

FIRST REGULAR SESSION

HOUSE BILL NO. 805

94TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES GRISAMORE (Sponsor), YATES, KRAUS, RICHARD, PRATT, ERVIN, DUSENBERG, NOLTE, SCHOELLER, ONDER, JETTON, MUSCHANY, FLOOK, BIVINS, TILLEY, WETER, THOMSON, DENISON, JONES (89), NIEVES, SMITH (150), FUNDERBURK, STREAM, COOPER (155), SANDER, HOBBS, HUNTER, FISHER, ROBB, THRELKELD, KELLY, DEEKEN, COOPER (158), DIXON, CUNNINGHAM (145), SCHARNHORST, MUNZLINGER, HOLSMAN, CURLS, SILVEY, BLAND, SPRENG, BRUNS, CUNNINGHAM (86), ST. ONGE, SCHAAF, PEARCE, WILSON (119), SCHAD, POLLOCK, FAITH, DAY, MAY, WILSON (130), FARES, JONES (117), GRILL, BAKER (123), KINGERY, WASSON, BRANDOM, SATER, SCHNEIDER AND SCHARNHORST (Co-sponsors).

Read 1st time February 7, 2007 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

1961L.01H

AN ACT

To amend chapter 348, RSMo, by adding thereto two new sections relating to Missouri technology corporation.

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

Section A. Chapter 348, RSMo, is amended by adding thereto two new sections, to be known as sections 348.273 and 348.274, to read as follows:

348.273. As used in sections 348.273 and 348.274, the following terms shall mean:

(1) "Collaborative research project", a research project conducted by a public research institution or private not-for-profit research institution on behalf of and funded by a private company;

(2) "Distressed community", as defined in section 135.530, RSMo;

(3) "Qualifying company", an independently owned and operated business which is headquartered and located in this state and which is in need of venture capital and cannot obtain conventional financing. Such business shall have no more than two hundred employees, eighty percent of which are employed in this state. Such business shall be

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.

10 involved in commerce for the purpose of manufacturing, processing, or assembling
11 products, conducting research and development, or providing services in interstate
12 commerce but excluding retail, real estate, real estate development, insurance, and
13 professional services provided by accountants, lawyers, or physicians. At the time
14 approval is sought, such business shall be a small business concern that meets the
15 requirements of the United States Small Business Administration's qualification size
16 standards for its venture capital program, as defined in the Small Business Investment Act
17 of 1958, as amended, and rules promulgated in 13 CFR 121.301(c), as amended;

18 (4) "Rural area", any city, town, or village with fewer than fifteen thousand
19 inhabitants and located in any county that is not part of a standard metropolitan statistical
20 area as defined by the United States Department of Commerce or its successor agency.
21 However, any such city, town, or village located in any county so defined as a standard
22 metropolitan statistical area may be designated a rural area by the office of rural
23 development if:

24 (a) A substantial number of persons in such county derive their income from
25 agriculture;

26 (b) The county has only one city within the county having a population of more
27 than fifteen thousand and is classified as a standard metropolitan statistical area; and

28 (c) All other cities, towns, and villages in that county have a population of less than
29 fifteen thousand;

30 (5) "Taxpayer", any person, partnership, corporation, trust, or limited liability
31 company;

32 (6) "Technology commercialization infrastructure project", the construction of or
33 improvements to an incubator, accelerator, or instrument center;

34 (7) "Venture capital", risk capital provided to a qualified Missouri company for
35 research, development, operating capital, commercialization activities, or marketing
36 thereof in exchange for some level of ownership and control of the business.

348.274. 1. The Missouri technology corporation may authorize up to ten million
2 dollars in tax credits per fiscal year. The tax credits may be allotted to one or more of the
3 categories listed in this section.

4 2. If a qualifying company is approved by the Missouri technology corporation, the
5 investors who contribute the first five hundred thousand dollars in venture capital to the
6 qualifying company may be issued a tax credit for thirty percent of such investment in the
7 year the investment is made. However, if the company invested in is located in a rural area
8 or a distressed community, the taxpayer may be issued a tax credit for forty percent of
9 such investment. A qualifying company that relocates its headquarters out of Missouri,

10 ceases to employ eighty percent of its employees in Missouri, alters the principal nature of
11 its operations, or divests itself of key assets shall upon demand by the Missouri technology
12 corporation pay the state of Missouri an amount equal to the amount of credits issued to
13 its contributors.

14 **3. If a qualifying company is approved by the Missouri technology corporation, the**
15 **corporation may reserve tax credits for investors who contributed the initial five million**
16 **dollars in venture capital to the company. The credit shall be thirty percent of the amount**
17 **invested, unless the company is located in a rural or distressed company, in which case the**
18 **credit shall be forty percent. No credits shall be reserved with respect to investors who**
19 **received a credit under subsection 2 of this section. The reserved credits shall be issued**
20 **only for net loss of investment within five years of investing in the qualified company. No**
21 **credits shall be issued if the company has within the five years relocated its headquarters**
22 **out of Missouri, ceased to employ eighty percent of its employees in Missouri, altered the**
23 **principal nature of its operations, or divested itself of key assets.**

24 **4. If a technology commercialization infrastructure project is approved by the**
25 **Missouri technology corporation, a taxpayer may be issued a tax credit in the amount of**
26 **fifty percent of any amount contributed to the project.**

27 **5. If a collaborative research project is approved by the Missouri technology**
28 **corporation, a business firm may receive a tax credit of up to fifty percent of expenditures**
29 **for industrial research conducted at a public research institution or private not-for-profit**
30 **research institution.**

31 **6. The credit may be used against the tax otherwise due under chapter 143, RSMo,**
32 **not including sections 143.191 to 143.265, RSMo. The tax credit may be used in the tax**
33 **year issued or any of the next three consecutive tax years.**

34 **7. Any tax credits issued under this section may be sold, assigned, exchanged, or**
35 **otherwise transferred.**

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