

FIRST REGULAR SESSION

HOUSE BILL NO. 881

94TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES MUNZLINGER (Sponsor), HOBBS, QUINN (7), BIVINS,
FISHER, KELLY AND GRISAMORE (Co-sponsors).

Read 1st time February 15, 2007 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

2226L.01I

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to the managed environment livestock operation tax credit.

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
2 known as section 135.633, to read as follows:

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

2 (1) "Authority", the Missouri agriculture and small business development
3 authority;

4 (2) "Eligible expenses", the actual cost to a producer of implementing odor
5 abatement best management practices and systems necessary to achieve MELO
6 accreditation from the department of agriculture. Eligible expenses includes the actual
7 cost of implementing odor abatement best management practices and systems necessary
8 to meet preferred environmental practices. All eligible expenses shall be less any federal
9 or other state incentives;

10 (3) "MELO", managed environment livestock operation;

11 (4) "Odor abatement best management practices", best management practices as
12 established by the department of natural resources and the department of agriculture;

13 (5) "Preferred environmental practice", those odor abatement best management
14 practices which exceed the criteria for MELO accreditation;

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 (6) "Producer", a person, partnership, corporation, trust, or limited liability
16 company who is a Missouri resident and whose primary purpose is agriculture production;

17 (7) "Tax credit", a credit against the tax otherwise due under chapter 143, RSMo,
18 excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, or otherwise due
19 under chapter 147, 148, or 153, RSMo;

20 (8) "Taxpayer", any individual or entity subject to the tax imposed in chapter 143,
21 RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, or the
22 tax imposed in chapter 147, 148, or 153, RSMo.

23 2. For all taxable years beginning on or after January 1, 2007, a taxpayer shall be
24 allowed a tax credit for the eligible costs of implementing odor abatement best management
25 practices and systems. The authority shall establish a managed environment livestock
26 operation odor abatement tax credit program for producers. The maximum cumulative
27 tax credit amount per taxpayer shall be equal to:

28 (1) The lesser of fifty percent of such eligible expense of implementing odor
29 abatement best management practices and systems necessary to achieve MELO
30 accreditation from the department of agriculture, or fifty thousand dollars; or

31 (2) The lesser of seventy-five percent of such eligible expense of implementing odor
32 abatement best management practices and systems necessary to meet preferred
33 environmental practices, or seventy-five thousand dollars.

34 3. If the amount of the tax credit issued exceeds the amount of the taxpayer's state
35 tax liability for the tax year for which the credit is claimed, the difference shall not be
36 refundable but may be carried back to any of the taxpayer's three prior taxable years and
37 carried forward to any of the taxpayer's five subsequent taxable years regardless of the
38 type of tax liability to which such credits are applied as authorized under subsection 4 of
39 this section. Tax credits granted under this section may be transferred, sold, or assigned.
40 Whenever a certificate of tax credit is assigned, transferred, sold, or otherwise conveyed,
41 a notarized endorsement shall be filed with the authority specifying the name and address
42 of the new owner of the tax credit or the value of the credit. The cumulative amount of tax
43 credits which may be issued under this section in any one fiscal year shall not exceed three
44 million dollars.

45 4. Producers may receive a credit against the tax or estimated quarterly tax
46 otherwise due under chapter 143, RSMo, other than taxes withheld under sections 143.191
47 to 143.265, RSMo, or chapter 147 or 148, RSMo.

48 5. Tax credits claimed in a taxable year may be done so on a quarterly basis and
49 applied to the estimated quarterly tax otherwise due under subsection 4 of this section. If
50 a quarterly tax credit claim or series of claims contributes to causing an overpayment of

51 taxes for a taxable year, such overpayment shall not be refunded but shall be applied to the
52 next taxable year.

53 6. A producer shall submit to the authority an application for tax credit allocation
54 before any eligible expenses are expended. The authority may promulgate rules
55 establishing eligibility under this section, taking into consideration:

56 (1) The potential for significant odor reduction;

57 (2) The producers ability to provide funding for the implementation of best
58 management odor abatement projects;

59 (3) The implementation of proven odor abatement technologies; and

60 (4) Such other factors as the authority may establish.

61 7. The authority may impose a one-time application fee of one-fourth of one percent
62 which shall be collected at the time of the tax credit issuance.

63 8. Ninety percent of the tax credits authorized under this section shall initially be
64 issued to producers for MELO accreditation projects in any fiscal year. If any portion of
65 the ninety percent of tax credits offered to producers for MELO accreditation projects is
66 unused as of March first in any fiscal year, the unused portion of tax credits may be
67 offered to producers for preferred environmental practices.

68 9. If any portion of the ten percent of tax credits offered to producers for preferred
69 environmental practices projects is unused as of March first in any fiscal year, the unused
70 portion of tax credits may be offered to approved MELO accreditation projects.

71 10. Any odor abatement tax credit not issued by June thirtieth of each fiscal year
72 shall expire.

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

81 12. The provisions of this section shall expire on June 30, 2012.

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