50 authority delegated prior to June 27, 1997, is of no force and effect and repealed; however,
51 nothing in this section shall be interpreted to repeal or affect the validity of any rule filed or
52 adopted prior to June 27, 1997, if such rule complied with the provisions of chapter 536, RSMo.
53 The provisions of this section and chapter 536, RSMo, are nonseverable and if any of the powers

54 vested with the general assembly pursuant to chapter 536, RSMo, including the ability to review,
55 to delay the effective date, or to disapprove and annul a rule or portion of a rule, are subsequently
56 held unconstitutional, then the purported grant of rulemaking authority and any rule so proposed
57 and contained in the order of rulemaking shall be invalid and void.

58 7. No community college district may sell certificates as described in this section after
59 July 1, [2008] **2018**.

178.896. 1. There is hereby established within the state treasury a special fund, to be
2 known as the "Missouri Community College Job Training Program Fund", to be administered
3 by the division of job development and training. The department of revenue shall credit to the
4 community college job training program fund, as received, all new jobs credit from withholding
5 remitted by employers pursuant to section 178.894. The fund shall also consist of any gifts,
6 contributions, grants or bequests received from federal, private or other sources. The general
7 assembly, however, shall not provide for any transfer of general revenue funds into the
8 community college job training program fund. Moneys in the Missouri community college job
9 training program fund shall be disbursed to the division of job development and training pursuant
10 to regular appropriations by the general assembly. The division shall disburse such appropriated
11 funds in a timely manner into the special funds established by community college districts for
12 projects, which funds shall be used to pay program costs, including the principal of, premium,
13 if any, and interest on certificates issued by the district to finance or refinance, in whole or in
14 part, a project. Such disbursements by the division of job development and training shall be
15 made to the special fund for each project in the same proportion as the new jobs credit from
16 withholding remitted by the employer participating in such project bears to the total new jobs
17 credit from withholding remitted by all employers participating in projects during the period for
18 which the disbursement is made. Moneys for new jobs training programs established under the
19 provisions of sections 178.892 to 178.896 shall be obtained from appropriations made by the
20 general assembly from the Missouri community college job training program fund. All moneys
21 remaining in the Missouri community college job training program fund at the end of any fiscal
22 year shall not lapse to the general revenue fund, as provided in section 33.080, RSMo, but shall
23 remain in the Missouri community college job training program fund.

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

31 new job credit to the department of revenue in the same manner as provided in sections 143.191
32 to 143.265, RSMo.

33 3. Sections 178.892 to 178.896 shall expire July 1, [2018] **2028**.

208.750. 1. Sections 208.750 to 208.775 shall be known and may be cited as the
2 "Family Development Account Program".

3 2. For purposes of sections 208.750 to 208.775, the following terms mean:

4 (1) "Account holder", a person who is the owner of a family development account;

5 (2) "Community-based organization", any religious or charitable association formed
6 pursuant to chapter 352, RSMo, **or any nonprofit corporation formed under chapter 355,**
7 **RSMo**, that is approved by the director of the department of economic development to
8 implement the family development account program;

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

10 (4) "Director", the director of the department of economic development;

11 (5) "Family development account", a financial instrument established pursuant to section
12 208.760;

13 (6) "Family development account reserve fund", the fund created by an approved
14 community-based organization for the purposes of funding the costs incurred in the
15 administration of the program and for providing matching funds for moneys in family
16 development accounts;

17 (7) "Federal poverty level", the most recent poverty income guidelines published in the
18 calendar year by the United States Department of Health and Human Services;

19 (8) "Financial institution", any bank, trust company, savings bank, credit union or
20 savings and loan association as defined in chapter 362, 369 or 370, RSMo, and with an office
21 in Missouri which is approved by the director for participation in the program;

22 (9) "Program", the Missouri family development account program established in sections
23 208.750 to 208.775;

24 (10) "Program contributor", a person or entity, **including any charitable organization**
25 **which is exempt from federal income tax and whose Missouri unrelated business taxable**
26 **income, if any, would be subject to the state income tax imposed under chapter 143, RSMo,**
27 who makes a contribution to a family development account reserve fund and is not the account
28 holder.

208.755. 1. There is hereby established within the department of economic development
2 a program to be known as the "Family Development Account Program". The program shall
3 provide eligible families and individuals with an opportunity to establish special savings
4 accounts for moneys which may be used by such families and individuals for education, home
5 ownership or small business capitalization.

6 2. The department shall solicit proposals from community-based organizations seeking
7 to administer the accounts on a not-for-profit basis. Community-based organization proposals
8 shall include:

9 (1) A requirement that the individual account holder or the family of an account holder
10 match the contributions of a community-based organization member by contributing cash;

11 (2) A process for including account holders in decision making regarding the investment
12 of funds in the accounts;

13 (3) Specifications of the population or populations targeted for priority participation in
14 the program;

15 (4) A requirement that the individual account holder or the family of an account holder
16 attend economic literacy seminars;

17 (5) A process for including economic literacy seminars in the family development
18 account program; and

19 (6) A process for regular evaluation and review of family development accounts to
20 ensure program compliance by account holders.

21 3. In reviewing the proposals of community-based organizations, the department shall
22 consider the following factors:

23 (1) The not-for-profit status of such organization;

24 (2) The fiscal accountability of the community-based organization;

25 (3) The ability of the community-based organization to provide or raise moneys for
26 matching contributions;

27 (4) The ability of the community-based organization to establish and administer a reserve
28 fund account which shall receive all contributions from program contributors; and

29 (5) The significance and quality of proposed auxiliary services, including economic
30 literacy seminars, and their relationship to the goals of the family development account program.

31 4. No more than [twenty] **fifteen** percent of all funds in the reserve fund account may
32 be used for administrative costs of the program in each of the first two years of the program, and
33 no more than [fifteen] **ten** percent of such funds may be used for administrative costs for any
34 subsequent year. Funds deposited by account holders shall not be used for administrative costs.

35 5. The department shall promulgate rules and regulations to implement and administer
36 the provisions of sections 208.750 to 208.775. No rule or portion of a rule promulgated pursuant
37 to the authority of sections 208.750 to 208.775 shall become effective unless it has been
38 promulgated pursuant to the provisions of chapter 536, RSMo.

238.202. 1. As used in sections 238.200 to 238.275, the following terms mean:

2 (1) "Board", the board of directors of a district;

3 (2) "Commission", the Missouri highways and transportation commission;

4 (3) "District", a transportation development district organized under sections 238.200
5 to 238.275;

6 (4) "Local transportation authority", a county, city, town, village, county highway
7 commission, special road district, interstate compact agency, or any local public authority or
8 political subdivision having jurisdiction over any bridge, street, highway, dock, wharf, ferry, lake
9 or river port, airport, railroad, light rail or other transit improvement or service;

10 (5) "Project" includes any bridge, street, road, highway, access road, interchange,
11 intersection, signing, signalization, parking lot, bus stop, station, garage, terminal, hangar,
12 shelter, rest area, dock, wharf, lake or river port, airport, railroad, light rail, or other mass transit
13 and any similar or related improvement or infrastructure.

14 2. For the purposes of sections 11(c), 16 and 22 of article X of the Constitution of
15 Missouri, section 137.073, RSMo, and as used in sections 238.200 to 238.275, the following
16 terms shall have the meanings given:

17 (1) "Approval of the required majority" or "direct voter approval", a simple majority;

18 (2) "Qualified electors", "qualified voters" or "voters", [if] **within the proposed or**
19 **established district**, any persons [eligible to be registered voters reside within the proposed
20 district, such persons] **residing therein** who have registered to vote pursuant to chapter 115,
21 RSMo, [or if no persons eligible to be registered voters reside within the proposed district,] **and**
22 the owners of real property [located within the proposed district] , **who shall receive one vote**
23 **per acre, provided that any registered voter who also owns property must elect whether**
24 **to vote as an owner or a registered voter;**

25 (3) "Registered voters", persons qualified and registered to vote pursuant to chapter 115,
26 RSMo.

238.207. 1. Whenever the creation of a district is desired, not less than fifty registered
2 voters from each county partially or totally within the proposed district may file a petition
3 requesting the creation of a district. However, if no persons eligible to be registered voters reside
4 within the district, the owners of record of all of the real property, except public streets, located
5 within the proposed district may file a petition requesting the creation of a district. The petition
6 shall be filed in the circuit court of any county partially or totally within the proposed district.

7 2. Alternatively, the governing body of any local transportation authority within any
8 county in which a proposed project may be located may file a petition in the circuit court of that
9 county, requesting the creation of a district.

10 3. The proposed district area shall be contiguous and may contain all or any portion of
11 one or more municipalities and counties; provided:

12 (1) Property separated only by public streets, easements or rights-of-way shall be
13 considered contiguous;

14 (2) In the case of a district formed pursuant to a petition filed by the owners of record
15 of all of the real property located within the proposed district, the proposed district area need not
16 contain contiguous properties if:

17 (a) The petition provides that the only funding method for project costs will be a sales
18 tax;

19 (b) The court finds that all of the real property located within the proposed district will
20 benefit by the projects to be undertaken by the district; and

21 (c) Each parcel within the district is within five miles of every other parcel; and

22 (3) In the case of a district created pursuant to subsection 5 of this section, property
23 separated only by public streets, easements, or rights-of-way or connected by a single public
24 street, easement, or right-of-way shall be considered contiguous.

25 4. The petition shall set forth:

26 (1) The name, voting residence and county of residence of each individual petitioner, or,
27 if no persons eligible to be registered voters reside within the proposed district, the name and
28 address of each owner of record of real property located within the proposed district, or shall
29 recite that the petitioner is the governing body of a local transportation authority acting in its
30 official capacity;

31 (2) The name and address of each respondent. Respondents must include the
32 commission and each affected local transportation authority within the proposed district, except
33 a petitioning local transportation authority;

34 (3) A specific description of the proposed district boundaries including a map illustrating
35 such boundaries;

36 (4) A general description of each project proposed to be undertaken by that district,
37 including a description of the approximate location of each project;

38 (5) **The estimated project costs and the anticipated revenues to be collected from the**
39 **project;**

40 (6) The name of the proposed district;

41 [(6)] (7) The number of members of the board of directors of the proposed district, which
42 shall be not less than five or more than fifteen;

43 [(7)] (8) A statement that the terms of office of initial board members shall be staggered
44 in approximately equal numbers to expire in one, two or three years;

45 [(8)] (9) If the petition was filed by registered voters or by a governing body, a request
46 that the question be submitted to the qualified voters within the limits of the proposed district
47 whether they will establish a transportation development district to develop a specified project
48 or projects;

49 [(9)] (10) A proposal for funding the district initially, pursuant to the authority granted
50 in sections 238.200 to 238.275, together with a request that the funding proposal be submitted
51 to the qualified voters [residing] within the limits of the proposed district; provided, however,
52 the funding method of special assessments may also be approved as provided in subsection 1 of
53 section 238.230; and

54 [(10)] (11) A statement that the proposed district shall not be an undue burden on any
55 owner of property within the district and is not unjust or unreasonable.

56 5. (1) As an alternative to the methods described in subsections 1 and 2 of this section,
57 if two or more local transportation authorities have adopted resolutions calling for the joint
58 establishment of a district, the governing body of any one such local transportation authority may
59 file a petition in the circuit court of any county in which the proposed project is located
60 requesting the creation of a district.

61 (2) The proposed district area shall be contiguous and may contain all or any portion of
62 one or more municipalities and counties. Property separated only by public streets, easements,
63 or rights-of-way or connected by a single public street, easement, or right-of-way shall be
64 considered contiguous.

65 (3) The petition shall set forth:

66 (a) That the petitioner is the governing body of a local transportation authority acting in
67 its official capacity;

68 (b) The name of each local transportation authority within the proposed district. The
69 resolution of the governing body of each local transportation authority calling for the joint
70 establishment of the district shall be attached to the petition;

71 (c) The name and address of each respondent. Respondents must include the
72 commission and each affected local transportation authority within the proposed district, except
73 a petitioning local transportation authority;

74 (d) A specific description of the proposed district boundaries including a map illustrating
75 such boundaries;

76 (e) A general description of each project proposed to be undertaken by the district,
77 including a description of the approximate location of each project;

78 (f) The name of the proposed district;

79 (g) The number of members of the board of directors of the proposed district;

80 (h) A request that the question be submitted to the qualified voters within the limits of
81 the proposed district whether they will establish a transportation development district to develop
82 the projects described in the petition;

83 (i) A proposal for funding the district initially, pursuant to the authority granted in
84 sections 238.200 to 238.275, together with a request that the imposition of the funding proposal

85 be submitted to the qualified voters residing within the limits of the proposed district; provided,
86 however, the funding method of special assessments may also be approved as provided in
87 subsection 1 of section 238.230; and

88 (j) A statement that the proposed district shall not be an undue burden on any owner of
89 property within the district and is not unjust or unreasonable.

238.208. 1. The owners of property adjacent to a transportation district formed under
2 the Missouri transportation development district act may petition the court by unanimous petition
3 to add their property to the district. If the property owners within the transportation development
4 district unanimously approve of the addition of property, the adjacent properties in the petition
5 shall be added to the district. Any property added under this section shall be subject to all
6 projects, taxes, and special assessments in effect as of the date of the court order adding the
7 property to the district. The owners of the added property shall be allowed to vote at the next
8 election scheduled for the district to fill vacancies on the board and on any other question
9 submitted to them by the board under this chapter. The owners of property added under this
10 section shall have one vote per acre in the same manner as provided in subdivision (2) of
11 subsection 2 of section 238.220.

12 **2. The owners of all of the property located in a transportation development district**
13 **formed under this chapter may, by unanimous petition filed with the board of directors of**
14 **the district, remove any property from the district, so long as such removal will not**
15 **materially affect any obligations of the district.**

238.225. 1. Before construction or funding of any project, the district shall submit the
2 proposed project, [together with the proposed plans and specifications,] to the commission for
3 its prior approval [of the project]. If the commission by minute finds that the project will
4 improve or is a necessary or desirable extension of the state highways and transportation system,
5 the commission may **preliminarily** approve the project subject to the district **providing plans**
6 **and specifications for the proposed project and** making any revisions in the plans and
7 specifications required by the commission and the district and commission entering into a
8 mutually satisfactory agreement regarding development and future maintenance of the project.
9 **After such preliminary approval, the district may impose and collect such taxes and**
10 **assessments as may be included in the commission's preliminary approval.** After the
11 commission approves the final construction plans and specifications, the district shall obtain
12 prior commission approval of any modification of such plans or specifications.

13 2. If the proposed project is not intended to be merged into the state highways and
14 transportation system under the commission's jurisdiction, the district shall also submit the
15 proposed project and proposed plans and specifications to the local transportation authority that
16 will become the owner of the project for its prior approval.

17 3. In those instances where a local transportation authority is required to approve a
18 project and the commission determines that it has no direct interest in that project, the
19 commission may decline to consider the project. Approval of the project shall then vest
20 exclusively with the local transportation authority subject to the district making any revisions in
21 the plans and specifications required by the local transportation authority and the district and the
22 local transportation authority entering into a mutually satisfactory agreement regarding
23 development and future maintenance of the project. After the local transportation authority
24 approves the final construction plans and specifications, the district shall obtain prior approval
25 of the local transportation authority before modifying such plans or specifications.

238.230. 1. If approved by:

2 (1) A majority of the qualified voters voting on the question in the district; or
3 (2) The owners of record of all of the real property located within the district who shall
4 indicate their approval by signing a special assessment petition;
5 the district may make one or more special assessments for those project improvements which
6 specially benefit the properties within the district. Improvements which may confer special
7 benefits within a district include but are not limited to improvements which are intended
8 primarily to serve traffic originating or ending within the district, to reduce local traffic
9 congestion or circuitry of travel, or to improve the safety of motorists or pedestrians within the
10 district.

11 2. The ballot question shall be substantially in the following form:

12 Shall the Transportation Development District be authorized to levy special
13 assessments against property benefited within the district for the purpose of providing revenue
14 for the development of a project (or projects) in the district (insert general description of the
15 project or projects, if necessary), said special assessments to be levied ratably against each tract,
16 lot or parcel of property within the district which is benefited by such project in proportion to the
17 (insert method of allocating special assessments), in an amount not to exceed \$ per
18 annum per (insert unit of measurement)?

19 3. The special assessment petition shall be substantially in the following form:

20 The Transportation Development District shall be authorized to levy
21 special assessments against property benefited within the district for the purpose of providing
22 revenue for the development of a project (or projects) in the district (insert general description
23 of the project or projects, if necessary), said special assessments to be levied pro rata against each
24 tract, lot or parcel of property within the district which is benefited by such project in proportion
25 to the (insert method of allocating special assessments), in an amount not to exceed \$..... per
26 annum per (insert unit of measurement).

27 4. If a proposal for making a special assessment fails, the district board of directors may,
28 with the prior approval of the commission or the local transportation authority which will assume
29 ownership of the completed project, delete from the project any portion which was to be funded
30 by special assessment and which is not otherwise required for project integrity.

31 **5. A district may establish different classes of real property within the district for**
32 **purposes of levying differing rates of special assessments. The levy rate for special**
33 **assessments may vary for each class or subclass based on the level of benefit derived by**
34 **each class or subclass of real property from projects funded by the district.**

238.275. 1. Within six months after development and initial maintenance costs of its
2 completed project have been paid, the district shall pursuant to contract transfer ownership and
3 control of the project to the commission or a local transportation authority which shall be
4 responsible for all future maintenance costs pursuant to contract. **Such transfer may be made**
5 **sooner with the consent of the recipient.**

6 2. At such time as a district has completed its project and has transferred ownership of
7 the project to the commission or other local transportation authority for maintenance, or at such
8 time as the board determines that it is unable to complete its project due to lack of funding or for
9 any other reason, the board shall submit for a vote in an election held throughout the district the
10 question of whether the district should be abolished. The question shall be submitted in
11 substantially the following form:

12 Shall the Transportation Development District be abolished?

13 3. The district board shall not propose the question to abolish the district while there are
14 outstanding claims or causes of action pending against the district, while the district liabilities
15 exceed its assets, or while the district is insolvent, in receivership or under the jurisdiction of the
16 bankruptcy court. Prior to submitting the question to abolish the district to a vote, the state
17 auditor shall audit the district to determine the financial status of the district, and whether the
18 district may be abolished pursuant to law.

19 4. While the district still exists, it shall continue to accrue all revenues to which it is
20 entitled at law.

21 5. Upon receipt of certification by the appropriate election authorities that the majority
22 of those voting within the district have voted to abolish the district, and if the state auditor has
23 determined that the district's financial condition is such that it may be abolished pursuant to law,
24 then the board shall:

25 (1) Sell any remaining district real or personal property it wishes, and then transfer the
26 proceeds and any other real or personal property owned by the district, including revenues due
27 and owing the district, to the commission or any appropriate local transportation authority
28 assuming maintenance and control of the project, for its further use and disposition;

29 (2) Terminate the employment of any remaining district employees, and otherwise
30 conclude its affairs;

31 (3) At a public meeting of the district, declare by a majority vote that the district has been
32 abolished effective that date; and

33 (4) Cause copies of that resolution under seal to be filed with the secretary of state, the
34 director of revenue, the commission, and with each local transportation authority affected by the
35 district. Upon the completion of the final act specified in this subsection, the legal existence of
36 the district shall cease.

348.300. As used in sections 348.300 to 348.318, the following terms mean:

2 (1) "Commercial activity located in Missouri", any research, development, prototype
3 fabrication, and subsequent precommercialization activity, or any activity related thereto,
4 conducted in Missouri for the purpose of producing a service or a product or process for
5 manufacture, assembly or sale or developing a service based on such a product or process by any
6 person, corporation, partnership, joint venture, unincorporated association, trust or other
7 organization doing business in Missouri. Subsequent to January 1, 1999, a commercial activity
8 located in Missouri shall mean only such activity that is located within a distressed community,
9 as defined in section 135.530, RSMo;

10 (2) "Follow-up capital", capital provided to a commercial activity located in Missouri
11 in which a qualified fund has previously invested seed capital or start-up capital and which does
12 not exceed ten times the amount of such seed and start-up capital;

13 (3) **"Person", any individual, corporation, partnership, or other entity, including**
14 **any charitable corporation which is exempt from federal income tax and whose Missouri**
15 **unrelated business taxable income, if any, would be subject to the state income tax imposed**
16 **under chapter 143, RSMo;**

17 (4) "Qualified contribution", cash contribution to a qualified fund;

18 [(4)] (5) "Qualified economic development organization", any corporation organized
19 under the provisions of chapter 355, RSMo, which has as of January 1, 1991, obtained a contract
20 with the department of economic development to operate an innovation center to promote, assist
21 and coordinate the research and development of new services, products or processes in the state
22 of Missouri; and the Missouri technology corporation organized pursuant to the provisions of
23 sections 348.253 to 348.266;

24 [(5)] (6) "Qualified fund", any corporation, partnership, joint venture, unincorporated
25 association, trust or other organization which is established under the laws of Missouri after
26 December 31, 1985, which meets all of the following requirements established by this
27 subdivision. The fund shall have as its sole purpose and business the making of investments, of
28 which at least ninety percent of the dollars invested shall be qualified investments. The fund

29 shall enter into a contract with one or more qualified economic development organizations which
30 shall entitle the qualified economic development organizations to receive not less than ten
31 percent of all distributions of equity and dividends or other earnings of the fund. Such contracts
32 shall require the qualified fund to transfer to the Missouri technology corporation organized
33 pursuant to the provisions of sections 348.253 to 348.266, this interest and make corresponding
34 distributions thereto in the event the qualified economic development organization holding such
35 interest is dissolved or ceases to do business for a period of one year or more;

36 [(6)] (7) "Qualified investment", any investment of seed capital, start-up capital, or
37 follow-up capital in any commercial activity located in Missouri;

38 [(7) "Person", any individual, corporation, partnership or other entity;]

39 (8) "Seed capital", capital provided to a commercial activity located in Missouri for
40 research, development and precommercialization activities to prove a concept for a new product
41 or process or service, and for activities related thereto;

42 (9) "Start-up capital", capital provided to a commercial activity located in Missouri for
43 use in preproduction product development or service development or initial marketing thereof,
44 and for activities related thereto;

45 (10) "State tax liability", any state tax liability incurred by a taxpayer under the
46 provisions of chapters 143, 147 and 148, RSMo, exclusive of the provisions relating to the
47 withholding of tax as provided for in sections 143.191 to 143.265, RSMo, and related provisions;

48 (11) "Uninvested capital", the amount of any distribution, other than of earnings, by a
49 qualified fund made within five years of the issuance of a certificate of tax credit as provided by
50 sections 348.300 to 348.318; or the portion of all qualified contributions to a qualified fund
51 which are not invested as qualified investments within five years of the issuance of a certificate
52 of tax credit as provided by sections 348.300 to 348.318 to the extent that the amount not so
53 invested exceeds ten percent of all such qualified contributions.

**388.700. Sections 388.700 to 388.745 shall be known as "The Regional Railroad
2 Authorities Act." As used in sections 388.700 to 388.745, unless the context clearly requires
3 otherwise, the following words and terms shall mean:**

4 **(1) "Authority", "railroad authority", or "regional railroad authority", a regional
5 railroad authority organized and operated as a political subdivision under sections 388.700
6 to 388.745;**

7 **(2) "Common carrier", a railroad engaged in transportation for hire;**

8 **(3) "Commissioners", the commissioners of the regional railroad authority;**

9 **(4) "Project", any railroad facilities proposed to be acquired, constructed,
10 improved, or refinanced by an authority, including any real or personal property,**

11 structures, machinery, equipment, and appurtenances determined by the authority to be
12 useful or convenient for railroad operations and handling passengers or freight;

13 (5) “Railroad”, any form of nonhighway ground transportation that runs on rails
14 or electromagnetic guideways. The term “railroad” shall also have the meaning associated
15 to it in 49 U.S.C. Section 20102, as amended;

16 (6) “Railroad properties and facilities”, any real or personal property or interest in
17 such property which is owned, leased or otherwise controlled by a railroad or other person,
18 including an authority, and which are used or are useful in rail transportation service,
19 including:

20 (a) Track, roadbed and related structures, including rail, ties, ballast, other track
21 materials, grading, tunnels, bridges, tressels, culverts, elevated structures, stations, office
22 buildings used for operating purposes only, repair shops, engine houses and public
23 improvements used or usable for rail service operation;

24 (b) Communication and power transmission systems for use by railroads;

25 (c) Signals, including signals and interlockers;

26 (d) Terminal or yard facilities and services to express company and railroads and
27 their shippers, including ferries, tugs, car floats and related shoreside facilities designed
28 for the transportation of equipment by water;

29 (e) Shop or repair facilities or any other property used or capable of being used in
30 rail freight transportation services or in connection with such services or for originating,
31 terminating, improving and expediting the movement of equipment or goods;

32 (6) “Real property”, lands, structures, improvements thereof, and water and
33 riparian rights, and any and all interests and estates therein, legal or equitable, including
34 but not limited to easements, rights-of-way, uses, leases, and licenses.

388.703. The purpose of an authority established and operated under sections
2 388.700 to 388.745 is to provide for the preservation, improvement, and the continuation
3 of rail service for agriculture, industry, or passenger traffic and to provide for the
4 preservation of railroad right-of-way for transportation uses, when determined to be
5 practicable and necessary for the public welfare. The acquisition of real property under
6 sections 388.700 to 388.745; the planning, acquisition, establishment, construction,
7 improvement, maintenance, equipment, operation, regulation, and protection of authority
8 facilities; and the exercise of powers granted to authorities and other public agencies to be
9 severally or jointly exercised are public and governmental functions, exercised for public
10 purpose, and matters of public necessity. All real property and other property acquired
11 and used by or on behalf of an authority or other public agency, as provided in sections

12 **388.700 to 388.745, shall be used for public and governmental purposes and as a matter of**
13 **public necessity.**

2 **388.706. 1. Every municipality or county within this state is authorized to form a**
3 **regional railroad authority under the provisions of this section.**

4 **2. A regional railroad authority may be organized by resolution or joint resolution**
5 **adopted by the governing body or bodies of one or more counties. The governing body or**
6 **bodies of a municipality or municipalities within a county or counties may request by**
7 **resolution that the county or counties organize a railroad authority. If the county or**
8 **counties do not organize an authority within ninety days of receipt of the request, the**
9 **municipality or municipalities may organize an authority by resolution or joint resolution.**
10 **A resolution organizing an authority shall state:**

11 **(1) That the authority is organized under the provisions of sections 388.700 to**
12 **388.745 as a political subdivision of Missouri;**

13 **(2) The proposed name of the authority, including the words “regional railroad**
14 **authority”;**

15 **(3) The county, counties, municipality or municipalities adopting the organization**
16 **resolution;**

17 **(4) The number of commissioners of the authority, not less than five; the number**
18 **to be appointed by the governing body of each county or municipality; and the names and**
19 **addresses of the board of commissioners;**

20 **(5) The city and county in which the registered office of the authority is to be**
21 **situated;**

22 **(6) That neither the state of Missouri, the municipality or municipalities, nor any**
23 **other political subdivision is liable for obligations of the authority; and**

24 **(7) Any other provision for regulating the business of the authority determined by**
the governing body or bodies adopting the resolution.

2 **388.709. Before final adoption of an organization resolution, the governing body of**
3 **each county or municipality named in it shall provide for a public hearing upon notice**
4 **published in a newspaper of general circulation in the county or municipality. The notice**
5 **of a hearing by the governing body of a county shall be mailed to the governing body of**
6 **each municipality in the county, except municipalities participating in the organization, at**
7 **least thirty days before the hearing. The hearing may be adjourned from time to time, to**
8 **a time and place publicly announced at the hearing, or to a time and place fixed by notice**
9 **published in a newspaper of general circulation in the county or municipality at least ten**
10 **days before the adjourned session. Joint hearing sessions may be held by the governing**
bodies of all counties or municipalities named, at any convenient public place within any

11 of the counties or municipalities. The resolution may be amended by the governing body
12 or bodies at or after any hearing session at which the amended resolution is proposed and
13 made available to interested citizens. It shall not become effective until adopted in identical
14 form by the governing bodies of all counties or municipalities named in the resolution.

388.712. Upon the appointment and qualification of the commissioners first
2 appointed to a regional railroad authority under section 388.715, the commissioners shall
3 submit to the secretary of state a certified copy of each resolution adopted pursuant to
4 section 388.706. A copy of the organization resolution, certified by the recording officer of
5 each municipality or county adopting it, shall be filed with the secretary of state, who shall
6 issue a certificate of incorporation if the resolution conforms to the requirements of this
7 section, stating in the certificate the name of the authority and the date of its incorporation,
8 which shall be the date of acceptance for filing. The certificate of incorporation shall be
9 conclusive evidence of the valid organization and existence of the authority.

388.715. 1. All powers granted to an authority shall be exercised by its board of
2 commissioners. Commissioners shall be appointed and vacancies in their office shall be
3 filled by the governing body of each county or municipality named in the organization
4 resolution, in accordance with the provisions of that resolution. The term of each
5 commissioner shall be one year, or the remainder of the one year term for which a vacancy
6 is filled, and until a successor is appointed. Commissioners shall receive no compensation
7 for services but shall be reimbursed for necessary expenses incurred in the performance
8 of their duties.

9 2. The board of commissioners shall by resolution establish the time and place or
10 places of its regular meetings and the method and notice required for calling special
11 meetings, all of which shall be open to the public. A majority of the commissioners being
12 present at a meeting, any action may be taken by resolution or motion adopted by recorded
13 vote of a majority of those present, unless a larger majority is required by bylaws adopted
14 by the board.

15 3. The board of commissioners shall appoint a chair, vice-chair, secretary, and
16 treasurer from its members, each to serve for a term of one year and until a successor is
17 appointed. The offices of secretary and treasurer may be combined, and deputies or
18 assistants may be appointed for either office or the combined office, from members of the
19 board or otherwise. The powers and duties of each office shall be determined by the board,
20 which shall require and pay for a surety bond for each officer handling funds. The board
21 shall provide for the keeping of a full and accurate record of all proceedings and of
22 resolutions, regulations, and orders issued or adopted. The state auditor shall annually
23 audit the books of said regional railroad authority.

388.718. An authority may exercise all the powers necessary or desirable to implement the powers specifically granted in sections 388.700 to 388.745, and in exercising the powers is deemed to be performing an essential governmental as a political subdivision of the state. Without limiting the generality of the foregoing, the authority may:

(1) Sue and be sued, have a seal, and have perpetual succession;

(2) Execute contracts and other instruments and take other action as may be necessary to carry out the purposes of sections 388.700 to 388.745;

(3) Receive and disburse federal, state, and other funds, public or private, made available by grant, loan, contribution, tax levy, or other source to accomplish the purposes of sections 388.700 to 388.745. Federal money accepted under this section shall be accepted and spent by the authority upon terms and conditions prescribed by the United States and consistent with state law. All state money accepted under this section shall be accepted and spent by the authority upon terms and conditions prescribed by the state.

(4) Sell, lease, or otherwise dispose of real or personal property acquired under sections 388.700 to 388.745. The disposal must be in accordance with the laws of this state governing the disposition of other public property.

388.721. 1. The authority may plan, establish, acquire, develop, construct, purchase, enlarge, extend, improve, maintain, equip, operate, regulate, and protect railroads, railroad properties and railroad facilities within its boundaries, including but not limited to terminal buildings, roadways, crossings, bridges, causeways, tunnels, equipment, and rolling stock.

2. The authority may apply to any public agency for permits, consents, authorizations, and approvals required for any project and take all actions necessary to comply with their conditions.

388.724. The authority may exercise the power of eminent domain under chapter 523, RSMo, except that it shall have no power of eminent domain with respect to property owned by another authority or political subdivision of Missouri or any other state, or with respect to property owned or used by a railroad corporation unless the federal Surface Transportation Board or a successor agency, if any, or another authority with power to make the finding, has found that the public convenience and necessity permit discontinuance of rail service on the property. All property taken for the exercise of the powers granted herein is declared to be taken for a public governmental purpose and as a matter of public necessity.

388.727. The state of Missouri and any political subdivision or municipal corporation thereof may in its discretion, with or without consideration, transfer or cause to be transferred to any regional railroad authority or may place in its possession or

4 control, by lease or other contract or agreement, either for a limited period or in fee, any
5 property within a regional railroad authority district or any property wherever situated.
6 Nothing in this section, however, shall in any way impair, alter or change any obligations,
7 contractual or otherwise, heretofore entered into by said entities.

388.730. The authority may establish charges and rentals for the use, sale, and
2 availability of its property and service and may hold, use, dispose of, invest, and reinvest
3 the income, revenues, and funds derived therefrom. Subject to any agreement with
4 bondholders, it may invest money not required for immediate use, including bond
5 proceeds, in the securities it shall deem prudent, notwithstanding the provisions of any
6 other law relating to the investment of public funds.

388.733. The authority shall be subject to tort liability to the extent provided in
2 chapter 537, RSMo, and may procure insurance against the liability, and may indemnify
3 and purchase and maintain insurance on behalf of any of its commissioners, officers,
4 employees, or agents. It may also procure insurance against loss of or damage to property
5 in the amounts, by reason of the risks, and from the insurers as it deems prudent.

388.736. The state may make grants to a regional railroad authority, as
2 appropriated by the general assembly, to be allocated by the department of transportation
3 to regional railroad authorities. The authority may accept, contract for, and receive and
4 disburse federal, state, and other funds or property, public or private, made available by
5 grant, loan, or lease, to be used in the exercise of any of its powers, and may comply with
6 the terms and conditions of the grant or loan.

388.739. 1. Every regional railroad authority, organized under the provisions of
2 sections 388.700 to 388.745, may from time to time issue its negotiable revenue bonds or
3 notes in such principal amounts as, in its opinion, shall be necessary to provide sufficient
4 funds for achieving its purposes, including the construction, establishment, acquisition,
5 improvement, maintenance, protection and regulation of railroads and railroad facilities,
6 that may be necessary to carry out the provisions of sections 388.700 to 388.745.

7 2. The state shall not be liable on any notes or bonds of any regional railroad
8 authority. Any such notes or bonds shall not be a debt of the state and shall contain on the
9 faces thereof a statement to such effect.

10 3. No commissioner of any regional railroad authority or any authorized person
11 executing authority notes or bonds shall be liable personally on said notes or bonds or shall
12 be subject to any personal liability or accountability by reason of the issuance thereof.

13 4. No authority shall be required to pay any taxes or any assessments whatsoever
14 to this state or to any political subdivisions, municipality or other governmental agency of
15 this state. The notes and bonds of every authority and the income therefrom shall, at all

16 times, be exempt from any taxes and any assessments, except for death and gift taxes and
17 taxes on transfers.

18 **5. Every authority shall have the powers and be governed by the procedures now**
19 **or hereafter conferred upon or applicable to the environmental improvement authority,**
20 **chapter 260, RSMo, relating to the manner of issuance of revenue bonds and notes, and the**
21 **port authority shall exercise all such powers and adhere to all such procedures insofar as**
22 **they are consistent with the necessary and proper undertaking of its purposes.**

388.742. The authority may enter into contracts including leases with any person,
2 **firm, or corporation, for terms the authority may determine:**

3 **(1) Providing for the operation of any facilities on behalf of the authority, at the rate**
4 **of compensation as may be determined;**

5 **(2) Leasing a rail line for operation by the lessee or any facility or space therein for**
6 **other commercial purposes, at rentals as may be determined, but no person may be**
7 **authorized to operate a rail line other than as a common carrier;**

8 **(3) Granting the privilege, for compensation as the authority shall determine, of**
9 **supplying goods, commodities, services, or facilities along rail lines or in or upon other**
10 **property; and**

11 **(4) Making available services furnished by the authority or its agents, at charges,**
12 **rentals, or fees which shall be reasonable and uniform for the same class of privilege or**
13 **service.**

388.745. If, at any time, the governing body of any city or county that organized a
2 **regional railroad authority, votes, by majority, to dissolve a regional railroad authority,**
3 **it shall be dissolved effective the date of the approval of dissolution by the highways and**
4 **transportation commission of the state. In the event of dissolution of a regional railroad**
5 **authority, all funds and other assets shall be distributed among the cities and counties, who**
6 **were members, on a pro rata basis.**

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

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

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

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

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

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

15 (5) "Tenant", a sole proprietorship, business partnership or corporation operating a
16 business for profit and leasing or otherwise occupying space in an incubator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

60 (6) Set rental and service fees;

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

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

66 7. The department:

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

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

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

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

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

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

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

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

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

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

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

88 (6) The occupancy rate of each incubator;

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

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

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

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

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

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

122
123 The taxpayer acquiring earned credits, hereinafter the assignee for the purpose of this subsection,
124 may use the acquired credits to offset up to one hundred percent of the tax liabilities otherwise
125 imposed by chapter 143, RSMo, or chapter 147, RSMo, or chapter 148, RSMo, excluding
126 withholding tax imposed by sections 143.191 to 143.265, RSMo. Unused credits in the hands
127 of the assignee may be carried forward for up to five years. The assignor shall enter into a
128 written agreement with the assignee establishing the terms and conditions of the agreement and
129 shall perfect such transfer by notifying the department of economic development in writing
130 within thirty calendar days following the effective day of the transfer and shall provide any
131 information as may be required by the department of economic development to administer and
132 carry out the provisions of this section. The director of the department of economic development
133 shall prescribe the method for submitting applications for claiming the tax credit allowed under
134 subsection 11 of this section and shall, if the application is approved, certify to the director of
135 revenue that the taxpayer claiming the credit has satisfied all the requirements specified in this
136 section and is eligible to claim the credit.

**620.504. 1. There is hereby established the “Missouri Workforce Investment
2 Board”, hereinafter referred to as “the board” in sections 620.504 to 620.509.**

3 **2. The purpose of the board is to provide workforce investment activities, through**
4 **statewide and local workforce investment systems, that increase the employment, retention,**
5 **and earnings of participants, and increase occupational skill attainment by participants,**
6 **and, as a result, improve the quality of the workforce, reduce welfare dependency, and**
7 **enhance the productivity and competitiveness of the state of Missouri. The board shall be**
8 **the state's advisory board pertaining to workforce preparation policy.**

9 **3. The board shall meet the requirements of the federal Workforce Investment Act**
10 **of 1998, hereinafter referred to as the “WIA”, P.L. 105-220, as amended. Should another**
11 **federal law supplant the “WIA”, all references in sections 620.504 to 620.509 to the WIA**
12 **shall apply as well to the new federal law.**

13 **4. Composition of the board shall comply with the WIA. Board members appointed**
14 **by the governor shall be subject to the advice and consent of the senate. Consistent with**

15 the requirements of the WIA, the governor shall designate one member of the board to be
16 its chairperson.

17 5. Except as otherwise provided in subsection 6 of this section, each member of the
18 board shall serve for a term of four years, subject to the pleasure of the governor, and until
19 a successor is duly appointed. In the event of a vacancy on the board, the vacancy shall be
20 filled in the same manner as the original appointment and said replacement shall serve the
21 remainder of the original appointee's unexpired term.

22 6. Of the members initially appointed to the board, one-fourth shall be appointed
23 for a term of four years, one-fourth shall be appointed for a term of three years, one-fourth
24 shall be appointed for a term of two years, and one-fourth shall be appointed for a term
25 of one year.

26 7. Board members shall receive no compensation, but shall be reimbursed for all
27 necessary expenses actually incurred in the performance of their duties.

620.507. 1. The board shall establish bylaws governing its organization, operation,
2 and procedure consistent with sections 620.504 to 620.509, RSMo, and consistent with the
3 WIA.

4 2. The board shall meet at least four times each year at the call of the chairperson.

5 3. In order to assure objective management and oversight, the board shall not
6 operate programs or provide services directly to eligible participants, but shall exist solely
7 to plan, coordinate, and monitor the provisions of such programs and services. A member
8 of the board may not vote on a matter under consideration by the board that regards the
9 provision of services by the member or by an entity that the member represents or would
10 provide direct financial benefit to the member or the immediate family of the member. A
11 member of the board may not engage in any other activity determined by the governor to
12 constitute a conflict of interest.

13 4. The composition and the roles and responsibilities of the board membership may
14 be amended to comply with any succeeding federal or state legislative or regulatory
15 requirements governing workforce investment activities, except that the procedure for such
16 change shall be outlined in state rules and regulations and adopted in the bylaws of the
17 board.

18 5. The department of economic development shall provide professional, technical,
19 and clerical staff for the board.

20 6. The board may promulgate any rules and regulations necessary to administer the
21 provisions of sections 620.504 to 620.509. Any rule or portion of a rule, as that term is
22 defined in section 536.010, RSMo, that is created under the authority delegated in this
23 section shall become effective only if it complies with and is subject to all of the provisions

24 of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter
25 536, RSMo, are nonseverable and if any of the powers vested with the general assembly
26 pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove and
27 annul a rule are subsequently held unconstitutional, then the grant of rulemaking
28 authority and any rule proposed or adopted after August 28, 2007, shall be invalid and
29 void.

620.509. 1. The board shall assist the governor with the functions described in
2 section 111(d) of the WIA 29 U.S.C. 2821d and any regulations issued pursuant to the
3 WIA.

4 2. The board shall submit an annual report of its activities to the governor, the
5 speaker of the house of representatives, and the president pro tem of the senate no later
6 than January thirty-first of each year.

7 3. Nothing in sections 620.504 to 620.509 shall be construed to require or allow the
8 board to assume or supersede the statutory authority granted to, or impose any duties or
9 requirements on, the state coordinating board for higher education, the governing boards
10 of the state's public colleges and universities, the state board of education, or any local
11 educational agencies.

620.638. As used in sections 620.635 to 620.653, the following terms mean:

2 (1) "Board", the Missouri seed capital investment board, as established pursuant to
3 section 620.641;

4 (2) "Committed contributions", the total amount of qualified contributions that are
5 committed to a qualifying fund by contractual agreement;

6 (3) "Corporation", the Missouri technology corporation as established pursuant to section
7 348.251, RSMo;

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

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

10 (6) "Follow-up capital", capital provided to a qualified business in which a qualified fund
11 has previously invested seed capital or start-up capital. No more than forty percent of the
12 qualified contributions to a qualified fund may be used for follow-up capital, and no qualified
13 contributions which generate tax credits before the second round of allocations as authorized by
14 section 620.650 shall be used for follow-up capital investments;

15 (7) "Person", any individual, corporation, partnership, limited liability company or other
16 entity, including any charitable organization which is exempt from federal income tax and
17 whose Missouri unrelated business taxable income, if any, would be subject to the state
18 income tax imposed under chapter 143, RSMo;

19 (8) "Positive cash flow", total cash receipts from sales or services, but not from
20 investments or loans, exceeding total cash expenditures as calculated on a fiscal year basis;

21 (9) "Qualified business", any independently owned and operated business which is
22 headquartered and located in Missouri and which is involved in or intends to be involved in
23 commerce for the purpose of manufacturing, processing or assembling products, conducting
24 research and development, or providing services in interstate commerce. Such a business shall
25 maintain its headquarters in Missouri for a period of at least three years from the date of receipt
26 of a qualified investment or be subject to penalties pursuant to section 620.017;

27 (10) "Qualified contribution", cash contributions to a qualified fund pursuant to the terms
28 of contractual agreements made between the qualified fund and a qualified economic
29 development organization authorized by the board to enter into such contracts;

30 (11) "Qualified economic development organization", any corporation organized
31 pursuant to the provisions of chapter 355, RSMo, that, as of January 1, 1991, had obtained a
32 contract with the department to operate an innovation center to promote, assist and coordinate
33 the research and development of new services, products or processes in this state;

34 (12) "Qualified fund", a fund established by any corporation, partnership, joint venture,
35 unincorporated association, trust or other organization established pursuant to the laws of
36 Missouri and approved by the board or the corporation;

37 (13) "Qualified investment", any investment of seed capital, start-up capital or follow-up
38 capital in a qualified business that does not cause more than ten percent of all the qualified
39 contributions to a qualified fund to be invested in a single qualified business;

40 (14) "Seed capital", capital provided to a qualified business for research, development
41 and precommercialization activities to prove a concept for a new product, process or service, and
42 for activities related thereto; provided that, seed capital shall not be provided to any business
43 which in a past fiscal year has experienced a positive cash flow;

44 (15) "Start-up capital", capital provided to a qualified business for use in preproduction
45 product development, service development or initial marketing thereof; provided that, start-up
46 capital shall not be provided to any business which has experienced a positive cash flow in a past
47 fiscal year;

48 (16) "Uninvested capital", that portion of any qualified contribution to a qualified fund,
49 other than management fees not to exceed three percent per year of committed contributions,
50 qualified investments and other expenses or fees authorized by the board, that is not invested as
51 a qualified investment within ten years of its receipt.

620.1039. 1. As used in this section, the term "taxpayer" means an individual, a
2 partnership, **or any charitable organization which is exempt from federal income tax and**
3 **whose Missouri unrelated business taxable income, if any, would be subject to the state**

4 **income tax imposed under chapter 143, RSMo**, or a corporation as described in section
5 143.441 or 143.471, RSMo, or section 148.370, RSMo, and the term "qualified research
6 expenses" has the same meaning as prescribed in 26 U.S.C. 41.

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

19 3. The director of economic development shall prescribe the manner in which the tax
20 credit may be applied for. The tax credit authorized by this section may be claimed by the
21 taxpayer to offset the tax liability imposed by chapter 143, RSMo, or chapter 148, RSMo, that
22 becomes due in the tax year during which such qualified research expenses were incurred.
23 Where the amount of the credit exceeds the tax liability, the difference between the credit and
24 the tax liability may only be carried forward for the next five succeeding taxable years or until
25 the full credit has been claimed, whichever first occurs. The application for tax credits
26 authorized by the director pursuant to subsection 2 of this section shall be made no later than the
27 end of the taxpayer's tax period immediately following the tax period for which the credits are
28 being claimed.

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

40 such funds in the manner prescribed pursuant to this section shall cause the applicant to be
41 subject to the provisions of section 620.017.

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

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

55 7. For all tax years beginning on or after January 1, 2005, no tax credits shall be
56 approved, awarded, or issued to any person or entity claiming any tax credit under this section.

620.1878. For the purposes of sections 620.1875 to 620.1890, the following terms shall
2 mean:

3 (1) **"Approval", a document submitted by the department to the qualified company**
4 **that states the benefits that may be provided by this program;**

5 (2) "Average wage", the new payroll divided by the number of new jobs;

6 [(2)] (3) "Commencement of operations", the starting date for the qualified company's
7 first new employee, which must be no later than twelve months from the date of the [proposal]
8 **approval;**

9 [(3)] (4) "County average wage", the average wages in each county as determined by the
10 department for the most recently completed full calendar year. However, if the computed county
11 average wage is above the statewide average wage, the statewide average wage shall be deemed
12 the county average wage for such county **for the purpose of determining eligibility.** The
13 department shall publish the county average wage for each county at least annually.
14 **Notwithstanding the provisions of this subdivision to the contrary, for any qualified**
15 **company that in conjunction with their project is relocating employees from a Missouri**
16 **county with a higher county average wage, the company shall obtain the endorsement of**
17 **the governing body of the community from which jobs are being relocated or the county**
18 **average wage for their project shall be the county average wage for the county from which**
19 **the employees are being relocated;**

20 [(4)] (5) "Department", the Missouri department of economic development;

21 [(5)] (6) "Director", the director of the department of economic development;

22 [(6)] (7) "Employee", a person employed by a qualified company **on a full-time basis,**
23 **who receives an annual salary equal to or less than the average salary for the county in**
24 **which the employee is employed or deemed to be employed;**

25 [(7) "Full-time equivalent employees", employees of the qualified company converted
26 to reflect an equivalent of the number of full-time, year-round employees. The method for
27 converting part-time and seasonal employees into an equivalent number of full-time, year-round
28 employees shall be published in a rule promulgated by the department as authorized in section
29 620.1884;]

30 (8) "Full-time[, year-round] employee", an employee of the **qualified** company that
31 **[works] is scheduled to work** an average of at least thirty-five hours per week for a
32 twelve-month period, and one for which the qualified company offers health insurance and pays
33 at least fifty percent of such insurance premiums;

34 (9) "High-impact project", a qualified company that, within two years from
35 commencement of operations, creates one hundred or more new jobs;

36 (10) "Local incentives", the present value of the dollar amount of direct benefit received
37 by a qualified company for a project facility from one or more local political subdivisions, but
38 shall not include loans or other funds provided to the qualified company that must be repaid by
39 the qualified company to the political subdivision;

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

44 (12) "New direct local revenue", the present value of the dollar amount of direct net new
45 tax revenues of the local political subdivisions likely to be produced by the project over a
46 ten-year period as calculated by the department, **excluding local earnings tax**, and net new
47 utility revenues, provided the local incentives include a discount or other direct incentives from
48 utilities owned or operated by the political subdivision;

49 (13) "New investment", the purchase or leasing of new tangible assets to be placed in
50 operation at the project facility, which will be directly related to the new jobs;

51 (14) "New job", the number of full-time[, year-round] employees located at the project
52 facility that exceeds the project facility base employment less any decrease in the number of
53 full-time [equivalent] employees at related facilities below the related facility base employment.
54 **No job that was created prior to the date of the notice of intent shall be deemed a new job;**

55 (15) "New payroll", [the amount of wages paid by a qualified company to employees in
56 new jobs] **the amount of taxable wages of full-time employees, excluding owners, located**
57 **at the project facility that exceeds the project facility base payroll. If full-time employment**
58 **at related facilities is below the related facility base employment, any decrease in payroll**
59 **for full-time employees at the related facilities below that related facility base payroll shall**
60 **also be subtracted to determine new payroll;**

61 (16) "Notice of intent", a form developed by the department, completed by the qualified
62 company and submitted to the department which states the qualified company's intent to hire new
63 jobs and request benefits under this program;

64 (17) "Percent of local incentives", the amount of local incentives divided by the amount
65 of new direct local revenue;

66 (18) "Program", the Missouri quality jobs program provided in sections 620.1875 to
67 620.1890;

68 (19) "Project facility", the building used by a qualified company at which the new jobs
69 and new investment will be located. A project facility may include separate buildings that are
70 located within one mile of each other such that their purpose and operations are interrelated;

71 (20) "Project facility base employment", **the greater of the number of full-time**
72 **employees located at the project facility on the date the notice of intent or** for the
73 twelve-month period prior to the date of the [proposal] **notice of intent**, the average number of
74 full-time [equivalent] employees located at the project facility. In the event the project facility
75 has not been in operation for a full twelve-month period, [project facility base employment is]
76 the average number of full-time [equivalent] employees for the number of months the project
77 facility has been in operation prior to the date of the [proposal] **notice of intent;**

78 (21) **"Project facility base payroll", the total amount of taxable wages paid by the**
79 **qualified company to full-time employees of the qualified company located at the project**
80 **facility in the twelve months prior to the notice of intent, not including the payroll of the**
81 **owners of the qualified company unless the qualified company is participating in an**
82 **employee stock ownership plan. For purposes of calculating the benefits under this**
83 **program, the amount of base payroll shall increase each year based on an appropriate**
84 **measure, as determined by the department;**

85 (22) "Project period", the time period that the benefits are provided to a qualified
86 company;

87 [(22) "Proposal", a document submitted by the department to the qualified company that
88 states the benefits that may be provided by this program. The effective date of such proposal
89 cannot be prior to the commencement of operations. The proposal shall not offer benefits

90 regarding any jobs created prior to its effective date unless the proposal is for a job retention
91 project;]

92 (23) "Qualified company", a firm, partnership, joint venture, association, private or
93 public corporation whether organized for profit or not, or headquarters of such entity registered
94 to do business in Missouri that is the owner or operator of a project facility, **offers health**
95 **insurance to all full-time employees of all facilities located in this state, and pays at least**
96 **fifty percent of such insurance premiums.** For the purposes of sections 620.1875 to 620.1890,
97 the term "qualified company" shall not include:

98 (a) Gambling establishments (NAICS industry group 7132);

99 (b) Retail trade establishments (NAICS sectors 44 and 45);

100 (c) Food and drinking places (NAICS subsector 722);

101 (d) [Utilities regulated by the Missouri public service commission] **Public utilities**
102 **(NAICS 221 including water and sewer services);**

103 (e) Any company that is delinquent in the payment of any nonprotested taxes or any
104 other amounts due the state or federal government or any other political subdivision of this state;
105 [or]

106 (f) Any company that has filed for or has publicly announced its intention to file for
107 bankruptcy protection;

108 (g) **Educational services (NAIC sector 61);**

109 (h) **Religious organizations (NAIC industry group 8131); or**

110 (i) **Public administration (NAIC sector 92).**

111

112 **Notwithstanding any provision of this section to the contrary, the headquarters or**
113 **administrative offices of an otherwise excluded business may qualify for benefits if the**
114 **offices serve a multistate territory. In the event a national, state, or regional headquarters**
115 **operation is not the predominant activity of a project facility, the new jobs and investment**
116 **of such headquarters operation is considered eligible for benefits under this section if the**
117 **other requirements are satisfied;**

118 (24) "Related company" means:

119 (a) A corporation, partnership, trust, or association controlled by the qualified company;

120 (b) An individual, corporation, partnership, trust, or association in control of the
121 qualified company; or

122 (c) Corporations, partnerships, trusts or associations controlled by an individual,
123 corporation, partnership, trust or association in control of the qualified company. As used in this
124 subdivision, ["]control of a corporation["] shall mean ownership, directly or indirectly, of stock
125 possessing at least fifty percent of the total combined voting power of all classes of stock entitled

126 to vote, ["]control of a partnership or association["] shall mean ownership of at least fifty percent
127 of the capital or profits interest in such partnership or association, ["]control of a trust["] shall
128 mean ownership, directly or indirectly, of at least fifty percent of the beneficial interest in the
129 principal or income of such trust, and ownership shall be determined as provided in Section 318
130 of the Internal Revenue Code of 1986, as amended;

131 (25) "Related facility", a facility operated by the qualified company or a related company
132 located in this state that is directly related to the operations of the project facility;

133 (26) "Related facility base employment", **the greater of the number of full-time**
134 **employees located at all related facilities on the date of the notice of intent or** for the
135 twelve-month period prior to the date of the [proposal] **notice of intent**, the average number of
136 full-time [equivalent] employees located at all related facilities of the qualified company or a
137 related company located in this state;

138 (27) **"Related facility base payroll", the total amount of taxable wages paid by the**
139 **qualified company to full-time employees of the qualified company located at a related**
140 **facility in the twelve months prior to the filing of the notice of intent, not including the**
141 **payroll of the owners of the qualified company unless the qualified company is**
142 **participating in an employee stock ownership plan. For purposes of calculating the**
143 **benefits under this program, the amount of related facility base payroll shall increase each**
144 **year based on an appropriate measure, as determined by the department;**

145 (28) "Rural area", a county in Missouri with a population less than seventy-five thousand
146 or that does not contain an individual city with a population greater than fifty thousand according
147 to the most recent federal decennial census;

148 [(28)] (29) "Small and expanding business project", a qualified company that within two
149 years of the date of the [proposal] **approval** creates a minimum of twenty new jobs if the project
150 facility is located in a rural area or a minimum of forty new jobs if the project facility is not
151 located in a rural area and creates fewer than one hundred new jobs regardless of the location of
152 the project facility;

153 [(29)] (30) "Tax credits", tax credits issued by the department to offset the state income
154 taxes imposed by [chapter] **chapters 143 and 148**, RSMo, or which may be sold or refunded as
155 provided for in this program;

156 [(30)] (31) "Technology business project", a qualified company that within two years of
157 the date of the [proposal] **approval** creates a minimum of ten new jobs [with at least seventy-five
158 percent of the new jobs directly] involved in the operations of a technology company as
159 determined by a regulation promulgated by the department under the provisions of section
160 620.1884 [and] **or** classified by NAICS codes; **or which researches, develops, or**

161 **manufactures power system technology for: aerospace; space; defense; hybrid vehicles;**
162 **or implantable or wearable medical devices;**

163 [(31)] (32) "Withholding tax", the state tax imposed by sections 143.191 to 143.265,
164 RSMo. **For purposes of this program, the withholding tax shall be computed using a**
165 **schedule as determined by the department based on average wages.**

620.1881. 1. The department of economic development shall respond within thirty days
2 to a company who provides a notice of intent with either [a proposal] **an approval** or a rejection
3 of the notice of intent. **The department shall give preference to qualified companies and**
4 **projects targeted at an area of the state which has recently been classified as a disaster area**
5 **by the federal government.** Failure to respond on behalf of the department of economic
6 development shall result in the notice of intent being deemed [a proposal] **an approval** for the
7 purposes of this section. A qualified company who is provided [a proposal] **an approval** for a
8 project shall be allowed a benefit as provided in this program in the amount and duration
9 provided in this section. A qualified company may receive additional periods for subsequent
10 new jobs at the same facility after the full initial period if the minimum thresholds are met as set
11 forth in sections 620.1875 to 620.1890. There is no limit on the number of periods a qualified
12 company may participate in the program, as long as the minimum thresholds are achieved and
13 the qualified company provides the department with the required reporting and is in proper
14 compliance for this program or other state programs. A qualified company may elect to file a
15 notice of intent to start a new project period concurrent with an existing project period if the
16 minimum thresholds are achieved and the qualified company provides the department with the
17 required reporting and is in proper compliance for this program and other state programs;
18 however, the qualified company may not receive any further benefit under the original [proposal]
19 **approval** for jobs created after the date of the new notice of intent, and any jobs created before
20 the new notice of intent may not be included as new jobs for the purpose of benefit calculation
21 in relation to the new [proposal] **approval**.

22 2. Notwithstanding any provision of law to the contrary, any qualified company that is
23 awarded benefits under this program may not [also] **simultaneously** receive tax credits or
24 exemptions under sections 135.100 to 135.150, sections 135.200 to 135.286, section 135.535,
25 or sections 135.900 to 135.906, RSMo, [for the same new jobs] at the **same** project facility. The
26 benefits available to the company under any other state programs for which the company is
27 eligible and which utilize withholding tax from the new jobs of the company must first be
28 credited to the other state program before the withholding retention level applicable under the
29 Missouri quality jobs act will begin to accrue. These other state programs include, but are not
30 limited to, the new jobs training program under sections 178.892 to 178.896, RSMo, the job
31 retention program under sections 178.760 to 178.764, RSMo, the real property tax increment

32 allocation redevelopment act, sections 99.800 to 99.865, RSMo, or the Missouri downtown and
33 rural economic stimulus act under sections 99.915 to 99.980, RSMo. If any qualified company
34 also participates in the new jobs training program in sections 178.892 to 178.896, RSMo, the
35 company shall retain no withholding tax, but the department shall issue a refundable tax credit
36 for the full amount of benefit allowed under this subdivision. **The calendar year annual**
37 **maximum amount of tax credits which may be issued to a qualifying company that also**
38 **participates in the new job training program shall be increased by an amount equivalent**
39 **to the withholding tax retained by that company under the new jobs training program.**
40 **However, if the combined benefits of the quality jobs training program and the new jobs**
41 **training program exceed the projected state benefit of the project, as determined by the**
42 **department of economic development through a cost-benefit analysis, the increase in the**
43 **maximum tax credits shall be limited to the amount that would not cause the combined**
44 **benefits to exceed the projected state benefit. Any taxpayer who is awarded benefits under**
45 **this program who knowingly hires individuals who are not allowed to work legally in the**
46 **United States shall immediately forfeit such benefits and shall repay the state an amount**
47 **equal to any state tax credits already redeemed and any withholding taxes already**
48 **retained.**

49 3. The types of projects and the amount of benefits to be provided are:

50 (1) Small and expanding business projects: in exchange for the consideration provided
51 by the new tax revenues and other economic [stimulus] **stimuli** that will be generated by the new
52 jobs created by the program, a qualified company may retain an amount equal to the withholding
53 tax **as calculated under subdivision (32) of section 620.1878** from the new jobs that would
54 otherwise be withheld and remitted by the qualified company under the provisions of sections
55 143.191 to 143.265, RSMo, for a period of three years from the date the required number of new
56 jobs were created if the average wage of the new payroll equals or exceeds the county average
57 wage or for a period of five years from the date the required number of new jobs were created
58 if the average wage of the new payroll equals or exceeds one hundred twenty percent of the
59 county average wage;

60 (2) Technology business projects: in exchange for the consideration provided by the new
61 tax revenues and other economic [stimulus] **stimuli** that will be generated by the new jobs
62 created by the program, a qualified company may retain an amount equal to a maximum of five
63 percent of new payroll for a period of five years from the date the required number of jobs were
64 created from the withholding tax of the new jobs that would otherwise be withheld and remitted
65 by the qualified company under the provisions of sections 143.191 to 143.265, RSMo, if the
66 average wage of the new payroll equals or exceeds the county average wage. An additional
67 one-half percent of new payroll may be added to the five percent maximum if the average wage

68 of the new payroll in any year exceeds one hundred twenty percent of the county average wage
69 in the county in which the project facility is located, plus an additional one-half percent of new
70 payroll may be added if the average wage of the new payroll in any year exceeds one hundred
71 forty percent of the average wage in the county in which the project facility is located. The
72 department shall issue a refundable tax credit for any difference between the amount of benefit
73 allowed under this subdivision and the amount of withholding tax retained by the company, in
74 the event the withholding tax is not sufficient to provide the entire amount of benefit due to the
75 qualified company under this subdivision. The calendar year annual maximum amount of tax
76 credits that may be issued to any qualified company for a project or combination of projects is
77 five hundred thousand dollars;

78 (3) High impact projects: in exchange for the consideration provided by the new tax
79 revenues and other economic [stimulus] **stimuli** that will be generated by the new jobs created
80 by the program, a qualified company may retain an amount from the withholding tax of the new
81 jobs that would otherwise be withheld and remitted by the qualified company under the
82 provisions of sections 143.191 to 143.265, RSMo, equal to three percent of new payroll for a
83 period of five years from the date the required number of jobs were created if the average wage
84 of the new payroll equals or exceeds the county average wage of the county in which the project
85 facility is located. The percentage of payroll allowed under this subdivision shall be three and
86 one-half percent of new payroll if the average wage of the new payroll in any year exceeds one
87 hundred twenty percent of the county average wage in the county in which the project facility is
88 located. The percentage of payroll allowed under this subdivision shall be four percent of new
89 payroll if the average wage of the new payroll in any year exceeds one hundred forty percent of
90 the county average wage in the county in which the project facility is located. An additional one
91 percent of new payroll may be added to these percentages if local incentives equal between ten
92 percent and twenty-four percent of the new direct local revenue; an additional two percent of new
93 payroll is added to these percentages if the local incentives equal between twenty-five percent
94 and forty-nine percent of the new direct local revenue; or an additional three percent of payroll
95 is added to these percentages if the local incentives equal fifty percent or more of the new direct
96 local revenue. The department shall issue a refundable tax credit for any difference between the
97 amount of benefit allowed under this subdivision and the amount of withholding tax retained by
98 the company, in the event the withholding tax is not sufficient to provide the entire amount of
99 benefit due to the qualified company under this subdivision. The calendar year annual maximum
100 amount of tax credits that may be issued to any qualified company for a project or combination
101 of projects is seven hundred fifty thousand dollars. The calendar year annual maximum amount
102 of tax credit that may be issued to any qualified company for a project or combination of projects
103 may be increased up to one million dollars **if the number of new jobs will exceed five hundred**

104 **and** if such action is proposed by the department and approved by the quality jobs advisory task
105 force established in section 620.1887; provided, however, until such time as the initial at-large
106 members of the quality jobs advisory task force are appointed, this determination shall be made
107 by the director of the department of economic development. In considering such a request, the
108 task force shall rely on economic modeling and other information supplied by the department
109 when requesting the increased limit on behalf of the project;

110 (4) Job retention projects: a qualified company may receive a tax credit for the retention
111 of jobs in this state, provided the qualified company and the project meets all of the following
112 conditions:

113 (a) For each of the twenty-four months preceding the year in which application for the
114 program is made the qualified company must have maintained at least one thousand full-time[,
115 year-round] employees at the employer's site in the state at which the jobs are based, and the
116 average wage of such employees must meet or exceed the county average wage;

117 (b) The qualified company retained at the project facility the level of full-time[,
118 year-round] employees that existed in the taxable year immediately preceding the year in which
119 application for the program is made;

120 (c) The qualified company is considered to have a significant statewide effect on the
121 economy, and has been determined to represent a substantial risk of relocation from the state by
122 the quality jobs advisory task force established in section 620.1887; provided, however, until
123 such time as the initial at-large members of the quality jobs advisory task force are appointed,
124 this determination shall be made by the director of the department of economic development;

125 (d) The qualified company in the project facility will cause to be invested a minimum
126 of seventy million dollars in new investment prior to the end of two years or will cause to be
127 invested a minimum of thirty million dollars in new investment prior to the end of two years and
128 maintain an annual payroll of at least seventy million dollars during each of the years for which
129 a credit is claimed; and

130 (e) The local taxing entities shall provide local incentives of at least fifty percent of the
131 new direct local revenues created by the project over a ten-year period.

132
133 The quality jobs advisory task force may recommend to the department of economic
134 development that appropriate penalties be applied to the company for violating the agreement.
135 The amount of the job retention credit granted may be equal to up to fifty percent of the amount
136 of withholding tax generated by the full-time[, year-round] jobs at the project facility for a period
137 of five years. The calendar year annual maximum amount of tax credit that may be issued to any
138 qualified company for a job retention project or combination of job retention projects shall be
139 seven hundred fifty thousand dollars per year, but the maximum amount may be increased up to

one million dollars if such action is proposed by the department and approved by the quality jobs advisory task force established in section 620.1887; provided, however, until such time as the initial at-large members of the quality jobs advisory task force are appointed, this determination shall be made by the director of the department of economic development. In considering such a request, the task force shall rely on economic modeling and other information supplied by the department when requesting the increased limit on behalf of the job retention project. In no event shall the total amount of all tax credits issued for the entire job retention program under this subdivision exceed three million dollars annually. Notwithstanding the above, no tax credits shall be issued for job retention projects approved by the department after August 30, 2007;

(5) Small business job retention and flood survivor relief: a qualified company may receive a tax credit under sections 620.1875 to 620.1890 for the retention of jobs and flood survivor relief in this state for each job retained over a three-year period, provided that:

(a) The qualified company did not receive any state or federal benefits, incentives, or tax relief or abatement in locating its facility in a flood plain;

(b) The qualified company and related companies have fewer than one hundred employees at the time application for the program is made;

(c) The average wage of the qualified company's and related companies' employees must meet or exceed the county average wage;

(d) All of the qualified company's and related companies' facilities are located in this state;

(e) The facilities at the primary business site in this state have been directly damaged by flood water rising above the level of a five hundred year flood at least two years, but fewer than eight years, prior to the time application is made;

(f) The qualified company made significant efforts to protect the facilities prior to any impending danger from rising floodwaters;

(g) For each year it receives tax credits under sections 620.1875 to 620.1890, the qualified company and related companies retained, at the company's facilities in this state, at least the level of full-time, year-round employees that existed in the taxable year immediately preceding the year in which application for the program is made; and

(h) In the years it receives tax credits under sections 620.1875 to 620.1890, the company cumulatively invests at least two million dollars in capital improvements in facilities and equipment located at such facilities that are not located within a five hundred year flood plain as designated by the Federal Emergency Management Agency, and amended from time to time.

The amount of the small business job retention and flood survivor relief credit granted may be equal to up to one hundred percent of the amount of withholding tax generated by the full-time jobs at the project facility for a period of three years. The calendar year annual maximum amount of tax credit that may be issued to any qualified company for a small business job retention and survivor relief project shall be two hundred fifty thousand dollars per year, but the maximum amount may be increased up to five hundred thousand dollars if such action is proposed by the department and approved by the quality jobs advisory task force established in section 620.1887. In considering such a request, the task force shall rely on economic modeling and other information supplied by the department when requesting an increase in the limit on behalf of the small business job retention and flood survivor relief project. In no event shall the total amount of all tax credits issued for the entire small business job retention and flood survivor relief program under this subdivision exceed five hundred thousand dollars annually. Notwithstanding the provisions of this subdivision to the contrary, no tax credits shall be issued for small business job retention and flood survivor relief projects approved by the department after August 30, 2010;

(6) Tuition reimbursement programs: a qualified company may receive a tax credit for providing tuition reimbursement to eligible employees. The amount of the tuition reimbursement credit may equal up to fifty percent of the expenses actually incurred in reimbursing all or a portion of tuition expenses of eligible employees, but not to exceed five thousand dollars per employee. In no case shall a qualified company receive more than twenty-five thousand dollars in tax credits authorized under this subdivision in any tax year. In no case shall the aggregate amount of tax credits issued under this subdivision in any tax year exceed two hundred and fifty thousand dollars. Tax credits issued under this subdivision may be assigned, sold or transferred. The tax credit authorized under this subdivision shall not be refundable. Any amount of credit that exceeds the tax due for a taxpayer's taxable year may be carried forward five years until completely claimed.

4. The qualified company shall provide an annual report of the number of jobs and such other information as may be required by the department to document the basis for the benefits of this program. The department may withhold the approval of any benefits until it is satisfied that proper documentation has been provided, and shall reduce the benefits to reflect any reduction in full-time[, year-round] employees or new payroll. Upon approval by the department, the qualified company may begin the retention of the withholding taxes when it reaches the minimum number of new jobs and the average wage exceeds the county average wage. Tax credits, if any, may be issued upon satisfaction by the department that the qualified company has exceeded the county average wage and the minimum number

211 of new jobs. In such annual report, if the average wage is below the county average wage,
212 the qualified company has not maintained the employee insurance as required, or if the
213 number of new jobs is below the minimum, the qualified company shall not receive tax
214 credits or retain the withholding tax for the balance of the benefit period. In the case of
215 a qualified company that initially filed a notice of intent and received an approval from the
216 department for high impact benefits and the minimum number of new jobs in an annual
217 report is below the minimum for high impact projects, the company shall not receive tax
218 credits for the balance of the benefit period but may continue to retain the withholding
219 taxes if it otherwise meets the requirements of a small and expanding business under this
220 program.

221 5. The maximum calendar year annual tax credits issued for the entire program shall not
222 exceed [twelve] **thirty** million dollars. Notwithstanding any provision of law to the contrary,
223 the maximum annual tax credits authorized under section 135.535, RSMo, are hereby reduced
224 from ten million dollars to eight million dollars, with the balance of two million dollars
225 transferred to this program. There shall be no limit on the amount of withholding taxes that may
226 be retained by approved companies under this program.

227 6. The department shall allocate the annual tax credits based on the date of the [proposal]
228 **approval**, reserving such tax credits based on the department's best estimate of new jobs and
229 new payroll of the project, and the other factors in the determination of benefits of this program.
230 However, the annual issuance of tax credits is subject to the annual verification of the actual new
231 payroll. The allocation of tax credits for the period assigned to a project shall expire if, within
232 two years from the date of commencement of operations, or [proposal] **approval** if applicable,
233 the minimum thresholds have not been achieved. The qualified company may retain authorized
234 amounts from the withholding tax under this section once the minimum new jobs thresholds are
235 met for the duration of the project period. No benefits shall be provided under this program until
236 the qualified company meets the minimum new jobs thresholds. In the event the qualified
237 company does not meet the minimum new job threshold, the qualified company may submit a
238 new notice of intent or the department may provide a new [proposal] **approval** for a new project
239 of the qualified company at the project facility or other facilities.

240 7. For a qualified company with flow-through tax treatment to its members, partners, or
241 shareholders, the tax credit shall be allowed to members, partners, or shareholders in proportion
242 to their share of ownership on the last day of the qualified company's tax period.

243 8. Tax credits may be claimed against taxes otherwise imposed by chapters 143 and 148,
244 RSMo, and may not be carried forward but shall be claimed within one year of the close of the
245 taxable year for which they were issued, **except as provided under subdivision 4 of subsection**
246 **3 of this section.**

247 9. Tax credits authorized by this section may be transferred, sold, or assigned by filing
248 a notarized endorsement thereof with the department that names the transferee, the amount of
249 tax credit transferred, and the value received for the credit, as well as any other information
250 reasonably requested by the department.

251 10. **Prior to the issuance of tax credits, the department shall verify through the**
252 **department of revenue that the tax credit applicant does not owe any delinquent income,**
253 **sales, or use tax or interest or penalties on such taxes, and through the department of**
254 **insurance that the applicant does not owe any delinquent insurance taxes. Such**
255 **delinquency shall not affect the authorization of the application for such tax credits, except**
256 **that at issuance credits shall be first applied to the delinquency and any amount issued**
257 **shall be reduced by the applicant's tax delinquency. If the department of revenue or the**
258 **department of insurance concludes that a taxpayer is delinquent after June fifteenth but**
259 **before July first of any year and the application of tax credits to such delinquency causes**
260 **a tax deficiency on behalf of the taxpayer to arise, then the taxpayer shall be granted thirty**
261 **days to satisfy the deficiency in which interest, penalties, and additions to tax shall be**
262 **tolled. After applying all available credits toward a tax delinquency, the administering**
263 **agency shall notify the appropriate department and that department shall update the**
264 **amount of outstanding delinquent tax owed by the applicant. If any credits remain after**
265 **satisfying all insurance, income, sales, and use tax delinquencies, the remaining credits**
266 **shall be issued to the applicant, subject to the restrictions of other provisions of law.**

267 11. **Except as provided under subdivision 4 of subsection 3 of this section, the**
268 **director of revenue shall issue a refund to the qualified company to the extent that the amount**
269 **of credits allowed in this section exceeds the amount of the qualified company's income tax.**

270 [11.] 12. An employee of a qualified company will receive full credit for the amount of
271 tax withheld as provided in section [143.221] **143.211**, RSMo.

272 [12.] 13. If any provision of sections 620.1875 to 620.1890 or application thereof to any
273 person or circumstance is held invalid, the invalidity shall not affect other provisions or
274 application of these sections which can be given effect without the invalid provisions or
275 application, and to this end, the provisions of sections 620.1875 to 620.1890 are hereby declared
276 severable.

620.1892. 1. This section shall be known and may be cited as the "Small Business
2 **and Entrepreneurial Growth Act".**

3 2. Unless otherwise modified in this section, the definitions provided in section
4 **620.1878 shall apply to this section. For purposes of this section, the following terms shall**
5 **mean:**

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

7 (2) "Eligible small business project", a project approved by the department of
8 economic development through which a small business employer meets all of the following
9 qualifications:

10 (a) The small business employer's total payroll increases by at least twenty percent
11 due to the addition of new jobs or a business with less than five employees adds employees
12 so that the total number of employees is five or greater;

13 (b) The number of jobs added through the project by the small business employer
14 does not exceed the minimum number of jobs required to be eligible for benefits under any
15 program of the Missouri quality job act;

16 (c) Wages for the new jobs created through the project by the small business
17 employer are at least eighty-five percent of the average county wage as determined by the
18 department of economic development; and

19 (d) The project is not eligible for any benefits under the Missouri quality jobs act;

20 (3) "Small business employer", a firm, partnership, joint venture, association, or
21 a private or public corporation, whether organized for profit or not, provided that the term
22 shall not include:

23 (a) Gambling establishments (NAICS industry group 7132);

24 (b) Any company that is delinquent in the payment of any nonprotested taxes or
25 any other amounts due to the state or federal government or any other political subdivision
26 of this state; or

27 (c) Any company that has filed for or has publicly announced its intention to file
28 for bankruptcy protection.

29 3. For all taxable years beginning on or after January 1, 2008, a small business
30 employer shall be allowed to receive benefits for an eligible small business project as
31 follows:

32 (1) Retention of all tax withheld under sections 143.191 to 143.265, RSMo, from the
33 newly created jobs for a period of one year; or

34 (2) If the employer also provides health insurance and pays more than fifty percent
35 of the premiums for all employees, the tax withheld under sections 143.191 to 143.265,
36 RSMo, from newly created jobs may be retained for a period of two years.

37 4. The department may promulgate rules to implement the provisions of this
38 section. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,
39 that is created under the authority delegated in this section shall become effective only if
40 it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if
41 applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable
42 and if any of the powers vested with the general assembly under chapter 536, RSMo, to

43 review, to delay the effective date, or to disapprove and annul a rule are subsequently held
44 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted
45 after August 28, 2007, shall be invalid and void.

Section 1. No person, firm, limited liability company, or corporation shall purchase
2 more than twenty tickets at one time, except that any ticket issuer may allow the purchaser
3 of any amount of tickets through a group sales office.

[578.395. 1. Any person, firm, or corporation who resells or offers to
2 resell any ticket for admission, or any other evidence of the right of entry, to any
3 public sporting event for a price in excess of the price printed on the ticket is
4 guilty of the offense of ticket scalping. For purposes of this section, if a seller
5 requires, as a precondition of the resale of a ticket, the purchase or rental of other
6 goods or services at a price in excess of the fair market value of such goods or
7 services, the excess amount shall be deemed to be part of the purchase price of
8 the ticket.

9 2. Nothing in this section shall prohibit nor shall be deemed to prohibit
10 a seller, with consent of the sponsor of such sporting event, from collecting a
11 reasonable service charge from a ticket purchaser in return for services actually
12 rendered.

13 3. Any person violating this section upon conviction shall be is guilty of
14 a misdemeanor and, except as provided in subsection 4 of this section, shall be
15 punished as follows:

16 (1) For the first offense, by a fine of not less than fifty dollars nor more
17 than three hundred dollars or by imprisonment in the county jail for a term of not
18 less than fifteen days;

19 (2) For the second offense, by a fine of not less than three hundred dollars
20 nor more than five hundred dollars or by imprisonment in the county jail for a
21 term of not less than sixty days nor more than six months;

22 (3) For the third and each subsequent offense, by a fine of not less than
23 five hundred dollars nor more than one thousand dollars or imprisonment in the
24 county jail for a term of not less than six months nor more than one year.

25 4. In lieu of any fine imposed under subsection 3 of this section, the court
26 may invoke the provisions of subsection 2 of section 560.016, RSMo, against any
27 person convicted of a second or subsequent offense of this section.]
28

[620.521. Sections 620.521 to 620.530 shall be known and may be cited
2 as the "Missouri Training and Employment Council Act".]
3

[620.523. 1. There is hereby established the "Missouri Training and
2 Employment Council".
3

4 2. The Missouri training and employment council shall study and make
5 recommendations regarding the improvement of the state's job training service
delivery network. Such recommendations will consider improved federal and

6 state resource use and expanded coordination of state job training and
7 employment activities with other related activities. Using the results of
8 interdepartmental collaboration at early stages of policy formation, the council
9 shall propose a statewide training and employment policy and a periodically
10 updated plan of services for achieving Missouri's objective of full employment.
11 The council shall serve as a forum for public and private sector representation to
12 encourage cooperative uses of training and employment funding, facilities and
13 staff resources for a more comprehensive and coordinated statewide system.

14 3. The Missouri training and employment council shall consist of thirty
15 members appointed by the governor with the advice and consent of the senate.
16 The governor shall designate one nongovernmental member to be chairman. The
17 council shall be composed as follows:

18 (1) Thirty percent of the membership shall be representatives of business,
19 industry and agriculture, including individuals who are representatives of
20 business, industry, and agriculture on private industry councils, job service
21 employer committees or local education advisory committees within the state;

22 (2) Thirty percent of the membership shall be:

23 (a) Members of the general assembly and state agencies and
24 organizations. One representative each from the department of economic
25 development, the department of elementary and secondary education, the
26 department of labor and industrial relations and the department of social services
27 shall be appointed;

28 (b) Representatives of the units or consortia of units of general local
29 government which shall be nominated by the chief elected officials of the units
30 or consortia of units of local government and the representatives of local
31 educational agencies who shall be nominated by local educational agencies. One
32 community college president or chancellor, one representative of the state council
33 on vocational education and one director of an area vocational school shall be
34 appointed to the council. To the extent feasible, such appointees shall have
35 knowledge of or experience with economic development, job training, education
36 or related areas;

37 (3) Thirty percent of the membership shall be representatives of organized
38 labor and representatives of community-based organizations in the state;

39 (4) Ten percent of the membership shall be representatives of the general
40 public.

41
42 The composition and the roles and responsibilities of the Missouri training and
43 employment council membership may be amended to comply with any
44 succeeding federal or state legislative or regulatory requirements governing
45 training and employment programs, except that the procedure for such change
46 shall be outlined in state rules and regulations and adopted in the bylaws of the
47 council.

48 4. Each member of the council shall serve for a term of four years and
49 until a successor is duly appointed; except that, of the members first appointed,
50 six members shall serve for a term of four years, eight members shall serve for
51 a term of three years, eight members shall serve for a term of two years and eight
52 members shall serve for a term of one year. Each member shall continue to serve
53 until a successor is duly appointed. The council shall meet at least four times each
54 year at the call of the chairman.

55 5. The members of the council shall receive no compensation, but shall
56 be reimbursed for all necessary expenses actually incurred in the performance of
57 their official duties.]
58

[620.527. 1. The Missouri training and employment council shall:

2 (1) Review studies of occupational trends, employment supply and
3 demand, industry growth, job training program participation, labor force literacy
4 and early warning signals that industries are beginning to decline or are in danger
5 of closing;

6 (2) Report to the governor and to the general assembly regarding
7 statewide training and employment policies which have been developed in
8 concert with interagency assistance from the department of economic
9 development, the department of elementary and secondary education, the
10 department of labor and industrial relations, the department of social services and
11 other agencies delivering training and employment services;

12 (3) Prepare and submit to appropriate state and local agencies a statewide
13 plan for full-employment services including such activities as labor exchange, job
14 training or retraining, job development, job placement services and labor force
15 literacy;

16 (4) Work through various state agencies delivering training and
17 employment services to review interagency coordination and program
18 effectiveness;

19 (5) Review and report to the governor innovative proposals for training
20 and employment programs; and

21 (6) Encourage the participation of government, business and industry, and
22 unions or other labor organizations, for providing assistance to dislocated
23 workers, in communities where plant closures occur.

24 2. The roles, responsibilities and duties of the Missouri job training
25 coordinating council established by Missouri executive order 88-8 are hereby
26 assigned to the Missouri training and employment council. The Missouri training
27 and employment council shall perform all council functions required by the
28 federal Job Training Partnership Act, as amended, as well as the expanded
29 requirements defined by sections 620.521 to 620.530.]
30

2 [620.528. No later than September 1, 1992, the Missouri training and
employment council shall submit to the governor and to the general assembly a

3 proposed statewide training and employment policy. This policy shall address
4 public and private participation toward achieving Missouri's objective of full
5 employment. The policy shall also address methods to improve federal and state
6 resource use in the providing of job training services and coordination of training
7 and employment activities with other related activities.]
8

2 [620.529. 1. The Missouri training and employment council shall prepare
3 and recommend a statewide training and employment plan for consideration by
4 appropriate state and local agencies by 1993. The plan shall be reviewed annually
5 and updated periodically and shall propose implementation timetables,
6 measurable objectives and specific courses of action. The plan shall describe
7 possible cooperative uses of training and employment funding, facilities and staff
8 resources whenever feasible and shall focus on the development of a more
coordinated training and employment delivery system.

9 2. The plan shall include provisions to accomplish the following
10 objectives by the administering agencies:

11 (1) Provide a streamlined intake and assessment process for persons
12 seeking training and employment assistance;

13 (2) Target appropriate skill areas for training so that persons are trained
14 for positions expected to exist in the labor market;

15 (3) Allow workers with obsolete or inadequate skills to have their skills
16 upgraded while retaining employment;

17 (4) Retrain workers displaced by high technology industry and plant
18 closings to reenter the Missouri workforce;

19 (5) Involve business and industry in the planning, operation and
20 evaluation of training programs;

21 (6) Encourage and assist local educational agencies, vocational technical
22 schools and post-secondary institutions to coordinate their curricula and course
23 selections with the changing needs of business and industry;

24 (7) Develop programs to improve the use of apprenticeship as a method
25 of instruction in Missouri.

26 3. The objectives listed in subsection 2 of this section shall be the
27 foundation for interagency efforts to coordinate services and offer programs
28 which maximize resources to meet Missouri's workforce needs while recognizing
29 various agency roles and responsibilities.]
30

2 [620.530. 1. The division of job development and training shall provide
3 professional, technical and clerical staff support and resources to the Missouri
4 training and employment council; administer training programs authorized under
5 the federal Job Training Partnership Act; administer programs authorized under
6 sections 620.470 to 620.481; and administer such other federal or state job
development and training programs as are assigned to the division.

7 2. The division shall promulgate rules and regulations necessary to carry
8 out its responsibility to the Missouri training and employment council and to
9 develop the plans and policies adopted by the council. No rule or portion of a rule
10 promulgated under the authority of sections 620.470 to 620.570 shall become
11 effective unless it has been promulgated pursuant to the provisions of section
12 536.024, RSMo.]
13

2 [620.537. 1. The department of economic development shall commission
3 a new targeted industries study to identify those general areas of the Missouri
4 economy where growth and increased employment is likely to occur in the next
5 decade, and to ascertain necessary, associated work force skills and requirements.
6 The completed study shall be distributed to all Missouri state agencies which
7 provide job training services in order to promote collaboration in the
8 development of employment projections and in the delivery of training services,
9 and to any local economic development agency requesting a copy of such study.

2. The Missouri training and employment council, in conjunction with the
10 state's private industry councils, the state's community colleges, the state's area
11 vocational technical schools, community action agencies, as defined in section
12 660.370, RSMo, the department of economic development, the department of
13 elementary and secondary education, the department of labor and industrial
14 relations, the department of social services, and the Missouri state council on
15 vocational education shall initiate a study regarding the value of a clustered or
16 regional focus on job training, including the establishment of customized,
17 technical training centers and utilization of portable equipment. Emphasis will
18 be placed on the determination of broad occupational training needs.]

✓

