

Summer



Mr. Speaker: I am instructed by the Senate to inform the House of

Representatives that the Senate has taken up and passed

HC5 HB 128

entitled:

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**AN ACT**

To repeal sections 52.230 and 52.240, RSMo, and to enact in lieu thereof two new sections relating to property tax bills.

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WITH SALISAZ

In which the concurrence of the House is respectfully requested.

Respectfully,

Terry L. Spieler  
Secretary of the Senate

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MAY 15 2013  
**CHIEF CLERK**

# SENATE AMENDMENT NO. 1

Offered by WALLINGFORD of DISTRICT 27

Amend HCS/House Bill No. 128, Page 1, Section Title, Line 3,

2 by striking "property tax bills" and inserting in lieu thereof  
3 the following: "taxation"; and

4 Further amend said bill, page 2, section 52.240, line 27, by  
5 inserting immediately after said line the following:

6 "143.451. 1. Missouri taxable income of a corporation  
7 shall include all income derived from sources within this state.

8 2. A corporation described in subdivision (1) of subsection  
9 1 of section 143.441 shall include in its Missouri taxable income  
10 all income from sources within this state, including that from  
11 the transaction of business in this state and that from the  
12 transaction of business partly done in this state and partly done  
13 in another state or states. However:

14 (1) Where income results from a transaction partially in  
15 this state and partially in another state or states, and income  
16 and deductions of the portion in the state cannot be segregated,  
17 then such portions of income and deductions shall be allocated in  
18 this state and the other state or states as will distribute to  
19 this state a portion based upon the portion of the transaction in  
20 this state and the portion in such other state or states.

21 (2) The taxpayer may elect to compute the portion of income  
22 from all sources in this state in the following manner, or the

*Offered 5/16/13*  
*Adopted*

1 manner set forth in subdivision (3) of this subsection:

2 (a) The income from all sources shall be determined as  
3 provided, excluding therefrom the figures for the operation of  
4 any bridge connecting this state with another state.

5 (b) The amount of sales which are transactions wholly in  
6 this state shall be added to one-half of the amount of sales  
7 which are transactions partly within this state and partly  
8 without this state, and the amount thus obtained shall be divided  
9 by the total sales or in cases where sales do not express the  
10 volume of business, the amount of business transacted wholly in  
11 this state shall be added to one-half of the amount of business  
12 transacted partly in this state and partly outside this state and  
13 the amount thus obtained shall be divided by the total amount of  
14 business transacted, and the net income shall be multiplied by  
15 the fraction thus obtained, to determine the proportion of income  
16 to be used to arrive at the amount of Missouri taxable income.  
17 The investment or reinvestment of its own funds, or sale of any  
18 such investment or reinvestment, shall not be considered as sales  
19 or other business transacted for the determination of said  
20 fraction.

21 [(3)] (c) For the purposes of this [section] subdivision, a  
22 transaction involving the sale of tangible property is:

23 [(a)] a. "Wholly in this state" if both the seller's  
24 shipping point and the purchaser's destination point are in this  
25 state;

26 [(b)] b. "Partly within this state and partly without this  
27 state" if the seller's shipping point is in this state and the  
28 purchaser's destination point is outside this state, or the  
29 seller's shipping point is outside this state and the purchaser's

1 destination point is in this state;

2 [(c)] c. Not "wholly in this state" or not "partly within  
3 this state and partly without this state" only if both the  
4 seller's shipping point and the purchaser's destination point are  
5 outside this state[;].

6 (d) For purposes of this subdivision:

7 a. The purchaser's destination point shall be determined  
8 without regard to the FOB point or other conditions of the  
9 sale[,]; and

10 b. The seller's shipping point is determined without regard  
11 to the location of the seller's principle office or place of  
12 business.

13 (3) The taxpayer may elect to compute the portion of income  
14 from all sources in this state in the following manner:

15 (a) The income from all sources shall be determined as  
16 provided, excluding therefrom the figures for the operation of  
17 any bridge connecting this state with another state;

18 (b) The amount of sales which are transactions in this  
19 state shall be divided by the total sales, and the net income  
20 shall be multiplied by the fraction thus obtained, to determine  
21 the proportion of income to be used to arrive at the amount of  
22 Missouri taxable income. The investment or reinvestment of its  
23 own funds, or sale of any such investment or reinvestment, shall  
24 not be considered as sales or other business transacted for the  
25 determination of said fraction;

26 (c) For the purposes of this subdivision, a transaction  
27 involving the sale of tangible property is:

28 a. "In this state" if the purchaser's destination point is  
29 in this state;

1           b. Not "in this state" if the purchaser's destination point  
2 is outside this state;

3           (d) For purposes of this subdivision, the purchaser's  
4 destination point shall be determined without regard to the FOB  
5 point or other conditions of the sale and shall not be in this  
6 state if the purchaser received the tangible personal property  
7 from the seller in this state for delivery to the purchaser's  
8 location outside this state.

9           (4) For purposes of this subsection, the following words  
10 shall, unless the context otherwise requires, have the following  
11 meaning:

12           (a) "Administration services" include, but are not limited  
13 to, clerical, fund or shareholder accounting, participant record  
14 keeping, transfer agency, bookkeeping, data processing,  
15 custodial, internal auditing, legal and tax services performed  
16 for an investment company;

17           (b) "Affiliate", the meaning as set forth in 15 U.S.C.  
18 Section 80a-2(a)(3)(C), as may be amended from time to time;

19           (c) "Distribution services" include, but are not limited  
20 to, the services of advertising, servicing, marketing,  
21 underwriting or selling shares of an investment company, but, in  
22 the case of advertising, servicing or marketing shares, only  
23 where such service is performed by a person who is, or in the  
24 case of a closed end company, was, either engaged in the services  
25 of underwriting or selling investment company shares or  
26 affiliated with a person that is engaged in the service of  
27 underwriting or selling investment company shares. In the case  
28 of an open end company, such service of underwriting or selling  
29 shares must be performed pursuant to a contract entered into

1 pursuant to 15 U.S.C. Section 80a-15(b), as from time to time  
2 amended;

3 (d) "Investment company", any person registered under the  
4 federal Investment Company Act of 1940, as amended from time to  
5 time, (the act) or a company which would be required to register  
6 as an investment company under the act except that such person is  
7 exempt to such registration pursuant to Section 80a-3(c)(1) of  
8 the act;

9 (e) "Investment funds service corporation" includes any  
10 corporation or S corporation doing business in the state which  
11 derives more than fifty percent of its gross income in the  
12 ordinary course of business from the provision directly or  
13 indirectly of management, distribution or administration services  
14 to or on behalf of an investment company or from trustees,  
15 sponsors and participants of employee benefit plans which have  
16 accounts in an investment company. An investment funds service  
17 corporation shall include any corporation or S corporation  
18 providing management services as an investment advisory firm  
19 registered under Section 203 of the Investment Advisors Act of  
20 1940, as amended from time to time, regardless of the percentage  
21 of gross revenues consisting of fees from management services  
22 provided to or on behalf of an investment company;

23 (f) "Management services" include but are not limited to,  
24 the rendering of investment advice directly or indirectly to an  
25 investment company making determinations as to when sales and  
26 purchases of securities are to be made on behalf of the  
27 investment company, or the selling or purchasing of securities  
28 constituting assets of an investment company, and related  
29 activities, but only where such activity or activities are

1 performed:

2 a. Pursuant to a contract with the investment company  
3 entered into pursuant to 15 U.S.C. Section 80a-15(a), as from  
4 time to time amended;

5 b. For a person that has entered into such contract with  
6 the investment company; or

7 c. For a person that is affiliated with a person that has  
8 entered into such contract with an investment company;

9 (g) "Qualifying sales", gross income derived from the  
10 provision directly or indirectly of management, distribution or  
11 administration services to or on behalf of an investment company  
12 or from trustees, sponsors and participants of employee benefit  
13 plans which have accounts in an investment company. For purposes  
14 of this section, gross income is defined as that amount of income  
15 earned from qualifying sources without deduction of expenses  
16 related to the generation of such income;

17 (h) "Residence", presumptively the fund shareholder's  
18 mailing address on the records of the investment company. If,  
19 however, the investment company or the investment funds service  
20 corporation has actual knowledge that the fund shareholder's  
21 primary residence or principal place of business is different  
22 than the fund shareholder's mailing address such presumption  
23 shall not control. To the extent an investment funds service  
24 corporation does not have access to the records of the investment  
25 company, the investment funds service corporation may employ  
26 reasonable methods to determine the investment company fund  
27 shareholder's residence.

28 (5) Notwithstanding other provisions of law to the  
29 contrary, qualifying sales of an investment funds service

1 corporation, or S corporation, shall be considered wholly in this  
2 state only to the extent that the fund shareholders of the  
3 investment companies, to which the investment funds service  
4 corporation, or S corporation, provide services, are resided  
5 in this state. Wholly in this state qualifying sales of an  
6 investment funds service corporation, or S corporation, shall be  
7 determined as follows:

8 (a) By multiplying the investment funds service  
9 corporation's total dollar amount of qualifying sales from  
10 services provided to each investment company by a fraction, the  
11 numerator of which shall be the average of the number of shares  
12 owned by the investment company's fund shareholders resided in  
13 this state at the beginning of and at the end of the investment  
14 company's taxable year that ends with or within the investment  
15 funds service corporation's taxable year, and the denominator of  
16 which shall be the average of the number of shares owned by the  
17 investment company's fund shareholders everywhere at the  
18 beginning of and at the end of the investment company's taxable  
19 year that ends with or within the investment funds service  
20 corporation's taxable year;

21 (b) A separate computation shall be made to determine the  
22 wholly in this state qualifying sales from each investment  
23 company. The qualifying sales for each investment company shall  
24 be multiplied by the respective percentage of each fund, as  
25 calculated pursuant to paragraph (a) of this subdivision. The  
26 product of this equation shall result in the wholly in this state  
27 qualifying sales. The qualifying sales for each investment  
28 company which are not wholly in this state will be considered  
29 wholly without this state;



1 (c) To the extent an investment funds service corporation  
2 has sales which are not qualifying sales, those nonqualified  
3 sales shall be apportioned to this state based on the methodology  
4 utilized by the investment funds service corporation without  
5 regard to this subdivision.

6 3. Any corporation described in subdivision (1) of  
7 subsection 1 of section 143.441 organized in this state or  
8 granted a permit to operate in this state for the transportation  
9 or care of passengers shall report its gross earnings within the  
10 state on intrastate business and shall also report its gross  
11 earnings on all interstate business done in this state which  
12 report shall be subject to inquiry for the purpose of determining  
13 the amount of income to be included in Missouri taxable income.  
14 The previous sentence shall not apply to a railroad.

15 4. A corporation described in subdivision (2) of subsection  
16 1 of section 143.441 shall include in its Missouri taxable income  
17 all income arising from all sources in this state and all income  
18 from each transportation service wholly within this state, from  
19 each service where the only lines of such corporation used are  
20 those in this state, and such proportion of revenue from each  
21 service where the facilities of such corporation in this state  
22 and in another state or states are used, as the mileage used over  
23 the lines of such corporation in the state shall bear to the  
24 total mileage used over the lines of such corporation. The  
25 taxpayer may elect to compute the portion of income from all  
26 sources within this state in the following manner:

27 (1) The income from all sources shall be determined as  
28 provided;

29 (2) The amount of investment of such corporation on

1 December thirty-first of each year in this state in fixed  
2 transportation facilities, real estate and improvements, plus the  
3 value on December thirty-first of each year of any fixed  
4 transportation facilities, real estate and improvements in this  
5 state leased from any other railroad shall be divided by the sum  
6 of the total amount of investment of such corporation on December  
7 thirty-first of each year in fixed transportation facilities,  
8 real estate and improvements, plus the value on December  
9 thirty-first of each year, of any fixed transportation  
10 facilities, real estate and improvements leased from any other  
11 railroad. Where any fixed transportation facilities, real estate  
12 or improvements are leased by more than one railroad, such  
13 portion of the value shall be used by each railroad as the rental  
14 paid by each shall bear to the rental paid by all lessees. The  
15 income shall be multiplied by the fraction thus obtained to  
16 determine the proportion to be used to arrive at the amount of  
17 Missouri taxable income.

18 5. A corporation described in subdivision (3) of subsection  
19 1 of section 143.441 shall include in its Missouri taxable income  
20 one-half of the net income from the operation of a bridge between  
21 this and another state. If any such bridge is owned or operated  
22 by a railroad corporation or corporations, or by a corporation  
23 owning a railroad corporation using such bridge, then the figures  
24 for operation of such bridge may be included in the return of  
25 such railroad or railroads; or if such bridge is owned or  
26 operated by any other corporation which may now or hereafter be  
27 required to file an income tax return, one-half of the income or  
28 loss to such corporation from such bridge may be included in such  
29 return by adding or subtracting same to or from another net

1 income or loss shown by the return.

2 6. A corporation described in subdivision (4) of subsection  
3 1 of section 143.441 shall include in its Missouri taxable income  
4 all income arising from all sources within this state. Income  
5 shall include revenue from each telephonic or telegraphic service  
6 rendered wholly within this state; from each service rendered for  
7 which the only facilities of such corporation used are those in  
8 this state; and from each service rendered over the facilities of  
9 such corporation in this state and in other state or states, such  
10 proportion of such revenue as the mileage involved in this state  
11 shall bear to the total mileage involved over the lines of said  
12 company in all states. The taxpayer may elect to compute the  
13 portion of income from all sources within this state in the  
14 following manner:

15 (1) The income from all sources shall be determined as  
16 provided;

17 (2) The amount of investment of such corporation on  
18 December thirty-first of each year in this state in telephonic or  
19 telegraphic facilities, real estate and improvements thereon,  
20 shall be divided by the amount of the total investment of such  
21 corporation on December thirty-first of each year in telephonic  
22 or telegraphic facilities, real estate and improvements. The  
23 income of the taxpayer shall be multiplied by fraction thus  
24 obtained to determine the proportion to be used to arrive at the  
25 amount of Missouri taxable income.

26 7. From the income determined in subsections 2, 3, 4, 5 and  
27 6 of this section to be from all sources within this state shall  
28 be deducted such of the deductions for expenses in determining  
29 Missouri taxable income as were incurred in this state to produce

1 such income and all losses actually sustained in this state in  
2 the business of the corporation.

3 8. If a corporation derives only part of its income from  
4 sources within Missouri, its Missouri taxable income shall only  
5 reflect the effect of the following listed deductions to the  
6 extent applicable to Missouri. The deductions are: (a) its  
7 deduction for federal income taxes pursuant to section 143.171,  
8 and (b) the effect on Missouri taxable income of the deduction  
9 for net operating loss allowed by Section 172 of the Internal  
10 Revenue Code. The extent applicable to Missouri shall be  
11 determined by multiplying the amount that would otherwise affect  
12 Missouri taxable income by the ratio for the year of the Missouri  
13 taxable income of the corporation for the year divided by the  
14 Missouri taxable income for the year as though the corporation  
15 had derived all of its income from sources within Missouri. For  
16 the purpose of the preceding sentence, Missouri taxable income  
17 shall not reflect the listed deductions.

18 9. Any investment funds service corporation organized as a  
19 corporation or S corporation which has any shareholders  
20 resided in this state shall be subject to Missouri income tax  
21 as provided in this chapter."; and

22 Further amend the title and enacting clause accordingly.  
23

# SENATE AMENDMENT NO. 2

Offered by Schmitt of \_\_\_\_\_

Amend HCS/House Bill No. 128, Page 2, Section 52.240, Line 27,

by inserting after all of said line the following:

"99.845. 1. A municipality, either at the time a redevelopment project is approved or, in the event a municipality has undertaken acts establishing a redevelopment plan and , redevelopment project and has designated a redevelopment area after the passage and approval of sections 99.800 to 99.865 but prior to August 13, 1982, which acts are in conformance with the procedures of sections 99.800 to 99.865, may adopt tax increment allocation financing by passing an ordinance providing that after the total equalized assessed valuation of the taxable real property in a redevelopment project exceeds the certified total initial equalized assessed valuation of the taxable real property in the redevelopment project, the ad valorem taxes, and payments in lieu of taxes, if any, arising from the levies upon taxable real property in such redevelopment project by taxing districts and tax rates determined in the manner provided in subsection 2 of section 99.855 each year after the effective date of the ordinance until redevelopment costs have been paid shall be divided as follows:

(1) That portion of taxes, penalties and interest levied upon each taxable lot, block, tract, or parcel of real property

*Offered 5/16/13*  
*Adopted "*

1 which is attributable to the initial equalized assessed value of  
2 each such taxable lot, block, tract, or parcel of real property  
3 in the area selected for the redevelopment project shall be  
4 allocated to and, when collected, shall be paid by the county  
5 collector to the respective affected taxing districts in the  
6 manner required by law in the absence of the adoption of tax  
7 increment allocation financing;

8 (2) (a) Payments in lieu of taxes attributable to the  
9 increase in the current equalized assessed valuation of each  
10 taxable lot, block, tract, or parcel of real property in the area  
11 selected for the redevelopment project and any applicable penalty  
12 and interest over and above the initial equalized assessed value  
13 of each such unit of property in the area selected for the  
14 redevelopment project shall be allocated to and, when collected,  
15 shall be paid to the municipal treasurer who shall deposit such  
16 payment in lieu of taxes into a special fund called the "Special  
17 Allocation Fund" of the municipality for the purpose of paying  
18 redevelopment costs and obligations incurred in the payment  
19 thereof. Payments in lieu of taxes which are due and owing shall  
20 constitute a lien against the real estate of the redevelopment  
21 project from which they are derived and shall be collected in the  
22 same manner as the real property tax, including the assessment of  
23 penalties and interest where applicable. The municipality may,  
24 in the ordinance, pledge the funds in the special allocation fund  
25 for the payment of such costs and obligations and provide for the  
26 collection of payments in lieu of taxes, the lien of which may be  
27 foreclosed in the same manner as a special assessment lien as  
28 provided in section 88.861. No part of the current equalized  
29 assessed valuation of each lot, block, tract, or parcel of

1 property in the area selected for the redevelopment project  
2 attributable to any increase above the total initial equalized  
3 assessed value of such properties shall be used in calculating  
4 the general state school aid formula provided for in section  
5 163.031 until such time as all redevelopment costs have been paid  
6 as provided for in this section and section 99.850;

7 (b) Notwithstanding any provisions of this section to the  
8 contrary, for purposes of determining the limitation on  
9 indebtedness of local government pursuant to article VI, section  
10 26(b) of the Missouri Constitution, the current equalized  
11 assessed value of the property in an area selected for  
12 redevelopment attributable to the increase above the total  
13 initial equalized assessed valuation shall be included in the  
14 value of taxable tangible property as shown on the last completed  
15 assessment for state or county purposes;

16 (c) The county assessor shall include the current assessed  
17 value of all property within the taxing district in the aggregate  
18 valuation of assessed property entered upon the assessor's book  
19 and verified pursuant to section 137.245, and such value shall be  
20 utilized for the purpose of the debt limitation on local  
21 government pursuant to article VI, section 26(b) of the Missouri  
22 Constitution;

23 (3) For purposes of this section, "levies upon taxable real  
24 property in such redevelopment project by taxing districts" shall  
25 not include the blind pension fund tax levied under the authority  
26 of article III, section 38(b) of the Missouri Constitution, or  
27 the merchants' and manufacturers' inventory replacement tax  
28 levied under the authority of subsection 2 of section 6 of  
29 article X of the Missouri Constitution, except in redevelopment

1 project areas in which tax increment financing has been adopted  
2 by ordinance pursuant to a plan approved by vote of the governing  
3 body of the municipality taken after August 13, 1982, and before  
4 January 1, 1998.

5 2. In addition to the payments in lieu of taxes described  
6 in subdivision (2) of subsection 1 of this section, for  
7 redevelopment plans and projects adopted or redevelopment  
8 projects approved by ordinance after July 12, 1990, and prior to  
9 August 31, 1991, fifty percent of the total additional revenue  
10 from taxes, penalties and interest imposed by the municipality,  
11 or other taxing districts, which are generated by economic  
12 activities within the area of the redevelopment project over the  
13 amount of such taxes generated by economic activities within the  
14 area of the redevelopment project in the calendar year prior to  
15 the adoption of the redevelopment project by ordinance, while tax  
16 increment financing remains in effect, but excluding taxes  
17 imposed on sales or charges for sleeping rooms paid by transient  
18 guests of hotels and motels, taxes levied pursuant to section  
19 70.500, licenses, fees or special assessments other than payments  
20 in lieu of taxes and any penalty and interest thereon, or,  
21 effective January 1, 1998, taxes levied pursuant to section  
22 94.660, for the purpose of public transportation, shall be  
23 allocated to, and paid by the local political subdivision  
24 collecting officer to the treasurer or other designated financial  
25 officer of the municipality, who shall deposit such funds in a  
26 separate segregated account within the special allocation fund.  
27 Any provision of an agreement, contract or covenant entered into  
28 prior to July 12, 1990, between a municipality and any other  
29 political subdivision which provides for an appropriation of



1 other municipal revenues to the special allocation fund shall be  
2 and remain enforceable.

3 3. In addition to the payments in lieu of taxes described  
4 in subdivision (2) of subsection 1 of this section, for  
5 redevelopment plans and projects adopted or redevelopment  
6 projects approved by ordinance after August 31, 1991, fifty  
7 percent of the total additional revenue from taxes, penalties and  
8 interest which are imposed by the municipality or other taxing  
9 districts, and which are generated by economic activities within  
10 the area of the redevelopment project over the amount of such  
11 taxes generated by economic activities within the area of the  
12 redevelopment project in the calendar year prior to the adoption  
13 of the redevelopment project by ordinance, while tax increment  
14 financing remains in effect, but excluding personal property  
15 taxes, taxes imposed on sales or charges for sleeping rooms paid  
16 by transient guests of hotels and motels, taxes levied pursuant  
17 to section 70.500, taxes levied for the purpose of public  
18 transportation pursuant to section 94.660, taxes imposed on sales  
19 pursuant to subsection 2 of section 67.1712 for the purpose of  
20 operating and maintaining a metropolitan park and recreation  
21 district, licenses, fees or special assessments other than  
22 payments in lieu of taxes and penalties and interest thereon,  
23 [or] any sales tax imposed by a county with a charter form of  
24 government and with more than six hundred thousand but fewer than  
25 seven hundred thousand inhabitants, for the purpose of sports  
26 stadium improvement or levied by such county under section  
27 238.410 for the purpose of the county transit authority operating  
28 transportation facilities, or for redevelopment plans and  
29 projects adopted or redevelopment projects approved by ordinance

1 after August 28, 2013, taxes imposed on sales pursuant to section  
2 650.399 for the purpose of emergency communication systems, shall  
3 be allocated to, and paid by the local political subdivision  
4 collecting officer to the treasurer or other designated financial  
5 officer of the municipality, who shall deposit such funds in a  
6 separate segregated account within the special allocation fund.

7 4. Beginning January 1, 1998, for redevelopment plans and  
8 projects adopted or redevelopment projects approved by ordinance  
9 and which have complied with subsections 4 to 12 of this section,  
10 in addition to the payments in lieu of taxes and economic  
11 activity taxes described in subsections 1, 2 and 3 of this  
12 section, up to fifty percent of the new state revenues, as  
13 defined in subsection 8 of this section, estimated for the  
14 businesses within the project area and identified by the  
15 municipality in the application required by subsection 10 of this  
16 section, over and above the amount of such taxes reported by  
17 businesses within the project area as identified by the  
18 municipality in their application prior to the approval of the  
19 redevelopment project by ordinance, while tax increment financing  
20 remains in effect, may be available for appropriation by the  
21 general assembly as provided in subsection 10 of this section to  
22 the department of economic development supplemental tax increment  
23 financing fund, from the general revenue fund, for distribution  
24 to the treasurer or other designated financial officer of the  
25 municipality with approved plans or projects.

26 5. The treasurer or other designated financial officer of  
27 the municipality with approved plans or projects shall deposit  
28 such funds in a separate segregated account within the special  
29 allocation fund established pursuant to section 99.805.

1           6. No transfer from the general revenue fund to the  
2 Missouri supplemental tax increment financing fund shall be made  
3 unless an appropriation is made from the general revenue fund for  
4 that purpose. No municipality shall commit any state revenues  
5 prior to an appropriation being made for that project. For all  
6 redevelopment plans or projects adopted or approved after  
7 December 23, 1997, appropriations from the new state revenues  
8 shall not be distributed from the Missouri supplemental tax  
9 increment financing fund into the special allocation fund unless  
10 the municipality's redevelopment plan ensures that one hundred  
11 percent of payments in lieu of taxes and fifty percent of  
12 economic activity taxes generated by the project shall be used  
13 for eligible redevelopment project costs while tax increment  
14 financing remains in effect. This account shall be separate from  
15 the account into which payments in lieu of taxes are deposited,  
16 and separate from the account into which economic activity taxes  
17 are deposited.

18           7. In order for the redevelopment plan or project to be  
19 eligible to receive the revenue described in subsection 4 of this  
20 section, the municipality shall comply with the requirements of  
21 subsection 10 of this section prior to the time the project or  
22 plan is adopted or approved by ordinance. The director of the  
23 department of economic development and the commissioner of the  
24 office of administration may waive the requirement that the  
25 municipality's application be submitted prior to the  
26 redevelopment plan's or project's adoption or the redevelopment  
27 plan's or project's approval by ordinance.

28           8. For purposes of this section, "new state revenues"  
29 means:

1           (1) The incremental increase in the general revenue portion  
2 of state sales tax revenues received pursuant to section 144.020,  
3 excluding sales taxes that are constitutionally dedicated, taxes  
4 deposited to the school district trust fund in accordance with  
5 section 144.701, sales and use taxes on motor vehicles, trailers,  
6 boats and outboard motors and future sales taxes earmarked by  
7 law. In no event shall the incremental increase include any  
8 amounts attributable to retail sales unless the municipality or  
9 authority has proven to the Missouri development finance board  
10 and the department of economic development and such entities have  
11 made a finding that the sales tax increment attributable to  
12 retail sales is from new sources which did not exist in the state  
13 during the baseline year. The incremental increase in the  
14 general revenue portion of state sales tax revenues for an  
15 existing or relocated facility shall be the amount that current  
16 state sales tax revenue exceeds the state sales tax revenue in  
17 the base year as stated in the redevelopment plan as provided in  
18 subsection 10 of this section; or

19           (2) The state income tax withheld on behalf of new  
20 employees by the employer pursuant to section 143.221 at the  
21 business located within the project as identified by the  
22 municipality. The state income tax withholding allowed by this  
23 section shall be the municipality's estimate of the amount of  
24 state income tax withheld by the employer within the  
25 redevelopment area for new employees who fill new jobs directly  
26 created by the tax increment financing project.

27           9. Subsection 4 of this section shall apply only to  
28 blighted areas located in enterprise zones, pursuant to sections  
29 135.200 to 135.256, blighted areas located in federal empowerment

1 zones, or to blighted areas located in central business districts  
2 or urban core areas of cities which districts or urban core areas  
3 at the time of approval of the project by ordinance, provided  
4 that the enterprise zones, federal empowerment zones or blighted  
5 areas contained one or more buildings at least fifty years old;  
6 and

7 (1) Suffered from generally declining population or  
8 property taxes over the twenty-year period immediately preceding  
9 the area's designation as a project area by ordinance; or

10 (2) Was a historic hotel located in a county of the first  
11 classification without a charter form of government with a  
12 population according to the most recent federal decennial census  
13 in excess of one hundred fifty thousand and containing a portion  
14 of a city with a population according to the most recent federal  
15 decennial census in excess of three hundred fifty thousand.

16 10. The initial appropriation of up to fifty percent of the  
17 new state revenues authorized pursuant to subsections 4 and 5 of  
18 this section shall not be made to or distributed by the  
19 department of economic development to a municipality until all of  
20 the following conditions have been satisfied:

21 (1) The director of the department of economic development  
22 or his or her designee and the commissioner of the office of  
23 administration or his or her designee have approved a tax  
24 increment financing application made by the municipality for the  
25 appropriation of the new state revenues. The municipality shall  
26 include in the application the following items in addition to the  
27 items in section 99.810:

28 (a) The tax increment financing district or redevelopment  
29 area, including the businesses identified within the

1 redevelopment area;

2 (b) The base year of state sales tax revenues or the base  
3 year of state income tax withheld on behalf of existing  
4 employees, reported by existing businesses within the project  
5 area prior to approval of the redevelopment project;

6 (c) The estimate of the incremental increase in the general  
7 revenue portion of state sales tax revenue or the estimate for  
8 the state income tax withheld by the employer on behalf of new  
9 employees expected to fill new jobs created within the  
10 redevelopment area after redevelopment;

11 (d) The official statement of any bond issue pursuant to  
12 this subsection after December 23, 1997;

13 (e) An affidavit that is signed by the developer or  
14 developers attesting that the provisions of subdivision (1) of  
15 subsection 1 of section 99.810 have been met and specifying that  
16 the redevelopment area would not be reasonably anticipated to be  
17 developed without the appropriation of the new state revenues;

18 (f) The cost-benefit analysis required by section 99.810  
19 includes a study of the fiscal impact on the state of Missouri;  
20 and

21 (g) The statement of election between the use of the  
22 incremental increase of the general revenue portion of the state  
23 sales tax revenues or the state income tax withheld by employers  
24 on behalf of new employees who fill new jobs created in the  
25 redevelopment area;

26 (h) The name, street and mailing address, and phone number  
27 of the mayor or chief executive officer of the municipality;

28 (i) The street address of the development site;

29 (j) The three-digit North American Industry Classification

1 System number or numbers characterizing the development project;

2 (k) The estimated development project costs;

3 (l) The anticipated sources of funds to pay such  
4 development project costs;

5 (m) Evidence of the commitments to finance such development  
6 project costs;

7 (n) The anticipated type and term of the sources of funds  
8 to pay such development project costs;

9 (o) The anticipated type and terms of the obligations to be  
10 issued;

11 (p) The most recent equalized assessed valuation of the  
12 property within the development project area;

13 (q) An estimate as to the equalized assessed valuation  
14 after the development project area is developed in accordance  
15 with a development plan;

16 (r) The general land uses to apply in the development area;

17 (s) The total number of individuals employed in the  
18 development area, broken down by full-time, part-time, and  
19 temporary positions;

20 (t) The total number of full-time equivalent positions in  
21 the development area;

22 (u) The current gross wages, state income tax withholdings,  
23 and federal income tax withholdings for individuals employed in  
24 the development area;

25 (v) The total number of individuals employed in this state  
26 by the corporate parent of any business benefitting from public  
27 expenditures in the development area, and all subsidiaries  
28 thereof, as of December thirty-first of the prior fiscal year,  
29 broken down by full-time, part-time, and temporary positions;

1 (w) The number of new jobs to be created by any business  
2 benefitting from public expenditures in the development area,  
3 broken down by full-time, part-time, and temporary positions;

4 (x) The average hourly wage to be paid to all current and  
5 new employees at the project site, broken down by full-time,  
6 part-time, and temporary positions;

7 (y) For project sites located in a metropolitan statistical  
8 area, as defined by the federal Office of Management and Budget,  
9 the average hourly wage paid to nonmanagerial employees in this  
10 state for the industries involved at the project, as established  
11 by the United States Bureau of Labor Statistics;

12 (z) For project sites located outside of metropolitan  
13 statistical areas, the average weekly wage paid to nonmanagerial  
14 employees in the county for industries involved at the project,  
15 as established by the United States Department of Commerce;

16 (aa) A list of other community and economic benefits to  
17 result from the project;

18 (bb) A list of all development subsidies that any business  
19 benefitting from public expenditures in the development area has  
20 previously received for the project, and the name of any other  
21 granting body from which such subsidies are sought;

22 (cc) A list of all other public investments made or to be  
23 made by this state or units of local government to support  
24 infrastructure or other needs generated by the project for which  
25 the funding pursuant to this section is being sought;

26 (dd) A statement as to whether the development project may  
27 reduce employment at any other site, within or without the state,  
28 resulting from automation, merger, acquisition, corporate  
29 restructuring, relocation, or other business activity;



1 (ee) A statement as to whether or not the project involves  
2 the relocation of work from another address and if so, the number  
3 of jobs to be relocated and the address from which they are to be  
4 relocated;

5 (ff) A list of competing businesses in the county  
6 containing the development area and in each contiguous county;

7 (gg) A market study for the development area;

8 (hh) A certification by the chief officer of the applicant  
9 as to the accuracy of the development plan;

10 (2) The methodologies used in the application for  
11 determining the base year and determining the estimate of the  
12 incremental increase in the general revenue portion of the state  
13 sales tax revenues or the state income tax withheld by employers  
14 on behalf of new employees who fill new jobs created in the  
15 redevelopment area shall be approved by the director of the  
16 department of economic development or his or her designee and the  
17 commissioner of the office of administration or his or her  
18 designee. Upon approval of the application, the director of the  
19 department of economic development or his or her designee and the  
20 commissioner of the office of administration or his or her  
21 designee shall issue a certificate of approval. The department  
22 of economic development may request the appropriation following  
23 application approval;

24 (3) The appropriation shall be either a portion of the  
25 estimate of the incremental increase in the general revenue  
26 portion of state sales tax revenues in the redevelopment area or  
27 a portion of the estimate of the state income tax withheld by the  
28 employer on behalf of new employees who fill new jobs created in  
29 the redevelopment area as indicated in the municipality's

1 application, approved by the director of the department of  
2 economic development or his or her designee and the commissioner  
3 of the office of administration or his or her designee. At no  
4 time shall the annual amount of the new state revenues approved  
5 for disbursements from the Missouri supplemental tax increment  
6 financing fund exceed thirty-two million dollars;

7 (4) Redevelopment plans and projects receiving new state  
8 revenues shall have a duration of up to fifteen years, unless  
9 prior approval for a longer term is given by the director of the  
10 department of economic development or his or her designee and the  
11 commissioner of the office of administration or his or her  
12 designee; except that, in no case shall the duration exceed  
13 twenty-three years.

14 11. In addition to the areas authorized in subsection 9 of  
15 this section, the funding authorized pursuant to subsection 4 of  
16 this section shall also be available in a federally approved  
17 levee district, where construction of a levee begins after  
18 December 23, 1997, and which is contained within a county of the  
19 first classification without a charter form of government with a  
20 population between fifty thousand and one hundred thousand  
21 inhabitants which contains all or part of a city with a  
22 population in excess of four hundred thousand or more  
23 inhabitants.

24 12. There is hereby established within the state treasury a  
25 special fund to be known as the "Missouri Supplemental Tax  
26 Increment Financing Fund", to be administered by the department  
27 of economic development. The department shall annually  
28 distribute from the Missouri supplemental tax increment financing  
29 fund the amount of the new state revenues as appropriated as

1 provided in the provisions of subsections 4 and 5 of this section  
2 if and only if the conditions of subsection 10 of this section  
3 are met. The fund shall also consist of any gifts,  
4 contributions, grants or bequests received from federal, private  
5 or other sources. Moneys in the Missouri supplemental tax  
6 increment financing fund shall be disbursed per project pursuant  
7 to state appropriations.

8 13. Redevelopment project costs may include, at the  
9 prerogative of the state, the portion of salaries and expenses of  
10 the department of economic development and the department of  
11 revenue reasonably allocable to each redevelopment project  
12 approved for disbursements from the Missouri supplemental tax  
13 increment financing fund for the ongoing administrative functions  
14 associated with such redevelopment project. Such amounts shall  
15 be recovered from new state revenues deposited into the Missouri  
16 supplemental tax increment financing fund created under this  
17 section.

18 14. For redevelopment plans or projects approved by  
19 ordinance that result in net new jobs from the relocation of a  
20 national headquarters from another state to the area of the  
21 redevelopment project, the economic activity taxes and new state  
22 tax revenues shall not be based on a calculation of the  
23 incremental increase in taxes as compared to the base year or  
24 prior calendar year for such redevelopment project, rather the  
25 incremental increase shall be the amount of total taxes generated  
26 from the net new jobs brought in by the national headquarters  
27 from another state. In no event shall this subsection be  
28 construed to allow a redevelopment project to receive an  
29 appropriation in excess of up to fifty percent of the new state

1 revenues."; and

2 Further amend the title and enacting clause accordingly.

