

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 630
94TH GENERAL ASSEMBLY

Reported from the Committee on Agriculture Policy April 11, 2007 with recommendation that House Committee Substitute for House Bill No. 630 Do Pass. Referred to the Committee on Rules pursuant to Rule 25(21)(f).

D. ADAM CRUMBLISS, Chief Clerk

1632L.02C

AN ACT

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

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

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

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

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

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

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

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

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

(3) "Qualifying beef animal", any beef animal that is certified by the authority, that was born in this state after August 28, 2007, that was raised and backgrounded or finished in this state by the taxpayer, and that weighs more than four hundred fifty pounds, excluding any beef animal more than thirty months of age;

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.

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.

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