

House \_\_\_\_\_ Amendment NO. \_\_\_\_\_

Offered By \_\_\_\_\_

1 AMEND House Committee Substitute No. 2 for House Bill No. 698, Page 1, Section A, Line 8, by  
2 inserting after all of said line the following:

3 “32.115. 1. The department of revenue shall grant a tax credit, to be applied in the following  
4 order until used, against:

5 (1) The annual tax on gross premium receipts of insurance companies in chapter 148;

6 (2) The tax on banks determined pursuant to subdivision (2) of subsection 2 of section  
7 148.030;

8 (3) The tax on banks determined in subdivision (1) of subsection 2 of section 148.030;

9 (4) The tax on other financial institutions in chapter 148;

10 (5) The corporation franchise tax in chapter 147;

11 (6) The state income tax in chapter 143; and

12 (7) The annual tax on gross receipts of express companies in chapter 153.

13 2. For proposals approved pursuant to section 32.110:

14 (1) The amount of the tax credit shall not exceed fifty percent of the total amount contributed  
15 during the taxable year by the business firm or, in the case of a financial institution, where  
16 applicable, during the relevant income period in programs approved pursuant to section 32.110;

17 (2) Except as provided in subsection 2 or 5 of this section, a tax credit of up to seventy  
18 percent may be allowed for contributions to programs where activities fall within the scope of  
19 special program priorities as defined with the approval of the governor in regulations promulgated  
20 by the director of the department of economic development;

21 (3) Except as provided in subsection 2 or 5 of this section, the tax credit allowed for  
22 contributions to programs located in any community shall be equal to seventy percent of the total  
23 amount contributed where such community is a city, town or village which has fifteen thousand or  
24 less inhabitants as of the last decennial census and is located in a county which is either located in:

25 (a) An area that is not part of a standard metropolitan statistical area;

26 (b) A standard metropolitan statistical area but such county has only one city, town or village  
27 which has more than fifteen thousand inhabitants; or

28 (c) A standard metropolitan statistical area and a substantial number of persons in such  
29 county derive their income from agriculture. Such community may also be in an unincorporated  
30 area in such county as provided in subdivision (1), (2) or (3) of this subsection. Except in no case  
31 shall the total economic benefit of the combined federal and state tax savings to the taxpayer exceed  
32 the amount contributed by the taxpayer during the tax year;

33 (4) Such tax credit allocation, equal to seventy percent of the total amount contributed, shall  
34 not exceed four million dollars in fiscal year 1999 and six million dollars in fiscal year 2000 and any  
35 subsequent fiscal year. When the maximum dollar limit on the seventy percent tax credit allocation  
36 is committed, the tax credit allocation for such programs shall then be equal to fifty percent credit of  
37 the total amount contributed. Regulations establishing special program priorities are to be

Action Taken \_\_\_\_\_ Date \_\_\_\_\_

promulgated during the first month of each fiscal year and at such times during the year as the public interest dictates. Such credit shall not exceed two hundred and fifty thousand dollars annually except as provided in subdivision (5) of this subsection. No tax credit shall be approved for any bank, bank and trust company, insurance company, trust company, national bank, savings association, or building and loan association for activities that are a part of its normal course of business. Any tax credit not used in the period the contribution was made may be carried over the next five succeeding calendar or fiscal years until the full credit has been claimed. Except as otherwise provided for proposals approved pursuant to section 32.111, 32.112 or 32.117, in no event shall the total amount of all other tax credits allowed pursuant to sections 32.100 to 32.125 exceed thirty-two million dollars in any one fiscal year, of which six million shall be credits allowed pursuant to section 135.460. If six million dollars in credits are not approved, then the remaining credits may be used for programs approved pursuant to sections 32.100 to 32.125;

(5) The credit may exceed two hundred fifty thousand dollars annually and shall not be limited if community services, crime prevention, education, job training, physical revitalization or economic development, as defined by section 32.105, is rendered in an area defined by federal or state law as an impoverished, economically distressed, or blighted area or as a neighborhood experiencing problems endangering its existence as a viable and stable neighborhood, or if the community services, crime prevention, education, job training, physical revitalization or economic development is limited to impoverished persons.

3. For proposals approved pursuant to section 32.111:

(1) The amount of the tax credit shall not exceed fifty-five percent of the total amount invested in affordable housing assistance activities or market rate housing in distressed communities as defined in section 135.530 by a business firm. Whenever such investment is made in the form of an equity investment or a loan, as opposed to a donation alone, tax credits may be claimed only where the loan or equity investment is accompanied by a donation which is eligible for federal income tax charitable deduction, and where the total value of the tax credits herein plus the value of the federal income tax charitable deduction is less than or equal to the value of the donation. Any tax credit not used in the period for which the credit was approved may be carried over the next ten succeeding calendar or fiscal years until the full credit has been allowed. If the affordable housing units or market rate housing units in distressed communities for which a tax is claimed are within a larger structure, parts of which are not the subject of a tax credit claim, then expenditures applicable to the entire structure shall be reduced on a prorated basis in proportion to the ratio of the number of square feet devoted to the affordable housing units or market rate housing units in distressed communities, for purposes of determining the amount of the tax credit. The total amount of tax credit granted for programs approved pursuant to section 32.111 for the fiscal year beginning July 1, 1991, shall not exceed two million dollars, to be increased by no more than two million dollars each succeeding fiscal year, until the total tax credits that may be approved reaches ten million dollars in any fiscal year. Beginning August 28, 2013, no new tax credits shall be authorized for programs under section 32.111 as provided under section 620.2020. The provisions of this subdivision shall not be construed to limit or impair the ability of any administering agency to issue tax credits authorized prior to August 28, 2013, or the ability of any taxpayer to redeem any such tax credits;

(2) For any year during the compliance period indicated in the land use restriction agreement, the owner of the affordable housing rental units for which a credit is being claimed shall certify to the commission that all tenants renting claimed units are income eligible for affordable housing units and that the rentals for each claimed unit are in compliance with the provisions of sections 32.100 to 32.125. The commission is authorized, in its discretion, to audit the records and accounts of the owner to verify such certification;

(3) In the case of owner-occupied affordable housing units, the qualifying owner occupant

shall, before the end of the first year in which credits are claimed, certify to the commission that the occupant is income eligible during the preceding two years, and at the time of the initial purchase contract, but not thereafter. The qualifying owner occupant shall further certify to the commission, before the end of the first year in which credits are claimed, that during the compliance period indicated in the land use restriction agreement, the cost of the affordable housing unit to the occupant for the claimed unit can reasonably be projected to be in compliance with the provisions of sections 32.100 to 32.125. Any succeeding owner occupant acquiring the affordable housing unit during the compliance period indicated in the land use restriction agreement shall make the same certification;

(4) If at any time during the compliance period the commission determines a project for which a proposal has been approved is not in compliance with the applicable provisions of sections 32.100 to 32.125 or rules promulgated therefor, the commission may within one hundred fifty days of notice to the owner either seek injunctive enforcement action against the owner, or seek legal damages against the owner representing the value of the tax credits, or foreclose on the lien in the land use restriction agreement, selling the project at a public sale, and paying to the owner the proceeds of the sale, less the costs of the sale and less the value of all tax credits allowed herein. The commission shall remit to the director of revenue the portion of the legal damages collected or the sale proceeds representing the value of the tax credits. However, except in the event of intentional fraud by the taxpayer, the proposal's certificate of eligibility for tax credits shall not be revoked.

4. For proposals approved pursuant to section 32.112, the amount of the tax credit shall not exceed fifty-five percent of the total amount contributed to a neighborhood organization by business firms. Any tax credit not used in the period for which the credit was approved may be carried over the next ten succeeding calendar or fiscal years until the full credit has been allowed. The total amount of tax credit granted for programs approved pursuant to section 32.112 shall not exceed one million dollars for each fiscal year.

5. The total amount of tax credits used for market rate housing in distressed communities pursuant to sections 32.100 to 32.125 shall not exceed thirty percent of the total amount of all tax credits authorized pursuant to sections 32.111 and 32.112.”; and

FURTHER AMEND said Substitute, Page 11, Section 100.850, Lines 21-25, by deleting all of said lines and inserting in lieu thereof the following:

“dollars annually. [Of such amount, nine hundred fifty thousand dollars shall be reserved for an approved project for a world headquarters of a business whose primary function is tax return preparation that is located in any home rule city with more than four hundred thousand inhabitants and located in more than one county, which amount reserved shall end in the year of the final maturity of the certificates issued for such approved project.]”; and

FURTHER AMEND said Substitute, Pages 75-76, Section 620.1039, Lines 7-14, by deleting all of said lines and inserting in lieu thereof the following:

“limited to those incurred in the research and development of agricultural biotechnology, plant genomics products, diagnostic and therapeutic medical devices, or prescription pharmaceuticals consumed by animals or those incurred in the research, development, or manufacture of power system technology for aerospace, space, defense, or implantable or wearable medical devices.” and;

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.