

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 2058
94TH GENERAL ASSEMBLY

Reported from the Committee on Economic Development, Tourism and Local Government, May 5, 2008, with recommendation that the Senate Committee Substitute do pass.

TERRY L. SPIELER, Secretary.

4495S.11C

AN ACT

To repeal sections 32.105, 67.1501, 67.1545, 99.820, 135.155, 135.535, 135.562, 135.815, 135.967, 137.115, 137.1018, 144.030, 348.434, 348.436, 353.150, 407.1240, 407.1249, 447.708, 620.495, 620.1039, 620.1220, 620.1878, and 620.1881, RSMo, section 99.825 as enacted by senate committee substitute for house committee substitute for house bill no. 741, ninety-fourth general assembly, first regular session, and section 99.825 as enacted by conference committee substitute for house committee substitute for senate bill no. 1, eighty-ninth general assembly, second extraordinary session, and to enact in lieu thereof thirty-one new sections relating to tax incentives for business development, with an emergency clause for a certain section.

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

Section A. Sections 32.105, 67.1501, 67.1545, 99.820, 135.155, 135.535, 135.562, 135.815, 135.967, 137.115, 137.1018, 144.030, 348.434, 348.436, 353.150, 407.1240, 407.1249, 447.708, 620.495, 620.1039, 620.1220, 620.1878, and 620.1881, RSMo, section 99.825 as enacted by senate committee substitute for house committee substitute for house bill no. 741, ninety-fourth general assembly, first regular session, and section 99.825 as enacted by conference committee substitute for house committee substitute for senate bill no. 1, eighty-ninth general assembly, second extraordinary session, are repealed and thirty-one new sections enacted in lieu thereof, to be known as sections 32.105, 67.1501, 67.1545, 99.820, 99.825, 135.155, 135.535, 135.562, 135.670, 135.682, 135.815, 135.967, 137.115, 137.1018, 144.030, 144.057, 144.058, 348.273, 348.274, 348.434, 348.436,

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

12 353.150, 407.1240, 407.1249, 447.708, 620.050, 620.495, 620.1039, 620.1220,
 13 620.1878, and 620.1881, to read as follows:

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

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

5 (2) "Affordable housing unit", a residential unit generally occupied by
 6 persons and families with incomes at or below the levels described in this
 7 subdivision and bearing a cost to the occupant no greater than thirty percent of
 8 the maximum eligible household income for the affordable housing unit. In the
 9 case of owner-occupied units, the cost to the occupant shall be considered the
 10 amount of the gross monthly mortgage payment, including casualty insurance,
 11 mortgage insurance, and taxes. In the case of rental units, the cost to the
 12 occupant shall be considered the amount of the gross rent. The cost to the
 13 occupant shall include the cost of any utilities, other than telephone. If any
 14 utilities are paid directly by the occupant, the maximum cost that may be paid
 15 by the occupant is to be reduced by a utility allowance prescribed by the
 16 commission. Persons or families are eligible occupants of affordable housing units
 17 if the household combined, adjusted gross income as defined by the commission
 18 is equal to or less than the following percentages of the median family income for
 19 the geographic area in which the residential unit is located, or the median family
 20 income for the state of Missouri, whichever is larger; ("geographic area" means
 21 the metropolitan area or county designated as an area by the federal Department
 22 of Housing and Urban Development under Section 8 of the United States Housing
 23 Act of 1937, as amended, for purposes of determining fair market rental rates):

24	Percent of State or	
25	Geographic Area Family	
26	Size of Household	Median Income
27	One Person	35%
28	Two Persons	40%
29	Three Persons	45%
30	Four Persons	50%
31	Five Persons	54%
32	Six Persons	58%
33	Seven Persons	62%
34	Eight Persons	66%

35 (3) "Business firm", person, firm, a partner in a firm, corporation or a
36 shareholder in an S corporation doing business in the state of Missouri and
37 subject to the state income tax imposed by the provisions of chapter 143, RSMo,
38 including any charitable organization that is exempt from federal income tax and
39 whose Missouri unrelated business taxable income, if any, would be subject to the
40 state income tax imposed under such chapter, or a corporation subject to the
41 annual corporation franchise tax imposed by the provisions of chapter 147, RSMo,
42 or an insurance company paying an annual tax on its gross premium receipts in
43 this state, or other financial institution paying taxes to the state of Missouri or
44 any political subdivision of this state pursuant to the provisions of chapter 148,
45 RSMo, or an express company which pays an annual tax on its gross receipts in
46 this state;

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

48 (5) "Community services", any type of counseling and advice, emergency
49 assistance or medical care furnished to individuals or groups in the state of
50 Missouri or transportation services at below-cost rates as provided in sections
51 208.250 to 208.275, RSMo;

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

54 (7) "Defense industry contractor", a person, corporation or other entity
55 which will be or has been negatively impacted as a result of its status as a prime
56 contractor of the Department of Defense or as a second or third tier contractor.
57 A "second tier contractor" means a person, corporation or other entity which
58 contracts to perform manufacturing, maintenance or repair services for a prime
59 contractor of the Department of Defense, and a "third tier contractor" means a
60 person, corporation or other entity which contracts with a person, corporation or
61 other entity which contracts with a prime contractor of the Department of
62 Defense;

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

67 (9) "Economic development", the acquisition, renovation, improvement, or
68 the furnishing or equipping of existing buildings and real estate in distressed or
69 blighted areas of the state when such acquisition, renovation, improvement, or
70 the furnishing or equipping of the business development projects will result in the

71 creation or retention of jobs within the state; or, until June 30, 1996, a defense
72 conversion pilot project located in a standard metropolitan statistical area which
73 contains a city with a population of at least three hundred fifty thousand
74 inhabitants, which will assist Missouri-based defense industry contractors in
75 their conversion from predominately defense-related contracting to
76 nondefense-oriented manufacturing. Only neighborhood organizations, as defined
77 in subdivision (13) of this section, may apply to conduct economic development
78 projects. Prior to the approval of an economic development project, the
79 neighborhood organization shall enter into a contractual agreement with the
80 department of economic development. Credits approved for economic development
81 projects may not exceed ~~[four]~~ **six** million dollars from within any one fiscal
82 year's allocation[, except that for fiscal years 2005, 2006, and 2007 credits
83 approved for economic development projects shall not exceed six million
84 dollars]. Neighborhood assistance program tax credits for economic development
85 projects and affordable housing assistance as defined in section 32.111 may be
86 transferred, sold or assigned by a notarized endorsement thereof naming the
87 transferee;

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

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

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

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

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

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

106 (c) Designated as a community development corporation by the United

107 States government pursuant to the provisions of Title VII of the Economic
108 Opportunity Act of 1964;

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

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

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

67.1501. 1. A district may use any one or more of the assessments, taxes,
2 or other funding methods specifically authorized pursuant to sections 67.1401 to
3 67.1571 to provide funds to accomplish any power, duty or purpose of the
4 district[]; provided, however, no district which is located in any city not within a
5 county and which includes any real property that is also included in a special
6 business district established pursuant to sections 71.790 to 71.808, RSMo, prior
7 to the establishment of the district pursuant to sections 67.1401 to 67.1571 shall
8 have the authority to impose any such tax or assessment pursuant to sections
9 67.1401 to 67.1571 until such time as all taxes or special assessments imposed
10 pursuant to sections 71.790 to 71.808, RSMo, on any real property or on any
11 business located in such special business district or on any business or individual
12 doing business in such special business district have been repealed in accordance
13 with this subsection. The governing body of a special business district which
14 includes real property located in a district established pursuant to sections
15 67.1401 to 67.1571 shall have the power to repeal all taxes and assessments
16 imposed pursuant to sections 71.790 to 71.808, RSMo, and such power may be
17 exercised by the adoption of a resolution by the governing body of such special
18 business district. Upon the adoption of such resolution such special business
19 district shall no longer have the power to impose any tax or special assessment
20 pursuant to sections 71.790 to 71.808, RSMo, until such time as the district or
21 districts established pursuant to sections 67.1401 to 67.1571 which include any
22 real property that is also included in such special business district have been
23 terminated or have expired pursuant to sections 67.1401 to 67.1571].

24 2. A district may establish different classes of real property within the
25 district for purposes of special assessments. The levy rate for special assessments
26 may vary for each class or subclass based on the level of benefit derived from

27 services or improvements funded, provided or caused to be provided by the
28 district.

29 3. Notwithstanding anything in sections 67.1401 to 67.1571 to the
30 contrary, any district which is not a political subdivision shall have no power to
31 levy any tax but shall have the power to levy special assessments in accordance
32 with section 67.1521.

67.1545. 1. Any district formed as a political subdivision may impose by
2 resolution a district sales and use tax on all retail sales made in such district
3 which are subject to taxation pursuant to sections 144.010 to 144.525, RSMo,
4 except sales of motor vehicles, trailers, boats or outboard motors and sales to **or**
5 **by** public utilities **and providers of communications, cable, or video**
6 **services**. Any sales and use tax imposed pursuant to this section may be
7 imposed in increments of one-eighth of one percent, up to a maximum of one
8 percent. Such district sales and use tax may be imposed for any district purpose
9 designated by the district in its ballot of submission to its qualified voters; except
10 that, no resolution adopted pursuant to this section shall become effective unless
11 the board of directors of the district submits to the qualified voters of the district,
12 by mail-in ballot, a proposal to authorize a sales and use tax pursuant to this
13 section. If a majority of the votes cast by the qualified voters on the proposed
14 sales tax are in favor of the sales tax, then the resolution is adopted. If a
15 majority of the votes cast by the qualified voters are opposed to the sales tax,
16 then the resolution is void.

17 2. The ballot shall be substantially in the following form:

18 Shall the (insert name of district) Community Improvement
19 District impose a community improvement districtwide sales and use tax at the
20 maximum rate of (insert amount) for a period of (insert
21 number) years from the date on which such tax is first imposed for the purpose
22 of providing revenue for (insert general description
23 of the purpose)?

24 ☐ YES

☐ NO

25 If you are in favor of the question, place an "X" in the box opposite "YES". If you
26 are opposed to the question, place an "X" in the box opposite "NO".

27 3. Within ten days after the qualified voters have approved the imposition
28 of the sales and use tax, the district shall, in accordance with section 32.087,
29 RSMo, notify the director of the department of revenue. The sales and use tax
30 authorized by this section shall become effective on the first day of the second

31 calendar quarter after the director of the department of revenue receives notice
32 of the adoption of such tax.

33 4. The director of the department of revenue shall collect any tax adopted
34 pursuant to this section pursuant to section 32.087, RSMo.

35 5. In each district in which a sales and use tax is imposed pursuant to
36 this section, every retailer shall add such additional tax imposed by the district
37 to such retailer's sale price, and when so added such tax shall constitute a part
38 of the purchase price, shall be a debt of the purchaser to the retailer until paid
39 and shall be recoverable at law in the same manner as the purchase price.

40 6. In order to allow retailers to collect and report the sales and use tax
41 authorized by this section as well as all other sales and use taxes required by law
42 in the simplest and most efficient manner possible, a district may establish
43 appropriate brackets to be used in the district imposing a tax pursuant to this
44 section in lieu of the brackets provided in section 144.285, RSMo.

45 7. The penalties provided in sections 144.010 to 144.525, RSMo, shall
46 apply to violations of this section.

47 8. All revenue received by the district from a sales and use tax imposed
48 pursuant to this section which is designated for a specific purpose shall be
49 deposited into a special trust fund and expended solely for such purpose. Upon
50 the expiration of any sales and use tax adopted pursuant to this section, all funds
51 remaining in the special trust fund shall continue to be used solely for the
52 specific purpose designated in the resolution adopted by the qualified voters. Any
53 funds in such special trust fund which are not needed for current expenditures
54 may be invested by the board of directors pursuant to applicable laws relating to
55 the investment of other district funds.

56 9. A district may repeal by resolution any sales and use tax imposed
57 pursuant to this section before the expiration date of such sales and use tax
58 unless the repeal of such sales and use tax will impair the district's ability to
59 repay any liabilities the district has incurred, moneys the district has borrowed
60 or obligation the district has issued to finance any improvements or services
61 rendered for the district.

62 10. Notwithstanding the provisions of chapter 115, RSMo, an election for
63 a district sales and use tax under this section shall be conducted in accordance
64 with the provisions of this section.

99.820. 1. A municipality may:

2 (1) By ordinance introduced in the governing body of the municipality

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

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

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

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

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

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

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

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

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

49 (10) Incur redevelopment costs and issue obligations;

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

52 (12) Disburse surplus funds from the special allocation fund to taxing
53 districts. **If a municipality disburses any surplus funds, whether by**
54 **statute or by contract, it shall disburse all surplus funds from the**
55 **special allocation fund to each taxing district** as follows:

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

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

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

69 (13) If any member of the governing body of the municipality, a member
70 of a commission established pursuant to subsection 2 **or 3** of this section, or an
71 employee or consultant of the municipality, involved in the planning and
72 preparation of a redevelopment plan, or redevelopment project for a
73 redevelopment area or proposed redevelopment area, owns or controls an interest,
74 direct or indirect, in any property included in any redevelopment area, or

75 proposed redevelopment area, which property is designated to be acquired or
76 improved pursuant to a redevelopment project, he or she shall disclose the same
77 in writing to the clerk of the municipality, and shall also so disclose the dates,
78 terms, and conditions of any disposition of any such interest, which disclosures
79 shall be acknowledged by the governing body of the municipality and entered
80 upon the minutes books of the governing body of the municipality. If an
81 individual holds such an interest, then that individual shall refrain from any
82 further official involvement in regard to such redevelopment plan, redevelopment
83 project or redevelopment area, from voting on any matter pertaining to such
84 redevelopment plan, redevelopment project or redevelopment area, or
85 communicating with other members concerning any matter pertaining to that
86 redevelopment plan, redevelopment project or redevelopment area. Furthermore,
87 no such member or employee shall acquire any interest, direct or indirect, in any
88 property in a redevelopment area or proposed redevelopment area after either (a)
89 such individual obtains knowledge of such plan or project, or (b) first public notice
90 of such plan, project or area pursuant to section 99.830, whichever first occurs;

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

95 2. Prior to adoption of an ordinance approving the designation of a
96 redevelopment area or approving a redevelopment plan or redevelopment project,
97 the municipality shall create a commission of nine persons if the municipality is
98 a county or a city not within a county and not a first class county with a charter
99 form of government with a population in excess of nine hundred thousand, and
100 eleven persons if the municipality is not a county and not in a first class county
101 with a charter form of government having a population of more than nine
102 hundred thousand, and twelve persons if the municipality is located in or is a
103 first class county with a charter form of government having a population of more
104 than nine hundred thousand, to be appointed as follows:

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

109 (2) In all municipalities one member shall be appointed, in any manner
110 agreed upon by the affected districts, to represent all other districts levying ad

111 valorem taxes within the area selected for a redevelopment project or the
112 redevelopment area, excluding representatives of the governing body of the
113 municipality;

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

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

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

126 (6) In a municipality which is located in the first class county with a
127 charter form of government having a population in excess of nine hundred
128 thousand, three members shall be appointed by the county of such municipality
129 in the same manner as members are appointed in subdivision (3) of this
130 subsection;

131 (7) [Effective January 1, 2008, in a municipality which is in a county
132 under the authority of the East-West Gateway Council of Governments, except
133 any municipality in any county of the first classification with more than
134 ninety-three thousand eight hundred but fewer than ninety-three thousand nine
135 hundred inhabitants, the municipality shall create a commission in the same
136 manner as the commission for any county with a charter form of government and
137 with more than one million inhabitants, such commission shall have twelve
138 members with two such members appointed by the school boards whose districts
139 are included in the county in a manner in which such school boards agree, with
140 one such member to represent all other districts levying ad valorem taxes in a
141 manner in which all such districts agree, six such members appointed either by
142 the county executive or county commissioner, and three such members appointed
143 by the cities in the county which have tax increment financing districts in a
144 manner in which the cities shall agree;

145 (8) Effective January 1, 2008, when any city, town, or village under the
146 authority of the East-West Gateway Council of Governments, except any

147 municipality in any county of the first classification with more than ninety-three
148 thousand eight hundred but fewer than ninety-three thousand nine hundred
149 inhabitants, desires to implement a tax increment financing project, such city,
150 town, or village shall first obtain the permission of the county tax increment
151 financing commission created in this subsection within which the city, town, or
152 village is located. In the event such commission votes in opposition to the
153 redevelopment project, such redevelopment project shall not be approved unless
154 at least two-thirds of the governing body of the city, town, or village votes to
155 approve such project;

156 (9)] At the option of the members appointed by the municipality, the
157 members who are appointed by the school boards and other taxing districts may
158 serve on the commission for a term to coincide with the length of time a
159 redevelopment project, redevelopment plan or designation of a redevelopment
160 area is considered for approval by the commission, or for a definite term pursuant
161 to this subdivision. If the members representing school districts and other taxing
162 districts are appointed for a term coinciding with the length of time a
163 redevelopment project, plan or area is approved, such term shall terminate upon
164 final approval of the project, plan or designation of the area by the governing
165 body of the municipality. Thereafter the commission shall consist of the six
166 members appointed by the municipality, except that members representing school
167 boards and other taxing districts shall be appointed as provided in this section
168 prior to any amendments to any redevelopment plans, redevelopment projects or
169 designation of a redevelopment area. If any school district or other taxing
170 jurisdiction fails to appoint members of the commission within thirty days of
171 receipt of written notice of a proposed redevelopment plan, redevelopment project
172 or designation of a redevelopment area, the remaining members may proceed to
173 exercise the power of the commission. Of the members first appointed by the
174 municipality, two shall be designated to serve for terms of two years, two shall
175 be designated to serve for a term of three years and two shall be designated to
176 serve for a term of four years from the date of such initial
177 appointments. Thereafter, the members appointed by the municipality shall
178 serve for a term of four years, except that all vacancies shall be filled for
179 unexpired terms in the same manner as were the original
180 appointments. **Members appointed by the county executive or presiding**
181 **commissioner prior to August 28, 2008, shall continue their service on**
182 **the commission established in subsection 3 of this section without**

183 further appointment unless the county executive or presiding
184 commissioner appoints a new member or members.

185 3. [The commission] Beginning August 28, 2008:

186 (1) In lieu of a commission created under subsection 2 of this
187 section, any city, town, or village in a county with a charter form of
188 government and with more than one million inhabitants, in a county
189 with a charter form of government and with more than two hundred
190 fifty thousand but fewer than three hundred fifty thousand inhabitants,
191 or in a county of the first classification with more than one hundred
192 ninety-eight thousand but fewer than one hundred ninety-nine
193 thousand two hundred inhabitants shall, prior to adoption of an
194 ordinance approving the designation of a redevelopment area or
195 approving a redevelopment plan or redevelopment project, create a
196 commission consisting of twelve persons to be appointed as follows:

197 (a) Six members appointed either by the county executive or
198 presiding commissioner; notwithstanding any provision of law to the
199 contrary, no approval by the county's governing body shall be required;

200 (b) Three members appointed by the cities, towns, or villages in
201 the county which have tax increment financing districts in a manner
202 in which the chief elected officials of such cities, towns, or villages
203 agree;

204 (c) Two members appointed by the school boards whose districts
205 are included in the county in a manner in which the school boards
206 agree; and

207 (d) One member to represent all other districts levying ad
208 valorem taxes in the proposed redevelopment area in a manner in
209 which all such districts agree.

210 No city, town, or village subject to this subsection shall create or
211 maintain a commission under subsection 2 of this section, except as
212 necessary to complete a public hearing for which notice under section
213 99.830 has been provided prior to August 28, 2008, and to vote or make
214 recommendations relating to redevelopment plans, redevelopment
215 projects, or designation of redevelopment areas, or amendments thereto
216 that were the subject of such public hearing;

217 (2) Members appointed to the commission created under this
218 subsection, except those six members appointed by either the county
219 executive or presiding commissioner, shall serve on the commission for

220 a term to coincide with the length of time a redevelopment project,
221 redevelopment plan, or designation of a redevelopment area is
222 considered for approval by the commission. The six members
223 appointed by either the county executive or the presiding commissioner
224 shall serve on all such commissions until replaced. The city, town, or
225 village that creates a commission under this subsection shall send
226 notice thereof by certified mail to the county executive or presiding
227 commissioner, to the school districts whose boundaries include any
228 portion of the proposed redevelopment area, and to the other taxing
229 districts whose boundaries include any portion of the proposed
230 redevelopment area. The city, town, or village that creates the
231 commission shall also be solely responsible for notifying all other cities,
232 towns, and villages in the county that have tax increment financing
233 districts and shall exercise all administrative functions of the
234 commission. The school districts receiving notice from the city, town,
235 or village shall be solely responsible for notifying the other school
236 districts within the county of the formation of the commission. If the
237 county, school board, or other taxing district fails to appoint members
238 to the commission within thirty days after the city, town, or village
239 sends the written notice, as provided herein, that it has convened such
240 a commission or within thirty days of the expiration of any such
241 member's term, the remaining duly appointed members of the
242 commission may exercise the full powers of the commission.

243 **4. (1) Any commission created under this section**, subject to
244 approval of the governing body of the municipality, may exercise the powers
245 enumerated in sections 99.800 to 99.865, except final approval of plans, projects
246 and designation of redevelopment areas. The commission shall hold public
247 hearings and provide notice pursuant to sections 99.825 and 99.830. [The]

248 **(2) Any commission created under subsection 2 of this section** shall
249 vote on all proposed redevelopment plans, redevelopment projects and
250 designations of redevelopment areas, and amendments thereto, within thirty days
251 following completion of the hearing on any such plan, project or designation and
252 shall make recommendations to the governing body within ninety days of the
253 hearing referred to in section 99.825 concerning the adoption of or amendment to
254 redevelopment plans and redevelopment projects and the designation of
255 redevelopment areas. The requirements of subsection 2 of this section and this

256 subsection shall not apply to redevelopment projects upon which the required
257 hearings have been duly held prior to August 31, 1991.

258 **(3) Any commission created under subsection 3 of this section**
259 **shall, within fifteen days of the receipt of a redevelopment plan**
260 **meeting the minimum requirements of section 99.810, as determined by**
261 **counsel to the city, town, or village creating the commission and a**
262 **request by the applicable city, town, or village for a public hearing, fix**
263 **a time and place for the public hearing referred to in section**
264 **99.825. The public hearing shall be held no later than seventy-five days**
265 **from the commission's receipt of such redevelopment plan and request**
266 **for public hearing. The commission shall vote and make**
267 **recommendations to the governing body of the city, town, or village**
268 **requesting the public hearing on all proposed redevelopment plans,**
269 **redevelopment projects, and designations of redevelopment areas, and**
270 **amendments thereto within thirty days following the completion of the**
271 **public hearing. If the commission fails to vote within thirty days**
272 **following the completion of the public hearing referred to in section**
273 **99.825 concerning the proposed redevelopment plan, redevelopment**
274 **project, or designation of redevelopment area, or amendments thereto,**
275 **such plan, project, designation, or amendment thereto shall be deemed**
276 **rejected by the commission.**

99.825. 1. Prior to the adoption of an ordinance proposing the designation
2 of a redevelopment area, or approving a redevelopment plan or redevelopment
3 project, the commission shall fix a time and place for a public hearing **as**
4 **required in subsection 4 of section 99.820** and notify each taxing district
5 located wholly or partially within the boundaries of the proposed redevelopment
6 area, plan or project. At the public hearing any interested person or affected
7 taxing district may file with the commission written objections to, or comments
8 on, and may be heard orally in respect to, any issues embodied in the notice. The
9 commission shall hear and consider all protests, objections, comments and other
10 evidence presented at the hearing. The hearing may be continued to another date
11 without further notice other than a motion to be entered upon the minutes fixing
12 the time and place of the subsequent hearing; **provided, if the commission is**
13 **created under subsection 3 of section 99.820, the hearing shall not be**
14 **continued for more than thirty days beyond the date on which it is**
15 **originally opened unless such longer period is requested by the chief**

16 **elected official of the municipality creating the commission and**
17 **approved by a majority of the commission.** Prior to the conclusion of the
18 hearing, changes may be made in the redevelopment plan, redevelopment project,
19 or redevelopment area, provided that each affected taxing district is given written
20 notice of such changes at least seven days prior to the conclusion of the
21 hearing. After the public hearing but prior to the adoption of an ordinance
22 approving a redevelopment plan or redevelopment project, or designating a
23 redevelopment area, changes may be made to the redevelopment plan,
24 redevelopment projects or redevelopment areas without a further hearing, if such
25 changes do not enlarge the exterior boundaries of the redevelopment area or
26 areas, and do not substantially affect the general land uses established in the
27 redevelopment plan or substantially change the nature of the redevelopment
28 projects **or increase the total redevelopment costs approved by the**
29 **commission to be paid by tax increment financing, excluding interest**
30 **and finance costs, by more than ten percent,** provided that notice of such
31 changes shall be given by mail to each affected taxing district and by publication
32 in a newspaper of general circulation in the area of the proposed redevelopment
33 not less than ten days prior to the adoption of the changes by ordinance. After
34 the adoption of an ordinance approving a redevelopment plan or redevelopment
35 project, or designating a redevelopment area, no ordinance shall be adopted
36 altering the exterior boundaries, affecting the general land uses established
37 pursuant to the redevelopment plan [or], changing the nature of the
38 redevelopment project **or increasing the total redevelopment project costs**
39 **approved by the commission to be paid by tax increment financing,**
40 **excluding interest and financing costs, by more than ten percent** without
41 complying with the procedures provided in this section pertaining to the initial
42 approval of a redevelopment plan or redevelopment project and designation of a
43 redevelopment area. Hearings with regard to a redevelopment project,
44 redevelopment area, or redevelopment plan may be held simultaneously.

45 2. Effective January 1, 2008, if, after concluding the hearing required
46 under this section, the commission makes a recommendation under section 99.820
47 in opposition to a proposed redevelopment plan, redevelopment project, or
48 designation of a redevelopment area, or any amendments thereto, a municipality
49 desiring to approve such project, plan, designation, or amendments shall do so
50 only upon a two-thirds majority vote of the governing body of such municipality.

51 3. Tax incremental financing projects within an economic development

52 area shall apply to and fund only the following infrastructure projects: highways,
53 roads, streets, bridges, sewers, traffic control systems and devices, water
54 distribution and supply systems, curbing, sidewalks and any other similar public
55 improvements, but in no case shall it include buildings.

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

33 project, or designating a redevelopment area, no ordinance shall be
34 adopted altering the exterior boundaries, affecting the general land
35 uses established pursuant to the redevelopment plan or changing
36 the nature of the redevelopment project without complying with the
37 procedures provided in this section pertaining to the initial
38 approval of a redevelopment plan or redevelopment project and
39 designation of a redevelopment area. Hearings with regard to a
40 redevelopment project, redevelopment area, or redevelopment plan
41 may be held simultaneously.

42 2. Tax incremental financing projects within an economic
43 development area shall apply to and fund only the following
44 infrastructure projects: highways, roads, streets, bridges, sewers,
45 traffic control systems and devices, water distribution and supply
46 systems, curbing, sidewalks and any other similar public
47 improvements, but in no case shall it include buildings.]

135.155. 1. Notwithstanding any provision of the law to the contrary, no
2 revenue-producing enterprise **other than headquarters as defined in**
3 **subsection 10 of section 135.110** shall receive the incentives set forth in
4 sections 135.100 to 135.150 for facilities commencing operations on or after
5 January 1, 2005. **No headquarters as defined in subsection 10 of section**
6 **135.110 shall receive the incentives set forth in subsections 9 to 14 of**
7 **section 135.110 for facilities commencing or expanding operations on**
8 **or after January 1, 2018.**

9 2. Expansions at headquarters facilities as defined in subsection
10 10 of section 135.110 shall each be considered a separate new business
11 facility and each be entitled to the credits as set forth in subsections 9
12 to 14 of section 135.110 if the number of new business facility
13 employees attributed to each such expansion is at least twenty-five and
14 the amount of new business facility investment attributed to each such
15 expansion is at least one million dollars.

16 3. Notwithstanding any provision of law to the contrary, for
17 headquarters as defined in subsection 10 of section 135.110, buildings
18 on multiple noncontiguous real properties shall be considered one
19 facility if the buildings are located within five miles of each other.

135.535. 1. A corporation, limited liability corporation, partnership or
2 sole proprietorship, which moves its operations from outside Missouri or outside

3 a distressed community into a distressed community, or which commences
4 operations in a distressed community on or after January 1, 1999, and in either
5 case has more than seventy-five percent of its employees at the facility in the
6 distressed community, and which has fewer than one hundred employees for
7 whom payroll taxes are paid, and which is a manufacturing, biomedical, medical
8 devices, scientific research, animal research, computer software design or
9 development, computer programming, including Internet, web hosting, and other
10 information technology, wireless or wired or other telecommunications or a
11 professional firm shall receive a forty percent credit against income taxes owed
12 pursuant to chapter 143, 147 or 148, RSMo, other than taxes withheld pursuant
13 to sections 143.191 to 143.265, RSMo, for each of the three years after such move,
14 if approved by the department of economic development, which shall issue a
15 certificate of eligibility if the department determines that the taxpayer is eligible
16 for such credit. The maximum amount of credits per taxpayer set forth in this
17 subsection shall not exceed one hundred twenty-five thousand dollars for each of
18 the three years for which the credit is claimed. The department of economic
19 development, by means of rule or regulation promulgated pursuant to the
20 provisions of chapter 536, RSMo, shall assign appropriate North American
21 Industry Classification System numbers to the companies which are eligible for
22 the tax credits provided for in this section. Such three-year credits shall be
23 awarded only one time to any company which moves its operations from outside
24 of Missouri or outside of a distressed community into a distressed community or
25 to a company which commences operations within a distressed community. A
26 taxpayer shall file an application for certification of the tax credits for the first
27 year in which credits are claimed and for each of the two succeeding taxable years
28 for which credits are claimed.

29 2. Employees of such facilities physically working and earning wages for
30 that work within a distressed community whose employers have been approved
31 for tax credits pursuant to subsection 1 of this section by the department of
32 economic development for whom payroll taxes are paid shall also be eligible to
33 receive a tax credit against individual income tax, imposed pursuant to chapter
34 143, RSMo, equal to one and one-half percent of their gross salary paid at such
35 facility earned for each of the three years that the facility receives the tax credit
36 provided by this section, so long as they were qualified employees of such
37 entity. The employer shall calculate the amount of such credit and shall report
38 the amount to the employee and the department of revenue.

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

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

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

74 6. Tax credits shall be approved for applicants meeting the requirements

75 of this section in the order that such applications are received. Certificates of tax
76 credits issued in accordance with this section may be transferred, sold or assigned
77 by notarized endorsement which names the transferee.

78 7. The tax credits allowed pursuant to subsections 1, 2, 3, 4 and 5 of this
79 section shall be for an amount of no more than ten million dollars for each year
80 beginning in 1999. To the extent there are available tax credits remaining under
81 the ten million dollar cap provided in this section, [up to one hundred thousand
82 dollars in the] **such** remaining credits shall first be used for tax credits
83 authorized under section 135.562. The total maximum credit for all entities
84 already located in distressed communities and claiming credits pursuant to
85 subsection 4 of this section shall be seven hundred and fifty thousand
86 dollars. The department of economic development in approving taxpayers for the
87 credit as provided for in subsection 6 of this section shall use information
88 provided by the department of revenue regarding taxes paid in the previous year,
89 or projected taxes for those entities newly established in the state, as the method
90 of determining when this maximum will be reached and shall maintain a record
91 of the order of approval. Any tax credit not used in the period for which the
92 credit was approved may be carried over until the full credit has been allowed.

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

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

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

7 five hundred dollars per taxpayer, per tax year. **For purposes of this section,**
8 **"disability" shall have the same meaning as such term is defined in**
9 **section 135.010 and "senior" shall mean a person sixty-five years of age**
10 **or older.**

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

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

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

- 24 (1) Constructing entrance or exit ramps;
- 25 (2) Widening exterior or interior doorways;
- 26 (3) Widening hallways;
- 27 (4) Installing handrails or grab bars;
- 28 (5) Moving electrical outlets and switches;
- 29 (6) Installing stairway lifts;
- 30 (7) Installing or modifying fire alarms, smoke detectors, and other alerting
31 systems;
- 32 (8) Modifying hardware of doors; [or]
- 33 (9) Modifying bathrooms; **or**
- 34 **(10) Constructing additional rooms in the dwelling or structures**
35 **on the property for the purpose of accommodating the senior or person**
36 **with disability.**

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

42 6. A taxpayer shall claim a credit allowed by this section in the same

43 taxable year as the credit is issued, and at the time such taxpayer files his or her
44 Missouri income tax return; provided that such return is timely filed.

45 7. The department may, in consultation with the department of social
46 services, promulgate such rules or regulations as are necessary to administer the
47 provisions of this section. Any rule or portion of a rule, as that term is defined
48 in section 536.010, RSMo, that is created under the authority delegated in this
49 section shall become effective only if it complies with and is subject to all of the
50 provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This
51 section and chapter 536, RSMo, are nonseverable and if any of the powers vested
52 with the general assembly pursuant to chapter 536, RSMo, to review, to delay the
53 effective date or to disapprove and annul a rule are subsequently held
54 unconstitutional, then the grant of rulemaking authority and any rule proposed
55 or adopted after August 28, 2007, shall be invalid and void.

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

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

59 10. In no event shall the aggregate amount of all tax credits allowed
60 pursuant to this section exceed [one hundred thousand dollars] **the amount of**
61 **tax credits remaining unused under the program authorized under**
62 **section 135.535** in any given fiscal year. The tax credits issued pursuant to this
63 section shall be on a first-come, first-served filing basis.

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

2 (1) "Class 8 truck", a heavy duty vehicle, as defined in 42 U.S.C.
3 Section 16104, as amended, that has a gross vehicle weight in excess of
4 thirty three thousand pounds;

5 (2) "Department", the department of revenue;

6 (3) "Idle reduction technology", shall have the same meaning
7 ascribed in 42 U.S.C. Section 16104, as amended;

8 (4) "State tax liability", in the case of a business taxpayer, any
9 liability incurred by such taxpayer pursuant to the provisions of
10 chapters 143, 147, and 153, RSMo, excluding sections 143.191 to 143.265,
11 RSMo, and related provisions, and in the case of an individual
12 taxpayer, any liability incurred by such taxpayer pursuant to the
13 provisions of chapter 143, RSMo, excluding sections 143.191 to 143.265,
14 RSMo, and related provisions;

15 (5) "Taxpayer", a person, firm, a partner in a firm, corporation,

16 or a shareholder in an S corporation doing business in the state of
17 Missouri and subject to the state income tax imposed by the provisions
18 of chapter 143, RSMo, or a corporation subject to the annual
19 corporation franchise tax imposed by the provisions of chapter 147,
20 RSMo, or an express company which pays an annual tax on its gross
21 receipts in this state pursuant to chapter 153, RSMo, or an individual
22 subject to the state income tax imposed by the provisions of chapter
23 143, RSMo.

24 2. For all tax years beginning on or after January 1, 2008, a
25 taxpayer shall be allowed to claim a tax credit against the taxpayer's
26 state tax liability in an amount equal to fifty percent of the amount
27 such taxpayer paid to purchase and install idle reduction technology
28 on a class 8 truck after January 1, 2008. In no case shall the tax credit
29 exceed thirty five hundred dollars per truck.

30 3. The amount of the tax credit claimed shall not exceed the
31 amount of the taxpayer's state tax liability for the taxable year for
32 which the credit is claimed. However, any tax credit that cannot be
33 claimed in the taxable year the purchase and installation was made
34 may be carried over to the next three succeeding taxable years until
35 the full credit has been claimed. The tax credit allowed under this
36 section shall be nontransferable.

37 4. The cumulative amount of tax credits which may be issued
38 under this section in any one fiscal year shall not exceed ten million
39 dollars, and the total amount of tax credits which may be issued under
40 this section shall not exceed twenty million dollars. If the amount of
41 tax credits claimed under this section exceeds ten million dollars in
42 any one fiscal year, the director of the department of revenue shall
43 establish a procedure by which, from the beginning of the fiscal year
44 until some point in time later in the fiscal year to be determined by the
45 director, the cumulative amount of tax credits are equally apportioned
46 among all taxpayers allowed a tax credit under this section. The
47 director may establish more than one period of time and reapportion
48 more than once during each fiscal year. To the maximum extent
49 possible, the director shall establish the procedure described in this
50 subsection in such a manner as to ensure that taxpayers can claim all
51 the tax credits possible up to the cumulative amount of tax credits
52 available for the fiscal year.

53 5. Not less than one hundred and twenty days from the effective
54 date of this act, the department shall promulgate rules necessary for
55 the implementation of the provisions of this act. Any rule or portion of
56 a rule, as that term is defined in section 536.010, RSMo, that is created
57 under the authority delegated in this section shall become effective
58 only if it complies with and is subject to all of the provisions of chapter
59 536, RSMo, and, if applicable, section 536.028, RSMo. This section and
60 chapter 536, RSMo, are nonseverable and if any of the powers vested
61 with the general assembly pursuant to chapter 536, RSMo, to review, to
62 delay the effective date, or to disapprove and annul a rule are
63 subsequently held unconstitutional, then the grant of rulemaking
64 authority and any rule proposed or adopted after August 28, 2008, shall
65 be invalid and void.

66 6. The provisions of this section shall automatically sunset two
67 years after August 28, 2008, unless reauthorized.

135.682. 1. The director of the department of economic
2 development or the director's designee shall issue letter rulings
3 regarding the tax credit program authorized under section 135.680,
4 subject to the terms and conditions set forth in this section. The
5 director of the department of economic development may impose
6 additional terms and conditions consistent with this section to requests
7 for letter rulings by regulation promulgated under chapter 536,
8 RSMo. For the purposes of this section, the term "letter ruling" means
9 a written interpretation of law to a specific set of facts provided by the
10 applicant requesting a letter ruling.

11 2. The director or director's designee shall respond to a request
12 for a letter ruling within sixty days of receipt of such request. The
13 applicant may provide a draft letter ruling for the department's
14 consideration. The applicant may withdraw the request for a letter
15 ruling, in writing, prior to the issuance of the letter ruling. The
16 director or the director's designee may refuse to issue a letter ruling
17 for good cause, but must list the specific reasons for refusing to issue
18 the letter ruling. Good cause includes, but is not limited to:

19 (1) The applicant requests the director to determine whether a
20 statute is constitutional or a regulation is lawful;

21 (2) The request involves a hypothetical situation or alternative
22 plans;

23 **(3) The facts or issues presented in the request are unclear,**
24 **overbroad, insufficient, or otherwise inappropriate as a basis upon**
25 **which to issue a letter ruling; and**

26 **(4) The issue is currently being considered in a rulemaking**
27 **procedure, contested case, or other agency or judicial proceeding that**
28 **may definitely resolve the issue.**

29 **3. Letter rulings shall bind the director and the director's agents**
30 **and their successors until such time as the taxpayer or its**
31 **shareholders, members, or partners, as applicable, claim all of such tax**
32 **credits on a Missouri tax return, subject to the terms and conditions set**
33 **forth in properly published regulations. The letter ruling shall apply**
34 **only to the applicant.**

35 **4. Letter rulings issued under the authority of this section shall**
36 **not be a rule as defined in section 536.010, RSMo, in that it is an**
37 **interpretation issued by the department with respect to a specific set**
38 **of facts and intended to apply only to that specific set of facts, and**
39 **therefore shall not be subject to the rulemaking requirements of**
40 **chapter 536, RSMo.**

41 **5. Information in letter ruling requests as described in section**
42 **620.014, RSMo, shall be closed to the public. Copies of letter rulings**
43 **shall be available to the public provided that the applicant identifying**
44 **information and otherwise protected information is redacted from the**
45 **letter ruling as provided in subsection 1 of section 610.024, RSMo.**

135.815. 1. Prior to authorization of any tax credit application, an
2 administering agency shall verify through the department of revenue that the tax
3 credit applicant does not owe any delinquent income, sales, or use taxes, or
4 interest or penalties on such taxes, and through the department of insurance that
5 the applicant does not owe any delinquent insurance taxes. Such delinquency
6 shall not affect the authorization of the application for such tax credits, except
7 that the amount of credits issued shall be reduced by the applicant's tax
8 delinquency. If the department of revenue or the department of insurance
9 concludes that a taxpayer is delinquent after June fifteenth but before July first
10 of any year, and the application of tax credits to such delinquency causes a tax
11 deficiency on behalf of the taxpayer to arise, then the taxpayer shall be granted
12 thirty days to satisfy the deficiency in which interest, penalties, and additions to
13 tax shall be tolled. After applying all available credits towards a tax delinquency,

14 the administering agency shall notify the appropriate department, and that
15 department shall update the amount of outstanding delinquent tax owed by the
16 applicant. If any credits remain after satisfying all insurance, income, sales, and
17 use tax delinquencies, the remaining credits shall be issued to the applicant,
18 subject to the restrictions of other provisions of law.

19 **2. Any applicant of a tax credit program contained in the**
20 **definition of the term "all tax credit programs" who purposely and**
21 **directly employs unauthorized aliens shall forfeit any tax credits issued**
22 **to such applicant which have not been redeemed, and shall repay the**
23 **amount of any tax credits redeemed by such applicant during the**
24 **period of time such unauthorized alien was employed by the applicant.**
25 **As used in this subsection, the term "unauthorized alien" shall mean an**
26 **alien who does not have the legal right or authorization under federal**
27 **law to work in the United States, as defined under Section 8 U.S.C.**
28 **1324a(h)(3).**

135.967. 1. A taxpayer who establishes a new business facility may, upon
2 approval by the department, be allowed a credit, each tax year for up to ten tax
3 years, in an amount determined as set forth in this section, against the tax
4 imposed by chapter 143, RSMo, excluding withholding tax imposed by sections
5 143.191 to 143.265, RSMo. No taxpayer shall receive multiple ten-year periods
6 for subsequent expansions at the same facility.

7 2. Notwithstanding any provision of law to the contrary, any taxpayer who
8 establishes a new business facility in an enhanced enterprise zone and is awarded
9 state tax credits under this section may not also receive tax credits under sections
10 135.100 to 135.150, sections 135.200 to [135.268] **135.286**, or section 135.535,
11 **and may not simultaneously receive tax credits under sections 620.1875**
12 **to 620.1890, RSMo, at the same facility.**

13 3. No credit shall be issued pursuant to this section unless:

14 (1) The number of new business facility employees engaged or maintained
15 in employment at the new business facility for the taxable year for which the
16 credit is claimed equals or exceeds two; and

17 (2) The new business facility investment for the taxable year for which the
18 credit is claimed equals or exceeds one hundred thousand dollars.

19 4. The annual amount of credits allowed for an approved enhanced
20 business enterprise shall be the lesser of:

21 (1) The annual amount authorized by the department for the enhanced

22 business enterprise, which shall be limited to the projected state economic
23 benefit, as determined by the department; or

24 (2) The sum calculated based upon the following:

25 (a) A credit of four hundred dollars for each new business facility
26 employee employed within an enhanced enterprise zone;

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

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

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

35 5. Prior to January 1, 2007, in no event shall the department authorize
36 more than four million dollars annually to be issued for all enhanced business
37 enterprises. After December 31, 2006, in no event shall the department authorize
38 more than ~~[fourteen]~~ **twenty-four** million dollars annually to be issued for all
39 enhanced business enterprises.

40 6. If a facility, which does not constitute a new business facility, is
41 expanded by the taxpayer, the expansion shall be considered eligible for the credit
42 allowed by this section if:

43 (1) The taxpayer's new business facility investment in the expansion
44 during the tax period in which the credits allowed in this section are claimed
45 exceeds one hundred thousand dollars and if the number of new business facility
46 employees engaged or maintained in employment at the expansion facility for the
47 taxable year for which credit is claimed equals or exceeds two, and the total
48 number of employees at the facility after the expansion is at least two greater
49 than the total number of employees before the expansion; and

50 (2) The taxpayer's investment in the expansion and in the original facility
51 prior to expansion shall be determined in the manner provided in subdivision (14)
52 of section 135.950.

53 7. The number of new business facility employees during any taxable year
54 shall be determined by dividing by twelve the sum of the number of individuals
55 employed on the last business day of each month of such taxable year. If the new
56 business facility is in operation for less than the entire taxable year, the number
57 of new business facility employees shall be determined by dividing the sum of the

58 number of individuals employed on the last business day of each full calendar
59 month during the portion of such taxable year during which the new business
60 facility was in operation by the number of full calendar months during such
61 period. For the purpose of computing the credit allowed by this section in the
62 case of a facility which qualifies as a new business facility under subsection 6 of
63 this section, and in the case of a new business facility which satisfies the
64 requirements of paragraph (c) of subdivision (14) of section 135.950, or
65 subdivision (22) of section 135.950, the number of new business facility employees
66 at such facility shall be reduced by the average number of individuals employed,
67 computed as provided in this subsection, at the facility during the taxable year
68 immediately preceding the taxable year in which such expansion, acquisition, or
69 replacement occurred and shall further be reduced by the number of individuals
70 employed by the taxpayer or related taxpayer that was subsequently transferred
71 to the new business facility from another Missouri facility and for which credits
72 authorized in this section are not being earned, whether such credits are earned
73 because of an expansion, acquisition, relocation, or the establishment of a new
74 facility.

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

83 9. For the purpose of computing the credit allowed by this section in the
84 case of a facility which qualifies as a new business facility pursuant to subsection
85 6 of this section, and in the case of a new business facility which satisfies the
86 requirements of paragraph (c) of subdivision (14) of section 135.950 or subdivision
87 (22) of section 135.950, the amount of the taxpayer's new business facility
88 investment in such facility shall be reduced by the average amount, computed as
89 provided in subdivision (14) of section 135.950 for new business facility
90 investment, of the investment of the taxpayer, or related taxpayer immediately
91 preceding such expansion or replacement or at the time of
92 acquisition. Furthermore, the amount of the taxpayer's new business facility
93 investment shall also be reduced by the amount of investment employed by the

94 taxpayer or related taxpayer which was subsequently transferred to the new
95 business facility from another Missouri facility and for which credits authorized
96 in this section are not being earned, whether such credits are earned because of
97 an expansion, acquisition, relocation, or the establishment of a new facility.

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

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

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

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

115 14. Prior to the issuance of tax credits, the department shall verify
116 through the department of revenue, or any other state department, that the tax
117 credit applicant does not owe any delinquent income, sales, or use tax or interest
118 or penalties on such taxes, or any delinquent fees or assessments levied by any
119 state department and through the department of insurance that the applicant
120 does not owe any delinquent insurance taxes. Such delinquency shall not affect
121 the authorization of the application for such tax credits, except that the amount
122 of credits issued shall be reduced by the applicant's tax delinquency. If the
123 department of revenue or the department of insurance, or any other state
124 department, concludes that a taxpayer is delinquent after June fifteenth but
125 before July first of any year and the application of tax credits to such delinquency
126 causes a tax deficiency on behalf of the taxpayer to arise, then the taxpayer shall
127 be granted thirty days to satisfy the deficiency in which interest, penalties, and
128 additions to tax shall be tolled. After applying all available credits toward a tax
129 delinquency, the administering agency shall notify the appropriate department,

130 and that department shall update the amount of outstanding delinquent tax owed
131 by the applicant. If any credits remain after satisfying all insurance, income,
132 sales, and use tax delinquencies, the remaining credits shall be issued to the
133 applicant, subject to the restrictions of other provisions of law.

137.115. 1. All other laws to the contrary notwithstanding, the assessor
2 or the assessor's deputies in all counties of this state including the city of St.
3 Louis shall annually make a list of all real and tangible personal property taxable
4 in the assessor's city, county, town or district. Except as otherwise provided in
5 subsection 3 of this section and section 137.078, the assessor shall annually
6 assess all personal property at thirty-three and one-third percent of its true value
7 in money as of January first of each calendar year. The assessor shall annually
8 assess all real property, including any new construction and improvements to real
9 property, and possessor interests in real property at the percent of its true value
10 in money set in subsection 5 of this section. **The true value in money of any**
11 **possessor interest in real property in subclass (3), where such real**
12 **property is on or lies within the ultimate airport boundary as shown by**
13 **a federal airport layout plan, as defined by 14 CFR 151.5 of a**
14 **commercial airport having a FAR Part 139 certification and owned by**
15 **a political subdivision, shall be the otherwise applicable true value in**
16 **money of any such possessor interest in real property, less the total**
17 **dollar amount of costs paid by a party, other than the political**
18 **subdivision, towards any new construction or improvements on such**
19 **real property completed after January 1, 2008, and which are included**
20 **in the above-mentioned possessor interest, regardless of the year in**
21 **which such costs were incurred or whether such costs were considered**
22 **in any prior year.** The assessor shall annually assess all real property in the
23 following manner: new assessed values shall be determined as of January first
24 of each odd-numbered year and shall be entered in the assessor's books; those
25 same assessed values shall apply in the following even-numbered year, except for
26 new construction and property improvements which shall be valued as though
27 they had been completed as of January first of the preceding odd-numbered
28 year. The assessor may call at the office, place of doing business, or residence of
29 each person required by this chapter to list property, and require the person to
30 make a correct statement of all taxable tangible personal property owned by the
31 person or under his or her care, charge or management, taxable in the county. On
32 or before January first of each even-numbered year, the assessor shall prepare

33 and submit a two-year assessment maintenance plan to the county governing
34 body and the state tax commission for their respective approval or
35 modification. The county governing body shall approve and forward such plan or
36 its alternative to the plan to the state tax commission by February first. If the
37 county governing body fails to forward the plan or its alternative to the plan to
38 the state tax commission by February first, the assessor's plan shall be considered
39 approved by the county governing body. If the state tax commission fails to
40 approve a plan and if the state tax commission and the assessor and the
41 governing body of the county involved are unable to resolve the differences, in
42 order to receive state cost-share funds outlined in section 137.750, the county or
43 the assessor shall petition the administrative hearing commission, by May first,
44 to decide all matters in dispute regarding the assessment maintenance
45 plan. Upon agreement of the parties, the matter may be stayed while the parties
46 proceed with mediation or arbitration upon terms agreed to by the parties. The
47 final decision of the administrative hearing commission shall be subject to judicial
48 review in the circuit court of the county involved. In the event a valuation of
49 subclass (1) real property within any county with a charter form of government,
50 or within a city not within a county, is made by a computer, computer-assisted
51 method or a computer program, the burden of proof, supported by clear,
52 convincing and cogent evidence to sustain such valuation, shall be on the assessor
53 at any hearing or appeal. In any such county, unless the assessor proves
54 otherwise, there shall be a presumption that the assessment was made by a
55 computer, computer-assisted method or a computer program. Such evidence shall
56 include, but shall not be limited to, the following:

57 (1) The findings of the assessor based on an appraisal of the property by
58 generally accepted appraisal techniques; and

59 (2) The purchase prices from sales of at least three comparable properties
60 and the address or location thereof. As used in this [paragraph] **subdivision**,
61 the word "comparable" means that:

62 (a) Such sale was closed at a date relevant to the property valuation; and

63 (b) Such properties are not more than one mile from the site of the
64 disputed property, except where no similar properties exist within one mile of the
65 disputed property, the nearest comparable property shall be used. Such property
66 shall be within five hundred square feet in size of the disputed property, and
67 resemble the disputed property in age, floor plan, number of rooms, and other
68 relevant characteristics.

69 2. Assessors in each county of this state and the city of St. Louis may send
70 personal property assessment forms through the mail.

71 3. The following items of personal property shall each constitute separate
72 subclasses of tangible personal property and shall be assessed and valued for the
73 purposes of taxation at the following percentages of their true value in money:

74 (1) Grain and other agricultural crops in an unmanufactured condition,
75 one-half of one percent;

76 (2) Livestock, twelve percent;

77 (3) Farm machinery, twelve percent;

78 (4) Motor vehicles which are eligible for registration as and are registered
79 as historic motor vehicles pursuant to section 301.131, RSMo, and aircraft which
80 are at least twenty-five years old and which are used solely for noncommercial
81 purposes and are operated less than fifty hours per year or aircraft that are home
82 built from a kit, five percent;

83 (5) Poultry, twelve percent; and

84 (6) Tools and equipment used for pollution control and tools and
85 equipment used in retooling for the purpose of introducing new product lines or
86 used for making improvements to existing products by any company which is
87 located in a state enterprise zone and which is identified by any standard
88 industrial classification number cited in subdivision (6) of section 135.200, RSMo,
89 twenty-five percent.

90 4. The person listing the property shall enter a true and correct statement
91 of the property, in a printed blank prepared for that purpose. The statement,
92 after being filled out, shall be signed and either affirmed or sworn to as provided
93 in section 137.155. The list shall then be delivered to the assessor.

94 5. All subclasses of real property, as such subclasses are established in
95 section 4(b) of article X of the Missouri Constitution and defined in section
96 137.016, shall be assessed at the following percentages of true value:

97 (1) For real property in subclass (1), nineteen percent;

98 (2) For real property in subclass (2), twelve percent; and

99 (3) For real property in subclass (3), thirty-two percent.

100 6. Manufactured homes, as defined in section 700.010, RSMo, which are
101 actually used as dwelling units shall be assessed at the same percentage of true
102 value as residential real property for the purpose of taxation. The percentage of
103 assessment of true value for such manufactured homes shall be the same as for
104 residential real property. If the county collector cannot identify or find the

105 manufactured home when attempting to attach the manufactured home for
106 payment of taxes owed by the manufactured home owner, the county collector
107 may request the county commission to have the manufactured home removed from
108 the tax books, and such request shall be granted within thirty days after the
109 request is made; however, the removal from the tax books does not remove the tax
110 lien on the manufactured home if it is later identified or found. A manufactured
111 home located in a manufactured home rental park, rental community or on real
112 estate not owned by the manufactured home owner shall be considered personal
113 property. A manufactured home located on real estate owned by the
114 manufactured home owner may be considered real property.

115 7. Each manufactured home assessed shall be considered a parcel for the
116 purpose of reimbursement pursuant to section 137.750, unless the manufactured
117 home has been converted to real property in compliance with section 700.111,
118 RSMo, and assessed as a realty improvement to the existing real estate parcel.

119 8. Any amount of tax due and owing based on the assessment of a
120 manufactured home shall be included on the personal property tax statement of
121 the manufactured home owner unless the manufactured home has been converted
122 to real property in compliance with section 700.111, RSMo, in which case the
123 amount of tax due and owing on the assessment of the manufactured home as a
124 realty improvement to the existing real estate parcel shall be included on the real
125 property tax statement of the real estate owner.

126 9. The assessor of each county and each city not within a county shall use
127 the trade-in value published in the October issue of the National Automobile
128 Dealers' Association Official Used Car Guide, or its successor publication, as the
129 recommended guide of information for determining the true value of motor
130 vehicles described in such publication. In the absence of a listing for a particular
131 motor vehicle in such publication, the assessor shall use such information or
132 publications which in the assessor's judgment will fairly estimate the true value
133 in money of the motor vehicle.

134 10. Before the assessor may increase the assessed valuation of any parcel
135 of subclass (1) real property by more than fifteen percent since the last
136 assessment, excluding increases due to new construction or improvements, the
137 assessor shall conduct a physical inspection of such property.

138 11. If a physical inspection is required, pursuant to subsection 10 of this
139 section, the assessor shall notify the property owner of that fact in writing and
140 shall provide the owner clear written notice of the owner's rights relating to the

141 physical inspection. If a physical inspection is required, the property owner may
142 request that an interior inspection be performed during the physical
143 inspection. The owner shall have no less than thirty days to notify the assessor
144 of a request for an interior physical inspection.

145 12. A physical inspection, as required by subsection 10 of this section,
146 shall include, but not be limited to, an on-site personal observation and review
147 of all exterior portions of the land and any buildings and improvements to which
148 the inspector has or may reasonably and lawfully gain external access, and shall
149 include an observation and review of the interior of any buildings or
150 improvements on the property upon the timely request of the owner pursuant to
151 subsection 11 of this section. Mere observation of the property via a "drive-by
152 inspection" or the like shall not be considered sufficient to constitute a physical
153 inspection as required by this section.

154 13. The provisions of subsections 11 and 12 of this section shall only apply
155 in any county with a charter form of government with more than one million
156 inhabitants.

157 14. A county or city collector may accept credit cards as proper form of
158 payment of outstanding property tax or license due. No county or city collector
159 may charge surcharge for payment by credit card which exceeds the fee or
160 surcharge charged by the credit card bank, processor, or issuer for its service. A
161 county or city collector may accept payment by electronic transfers of funds in
162 payment of any tax or license and charge the person making such payment a fee
163 equal to the fee charged the county by the bank, processor, or issuer of such
164 electronic payment.

165 15. Any county or city not within a county in this state may, by an
166 affirmative vote of the governing body of such county, opt out of the provisions of
167 this section and sections 137.073, 138.060, and 138.100, RSMo, as enacted by
168 house bill no. 1150 of the ninety-first general assembly, second regular session
169 and section 137.073 as modified by [this act] **house committee substitute for**
170 **senate substitute for senate committee substitute for senate bill no. 960,**
171 **ninety-second general assembly, second regular session,** for the next year
172 of the general reassessment, prior to January first of any year. No county or city
173 not within a county shall exercise this opt-out provision after implementing the
174 provisions of this section and sections 137.073, 138.060, and 138.100, RSMo, as
175 enacted by house bill no. 1150 of the ninety-first general assembly, second regular
176 session and section 137.073 as modified by [this act] **house committee**

177 **substitute for senate substitute for senate committee substitute for**
178 **senate bill no. 960, ninety-second general assembly, second regular**
179 **session**, in a year of general reassessment. For the purposes of applying the
180 provisions of this subsection, a political subdivision contained within two or more
181 counties where at least one of such counties has opted out and at least one of
182 such counties has not opted out shall calculate a single tax rate as in effect prior
183 to the enactment of house bill no. 1150 of the ninety-first general assembly,
184 second regular session. A governing body of a city not within a county or a
185 county that has opted out under the provisions of this subsection may choose to
186 implement the provisions of this section and sections 137.073, 138.060, and
187 138.100, RSMo, as enacted by house bill no. 1150 of the ninety-first general
188 assembly, second regular session, and section 137.073 as modified by [this act]
189 **house committee substitute for senate substitute for senate committee**
190 **substitute for senate bill no. 960, ninety-second general assembly,**
191 **second regular session**, for the next year of general reassessment, by an
192 affirmative vote of the governing body prior to December thirty-first of any year.

193 16. The governing body of any city of the third classification with more
194 than twenty-six thousand three hundred but fewer than twenty-six thousand
195 seven hundred inhabitants located in any county that has exercised its authority
196 to opt out under subsection 15 of this section may levy separate and differing tax
197 rates for real and personal property only if such city bills and collects its own
198 property taxes or satisfies the entire cost of the billing and collection of such
199 separate and differing tax rates. Such separate and differing rates shall not
200 exceed such city's tax rate ceiling.

 137.1018. 1. The commission shall ascertain the statewide average rate
2 of property taxes levied the preceding year, based upon the total assessed
3 valuation of the railroad and street railway companies and the total property
4 taxes levied upon the railroad and street railway companies. It shall determine
5 total property taxes levied from reports prescribed by the commission from the
6 railroad and street railway companies. Total taxes levied shall not include
7 revenues from the surtax on subclass three real property.

8 2. The commission shall report its determination of average property tax
9 rate for the preceding year, together with the taxable distributable assessed
10 valuation of each freight line company for the current year to the director no later
11 than October first of each year.

12 3. Taxes on property of such freight line companies shall be collected at

13 the state level by the director on behalf of the counties and other local public
14 taxing entities and shall be distributed in accordance with sections 137.1021 and
15 137.1024. The director shall tax such property based upon the distributable
16 assessed valuation attributable to Missouri of each freight line company, using
17 the average tax rate for the preceding year of the railroad and street railway
18 companies certified by the commission. Such tax shall be due and payable on or
19 before December thirty-first of the year levied and, if it becomes delinquent, shall
20 be subject to a penalty equal to that specified in section 140.100, RSMo.

21 **4. (1) As used in this subsection, the following terms mean:**

22 **(a) "Eligible expenses", expenses incurred in this state to**
23 **manufacture, maintain, or improve a freight line company's qualified**
24 **rolling stock;**

25 **(b) "Qualified rolling stock", any freight, stock, refrigerator, or**
26 **other railcars subject to the tax levied under this section.**

27 **(2) For all taxable years beginning on or after January 1, 2009,**
28 **a freight line company shall be allowed a credit against the tax levied**
29 **under this section for the applicable tax year. The tax credit amount**
30 **shall be equal to the amount of eligible expenses incurred during the**
31 **calendar year immediately preceding the tax year for which the credit**
32 **under this section is claimed. The amount of the tax credit issued shall**
33 **not exceed the freight line company's liability for the tax levied under**
34 **this section for the tax year for which the credit is claimed.**

35 **(3) A freight line company may apply for the credit by submitting**
36 **to the commission an application in the form prescribed by the state**
37 **tax commission.**

38 **(4) The state shall reimburse, on an annual basis, any political**
39 **subdivision of this state for any decrease in revenue due to the**
40 **provisions of this section.**

144.030. 1. There is hereby specifically exempted from the provisions of
2 sections 144.010 to 144.525 and from the computation of the tax levied, assessed
3 or payable pursuant to sections 144.010 to 144.525 such retail sales as may be
4 made in commerce between this state and any other state of the United States,
5 or between this state and any foreign country, and any retail sale which the state
6 of Missouri is prohibited from taxing pursuant to the Constitution or laws of the
7 United States of America, and such retail sales of tangible personal property
8 which the general assembly of the state of Missouri is prohibited from taxing or

9 further taxing by the constitution of this state.

10 2. There are also specifically exempted from the provisions of the local
11 sales tax law as defined in section 32.085, RSMo, section 238.235, RSMo, and
12 sections 144.010 to 144.525 and 144.600 to 144.761 and from the computation of
13 the tax levied, assessed or payable pursuant to the local sales tax law as defined
14 in section 32.085, RSMo, section 238.235, RSMo, and sections 144.010 to 144.525
15 and 144.600 to 144.745:

16 (1) Motor fuel or special fuel subject to an excise tax of this state, unless
17 all or part of such excise tax is refunded pursuant to section 142.824, RSMo; or
18 upon the sale at retail of fuel to be consumed in manufacturing or creating gas,
19 power, steam, electrical current or in furnishing water to be sold ultimately at
20 retail; or feed for livestock or poultry; or grain to be converted into foodstuffs
21 which are to be sold ultimately in processed form at retail; or seed, limestone or
22 fertilizer which is to be used for seeding, liming or fertilizing crops which when
23 harvested will be sold at retail or will be fed to livestock or poultry to be sold
24 ultimately in processed form at retail; economic poisons registered pursuant to
25 the provisions of the Missouri pesticide registration law (sections 281.220 to
26 281.310, RSMo) which are to be used in connection with the growth or production
27 of crops, fruit trees or orchards applied before, during, or after planting, the crop
28 of which when harvested will be sold at retail or will be converted into foodstuffs
29 which are to be sold ultimately in processed form at retail;

30 (2) Materials, manufactured goods, machinery and parts which when used
31 in manufacturing, processing, compounding, mining, producing or fabricating
32 become a component part or ingredient of the new personal property resulting
33 from such manufacturing, processing, compounding, mining, producing or
34 fabricating and which new personal property is intended to be sold ultimately for
35 final use or consumption; and materials, including without limitation, gases and
36 manufactured goods, including without limitation, slagging materials and
37 firebrick, which are ultimately consumed in the manufacturing process by
38 blending, reacting or interacting with or by becoming, in whole or in part,
39 component parts or ingredients of steel products intended to be sold ultimately
40 for final use or consumption;

41 (3) Materials, replacement parts and equipment purchased for use directly
42 upon, and for the repair and maintenance or manufacture of, motor vehicles,
43 watercraft, railroad rolling stock or aircraft engaged as common carriers of
44 persons or property;

45 (4) Replacement machinery, equipment, and parts and the materials and
46 supplies solely required for the installation or construction of such replacement
47 machinery, equipment, and parts, used directly in manufacturing, mining,
48 fabricating or producing a product which is intended to be sold ultimately for
49 final use or consumption; and machinery and equipment, and the materials and
50 supplies required solely for the operation, installation or construction of such
51 machinery and equipment, purchased and used to establish new, or to replace or
52 expand existing, material recovery processing plants in this state. For the
53 purposes of this subdivision, a "material recovery processing plant" means a
54 facility that has as its primary purpose the recovery of materials into a useable
55 product or a different form which is used in producing a new product and shall
56 include a facility or equipment which are used exclusively for the collection of
57 recovered materials for delivery to a material recovery processing plant but shall
58 not include motor vehicles used on highways. For purposes of this section, the
59 terms motor vehicle and highway shall have the same meaning pursuant to
60 section 301.010, RSMo. Material recovery is not the reuse of materials within a
61 manufacturing process or the use of a product previously recovered. The material
62 recovery processing plant shall qualify under the provisions of this section
63 regardless of ownership of the material being recovered;

64 (5) Machinery and equipment, and parts and the materials and supplies
65 solely required for the installation or construction of such machinery and
66 equipment, purchased and used to establish new or to expand existing
67 manufacturing, mining or fabricating plants in the state if such machinery and
68 equipment is used directly in manufacturing, mining or fabricating a product
69 which is intended to be sold ultimately for final use or consumption;

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

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

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

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

80 (10) Pumping machinery and equipment used to propel products delivered

81 by pipelines engaged as common carriers;

82 (11) Railroad rolling stock for use in transporting persons or property in
83 interstate commerce and motor vehicles licensed for a gross weight of twenty-four
84 thousand pounds or more or trailers used by common carriers, as defined in
85 section 390.020, RSMo, in the transportation of persons or property;

86 (12) Electrical energy used in the actual primary manufacture, processing,
87 compounding, mining or producing of a product, or electrical energy used in the
88 actual secondary processing or fabricating of the product, or a material recovery
89 processing plant as defined in subdivision (4) of this subsection, in facilities
90 owned or leased by the taxpayer, if the total cost of electrical energy so used
91 exceeds ten percent of the total cost of production, either primary or secondary,
92 exclusive of the cost of electrical energy so used or if the raw materials used in
93 such processing contain at least twenty-five percent recovered materials as
94 defined in section 260.200, RSMo. There shall be a rebuttable presumption that
95 the raw materials used in the primary manufacture of automobiles contain at
96 least twenty-five percent recovered materials. For purposes of this subdivision,
97 "processing" means any mode of treatment, act or series of acts performed upon
98 materials to transform and reduce them to a different state or thing, including
99 treatment necessary to maintain or preserve such processing by the producer at
100 the production facility;

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

104 (14) Machinery, equipment, appliances and devices purchased or leased
105 and used solely for the purpose of preventing, abating or monitoring air pollution,
106 and materials and supplies solely required for the installation, construction or
107 reconstruction of such machinery, equipment, appliances and devices, and so
108 certified as such by the director of the department of natural resources, except
109 that any action by the director pursuant to this subdivision may be appealed to
110 the air conservation commission which may uphold or reverse such action;

111 (15) Machinery, equipment, appliances and devices purchased or leased
112 and used solely for the purpose of preventing, abating or monitoring water
113 pollution, and materials and supplies solely required for the installation,
114 construction or reconstruction of such machinery, equipment, appliances and
115 devices, and so certified as such by the director of the department of natural
116 resources, except that any action by the director pursuant to this subdivision may

117 be appealed to the Missouri clean water commission which may uphold or reverse
118 such action;

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

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

127 (18) All sales of insulin and prosthetic or orthopedic devices as defined on
128 January 1, 1980, by the federal Medicare program pursuant to Title XVIII of the
129 Social Security Act of 1965, including the items specified in Section 1862(a)(12)
130 of that act, and also specifically including hearing aids and hearing aid supplies
131 and all sales of drugs which may be legally dispensed by a licensed pharmacist
132 only upon a lawful prescription of a practitioner licensed to administer those
133 items, including samples and materials used to manufacture samples which may
134 be dispensed by a practitioner authorized to dispense such samples and all sales
135 of medical oxygen, home respiratory equipment and accessories, hospital beds and
136 accessories and ambulatory aids, all sales of manual and powered wheelchairs,
137 stairway lifts, Braille writers, electronic Braille equipment and, if purchased by
138 or on behalf of a person with one or more physical or mental disabilities to enable
139 them to function more independently, all sales of scooters, reading machines,
140 electronic print enlargers and magnifiers, electronic alternative and augmentative
141 communication devices, and items used solely to modify motor vehicles to permit
142 the use of such motor vehicles by individuals with disabilities or sales of
143 over-the-counter or nonprescription drugs to individuals with disabilities;

144 (19) All sales made by or to religious and charitable organizations and
145 institutions in their religious, charitable or educational functions and activities
146 and all sales made by or to all elementary and secondary schools operated at
147 public expense in their educational functions and activities;

148 (20) All sales of aircraft to common carriers for storage or for use in
149 interstate commerce and all sales made by or to not-for-profit civic, social, service
150 or fraternal organizations, including fraternal organizations which have been
151 declared tax-exempt organizations pursuant to Section 501(c)(8) or (10) of the
152 1986 Internal Revenue Code, as amended, in their civic or charitable functions

153 and activities and all sales made to eleemosynary and penal institutions and
154 industries of the state, and all sales made to any private not-for-profit institution
155 of higher education not otherwise excluded pursuant to subdivision (19) of this
156 subsection or any institution of higher education supported by public funds, and
157 all sales made to a state relief agency in the exercise of relief functions and
158 activities;

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

167 (22) All sales made to any private not-for-profit elementary or secondary
168 school, all sales of feed additives, medications or vaccines administered to
169 livestock or poultry in the production of food or fiber, all sales of pesticides used
170 in the production of crops, livestock or poultry for food or fiber, all sales of
171 bedding used in the production of livestock or poultry for food or fiber, all sales
172 of propane or natural gas, electricity or diesel fuel used exclusively for drying
173 agricultural crops, natural gas used in the primary manufacture or processing of
174 fuel ethanol as defined in section 142.028, RSMo, natural gas, propane, and
175 electricity used by an eligible new generation cooperative or an eligible new
176 generation processing entity as defined in section 348.432, RSMo, and all sales
177 of farm machinery and equipment, other than airplanes, motor vehicles and
178 trailers. As used in this subdivision, the term "feed additives" means tangible
179 personal property which, when mixed with feed for livestock or poultry, is to be
180 used in the feeding of livestock or poultry. As used in this subdivision, the term
181 "pesticides" includes adjuvants such as crop oils, surfactants, wetting agents and
182 other assorted pesticide carriers used to improve or enhance the effect of a
183 pesticide and the foam used to mark the application of pesticides and herbicides
184 for the production of crops, livestock or poultry. As used in this subdivision, the
185 term "farm machinery and equipment" means new or used farm tractors and such
186 other new or used farm machinery and equipment and repair or replacement
187 parts thereon, and supplies and lubricants used exclusively, solely, and directly
188 for producing crops, raising and feeding livestock, fish, poultry, pheasants,

189 chukar, quail, or for producing milk for ultimate sale at retail, including field
190 drain tile, and one-half of each purchaser's purchase of diesel fuel therefor which
191 is:

192 (a) Used exclusively for agricultural purposes;

193 (b) Used on land owned or leased for the purpose of producing farm
194 products; and

195 (c) Used directly in producing farm products to be sold ultimately in
196 processed form or otherwise at retail or in producing farm products to be fed to
197 livestock or poultry to be sold ultimately in processed form at retail;

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

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

211 (b) Regulated utility sellers shall determine whether individual purchases
212 are exempt or nonexempt based upon the seller's utility service rate
213 classifications as contained in tariffs on file with and approved by the Missouri
214 public service commission. Sales and purchases made pursuant to the rate
215 classification "residential" and sales to and purchases made by or on behalf of the
216 occupants of residential apartments or condominiums through a single or master
217 meter, including service for common areas and facilities and vacant units, shall
218 be considered as sales made for domestic use and such sales shall be exempt from
219 sales tax. Sellers shall charge sales tax upon the entire amount of purchases
220 classified as nondomestic use. The seller's utility service rate classification and
221 the provision of service thereunder shall be conclusive as to whether or not the
222 utility must charge sales tax;

223 (c) Each person making domestic use purchases of services or property
224 and who uses any portion of the services or property so purchased for a

225 nondomestic use shall, by the fifteenth day of the fourth month following the year
226 of purchase, and without assessment, notice or demand, file a return and pay
227 sales tax on that portion of nondomestic purchases. Each person making
228 nondomestic purchases of services or property and who uses any portion of the
229 services or property so purchased for domestic use, and each person making
230 domestic purchases on behalf of occupants of residential apartments or
231 condominiums through a single or master meter, including service for common
232 areas and facilities and vacant units, under a nonresidential utility service rate
233 classification may, between the first day of the first month and the fifteenth day
234 of the fourth month following the year of purchase, apply for credit or refund to
235 the director of revenue and the director shall give credit or make refund for taxes
236 paid on the domestic use portion of the purchase. The person making such
237 purchases on behalf of occupants of residential apartments or condominiums shall
238 have standing to apply to the director of revenue for such credit or refund;

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

243 (25) Excise taxes, collected on sales at retail, imposed by Sections 4041,
244 4061, 4071, 4081, 4091, 4161, 4181, 4251, 4261 and 4271 of Title 26, United
245 States Code. The director of revenue shall promulgate rules pursuant to chapter
246 536, RSMo, to eliminate all state and local sales taxes on such excise taxes;

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

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

257 (28) Computers, computer software and computer security systems
258 purchased for use by architectural or engineering firms headquartered in this
259 state. For the purposes of this subdivision, "headquartered in this state" means
260 the office for the administrative management of at least four integrated facilities

261 operated by the taxpayer is located in the state of Missouri;

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

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

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

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

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

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

279 (35) All sales of feed which are developed for and used in the feeding of
280 pets owned by a commercial breeder when such sales are made to a commercial
281 breeder, as defined in section 273.325, RSMo, and licensed pursuant to sections
282 273.325 to 273.357, RSMo;

283 (36) All purchases by a contractor on behalf of an entity located in another
284 state, provided that the entity is authorized to issue a certificate of exemption for
285 purchases to a contractor under the provisions of that state's laws. For purposes
286 of this subdivision, the term "certificate of exemption" shall mean any document
287 evidencing that the entity is exempt from sales and use taxes on purchases
288 pursuant to the laws of the state in which the entity is located. Any contractor
289 making purchases on behalf of such entity shall maintain a copy of the entity's
290 exemption certificate as evidence of the exemption. If the exemption certificate
291 issued by the exempt entity to the contractor is later determined by the director
292 of revenue to be invalid for any reason and the contractor has accepted the
293 certificate in good faith, neither the contractor or the exempt entity shall be liable
294 for the payment of any taxes, interest and penalty due as the result of use of the
295 invalid exemption certificate. Materials shall be exempt from all state and local
296 sales and use taxes when purchased by a contractor for the purpose of fabricating

297 tangible personal property which is used in fulfilling a contract for the purpose
298 of constructing, repairing or remodeling facilities for the following:

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

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

305 (37) All sales or other transfers of tangible personal property to a lessor
306 who leases the property under a lease of one year or longer executed or in effect
307 at the time of the sale or other transfer to an interstate compact agency created
308 pursuant to sections 70.370 to 70.441, RSMo, or sections 238.010 to 238.100,
309 RSMo;

310 (38) Sales of tickets to any collegiate athletic championship event that is
311 held in a facility owned or operated by a governmental authority or commission,
312 a quasi-governmental agency, a state university or college or by the state or any
313 political subdivision thereof, including a municipality, and that is played on a
314 neutral site and may reasonably be played at a site located outside the state of
315 Missouri. For purposes of this subdivision, "neutral site" means any site that is
316 not located on the campus of a conference member institution participating in the
317 event;

318 (39) All purchases by a sports complex authority created under section
319 64.920, RSMo;

320 (40) Sales of radios designed for the primary purpose of
321 receiving transmissions of weather forecasts and warnings provided by
322 the National Oceanic and Atmospheric Administration.

144.057. In addition to the exemptions granted under this
2 chapter, there shall also be specifically exempted from state and local
3 sales and use taxes defined, levied, or calculated under section 32.085,
4 RSMo, sections 144.010 to 144.525, sections 144.600 to 144.761, or section
5 238.235, RSMo, all tangible personal property included on the United
6 States munitions list, as provided in 22 CFR 121.1, sold to or purchased
7 by any foreign government or agency or instrumentality of such foreign
8 government which is used for a governmental purpose.

144.058. In addition to the exemptions granted under this
2 chapter, there shall also be specifically exempted from state and local

3 sales and use taxes defined, levied, or calculated under section 32.085,
4 RSMo, sections 144.010 to 144.525, sections 144.600 to 144.761, or section
5 238.235, RSMo, all electrical energy, gas whether natural, artificial, or
6 propane, and water, and other utilities including telecommunication
7 services, and machinery and equipment which is used or consumed in
8 a business facility located in a portion of an underground mine that
9 contains at least one million square feet of space that may be used for
10 such business facility and provided such business facility is operated
11 by a qualified company that has been approved, is receiving benefits,
12 or has received benefits under the quality jobs program, sections
13 620.1875 to 620.1890, RSMo, at the business facility. The exemption
14 authorized in this section shall not terminate after all benefits due the
15 qualified company under the Missouri quality jobs act have been
16 received by the qualified company.

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

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

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

6 (3) "Equity investment", money or money equivalent in
7 consideration for qualified securities. An equity investment shall be
8 deemed to have been made on the date of acquisition of the qualified
9 security, as such date is determined in accordance with the provisions
10 of the Internal Revenue Code;

11 (4) "Investor":

12 (a) An individual who is an accredited investor, as defined in 17
13 CFR 230.501(a) as in effect on August 28, 2008; or

14 (b) Any partnership, corporation, trust, limited liability
15 company, or not-for-profit entity that was established and is operated
16 for the purpose of making preseed and seed stage investments in
17 start-up companies, and is approved by the department;

18 (5) "Qualified Missouri business", an independently owned and
19 operated business which is headquartered and located in this state and
20 which is in need of venture capital. Such business shall have no more
21 than two hundred employees, eighty percent of which are employed in
22 this state. Such business shall be involved in commerce for the purpose
23 of manufacturing, processing, or assembling products, conducting

24 research and development, or providing services in interstate
25 commerce but excluding retail, real estate, real estate development,
26 insurance, and professional services provided by accountants, lawyers,
27 or physicians. At the time approval is sought, such business shall be a
28 small business concern that meets the requirements of the United
29 States Small Business Administration's qualification size standards for
30 its venture capital program, as defined in the Small Business
31 Investment Act of 1958, as amended, and rules promulgated in 13 CFR
32 121.301(c), as amended;

33 (6) "Qualified securities", securities that are not redeemable or
34 repayable within seven years of issuance and that have been approved
35 in form and substance by the department. Forms of such equity
36 securities include:

37 (a) A general or limited partnership interest;

38 (b) Common stock;

39 (c) Preferred stock, with or without voting rights, without regard
40 to seniority position, and whether or not convertible into common
41 stock; or

42 (d) Convertible debt;

43 (7) "Rural area", any city, town, or village with fewer than fifteen
44 thousand inhabitants and located in any county that is not part of a
45 standard metropolitan statistical area as defined by the United States
46 Department of Commerce or its successor agency. However, any such
47 city, town, or village located in any county so defined as a standard
48 metropolitan statistical area may be designated a rural area by the
49 office of rural development if:

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

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

55 (c) All other cities, towns, and villages in that county have a
56 population of less than fifteen thousand.

348.274. 1. The department may authorize tax credits to
2 encourage equity investment into technology-based early stage
3 Missouri companies.

4 2. If a qualified Missouri business is approved by the

5 department, the investors who contribute the first five hundred
6 thousand dollars in equity investment in the qualified Missouri
7 business may be issued a tax credit in the year the equity investment
8 is made. The tax credit shall be in a total amount equal to thirty
9 percent of such investors' equity investment in any qualified Missouri
10 business, subject to the limitations set forth in subsection 5 of this
11 section. However, if the qualified Missouri business invested in is
12 located in a rural area or a distressed community, the investors may be
13 issued a tax credit for forty percent of such investment, subject to the
14 limitations set forth in subsection 5 of this section.

15 3. (1) Before an investor may be entitled to receive tax credits,
16 as authorized by this section, such investor shall have made an equity
17 investment in a qualified security of a qualified Missouri
18 business. This business shall have been approved by the department
19 as a qualified Missouri business prior to the date on which the cash
20 investment was made. To be designated as a qualified Missouri
21 business, a business shall make application to the department in
22 accordance with the provisions of this section. Such application shall
23 be in form and substance as required by the department but shall
24 include at least the following:

25 (a) The name of the business and certified copies of the
26 organizational documents of the business;

27 (b) A business plan, including a description of the business and
28 the management, product, market, and financial plan of the business;

29 (c) A statement of the business' innovative and proprietary
30 technology, product, or service;

31 (d) A statement of the potential economic impact of the
32 enterprise including the number, location, and types of jobs expected
33 to be created;

34 (e) A description of the qualified securities to be issued, the
35 consideration to be paid for the qualified securities, the amount of any
36 tax credits requested, and the earliest year in which the tax credits
37 may be redeemed;

38 (f) A statement of the amount, timing, and projected use of the
39 proceeds to be raised from the proposed sale of qualified securities;
40 and

41 (g) Other information as the department may request, such as

42 the names, addresses, and taxpayer identification numbers of all
43 investors who may qualify for the tax credit. Such list of investors who
44 may qualify for the tax credits shall be amended as new qualified
45 securities are sold or as any information on the list changes.

46 (2) No business shall be designated as a qualified Missouri
47 business unless such business meets all of the following criteria:

48 (a) The business shall not have had annual gross revenues of
49 more than three million dollars in the most recent tax year of the
50 business;

51 (b) The business shall not have ownership interests including,
52 but not limited to, common or preferred shares of stock that can be
53 traded by the public via a stock exchange, electronic exchange, bulletin
54 board, or other public market place on or before the date that a
55 qualifying investment is made;

56 (c) The business shall not be engaged primarily in any one or
57 more of the following enterprises:

58 a. The business of banking, savings and loan or lending
59 institutions, credit or finance, or financial brokerage or investments;

60 b. Professional services, such as legal, accounting, or engineering
61 services;

62 c. Governmental, charitable, religious, or trade organizations;

63 d. The ownership, development, brokerage, sales, or leasing of
64 real estate;

65 e. Insurance;

66 f. Construction or construction management or contracting;

67 g. Business consulting or brokerage;

68 h. Any business engaged primarily as a passive business, having
69 irregular or noncontinuous operations, or deriving substantially all of
70 the income of the business from passive investments that generate
71 interest, dividends, royalties, or capital gains, or any business
72 arrangements the effect of which is to immunize an investor from risk
73 of loss;

74 i. Any Missouri certified capital formation company;

75 j. Any activity that is in violation of the law; and

76 k. Any business raising money primarily to purchase real estate,
77 land, or fixtures;

78 (d) The business shall satisfy all other requirements of this

79 section.

80 (3) The portions of documents and other materials submitted to
81 the department that contain trade secrets shall be kept confidential
82 and shall be maintained in a secured environment by the director of
83 the department. For the purposes of this section, such portions of
84 documents and other materials shall mean any customer list, any
85 formula, compound, production data, or compilation of information
86 certain individuals within a commercial concern using such portions
87 of documents and other material means to fabricate, produce, or
88 compound an article of trade, or, any service having commercial value,
89 which gives the user an opportunity to obtain a business advantage
90 over competitors who do not know or use such service.

91 (4) A qualified Missouri business shall have the burden of proof
92 to demonstrate to the department the qualifications of the business
93 under this section and shall have the obligation to notify the
94 department in a timely manner of any changes in the qualifications of
95 the business or in the eligibility of investors to claim a tax credit for
96 cash investment in a qualified security.

97 4. The designation of a business as a qualified Missouri business
98 shall be made by the department, and such designation shall be
99 renewed annually. A business shall be so designated if the department
100 determines, based upon the application submitted by the business and
101 any additional investigation the staff of the department shall make,
102 that the following criteria have been or shall be satisfied:

103 (1) The business has a reasonable chance of success;

104 (2) The ability of investors in the business to receive tax credits
105 for cash investments in qualified securities of the business is necessary
106 because funding otherwise available for the business is not available
107 on commercially reasonable terms;

108 (3) The business has the reasonable potential to create
109 measurable employment within the state;

110 (4) The business has an innovative and proprietary technology,
111 product, and service;

112 (5) The existing owners of the business and other founders have
113 made or are committed to make a substantial financial and time
114 commitment to the business;

115 (6) The securities to be issued and purchased are qualified

116 securities; and

117 (7) Binding commitments have been made by the business to the
118 department for adequate reporting of financial data, including a
119 requirement for an annual report, or, if required by the department, an
120 annual audit of the financial and operational records of the business,
121 the right of access to the financial records of the business, and the
122 right of the department to record and publish normal and customary
123 data and information related to the issuance of tax credits that are not
124 otherwise determined to be trade or business secrets;

125 5. The department shall not issue tax credits of more than fifty
126 thousand dollars to an investor per investment into a single, qualified
127 Missouri company, or for tax credits totaling more than one hundred
128 thousand dollars in a single year per investor. The total amount of tax
129 credits that may be allowed under this section shall not exceed five
130 million dollars per tax year.

131 6. This tax credit may be used in its entirety in the taxable year
132 in which the equity investment is made or the credit may be carried
133 forward for use in any of the next three consecutive tax years until the
134 total amount of the credit is used. The tax credits may be sold,
135 assigned, exchanged, or otherwise transferred.

136 7. Tax credits may be used against the tax otherwise due under
137 chapter 143, RSMo, not including sections 143.191 to 143.265, RSMo.

138 8. A qualified Missouri business for which credits have been
139 issued that, within seven years of receiving tax credits under this
140 section relocates its headquarters out of Missouri, ceases to employ
141 eighty percent of its employees in Missouri, alters the principal nature
142 of its operations, or divests itself of key assets shall upon demand by
143 the department pay the state of Missouri an amount equal to the
144 amount of credits issued to its contributors.

145 9. The reasonable costs of the administration of this section, the
146 review of applications for certification as qualified Missouri businesses,
147 and the issuance of tax credits authorized by this section shall be
148 reimbursed through fees paid by the qualified Missouri businesses and
149 the investors or the transferees of investors, according to a reasonable
150 fee schedule adopted by the department.

151 10. In addition to reports by the businesses to the department,
152 the department shall also provide in its annual report information on

153 the marketing and use of the investor tax credits. This report shall
154 include the following:

155 (1) The amount of tax credits used in the previous fiscal year
156 including what percentage was claimed by individuals and what
157 percentage was claimed by firms and other entities;

158 (2) The types of businesses that benefited from the tax credits;
159 and

160 (3) Any aggregate job creation or capital investment in Missouri
161 that resulted from the use of the tax credits for a period of five years
162 beginning from the date on which the tax credits were awarded.

163 In addition, the annual report shall provide information regarding
164 what businesses deriving a benefit from the tax credits remained in
165 Missouri, what businesses ceased business, what businesses were
166 purchased, and what businesses may have moved out-of-state and the
167 reason for such move.

348.434. 1. The aggregate of tax credits issued per fiscal year pursuant
2 to sections 348.430 and 348.432 shall not exceed ~~[six]~~ **ten** million dollars.

3 2. Upon July 2, 1999, and ending June 30, 2000, tax credits shall be
4 issued pursuant to section 348.430, except that, the authority shall allocate no
5 more than three million dollars to fund section 348.432 in fiscal year
6 2000. Beginning in fiscal year 2001 and each subsequent year, tax credits shall
7 be issued pursuant to section 348.432; **except that, one million dollars in tax**
8 **credits may be issued under section 348.430 each fiscal year.**

9 3. Beginning the first day of May of each fiscal year following
10 implementation of section 348.432, the authority may determine the extent of tax
11 credits, pursuant to section 348.432, that will be utilized in each fiscal year. If
12 the authority determines that:

13 (1) Less than ~~[six]~~ **ten** million dollars for a fiscal year is to be utilized in
14 tax credits pursuant to section 348.432; and

15 (2) The assets available to the authority, pursuant to section 348.430, do
16 not exceed twelve million dollars;

17 then, the authority may offer the remaining authorized tax credits be issued
18 pursuant to section 348.430.

348.436. The provisions of sections 348.430 to 348.436 shall expire
2 December 31, ~~[2010]~~ **2016**.

353.150. 1. Any urban redevelopment corporation may borrow funds and

2 secure the repayment thereof by mortgage which shall contain reasonable
3 amortization provisions and shall be a lien upon no other real property except
4 that forming the whole or a part of a single development area.

5 2. Certificates, bonds and notes, or part interest therein, or any part of
6 an issue thereof, which are secured by a first mortgage on the real property in a
7 development area, or any part thereof, shall be securities in which all the
8 following persons, partnerships, or corporations and public bodies or public
9 officers may legally invest the funds within their control:

10 (1) Every executor, administrator, trustee, guardian, committee or other
11 person or corporation holding trust funds or acting in a fiduciary capacity;

12 (2) Persons, partnerships and corporations organized under or subject to
13 the provisions of the banking law (including savings banks, savings and loan
14 associations and trust companies);

15 (3) The state director of finance as conservator, liquidator or rehabilitator
16 of any such person, partnership or corporation;

17 (4) Persons, partnerships or corporations organized under or subject to the
18 provisions of the insurance law; fraternal benefit societies; and

19 (5) The state director of the department of insurance as conservator,
20 liquidator or rehabilitator of any such person, partnership or corporation.

21 3. Any mortgage on the real property in a development area, or any part
22 thereof, may create a first lien, or a second or other junior lien, upon such real
23 property.

24 4. Any urban redevelopment corporation may sell or otherwise dispose of
25 any or all of the real property acquired by it for the purposes of a redevelopment
26 project. In the event of the sale or other disposition of real property of any urban
27 redevelopment corporation by reason of the foreclosure of any mortgage or other
28 lien, through insolvency or bankruptcy proceedings, by order of any court of
29 competent jurisdiction, by voluntary transfer or otherwise, and the purchaser of
30 such real property of such redevelopment corporation shall continue to use,
31 operate and maintain such real property in accordance with the provisions of any
32 development plan, the legislative authority of any city affected by the provisions
33 of this chapter, may grant the partial tax relief provided in section 353.110; but
34 if such real property shall be used for a purpose different than that described in
35 the redevelopment plan, or in the event that the purchaser does not desire the
36 property to continue under the redevelopment plan, or if the legislative authority
37 shall refuse to grant the purchaser continuing tax relief, the real property shall

38 be assessed for ad valorem taxes upon the full true value of the real property and
39 may be owned and operated free from any of the conditions, restrictions or
40 provisions of this chapter. **Nothing in this chapter, any development plan,**
41 **or any contract shall impose a limitation on earnings as a condition to**
42 **the granting of partial tax relief provided in section 353.110 to a**
43 **purchaser described in this subsection that is not an urban**
44 **redevelopment corporation or life insurance company operating as an**
45 **urban redevelopment corporation.**

46 **5. Any limitation on earnings imposed on any purchaser that is**
47 **not an urban redevelopment corporation or life insurance company**
48 **operating as an urban redevelopment corporation under any existing**
49 **or future redevelopment plan or any existing or future contract shall**
50 **be void.**

407.1240. As used in sections 407.1240 to 407.1252, the following terms
2 shall mean:

3 (1) "Business day", every day except Sundays and holidays;
4 (2) "Holiday", any day that the United States Post Office is closed;
5 (3) "Membership fee", the initial or reoccurring fee that is unrelated to
6 actual pass-through costs associated with the use and enjoyment of travel
7 benefits;

8 (4) "Rescission statement", a statement that shall be printed on all
9 contracts pertaining to the purchase of travel club memberships from a travel
10 club that shall provide in at least fourteen-point bold type the following
11 statement:

12 "Assuming you have [not accessed any travel benefits and have] returned
13 to the travel club all materials delivered to the purchaser at closing, you have the
14 right to rescind this transaction for a period of three business days after the date
15 of this agreement. To exercise the right of rescission, you must deliver to the
16 travel club, either in person or by first class mail postmarked within the
17 three-business-day period, at the address referenced in this contract, a written
18 statement of your desire to rescind this transaction, and all materials **of value**
19 that were provided and given to you at the time of the purchase of your travel
20 club membership.";

21 (5) "Surety bond", any surety bond, corporate guaranty, letter of credit,
22 certificate of deposit, or other bond or financial assurance in the sum of fifty
23 thousand dollars that is required to be delivered by travel clubs which have been

24 adjudged to have violated subsection 4 or 5 of section 407.1252 and in the event
25 that such surety bond is accessed subsequent to posting as a result of the need
26 to reimburse purchasers, the amount of the surety bond shall be increased by ten
27 thousand dollars per reimbursement. All surety bonds shall:

28 (a) Serve as a source of funds to reimburse purchasers of travel club
29 memberships who validly exercise their rights under the rescission statement in
30 their contract but who are not, after judgment, provided a refund equal to the
31 purchase price of their unused travel club memberships or, after settlement,
32 equal to the terms of the settlement;

33 (b) Serve as a source of funds to reimburse purchasers of travel club
34 memberships who have been proven to be the subject of fraud;

35 (c) Remain in full force and effect during the period of time the travel club
36 conducts its business activities; and

37 (d) Be deemed acceptable to the attorney general if:

38 a. It is issued by an insurance company that possesses at least a "B+"
39 rating, or its equivalent by A.M. Best or its successors or by any other nationally
40 recognized entity that rates the creditworthiness of insurance companies;

41 b. It is in the form of a letter of credit that is issued by a banking
42 institution with assets of at least seventy-five million dollars;

43 c. It is in the form of a certificate of deposit; or

44 d. It is in a form that otherwise is acceptable to the attorney general;

45 (6) "Travel benefits", benefits that are offered to travel club purchasers
46 and customers that include all forms of overnight resort, condominium,
47 time-share, hotel, motel, and other rental housing of every nature; all forms of air
48 travel and rental car access; all forms of cruise line access; and all other forms
49 of discounted travel benefits of every nature;

50 (7) "Travel club", any business enterprise that either directly, indirectly,
51 or through the use of a fulfillment company or other third party offers to sell to
52 the public the reoccurring right to purchase travel benefits at prices that are
53 represented as being discounted from prices otherwise not generally available to
54 the public and charges members or customers a membership fee that collectively
55 equals no less than seven hundred fifty dollars.

407.1249. Assuming a purchaser [has not otherwise accessed any travel
2 benefits and] returns to the travel club all materials of value delivered to the
3 purchaser at closing, all purchasers of travel club memberships from a travel club
4 that is registered shall have the nonwaivable right for a period of three business

5 days after the date of their purchase to rescind and cancel their travel club
6 purchase and receive a full refund of all sums otherwise paid to the travel club
7 within fifteen business days of such rescission, minus the actual and reasonable
8 cost of processing the refund, including credit card fees if applicable. **Use of**
9 **travel club benefits during such rescission period shall not waive the**
10 **right afforded by this section.** Individuals who purchase travel club
11 memberships from a travel club that is not registered under sections 407.1240 to
12 407.1252 shall have a nonwaivable right for a period of three years from the date
13 of purchase to rescind and cancel their travel club membership and shall receive
14 a full refund within fifteen business days of such rescission.

447.708. 1. For eligible projects, the director of the department of
2 economic development, with notice to the directors of the departments of natural
3 resources and revenue, and subject to the other provisions of sections 447.700 to
4 447.718, may not create a new enterprise zone but may decide that a prospective
5 operator of a facility being remedied and renovated pursuant to sections 447.700
6 to 447.718 may receive the tax credits and exemptions pursuant to sections
7 135.100 to 135.150, RSMo, and sections 135.200 to 135.257, RSMo. The tax
8 credits allowed pursuant to this subsection shall be used to offset the tax imposed
9 by chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to
10 143.265, RSMo, or the tax otherwise imposed by chapter 147, RSMo, or the tax
11 otherwise imposed by chapter 148, RSMo. For purposes of this subsection:

12 (1) For receipt of the ad valorem tax abatement pursuant to section
13 135.215, RSMo, the eligible project must create at least ten new jobs or retain
14 businesses which supply at least twenty-five existing jobs. The city, or county if
15 the eligible project is not located in a city, must provide ad valorem tax
16 abatement of at least fifty percent for a period not less than ten years and not
17 more than twenty-five years;

18 (2) For receipt of the income tax exemption pursuant to section 135.220,
19 RSMo, and tax credit for new or expanded business facilities pursuant to sections
20 135.100 to 135.150, and 135.225, RSMo, the eligible project must create at least
21 ten new jobs or retain businesses which supply at least twenty-five existing jobs,
22 or combination thereof. For purposes of sections 447.700 to 447.718, the tax
23 credits described in section 135.225, RSMo, are modified as follows: the tax credit
24 shall be four hundred dollars per employee per year, an additional four hundred
25 dollars per year for each employee exceeding the minimum employment
26 thresholds of ten and twenty-five jobs for new and existing businesses,

27 respectively, an additional four hundred dollars per year for each person who is
28 "a person difficult to employ" as defined by section 135.240, RSMo, and
29 investment tax credits at the same amounts and levels as provided in subdivision
30 (4) of subsection 1 of section 135.225, RSMo;

31 (3) For eligibility to receive the income tax refund pursuant to section
32 135.245, RSMo, the eligible project must create at least ten new jobs or retain
33 businesses which supply at least twenty-five existing jobs, or combination thereof,
34 and otherwise comply with the provisions of section 135.245, RSMo, for
35 application and use of the refund and the eligibility requirements of this section;

36 (4) The eligible project operates in compliance with applicable
37 environmental laws and regulations, including permitting and registration
38 requirements, of this state as well as the federal and local requirements;

39 (5) The eligible project operator shall file such reports as may be required
40 by the director of economic development or the director's designee;

41 (6) The taxpayer may claim the state tax credits authorized by this
42 subsection and the state income exemption for a period not in excess of ten
43 consecutive tax years. For the purpose of this section, "taxpayer" means an
44 individual proprietorship, partnership or corporation described in section 143.441
45 or 143.471, RSMo, who operates an eligible project. The director shall determine
46 the number of years the taxpayer may claim the state tax credits and the state
47 income exemption based on the projected net state economic benefits attributed
48 to the eligible project;

49 (7) For the purpose of meeting the new job requirement prescribed in
50 subdivisions (1), (2) and (3) of this subsection, it shall be required that at least
51 ten new jobs be created and maintained during the taxpayer's tax period for
52 which the credits are earned, in the case of an eligible project that does not
53 replace a similar facility in Missouri. "New job" means a person who was not
54 previously employed by the taxpayer or related taxpayer within the twelve-month
55 period immediately preceding the time the person was employed by that taxpayer
56 to work at, or in connection with, the eligible project on a full-time
57 basis. "Full-time basis" means the employee works an average of at least
58 thirty-five hours per week during the taxpayer's tax period for which the tax
59 credits are earned. For the purposes of this section, "related taxpayer" has the
60 same meaning as defined in subdivision (9) of section 135.100, RSMo;

61 (8) For the purpose of meeting the existing job retention requirement, if
62 the eligible project replaces a similar facility that closed elsewhere in Missouri

63 prior to the end of the taxpayer's tax period in which the tax credits are earned,
64 it shall be required that at least twenty-five existing jobs be retained at, and in
65 connection with the eligible project, on a full-time basis during the taxpayer's tax
66 period for which the credits are earned. "Retained job" means a person who was
67 previously employed by the taxpayer or related taxpayer, at a facility similar to
68 the eligible project that closed elsewhere in Missouri prior to the end of the
69 taxpayer's tax period in which the tax credits are earned, within the tax period
70 immediately preceding the time the person was employed by the taxpayer to work
71 at, or in connection with, the eligible project on a full-time basis. "Full-time
72 basis" means the employee works an average of at least thirty-five hours per week
73 during the taxpayer's tax period for which the tax credits are earned;

74 (9) In the case where an eligible project replaces a similar facility that
75 closed elsewhere in Missouri prior to the end of the taxpayer's tax period in which
76 the tax credits are earned, the owner and operator of the eligible project shall
77 provide the director with a written statement explaining the reason for
78 discontinuing operations at the closed facility. The statement shall include a
79 comparison of the activities performed at the closed facility prior to the date the
80 facility ceased operating, to the activities performed at the eligible project, and
81 a detailed account describing the need and rationale for relocating to the eligible
82 project. If the director finds the relocation to the eligible project significantly
83 impaired the economic stability of the area in which the closed facility was
84 located, and that such move was detrimental to the overall economic development
85 efforts of the state, the director may deny the taxpayer's request to claim tax
86 benefits;

87 (10) Notwithstanding any provision of law to the contrary, for the purpose
88 of this section, the number of new jobs created and maintained, the number of
89 existing jobs retained, and the value of new qualified investment used at the
90 eligible project during any tax year shall be determined by dividing by twelve, in
91 the case of jobs, the sum of the number of individuals employed at the eligible
92 project, or in the case of new qualified investment, the value of new qualified
93 investment used at the eligible project, on the last business day of each full
94 calendar month of the tax year. If the eligible project is in operation for less than
95 the entire tax year, the number of new jobs created and maintained, the number
96 of existing jobs retained, and the value of new qualified investment created at the
97 eligible project during any tax year shall be determined by dividing the sum of
98 the number of individuals employed at the eligible project, or in the case of new

99 qualified investment, the value of new qualified investment used at the eligible
100 project, on the last business day of each full calendar month during the portion
101 of the tax year during which the eligible project was in operation, by the number
102 of full calendar months during such period;

103 (11) For the purpose of this section, "new qualified investment" means
104 new business facility investment as defined and as determined in subdivision (7)
105 of section 135.100, RSMo, which is used at and in connection with the eligible
106 project. "New qualified investment" shall not include small tools, supplies and
107 inventory. "Small tools" means tools that are portable and can be hand held.

108 2. The determination of the director of economic development pursuant
109 to subsection 1 of this section, shall not affect requirements for the prospective
110 purchaser to obtain the approval of the granting of real property tax abatement
111 by the municipal or county government where the eligible project is located.

112 3. (1) The director of the department of economic development, with the
113 approval of the director of the department of natural resources, may, in addition
114 to the tax credits allowed in subsection 1 of this section, grant a remediation tax
115 credit to the applicant for up to one hundred percent of the costs of materials,
116 supplies, equipment, labor, professional engineering, consulting and architectural
117 fees, permitting fees and expenses, demolition, asbestos abatement, and direct
118 utility charges for performing the voluntary remediation activities for the
119 preexisting hazardous substance contamination and releases, including, but not
120 limited to, the costs of performing operation and maintenance of the remediation
121 equipment at the property beyond the year in which the systems and equipment
122 are built and installed at the eligible project and the costs of performing the
123 voluntary remediation activities over a period not in excess of four tax years
124 following the taxpayer's tax year in which the system and equipment were first
125 put into use at the eligible project, provided the remediation activities are the
126 subject of a plan submitted to, and approved by, the director of natural resources
127 pursuant to sections 260.565 to 260.575, RSMo. **The tax credit may also**
128 **include up to one hundred percent of the costs of demolition that are**
129 **not directly part of the remediation activities, provided that the**
130 **demolition is on the property where the voluntary remediation**
131 **activities are occurring, the demolition is necessary to accomplish the**
132 **planned use of the facility where the remediation activities are**
133 **occurring, and the demolition is part of a redevelopment plan approved**
134 **by the municipal or county government and the department of**

135 **economic development. The demolition may occur on an adjacent**
136 **property if the project is located in a municipality which has a**
137 **population less than twenty thousand and the above conditions are**
138 **otherwise met. The adjacent property shall independently qualify as**
139 **abandoned or underutilized. The amount of the credit available for**
140 **demolition not associated with remediation can not exceed the total**
141 **amount of credits approved for remediation including demolition**
142 **required for remediation.**

143 (2) [The director of the department of economic development, with the
144 approval of the director of the department of natural resources, may, in addition
145 to the tax credits otherwise allowed in this section, grant a demolition tax credit
146 to the applicant for up to one hundred percent of the costs of demolition that are
147 not part of the voluntary remediation activities, provided that the demolition is
148 either on the property where the voluntary remediation activities are occurring
149 or on any adjacent property, and that the demolition is part of a redevelopment
150 plan approved by the municipal or county government and the department of
151 economic development.

152 (3)] The amount of remediation [and demolition] tax credits issued shall
153 be limited to the least amount necessary to cause the project to occur, as
154 determined by the director of the department of economic development.

155 [(4)] (3) The director may, with the approval of the director of natural
156 resources, extend the tax credits allowed for performing voluntary remediation
157 maintenance activities, in increments of three-year periods, not to exceed five
158 consecutive three-year periods. The tax credits allowed in this subsection shall
159 be used to offset the tax imposed by chapter 143, RSMo, excluding withholding
160 tax imposed by sections 143.191 to 143.265, RSMo, or the tax otherwise imposed
161 by chapter 147, RSMo, or the tax otherwise imposed by chapter 148, RSMo. The
162 remediation [and demolition] tax credit may be taken in the same tax year in
163 which the tax credits are received or may be taken over a period not to exceed
164 twenty years.

165 [(5)] (4) The project facility shall be projected to create at least ten new
166 jobs or at least twenty-five retained jobs, or a combination thereof, as determined
167 by the department of economic development, to be eligible for tax credits pursuant
168 to this section.

169 [(6)] (5) No more than seventy-five percent of earned remediation tax
170 credits may be issued when the remediation costs were paid, and the remaining

171 percentage may be issued when the department of natural resources issues a
172 "Letter of Completion" letter or covenant not to sue following completion of the
173 voluntary remediation activities. It shall not include any costs associated with
174 ongoing operational environmental compliance of the facility or remediation costs
175 arising out of spills, leaks, or other releases arising out of the ongoing business
176 operations of the facility.

177 4. In the exercise of the sound discretion of the director of the department
178 of economic development or the director's designee, the tax credits and
179 exemptions described in this section may be terminated, suspended or revoked,
180 if the eligible project fails to continue to meet the conditions set forth in this
181 section. In making such a determination, the director shall consider the severity
182 of the condition violation, actions taken to correct the violation, the frequency of
183 any condition violations and whether the actions exhibit a pattern of conduct by
184 the eligible facility owner and operator. The director shall also consider changes
185 in general economic conditions and the recommendation of the director of the
186 department of natural resources, or his or her designee, concerning the severity,
187 scope, nature, frequency and extent of any violations of the environmental
188 compliance conditions. The taxpayer or person claiming the tax credits or
189 exemptions may appeal the decision regarding termination, suspension or
190 revocation of any tax credit or exemption in accordance with the procedures
191 outlined in subsections 4 to 6 of section 135.250, RSMo. The director of the
192 department of economic development shall notify the directors of the departments
193 of natural resources and revenue of the termination, suspension or revocation of
194 any tax credits as determined in this section or pursuant to the provisions of
195 section 447.716.

196 5. Notwithstanding any provision of law to the contrary, no taxpayer shall
197 earn the tax credits, exemptions or refund otherwise allowed in subdivisions (2),
198 (3) and (4) of subsection 1 of this section and the tax credits otherwise allowed in
199 section 135.110, RSMo, or the tax credits, exemptions and refund otherwise
200 allowed in sections 135.215, 135.220, 135.225 and 135.245, RSMo, respectively,
201 for the same facility for the same tax period.

202 6. The total amount of the tax credits allowed in subsection 1 of this
203 section may not exceed the greater of:

- 204 (1) That portion of the taxpayer's income attributed to the eligible project;
205 or
206 (2) One hundred percent of the total business' income tax if the eligible

207 facility does not replace a similar facility that closed elsewhere in Missouri prior
208 to the end of the taxpayer's tax period in which the tax credits are earned, and
209 further provided the taxpayer does not operate any other facilities besides the
210 eligible project in Missouri; fifty percent of the total business' income tax if the
211 eligible facility replaces a similar facility that closed elsewhere in Missouri prior
212 to the end of the taxpayer's tax period in which the credits are earned, and
213 further provided the taxpayer does not operate any other facilities besides the
214 eligible project in Missouri; or twenty-five percent of the total business income if
215 the taxpayer operates, in addition to the eligible facility, any other facilities in
216 Missouri. In no case shall a taxpayer operating more than one eligible project in
217 Missouri be allowed to offset more than twenty-five percent of the taxpayer's
218 business income in any tax period. That portion of the taxpayer's income
219 attributed to the eligible project as referenced in subdivision (1) of this
220 subsection, for which the credits allowed in sections 135.110 and 135.225, RSMo,
221 and subsection 3 of this section, may apply, shall be determined in the same
222 manner as prescribed in subdivision (6) of section 135.100, RSMo. That portion
223 of the taxpayer's franchise tax attributed to the eligible project for which the
224 remediation tax credit may offset, shall be determined in the same manner as
225 prescribed in paragraph (a) of subdivision (6) of section 135.100, RSMo.

226 7. Taxpayers claiming the state tax benefits allowed in subdivisions (2)
227 and (3) of subsection 1 of this section shall be required to file all applicable tax
228 credit applications, forms and schedules prescribed by the director during the
229 taxpayer's tax period immediately after the tax period in which the eligible
230 project was first put into use. Otherwise, the taxpayer's right to claim such state
231 tax benefits shall be forfeited. Unused business facility and enterprise zone tax
232 credits shall not be carried forward but shall be initially claimed for the tax
233 period during which the eligible project was first capable of being used, and
234 during any applicable subsequent tax periods.

235 8. Taxpayers claiming the remediation tax credit allowed in subsection 3
236 of this section shall be required to file all applicable tax credit applications, forms
237 and schedules prescribed by the director during the taxpayer's tax period
238 immediately after the tax period in which the eligible project was first put into
239 use, or during the taxpayer's tax period immediately after the tax period in which
240 the voluntary remediation activities were performed.

241 9. The recipient of remediation tax credits, for the purpose of this
242 subsection referred to as assignor, may assign, sell or transfer, in whole or in

243 part, the remediation tax credit allowed in subsection 3 of this section, to any
244 other person, for the purpose of this subsection referred to as assignee. To perfect
245 the transfer, the assignor shall provide written notice to the director of the
246 assignor's intent to transfer the tax credits to the assignee, the date the transfer
247 is effective, the assignee's name, address and the assignee's tax period and the
248 amount of tax credits to be transferred. The number of tax periods during which
249 the assignee may subsequently claim the tax credits shall not exceed twenty tax
250 periods, less the number of tax periods the assignor previously claimed the credits
251 before the transfer occurred.

252 10. In the case where an operator and assignor of an eligible project has
253 been certified to claim state tax benefits allowed in subdivisions (2) and (3) of
254 subsection 1 of this section, and sells or otherwise transfers title of the eligible
255 project to another taxpayer or assignee who continues the same or substantially
256 similar operations at the eligible project, the director shall allow the assignee to
257 claim the credits for a period of time to be determined by the director; except
258 that, the total number of tax periods the tax credits may be earned by the
259 assignor and the assignee shall not exceed ten. To perfect the transfer, the
260 assignor shall provide written notice to the director of the assignor's intent to
261 transfer the tax credits to the assignee, the date the transfer is effective, the
262 assignee's name, address, and the assignee's tax period, and the amount of tax
263 credits to be transferred.

264 11. For the purpose of the state tax benefits described in this section, in
265 the case of a corporation described in section 143.471, RSMo, or partnership, in
266 computing Missouri's tax liability, such state benefits shall be allowed to the
267 following:

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

270 (2) The partners of the partnership.

271 The credit provided in this subsection shall be apportioned to the entities
272 described in subdivisions (1) and (2) of this subsection in proportion to their share
273 of ownership on the last day of the taxpayer's tax period.

**620.050. 1. There is hereby created, within the department of
2 economic development, the "Entrepreneurial Development
3 Council". The entrepreneurial development council shall consist of
4 seven members from businesses located within the state and licensed
5 attorneys with specialization in intellectual property matters. All**

6 members of the council shall be appointed by the governor with the
7 advice and consent of the senate. The terms of membership shall be set
8 by the department of economic development by rule as deemed
9 necessary and reasonable. Once the department of economic
10 development has set the terms of membership, such terms shall not be
11 modified and shall apply to all subsequent members.

12 2. The entrepreneurial development council may, as provided by
13 department rule, impose a registration fee for entrepreneurs of this
14 state who desire to avail themselves of benefits, provided by the
15 council, to registered entrepreneurs.

16 3. There is hereby established in the state treasury, the
17 "Entrepreneurial Development and Intellectual Property Right
18 Protection Fund" to be held separate and apart from all other public
19 moneys and funds of the state. The entrepreneurial development and
20 intellectual property right protection fund may accept state and federal
21 appropriations, grants, bequests, gifts, fees and awards to be held for
22 use by the entrepreneurial development council. Notwithstanding
23 provisions of section 33.080, RSMo, to the contrary, moneys remaining
24 in the fund at the end of any biennium shall not revert to general
25 revenue.

26 4. Upon notification of an alleged infringement of intellectual
27 property rights of a entrepreneur, the entrepreneurial development
28 council shall evaluate such allegations of infringement and may, based
29 upon need, award grants or financial assistance to subsidize legal
30 expenses incurred in instituting legal action necessary to remedy the
31 alleged infringement. Pursuant to rules promulgated by the
32 department, the entrepreneurial development council may allocate
33 moneys from entrepreneurial development and intellectual property
34 right protection fund, in the form of low interest loans and grants, to
35 registered entrepreneurs for the purpose of providing financial aid for
36 product development, manufacturing, and advertising of new products.

37 5. Any rule or portion of a rule, as that term is defined in section
38 536.010, RSMo, that is created under the authority delegated in this
39 section shall become effective only if it complies with and is subject to
40 all of the provisions of chapter 536, RSMo, and, if applicable, section
41 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable
42 and if any of the powers vested with the general assembly pursuant to

43 **chapter 536, RSMo, to review, to delay the effective date, or to**
44 **disapprove and annul a rule are subsequently held unconstitutional,**
45 **then the grant of rulemaking authority and any rule proposed or**
46 **adopted after August 28, 2008, shall be invalid and void.**

620.495. 1. This section shall be known as the "Small Business
2 Incubators Act".

3 2. As used in this section, unless the context clearly indicates otherwise,
4 the following words and phrases shall mean:

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

6 (2) "Incubator", a program in which small units of space may be leased by
7 a tenant and in which management maintains or provides access to business
8 development services for use by tenants or a program without infrastructure in
9 which participants avail themselves of business development services to assist in
10 the growth of their start-up small businesses;

11 (3) "Local sponsor" or "sponsor", an organization which enters into a
12 written agreement with the department to establish, operate and administer a
13 small business incubator program or to provide funding to an organization which
14 operates such a program;

15 (4) "Participant", a sole proprietorship, business partnership or
16 corporation operating a business for profit through which the owner avails
17 himself or herself of business development services in an incubator program;

18 (5) "Tenant", a sole proprietorship, business partnership or corporation
19 operating a business for profit and leasing or otherwise occupying space in an
20 incubator.

21 3. There is hereby established under the direction of the department a
22 loan, loan guarantee and grant program for the establishment, operation and
23 administration of small business incubators, to be known as the "Small Business
24 Incubator Program". A local sponsor may submit an application to the
25 department to obtain a loan, loan guarantee or grant to establish an
26 incubator. Each application shall:

27 (1) Demonstrate that a program exists that can be transformed into an
28 incubator at a specified cost;

29 (2) Demonstrate the ability to directly provide or arrange for the provision
30 of business development services for tenants and participants of the
31 incubator. These services shall include, but need not be limited to, financial
32 consulting assistance, management and marketing assistance, business education,

33 and physical services;

34 (3) Demonstrate a potential for sustained use of the incubator program by
35 eligible tenants and participants, through a market study or other means;

36 (4) Demonstrate the ability to manage and operate the incubator program;

37 (5) Include such other information as the department may require through
38 its guidelines.

39 4. The department shall review and accept applications based on the
40 following criteria:

41 (1) Ability of the local sponsor to carry out the provisions of this section;

42 (2) Economic impact of the incubator on the community;

43 (3) Conformance with areawide and local economic development plans, if
44 such exist;

45 (4) Location of the incubator, in order to encourage geographic
46 distribution of incubators across the state.

47 5. Loans, loan guarantees and grants shall be administered in the
48 following manner:

49 (1) Loans awarded or guaranteed and grants awarded shall be used only
50 for the acquisition and leasing of land and existing buildings, the rehabilitation
51 of buildings or other facilities, construction of new facilities, the purchase of
52 equipment and furnishings which are necessary for the creation and operation of
53 the incubator, and business development services including, but not limited to,
54 business management advising and business education;

55 (2) Loans, loan guarantees and grants may not exceed fifty percent of total
56 eligible project costs;

57 (3) Payment of interest and principal on loans may be deferred at the
58 discretion of the department.

59 6. A local sponsor, or the organization receiving assistance through the
60 local sponsor, shall have the following responsibilities and duties in establishing
61 and operating an incubator with assistance from the small business incubator
62 program:

63 (1) Secure title on a facility for the program or a lease of a facility for the
64 program;

65 (2) Manage the physical development of the incubator program, including
66 the provision of common conference or meeting space;

67 (3) Furnish and equip the program to provide business services to the
68 tenants and participants;

69 (4) Market the program and secure eligible tenants and participants;

70 (5) Provide financial consulting, marketing and management assistance
71 services or arrange for the provision of these services for tenants and participants
72 of the incubator, including assistance in accessing private financial markets;

73 (6) Set rental and service fees;

74 (7) Encourage the sharing of ideas between tenants and participants and
75 otherwise aid the tenants and participants in an innovative manner while they
76 are within the incubator;

77 (8) Establish policies and criteria for the acceptance of tenants and
78 participants into the incubator and for the termination of occupancy of tenants
79 so as to maximize the opportunity to succeed for the greatest number of tenants,
80 consistent with those specified in this section; **and**

81 **(9) Provide a report to the department containing the identity**
82 **of each tenant within the incubator, a brief description of the nature**
83 **of the business of such tenant, and the date in which such tenant**
84 **established tenancy within the incubator. Such report shall be updated**
85 **on an annual basis and provided to the department.**

86 7. The department:

87 (1) May adopt such rules, statements of policy, procedures, forms and
88 guidelines as may be necessary for the implementation of this section;

89 (2) May make loans, loan guarantees and grants to local sponsors for
90 incubators;

91 (3) Shall ensure that local sponsors receiving loans, loan guarantees or
92 grants meet the conditions of this section;

93 (4) Shall receive and evaluate annual reports from local sponsors. Such
94 annual reports shall include, but need not be limited to, a financial statement for
95 the incubator, evidence that all tenants and participants in the program are
96 eligible under the terms of this section, and a list of companies in the incubator.

97 8. The department of economic development is also hereby authorized to
98 review any previous loans made under this program and, where appropriate in
99 the department's judgment, convert such loans to grant status.

100 9. On or before January first of each year, the department shall provide
101 a report to the governor, the chief clerk of the house of representatives and the
102 secretary of the senate which shall include, but need not be limited to:

103 (1) The number of applications for incubators submitted to the
104 department;

105 (2) The number of applications for incubators approved by the
106 department;

107 (3) The number of incubators created through the small business
108 incubator program;

109 (4) The number of tenants and participants engaged in each incubator;

110 (5) The number of jobs provided by each incubator and tenants and
111 participant of each incubator;

112 (6) The occupancy rate of each incubator;

113 (7) The number of firms still operating in the state after leaving
114 incubators and the number of jobs they have provided; **and**

115 **(8) The identity of all current tenants, a brief description of the**
116 **nature of the business of such tenants, and the date in which such**
117 **tenants established tenancy within incubators in this state.**

118 10. There is hereby established in the state treasury a special fund to be
119 known as the "Missouri Small Business Incubators Fund", which shall consist of
120 all moneys which may be appropriated to it by the general assembly, and also any
121 gifts, contributions, grants or bequests received from federal, private or other
122 sources. Moneys for loans, loan guarantees and grants under the small business
123 incubator program may be obtained from appropriations made by the general
124 assembly from the Missouri small business incubators fund. Any moneys
125 remaining in the Missouri small business incubators fund at the end of any fiscal
126 year shall not lapse to the general revenue fund, as provided in section 33.080,
127 RSMo, but shall remain in the Missouri small business incubators fund.

128 11. For any taxable year beginning after December 31, 1989, a taxpayer,
129 including any charitable organization which is exempt from federal income tax
130 and whose Missouri unrelated business taxable income, if any, would be subject
131 to the state income tax imposed under chapter 143, RSMo, shall be entitled to a
132 tax credit against any tax otherwise due under the provisions of chapter 143,
133 RSMo, or chapter 147, RSMo, or chapter 148, RSMo, excluding withholding tax
134 imposed by sections 143.191 to 143.265, RSMo, in the amount of fifty percent of
135 any amount contributed by the taxpayer to the Missouri small business
136 incubators fund during the taxpayer's tax year or any contribution by the
137 taxpayer to a local sponsor after the local sponsor's application has been accepted
138 and approved by the department. The tax credit allowed by this subsection shall
139 be claimed by the taxpayer at the time he files his return and shall be applied
140 against the income tax liability imposed by chapter 143, RSMo, or chapter 147,

141 RSMo, or chapter 148, RSMo, after all other credits provided by law have been
142 applied. That portion of earned tax credits which exceeds the taxpayer's tax
143 liability may be carried forward for up to five years. The aggregate of all tax
144 credits authorized under this section shall not exceed [five hundred thousand]
145 **two million** dollars in any taxable year.

146 12. Notwithstanding any provision of Missouri law to the contrary, any
147 taxpayer may sell, assign, exchange, convey or otherwise transfer tax credits
148 allowed in subsection 11 of this section under the terms and conditions prescribed
149 in subdivisions (1) and (2) of this subsection. Such taxpayer, hereinafter the
150 assignor for the purpose of this subsection, may sell, assign, exchange or
151 otherwise transfer earned tax credits:

152 (1) For no less than seventy-five percent of the par value of such credits;
153 and

154 (2) In an amount not to exceed one hundred percent of annual earned
155 credits.

156 The taxpayer acquiring earned credits, hereinafter the assignee for the purpose
157 of this subsection, may use the acquired credits to offset up to one hundred
158 percent of the tax liabilities otherwise imposed by chapter 143, RSMo, or chapter
159 147, RSMo, or chapter 148, RSMo, excluding withholding tax imposed by sections
160 143.191 to 143.265, RSMo. Unused credits in the hands of the assignee may be
161 carried forward for up to five years. The assignor shall enter into a written
162 agreement with the assignee establishing the terms and conditions of the
163 agreement and shall perfect such transfer by notifying the department of
164 economic development in writing within thirty calendar days following the
165 effective day of the transfer and shall provide any information as may be required
166 by the department of economic development to administer and carry out the
167 provisions of this section. The director of the department of economic
168 development shall prescribe the method for submitting applications for claiming
169 the tax credit allowed under subsection 11 of this section and shall, if the
170 application is approved, certify to the director of revenue that the taxpayer
171 claiming the credit has satisfied all the requirements specified in this section and
172 is eligible to claim the credit.

620.1039. 1. As used in this section, the term "taxpayer" means an
2 individual, a partnership, or any charitable organization which is exempt from
3 federal income tax and whose Missouri unrelated business taxable income, if any,
4 would be subject to the state income tax imposed under chapter 143, RSMo, or a

5 corporation as described in section 143.441 or 143.471, RSMo, or section 148.370,
6 RSMo, and the term "qualified research expenses" has the same meaning as
7 prescribed in 26 U.S.C. 41, **except that such qualified research expenses**
8 **shall be limited to those incurred in the research and development of**
9 **agricultural biotechnology, plant genomics products, diagnostic and**
10 **therapeutic medical devices, prescription pharmaceuticals consumed**
11 **by humans or animals, or qualified research expenses incurred in the**
12 **research, development or manufacture of power system technology for**
13 **aerospace, space, defense, or implantable or wearable medical devices.**

14 2. For tax years beginning on or after January 1, 2001, the director of the
15 department of economic development [may] **shall** authorize a taxpayer to receive
16 a tax credit against the tax otherwise due pursuant to chapter 143, RSMo, or
17 chapter 148, RSMo, other than the taxes withheld pursuant to sections 143.191
18 to 143.265, RSMo, in an amount up to six and one-half percent of the [excess] of
19 the taxpayer's qualified research expenses, as certified by the director of the
20 department of economic development[, within this state during the taxable year
21 over the average of the taxpayer's qualified research expenses within this state
22 over the immediately preceding three taxable years; except that, no tax credit
23 shall be allowed on that portion of the taxpayer's qualified research expenses
24 incurred within this state during the taxable year in which the credit is being
25 claimed, to the extent such expenses exceed two hundred percent of the taxpayer's
26 average qualified research expenses incurred during the immediately preceding
27 three taxable years].

28 3. The director of economic development shall prescribe the manner in
29 which the tax credit may be applied for. The tax credit authorized by this section
30 may be claimed by the taxpayer to offset the tax liability imposed by chapter 143,
31 RSMo, or chapter 148, RSMo, that becomes due in the tax year during which such
32 qualified research expenses were incurred. Where the amount of the credit
33 exceeds the tax liability, the difference between the credit and the tax liability
34 may only be carried forward for the next five succeeding taxable years or until the
35 full credit has been claimed, whichever first occurs. The application for tax
36 credits authorized by the director pursuant to subsection 2 of this section shall
37 be made **no earlier than January first and** no later than [the end of] **July**
38 **first of the calendar year immediately following the calendar year in**
39 **which** the taxpayer's tax period [immediately following the tax period] for which
40 the credits are being claimed **ended. The director shall act on any such**

41 **application for tax credits no sooner than August first but no later than**
42 **August fifteenth of each year for applications filed in that calendar**
43 **year.**

44 4. Certificates of tax credit issued pursuant to this section may be
45 transferred, sold or assigned by filing a notarized endorsement thereof with the
46 department which names the transferee and the amount of tax credit
47 transferred. The director of economic development may allow a taxpayer to
48 transfer, sell or assign up to forty percent of the amount of the certificates of tax
49 credit issued to and not claimed by such taxpayer pursuant to this section during
50 any tax year commencing on or after January 1, [1996] **2009**, and ending not
51 later than December 31, [1999] **2015**. Such taxpayer shall file, by December 31,
52 [2001] **2017**, an application with the department which names the transferee, the
53 amount of tax credit desired to be transferred, and a certification that the funds
54 received by the applicant as a result of the transfer, sale or assignment of the tax
55 credit shall be expended within three years at the state university for the sole
56 purpose of conducting research activities agreed upon by the department, the
57 taxpayer and the state university. Failure to expend such funds in the manner
58 prescribed pursuant to this section shall cause the applicant to be subject to the
59 provisions of section 620.017.

60 5. No rule or portion of a rule promulgated under the authority of this
61 section shall become effective unless it has been promulgated pursuant to the
62 provisions of chapter 536, RSMo. All rulemaking authority delegated prior to
63 June 27, 1997, is of no force and effect and repealed; however, nothing in this
64 section shall be interpreted to repeal or affect the validity of any rule filed or
65 adopted prior to June 27, 1997, if such rule complied with the provisions of
66 chapter 536, RSMo. The provisions of this section and chapter 536, RSMo, are
67 nonseverable and if any of the powers vested with the general assembly pursuant
68 to chapter 536, RSMo, including the ability to review, to delay the effective date,
69 or to disapprove and annul a rule or portion of a rule, are subsequently held
70 unconstitutional, then the purported grant of rulemaking authority and any rule
71 so proposed and contained in the order of rulemaking shall be invalid and void.

72 6. The aggregate of all tax credits authorized pursuant to this section
73 shall not exceed [nine] **ten** million [seven hundred thousand] dollars in any
74 **calendar year. In the event that total eligible claims for credits**
75 **received in a calendar year exceed the annual cap, each eligible**
76 **claimant shall be issued credits based upon the following formula: the**

77 **eligible credits if the annual cap had not been exceeded multiplied by**
78 **the ratio of the annual cap divided by the total of all eligible claims for**
79 **credits filed in that calendar year.**

80 7. [For all tax years beginning on or after January 1, 2005, no tax credits
81 shall be approved, awarded, or issued to any person or entity claiming any tax
82 credit under this section] **No one taxpayer shall be issued more than thirty**
83 **percent of the aggregate of all tax credits authorized under this section**
84 **in any calendar year.**

 620.1220. The office of the Missouri film commission [shall] **may** be
2 located in Jefferson City and shall replace any state agency, division or staff
3 which, on August 28, 1996, sections 620.1200 to 620.1240, provides services to the
4 film industry or is organized to promote film production in Missouri. The
5 department of economic development may transfer staff from any agency replaced
6 by the office of the Missouri film commission to this office.

 620.1878. For the purposes of sections 620.1875 to 620.1890, the following
2 terms shall mean:

3 (1) "Approval", a document submitted by the department to the qualified
4 company 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 (3) "Commencement of operations", the starting date for the qualified
7 company's first new employee, which must be no later than twelve months from
8 the date of the approval;

9 (4) "County average wage", the average wages in each county as
10 determined by the department for the most recently completed full calendar
11 year. However, if the computed county average wage is above the statewide
12 average wage, the statewide average wage shall be deemed the county average
13 wage for such county for the purpose of determining eligibility. The department
14 shall publish the county average wage for each county at least
15 annually. Notwithstanding the provisions of this subdivision to the contrary, for
16 any qualified company that in conjunction with their project is relocating
17 employees from a Missouri county with a higher county average wage, the
18 company shall obtain the endorsement of the governing body of the community
19 from which jobs are being relocated or the county average wage for their project
20 shall be the county average wage for the county from which the employees are
21 being relocated;

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

- 23 (6) "Director", the director of the department of economic development;
- 24 (7) "Employee", a person employed by a qualified company;
- 25 (8) "Full-time employee", an employee of the qualified company that is
26 scheduled to work an average of at least thirty-five hours per week for a
27 twelve-month period, and one for which the qualified company offers health
28 insurance and pays at least fifty percent of such insurance premiums;
- 29 (9) "High-impact project", a qualified company that, within two years from
30 commencement of operations, creates one hundred or more new jobs;
- 31 (10) "Local incentives", the present value of the dollar amount of direct
32 benefit received by a qualified company for a project facility from one or more
33 local political subdivisions, but shall not include loans or other funds provided to
34 the qualified company that must be repaid by the qualified company to the
35 political subdivision;
- 36 (11) "NAICS", the 1997 edition of the North American Industry
37 Classification System as prepared by the Executive Office of the President, Office
38 of Management and Budget. Any NAICS sector, subsector, industry group or
39 industry identified in this section shall include its corresponding classification in
40 subsequent federal industry classification systems;
- 41 (12) "New direct local revenue", the present value of the dollar amount of
42 direct net new tax revenues of the local political subdivisions likely to be
43 produced by the project over a ten-year period as calculated by the department,
44 excluding local earnings tax, and net new utility revenues, provided the local
45 incentives include a discount or other direct incentives from utilities owned or
46 operated by the political subdivision;
- 47 (13) "New investment", the purchase or leasing of new tangible assets to
48 be placed in operation at the project facility, which will be directly related to the
49 new jobs;
- 50 (14) "New job", the number of full-time employees located at the project
51 facility that exceeds the project facility base employment less any decrease in the
52 number of full-time employees at related facilities below the related facility base
53 employment. No job that was created prior to the date of the notice of intent
54 shall be deemed a new job. An employee that spends less than fifty percent of the
55 employee's work time at the facility is still considered to be located at a facility
56 if the employee receives his or her directions and control from that facility, is on
57 the facility's payroll, one hundred percent of the employee's income from such
58 employment is Missouri income, and the employee is paid at or above the state

59 average wage;

60 (15) "New payroll", the amount of taxable wages of full-time employees,
61 excluding owners, located at the project facility that exceeds the project facility
62 base payroll. If full-time employment at related facilities is below the related
63 facility base employment, any decrease in payroll for full-time employees at the
64 related facilities below that related facility base payroll shall also be subtracted
65 to determine new payroll;

66 (16) "Notice of intent", a form developed by the department, completed by
67 the qualified company and submitted to the department which states the
68 qualified company's intent to hire new jobs and request benefits under this
69 program;

70 (17) "Percent of local incentives", the amount of local incentives divided
71 by the amount of new direct local revenue;

72 (18) "Program", the Missouri quality jobs program provided in sections
73 620.1875 to 620.1890;

74 (19) "Project facility", the building used by a qualified company at which
75 the new jobs and new investment will be located. A project facility may include
76 separate buildings that are located within one mile of each other **or within the**
77 **same county** such that their purpose and operations are interrelated;

78 (20) "Project facility base employment", the greater of the number of
79 full-time employees located at the project facility on the date of the notice of
80 intent or for the twelve-month period prior to the date of the notice of intent, the
81 average number of full-time employees located at the project facility. In the event
82 the project facility has not been in operation for a full twelve-month period, the
83 average number of full-time employees for the number of months the project
84 facility has been in operation prior to the date of the notice of intent;

85 (21) "Project facility base payroll", the total amount of taxable wages paid
86 by the qualified company to full-time employees of the qualified company located
87 at the project facility in the twelve months prior to the notice of intent, not
88 including the payroll of the owners of the qualified company unless the qualified
89 company is participating in an employee stock ownership plan. For purposes of
90 calculating the benefits under this program, the amount of base payroll shall
91 increase each year based on an appropriate measure, as determined by the
92 department;

93 (22) "Project period", the time period that the benefits are provided to a
94 qualified company;

95 (23) "Qualified company", a firm, partnership, joint venture, association,
96 private or public corporation whether organized for profit or not, or headquarters
97 of such entity registered to do business in Missouri that is the owner or operator
98 of a project facility, offers health insurance to all full-time employees of all
99 facilities located in this state, and pays at least fifty percent of such insurance
100 premiums. For the purposes of sections 620.1875 to 620.1890, the term "qualified
101 company" shall not include:

- 102 (a) Gambling establishments (NAICS industry group 7132);
- 103 (b) Retail trade establishments (NAICS sectors 44 and 45);
- 104 (c) Food and drinking places (NAICS subsector 722);
- 105 (d) Public utilities (NAICS 221 including water and sewer services);
- 106 (e) Any company that is delinquent in the payment of any nonprotested
107 taxes or any other amounts due the state or federal government or any other
108 political subdivision of this state;
- 109 (f) Any company that has filed for or has publicly announced its intention
110 to file for bankruptcy protection;
- 111 (g) Educational services (NAICS sector 61);
- 112 (h) Religious organizations (NAICS industry group 8131); [or]
- 113 (i) Public administration (NAICS sector 92);
- 114 **(j) Ethanol distillation or production; or**
- 115 **(k) Biodiesel production.**

116 Notwithstanding any provision of this section to the contrary, the headquarters
117 or administrative offices of an otherwise excluded business may qualify for
118 benefits if the offices serve a multistate territory. In the event a national, state,
119 or regional headquarters operation is not the predominant activity of a project
120 facility, the new jobs and investment of such headquarters operation is considered
121 eligible for benefits under this section if the other requirements are satisfied;

122 (24) **"Qualified renewable energy sources" shall not be construed**
123 **to include ethanol distillation or production or biodiesel production;**
124 **however, it shall include:**

- 125 **(a) Open-looped biomass;**
- 126 **(b) Close-looped biomass;**
- 127 **(c) Solar;**
- 128 **(d) Wind;**
- 129 **(e) Geothermal; and**
- 130 **(f) Hydropower;**

131 **(25)** "Related company" means:

132 (a) A corporation, partnership, trust, or association controlled by the
133 qualified company;

134 (b) An individual, corporation, partnership, trust, or association in control
135 of the qualified company; or

136 (c) Corporations, partnerships, trusts or associations controlled by an
137 individual, corporation, partnership, trust or association in control of the
138 qualified company. As used in this subdivision, control of a corporation shall
139 mean ownership, directly or indirectly, of stock possessing at least fifty percent
140 of the total combined voting power of all classes of stock entitled to vote, control
141 of a partnership or association shall mean ownership of at least fifty percent of
142 the capital or profits interest in such partnership or association, control of a trust
143 shall mean ownership, directly or indirectly, of at least fifty percent of the
144 beneficial interest in the principal or income of such trust, and ownership shall
145 be determined as provided in Section 318 of the Internal Revenue Code of 1986,
146 as amended;

147 **[(25)] (26)** "Related facility", a facility operated by the qualified company
148 or a related company located in this state that is directly related to the operations
149 of the project facility;

150 **[(26)] (27)** "Related facility base employment", the greater of the number
151 of full-time employees located at all related facilities on the date of the notice of
152 intent or for the twelve-month period prior to the date of the notice of intent, the
153 average number of full-time employees located at all related facilities of the
154 qualified company or a related company located in this state;

155 **[(27)] (28)** "Related facility base payroll", the total amount of taxable
156 wages paid by the qualified company to full-time employees of the qualified
157 company located at a related facility in the twelve months prior to the filing of
158 the notice of intent, not including the payroll of the owners of the qualified
159 company unless the qualified company is participating in an employee stock
160 ownership plan. For purposes of calculating the benefits under this program, the
161 amount of related facility base payroll shall increase each year based on an
162 appropriate measure, as determined by the department;

163 **[(28)] (29)** "Rural area", a county in Missouri with a population less than
164 seventy-five thousand or that does not contain an individual city with a
165 population greater than fifty thousand according to the most recent federal
166 decennial census;

167 [(29)] **(30)** "Small and expanding business project", a qualified company
168 that within two years of the date of the approval creates a minimum of twenty
169 new jobs if the project facility is located in a rural area or a minimum of forty
170 new jobs if the project facility is not located in a rural area and creates fewer
171 than one hundred new jobs regardless of the location of the project facility;

172 [(30)] **(31)** "Tax credits", tax credits issued by the department to offset
173 the state income taxes imposed by chapters 143 and 148, RSMo, or which may be
174 sold or refunded as provided for in this program;

175 [(31)] **(32)** "Technology business project", a qualified company that within
176 two years of the date of the approval creates a minimum of ten new jobs involved
177 in the operations of a [technology] company:

178 **(a) Which is a technology company**, as determined by a regulation
179 promulgated by the department under the provisions of section 620.1884 or
180 classified by NAICS codes;

181 **(b) Which owns or leases a facility which produces electricity**
182 **derived from qualified renewable energy sources, or produces fuel for**
183 **the generation of electricity from qualified renewable energy sources,**
184 **but does not include any company that has received the alcohol**
185 **mixture credit, alcohol credit, or small ethanol producer credit**
186 **pursuant to 26 U.S.C. Section 40 of the tax code in the previous tax**
187 **year; or**

188 **(c) Which researches, develops, or manufactures power system technology**
189 **for: aerospace; space; defense; hybrid vehicles; or implantable or wearable**
190 **medical devices;**

191 [(32)] **(33)** "Withholding tax", the state tax imposed by sections 143.191
192 to 143.265, RSMo. For purposes of this program, the withholding tax shall be
193 computed using a schedule as determined by the department based on average
194 wages.

620.1881. 1. The department of economic development shall respond
2 within thirty days to a company who provides a notice of intent with either an
3 approval or a rejection of the notice of intent. The department shall give
4 preference to qualified companies and projects targeted at an area of the state
5 which has recently been classified as a disaster area by the federal
6 government. Failure to respond on behalf of the department of economic
7 development shall result in the notice of intent being deemed an approval for the
8 purposes of this section. A qualified company who is provided an approval for a

9 project shall be allowed a benefit as provided in this program in the amount and
10 duration provided in this section. A qualified company may receive additional
11 periods for subsequent new jobs at the same facility after the full initial period
12 if the minimum thresholds are met as set forth in sections 620.1875 to
13 620.1890. There is no limit on the number of periods a qualified company may
14 participate in the program, as long as the minimum thresholds are achieved and
15 the qualified company provides the department with the required reporting and
16 is in proper compliance for this program or other state programs. A qualified
17 company may elect to file a notice of intent to start a new project period
18 concurrent with an existing project period if the minimum thresholds are
19 achieved and the qualified company provides the department with the required
20 reporting and is in proper compliance for this program and other state programs;
21 however, the qualified company may not receive any further benefit under the
22 original approval for jobs created after the date of the new notice of intent, and
23 any jobs created before the new notice of intent may not be included as new jobs
24 for the purpose of benefit calculation in relation to the new approval.

25 2. Notwithstanding any provision of law to the contrary, any qualified
26 company that is awarded benefits under this program may not simultaneously
27 receive tax credits or exemptions under sections 135.100 to 135.150, sections
28 135.200 to 135.286, section 135.535, or sections 135.900 to 135.906, RSMo, at the
29 same project facility. The benefits available to the company under any other
30 state programs for which the company is eligible and which utilize withholding
31 tax from the new jobs of the company must first be credited to the other state
32 program before the withholding retention level applicable under the Missouri
33 quality jobs act will begin to accrue. These other state programs include, but are
34 not limited to, the new jobs training program under sections 178.892 to 178.896,
35 RSMo, the job retention program under sections 178.760 to 178.764, RSMo, the
36 real property tax increment allocation redevelopment act, sections 99.800 to
37 99.865, RSMo, or the Missouri downtown and rural economic stimulus act under
38 sections 99.915 to 99.980, RSMo. If any qualified company also participates in
39 the new jobs training program in sections 178.892 to 178.896, RSMo, the company
40 shall retain no withholding tax, but the department shall issue a refundable tax
41 credit for the full amount of benefit allowed under this subdivision. The calendar
42 year annual maximum amount of tax credits which may be issued to a qualifying
43 company that also participates in the new job training program shall be increased
44 by an amount equivalent to the withholding tax retained by that company under

45 the new jobs training program. However, if the combined benefits of the quality
46 jobs program and the new jobs training program exceed the projected state
47 benefit of the project, as determined by the department of economic development
48 through a cost-benefit analysis, the increase in the maximum tax credits shall be
49 limited to the amount that would not cause the combined benefits to exceed the
50 projected state benefit. Any taxpayer who is awarded benefits under this
51 program who knowingly hires individuals who are not allowed to work legally in
52 the United States shall immediately forfeit such benefits and shall repay the
53 state an amount equal to any state tax credits already redeemed and any
54 withholding taxes already retained.

55 3. The types of projects and the amount of benefits to be provided are:

56 (1) Small and expanding business projects: in exchange for the
57 consideration provided by the new tax revenues and other economic stimuli that
58 will be generated by the new jobs created by the program, a qualified company
59 may retain an amount equal to the withholding tax as calculated under
60 subdivision (32) of section 620.1878 from the new jobs that would otherwise be
61 withheld and remitted by the qualified company under the provisions of sections
62 143.191 to 143.265, RSMo, for a period of three years from the date the required
63 number of new jobs were created if the average wage of the new payroll equals
64 or exceeds the county average wage or for a period of five years from the date the
65 required number of new jobs were created if the average wage of the new payroll
66 equals or exceeds one hundred twenty percent of the county average wage;

67 (2) Technology business projects: in exchange for the consideration
68 provided by the new tax revenues and other economic stimuli that will be
69 generated by the new jobs created by the program, a qualified company may
70 retain an amount equal to a maximum of five percent of new payroll for a period
71 of five years from the date the required number of jobs were created from the
72 withholding tax of the new jobs that would otherwise be withheld and remitted
73 by the qualified company under the provisions of sections 143.191 to 143.265,
74 RSMo, if the average wage of the new payroll equals or exceeds the county
75 average wage. An additional one-half percent of new payroll may be added to the
76 five percent maximum if the average wage of the new payroll in any year exceeds
77 one hundred twenty percent of the county average wage in the county in which
78 the project facility is located, plus an additional one-half percent of new payroll
79 may be added if the average wage of the new payroll in any year exceeds one
80 hundred forty percent of the average wage in the county in which the project

81 facility is located. The department shall issue a refundable tax credit for any
82 difference between the amount of benefit allowed under this subdivision and the
83 amount of withholding tax retained by the company, in the event the withholding
84 tax is not sufficient to provide the entire amount of benefit due to the qualified
85 company under this subdivision. The calendar year annual maximum amount of
86 tax credits that may be issued to any qualified company for a project or
87 combination of projects is five hundred thousand dollars;

88 (3) High impact projects: in exchange for the consideration provided by
89 the new tax revenues and other economic stimuli that will be generated by the
90 new jobs created by the program, a qualified company may retain an amount from
91 the withholding tax of the new jobs that would otherwise be withheld and
92 remitted by the qualified company under the provisions of sections 143.191 to
93 143.265, RSMo, equal to three percent of new payroll for a period of five years
94 from the date the required number of jobs were created if the average wage of the
95 new payroll equals or exceeds the county average wage of the county in which the
96 project facility is located. The percentage of payroll allowed under this
97 subdivision shall be three and one-half percent of new payroll if the average wage
98 of the new payroll in any year exceeds one hundred twenty percent of the county
99 average wage in the county in which the project facility is located. The
100 percentage of payroll allowed under this subdivision shall be four percent of new
101 payroll if the average wage of the new payroll in any year exceeds one hundred
102 forty percent of the county average wage in the county in which the project
103 facility is located. An additional one percent of new payroll may be added to
104 these percentages if local incentives equal between ten percent and twenty-four
105 percent of the new direct local revenue; an additional two percent of new payroll
106 is added to these percentages if the local incentives equal between twenty-five
107 percent and forty-nine percent of the new direct local revenue; or an additional
108 three percent of payroll is added to these percentages if the local incentives equal
109 fifty percent or more of the new direct local revenue. The department shall issue
110 a refundable tax credit for any difference between the amount of benefit allowed
111 under this subdivision and the amount of withholding tax retained by the
112 company, in the event the withholding tax is not sufficient to provide the entire
113 amount of benefit due to the qualified company under this subdivision. The
114 calendar year annual maximum amount of tax credits that may be issued to any
115 qualified company for a project or combination of projects is seven hundred fifty
116 thousand dollars. The calendar year annual maximum amount of tax credit that

117 may be issued to any qualified company for a project or combination of projects
118 may be increased up to one million dollars if the number of new jobs will exceed
119 five hundred and if such action is proposed by the department and approved by
120 the quality jobs advisory task force established in section 620.1887; provided,
121 however, until such time as the initial at-large members of the quality jobs
122 advisory task force are appointed, this determination shall be made by the
123 director of the department of economic development. In considering such a
124 request, the task force shall rely on economic modeling and other information
125 supplied by the department when requesting the increased limit on behalf of the
126 project;

127 (4) Job retention projects: a qualified company may receive a tax credit
128 for the retention of jobs in this state, provided the qualified company and the
129 project meets all of the following conditions:

130 (a) For each of the twenty-four months preceding the year in which
131 application for the program is made the qualified company must have maintained
132 at least one thousand full-time employees at the employer's site in the state at
133 which the jobs are based, and the average wage of such employees must meet or
134 exceed the county average wage;

135 (b) The qualified company retained at the project facility the level of
136 full-time employees that existed in the taxable year immediately preceding the
137 year in which application for the program is made;

138 (c) The qualified company is considered to have a significant statewide
139 effect on the economy, and has been determined to represent a substantial risk
140 of relocation from the state by the quality jobs advisory task force established in
141 section 620.1887; provided, however, until such time as the initial at-large
142 members of the quality jobs advisory task force are appointed, this determination
143 shall be made by the director of the department of economic development;

144 (d) The qualified company in the project facility will cause to be invested
145 a minimum of seventy million dollars in new investment prior to the end of two
146 years or will cause to be invested a minimum of thirty million dollars in new
147 investment prior to the end of two years and maintain an annual payroll of at
148 least seventy million dollars during each of the years for which a credit is
149 claimed; and

150 (e) The local taxing entities shall provide local incentives of at least fifty
151 percent of the new direct local revenues created by the project over a ten-year
152 period.

153 The quality jobs advisory task force may recommend to the department of
154 economic development that appropriate penalties be applied to the company for
155 violating the agreement. The amount of the job retention credit granted may be
156 equal to up to fifty percent of the amount of withholding tax generated by the
157 full-time jobs at the project facility for a period of five years. The calendar year
158 annual maximum amount of tax credit that may be issued to any qualified
159 company for a job retention project or combination of job retention projects shall
160 be seven hundred fifty thousand dollars per year, but the maximum amount may
161 be increased up to one million dollars if such action is proposed by the
162 department and approved by the quality jobs advisory task force established in
163 section 620.1887; provided, however, until such time as the initial at-large
164 members of the quality jobs advisory task force are appointed, this determination
165 shall be made by the director of the department of economic development. In
166 considering such a request, the task force shall rely on economic modeling and
167 other information supplied by the department when requesting the increased
168 limit on behalf of the job retention project. In no event shall the total amount of
169 all tax credits issued for the entire job retention program under this subdivision
170 exceed three million dollars annually. Notwithstanding the above, no tax credits
171 shall be issued for job retention projects approved by the department after August
172 30, [2007] **2013**;

173 (5) Small business job retention and flood survivor relief: a qualified
174 company may receive a tax credit under sections 620.1875 to 620.1890 for the
175 retention of jobs and flood survivor relief in this state for each job retained over
176 a three-year period, provided that:

177 (a) The qualified company did not receive any state or federal benefits,
178 incentives, or tax relief or abatement in locating its facility in a flood plain;

179 (b) The qualified company and related companies have fewer than one
180 hundred employees at the time application for the program is made;

181 (c) The average wage of the qualified company's and related companies'
182 employees must meet or exceed the county average wage;

183 (d) All of the qualified company's and related companies' facilities are
184 located in this state;

185 (e) The facilities at the primary business site in this state have been
186 directly damaged by floodwater rising above the level of a five hundred year flood
187 at least two years, but fewer than eight years, prior to the time application is
188 made;

189 (f) The qualified company made significant efforts to protect the facilities
190 prior to any impending danger from rising floodwaters;

191 (g) For each year it receives tax credits under sections 620.1875 to
192 620.1890, the qualified company and related companies retained, at the
193 company's facilities in this state, at least the level of full-time, year-round
194 employees that existed in the taxable year immediately preceding the year in
195 which application for the program is made; and

196 (h) In the years it receives tax credits under sections 620.1875 to
197 620.1890, the company cumulatively invests at least two million dollars in capital
198 improvements in facilities and equipment located at such facilities that are not
199 located within a five hundred year flood plain as designated by the Federal
200 Emergency Management Agency, and amended from time to time.

201 The amount of the small business job retention and flood survivor relief credit
202 granted may be equal to up to one hundred percent of the amount of withholding
203 tax generated by the full-time jobs at the project facility for a period of three
204 years. The calendar year annual maximum amount of tax credit that may be
205 issued to any qualified company for a small business job retention and survivor
206 relief project shall be two hundred fifty thousand dollars per year, but the
207 maximum amount may be increased up to five hundred thousand dollars if such
208 action is proposed by the department and approved by the quality jobs advisory
209 task force established in section 620.1887. In considering such a request, the
210 task force shall rely on economic modeling and other information supplied by the
211 department when requesting an increase in the limit on behalf of the small
212 business job retention and flood survivor relief project. In no event shall the total
213 amount of all tax credits issued for the entire small business job retention and
214 flood survivor relief program under this subdivision exceed five hundred thousand
215 dollars annually. Notwithstanding the provisions of this subdivision to the
216 contrary, no tax credits shall be issued for small business job retention and flood
217 survivor relief projects approved by the department after August 30, 2010.

218 4. The qualified company shall provide an annual report of the number
219 of jobs and such other information as may be required by the department to
220 document the basis for the benefits of this program. The department may
221 withhold the approval of any benefits until it is satisfied that proper
222 documentation has been provided, and shall reduce the benefits to reflect any
223 reduction in full-time employees or new payroll. Upon approval by the
224 department, the qualified company may begin the retention of the withholding

225 taxes when it reaches the minimum number of new jobs and the average wage
226 exceeds the county average wage. Tax credits, if any, may be issued upon
227 satisfaction by the department that the qualified company has exceeded the
228 county average wage and the minimum number of new jobs. In such annual
229 report, if the average wage is below the county average wage, the qualified
230 company has not maintained the employee insurance as required, or if the
231 number of new jobs is below the minimum, the qualified company shall not
232 receive tax credits or retain the withholding tax for the balance of the benefit
233 period. In the case of a qualified company that initially filed a notice of intent
234 and received an approval from the department for high impact benefits and the
235 minimum number of new jobs in an annual report is below the minimum for high
236 impact projects, the company shall not receive tax credits for the balance of the
237 benefit period but may continue to retain the withholding taxes if it otherwise
238 meets the requirements of a small and expanding business under this program.

239 5. [The maximum calendar year annual tax credits issued for the entire
240 program shall not exceed forty million dollars.] Notwithstanding any provision
241 of law to the contrary, the maximum annual tax credits authorized under section
242 135.535, RSMo, are hereby reduced from ten million dollars to eight million
243 dollars, with the balance of two million dollars transferred to this
244 program. There shall be no limit on the amount of withholding taxes that may
245 be retained by approved companies under this program.

246 6. The department shall allocate the annual tax credits based on the date
247 of the approval, reserving such tax credits based on the department's best
248 estimate of new jobs and new payroll of the project, and the other factors in the
249 determination of benefits of this program. However, the annual issuance of tax
250 credits is subject to the annual verification of the actual new payroll. The
251 allocation of tax credits for the period assigned to a project shall expire if, within
252 two years from the date of commencement of operations, or approval if applicable,
253 the minimum thresholds have not been achieved. The qualified company may
254 retain authorized amounts from the withholding tax under this section once the
255 minimum new jobs thresholds are met for the duration of the project period. No
256 benefits shall be provided under this program until the qualified company meets
257 the minimum new jobs thresholds. In the event the qualified company does not
258 meet the minimum new job threshold, the qualified company may submit a new
259 notice of intent or the department may provide a new approval for a new project
260 of the qualified company at the project facility or other facilities.

261 7. For a qualified company with flow-through tax treatment to its
262 members, partners, or shareholders, the tax credit shall be allowed to members,
263 partners, or shareholders in proportion to their share of ownership on the last
264 day of the qualified company's tax period.

265 8. Tax credits may be claimed against taxes otherwise imposed by
266 chapters 143 and 148, RSMo, and may not be carried forward but shall be claimed
267 within one year of the close of the taxable year for which they were issued, except
268 as provided under subdivision (4) of subsection 3 of this section.

269 9. Tax credits authorized by this section may be transferred, sold, or
270 assigned by filing a notarized endorsement thereof with the department that
271 names the transferee, the amount of tax credit transferred, and the value received
272 for the credit, as well as any other information reasonably requested by the
273 department.

274 10. Prior to the issuance of tax credits, the department shall verify
275 through the department of revenue, or any other state department, that the tax
276 credit applicant does not owe any delinquent income, sales, or use tax or interest
277 or penalties on such taxes, or any delinquent fees or assessments levied by any
278 state department and through the department of insurance that the applicant
279 does not owe any delinquent insurance taxes. Such delinquency shall not affect
280 the authorization of the application for such tax credits, except that at issuance
281 credits shall be first applied to the delinquency and any amount issued shall be
282 reduced by the applicant's tax delinquency. If the department of revenue or the
283 department of insurance, or any other state department, concludes that a
284 taxpayer is delinquent after June fifteenth but before July first of any year and
285 the application of tax credits to such delinquency causes a tax deficiency on
286 behalf of the taxpayer to arise, then the taxpayer shall be granted thirty days to
287 satisfy the deficiency in which interest, penalties, and additions to tax shall be
288 tolled. After applying all available credits toward a tax delinquency, the
289 administering agency shall notify the appropriate department and that
290 department shall update the amount of outstanding delinquent tax owed by the
291 applicant. If any credits remain after satisfying all insurance, income, sales, and
292 use tax delinquencies, the remaining credits shall be issued to the applicant,
293 subject to the restrictions of other provisions of law.

294 11. Except as provided under subdivision (4) of subsection 3 of this
295 section, the director of revenue shall issue a refund to the qualified company to
296 the extent that the amount of credits allowed in this section exceeds the amount

297 of the qualified company's income tax.

298 12. An employee of a qualified company will receive full credit for the
299 amount of tax withheld as provided in section 143.211, RSMo.

300 13. If any provision of sections 620.1875 to 620.1890 or application thereof
301 to any person or circumstance is held invalid, the invalidity shall not affect other
302 provisions or application of these sections which can be given effect without the
303 invalid provisions or application, and to this end, the provisions of sections
304 620.1875 to 620.1890 are hereby declared severable.

 Section B. Because of the need to continue Missouri's positive economic
2 growth, the repeal and reenactment of section 620.495 of section A of this act is
3 deemed necessary for the immediate preservation of the public health, welfare,
4 peace and safety, and is hereby declared to be an emergency act within the
5 meaning of the constitution, and the repeal and reenactment of section 620.495
6 of section A of this act shall be in full force and effect upon its passage and
7 approval.

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