

FIRST REGULAR SESSION

# HOUSE BILL NO. 698

## 97TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE ZERR.

1838H.01I

D. ADAM CRUMBLISS, Chief Clerk

### AN ACT

To repeal sections 32.115, 100.850, 135.352, 135.484, 135.535, 135.679, 135.700, 135.710, 135.750, 135.967, 143.119, 253.550, and 620.1881, RSMo, and to enact in lieu thereof fourteen new sections relating to tax incentives.

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

Section A. Sections 32.115, 100.850, 135.352, 135.484, 135.535, 135.679, 135.700, 135.710, 135.750, 135.967, 143.119, 253.550, and 620.1881, RSMo, are repealed and fourteen new sections enacted in lieu thereof, to be known as sections 32.115, 100.850, 135.352, 135.484, 135.535, 135.679, 135.700, 135.710, 135.750, 135.967, 135.1000, 143.119, 253.550, and 620.1881, to read as follows:

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

- (1) The annual tax on gross premium receipts of insurance companies in chapter 148;
- (2) The tax on banks determined pursuant to subdivision (2) of subsection 2 of section 148.030;
- (3) The tax on banks determined in subdivision (1) of subsection 2 of section 148.030;
- (4) The tax on other financial institutions in chapter 148;
- (5) The corporation franchise tax in chapter 147;
- (6) The state income tax in chapter 143; and
- (7) The annual tax on gross receipts of express companies in chapter 153.

2. For proposals approved pursuant to section 32.110:

- (1) The amount of the tax credit shall not exceed fifty percent of the total amount contributed during the taxable year by the business firm or, in the case of a financial institution,

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

14 where applicable, during the relevant income period in programs approved pursuant to section  
15 32.110;

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

20 (3) Except as provided in subsection 2 or 5 of this section, the tax credit allowed for  
21 contributions to programs located in any community shall be equal to seventy percent of the total  
22 amount contributed where such community is a city, town or village which has fifteen thousand  
23 or less inhabitants as of the last decennial census and is located in a county which is either  
24 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  
27 village 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  
31 case shall the total economic benefit of the combined federal and state tax savings to the taxpayer  
32 exceed 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,  
34 shall not exceed four million dollars in fiscal year 1999 and six million dollars in fiscal year 2000  
35 [and any subsequent fiscal year]. **For the fiscal years beginning on or after July 1, 2014, the**  
36 **total amount of tax credits authorized under section 32.110 shall not exceed four million**  
37 **dollars annually.** When the maximum dollar limit on the seventy percent tax credit allocation  
38 is committed, the tax credit allocation for such programs shall then be equal to fifty percent  
39 credit of the total amount contributed. Regulations establishing special program priorities are  
40 to be promulgated during the first month of each fiscal year and at such times during the year as  
41 the public interest dictates. Such credit shall not exceed two hundred and fifty thousand dollars  
42 annually except as provided in subdivision (5) of this subsection. No tax credit shall be  
43 approved for any bank, bank and trust company, insurance company, trust company, national  
44 bank, savings association, or building and loan association for activities that are a part of its  
45 normal course of business. Any tax credit not used in the period the contribution was made may  
46 be carried over the next five succeeding calendar or fiscal years until the full credit has been  
47 claimed. Except as otherwise provided for proposals approved pursuant to section 32.111,  
48 32.112 or 32.117, in no event shall the total amount of all other tax credits allowed pursuant to  
49 sections 32.100 to 32.125 exceed thirty-two million dollars in any one fiscal year, of which six

50 million shall be credits allowed pursuant to section 135.460. If six million dollars in credits are  
51 not approved, then the remaining credits may be used for programs approved pursuant to sections  
52 32.100 to 32.125;

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

60 3. For proposals approved pursuant to section 32.111:

61 (1) The amount of the tax credit shall not exceed fifty-five percent of the total amount  
62 invested in affordable housing assistance activities or market rate housing in distressed  
63 communities as defined in section 135.530 by a business firm. Whenever such investment is  
64 made in the form of an equity investment or a loan, as opposed to a donation alone, tax credits  
65 may be claimed only where the loan or equity investment is accompanied by a donation which  
66 is eligible for federal income tax charitable deduction, and where the total value of the tax credits  
67 herein plus the value of the federal income tax charitable deduction is less than or equal to the  
68 value of the donation. Any tax credit not used in the period for which the credit was approved  
69 may be carried over the next ten succeeding calendar or fiscal years until the full credit has been  
70 allowed. If the affordable housing units or market rate housing units in distressed communities  
71 for which a tax is claimed are within a larger structure, parts of which are not the subject of a tax  
72 credit claim, then expenditures applicable to the entire structure shall be reduced on a prorated  
73 basis in proportion to the ratio of the number of square feet devoted to the affordable housing  
74 units or market rate housing units in distressed communities, for purposes of determining the  
75 amount of the tax credit. The total amount of tax credit granted for programs approved pursuant  
76 to section 32.111 for the fiscal year beginning July 1, 1991, shall not exceed two million dollars,  
77 to be increased by no more than two million dollars each succeeding fiscal year, until the total  
78 tax credits that may be approved reaches ten million dollars in any fiscal year. **For the fiscal**  
79 **years beginning on or after July 1, 2014, the total amount of tax credits authorized for**  
80 **programs approved under section 32.111 shall not exceed six million dollars annually;**

81 (2) For any year during the compliance period indicated in the land use restriction  
82 agreement, the owner of the affordable housing rental units for which a credit is being claimed  
83 shall certify to the commission that all tenants renting claimed units are income eligible for  
84 affordable housing units and that the rentals for each claimed unit are in compliance with the

85 provisions of sections 32.100 to 32.125. The commission is authorized, in its discretion, to audit  
86 the records and accounts of the owner to verify such certification;

87 (3) In the case of owner-occupied affordable housing units, the qualifying owner  
88 occupant shall, before the end of the first year in which credits are claimed, certify to the  
89 commission that the occupant is income eligible during the preceding two years, and at the time  
90 of the initial purchase contract, but not thereafter. The qualifying owner occupant shall further  
91 certify to the commission, before the end of the first year in which credits are claimed, that  
92 during the compliance period indicated in the land use restriction agreement, the cost of the  
93 affordable housing unit to the occupant for the claimed unit can reasonably be projected to be  
94 in compliance with the provisions of sections 32.100 to 32.125. Any succeeding owner occupant  
95 acquiring the affordable housing unit during the compliance period indicated in the land use  
96 restriction agreement shall make the same certification;

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

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

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

100.850. 1. The approved company shall remit to the board a job development  
2 assessment fee, not to exceed five percent of the gross wages of each eligible employee whose  
3 job was created as a result of the economic development project, or not to exceed ten percent if

4 the economic development project is located within a distressed community as defined in section  
5 135.530, for the purpose of retiring bonds which fund the economic development project.

6 2. Any approved company remitting an assessment as provided in subsection 1 of this  
7 section shall make its payroll books and records available to the board at such reasonable times  
8 as the board shall request and shall file with the board documentation respecting the assessment  
9 as the board may require.

10 3. Any assessment remitted pursuant to subsection 1 of this section shall cease on the  
11 date the bonds are retired.

12 4. Any approved company which has paid an assessment for debt reduction shall be  
13 allowed a tax credit equal to the amount of the assessment. The tax credit may be claimed  
14 against taxes otherwise imposed by chapters 143 and 148, except withholding taxes imposed  
15 under the provisions of sections 143.191 to 143.265, which were incurred during the tax period  
16 in which the assessment was made.

17 5. In no event shall the aggregate amount of tax credits authorized by subsection 4 of this  
18 section exceed twenty-five million dollars annually **for taxable years ending before January**  
19 **1, 2014. For the taxable years beginning on or after January 1, 2014, the total amount of**  
20 **tax credits authorized by subsection 4 of this section shall not exceed twenty million dollars**  
21 **annually.** Of such amount, nine hundred fifty thousand dollars shall be reserved for an approved  
22 project for a world headquarters of a business whose primary function is tax return preparation  
23 that is located in any home rule city with more than four hundred thousand inhabitants and  
24 located in more than one county, which amount reserved shall end in the year of the final  
25 maturity of the certificates issued for such approved project.

26 6. The director of revenue shall issue a refund to the approved company to the extent that  
27 the amount of credits allowed in subsection 4 of this section exceeds the amount of the approved  
28 company's income tax.

135.352. 1. A taxpayer owning an interest in a qualified Missouri project shall, subject  
2 to the limitations provided under the provisions of subsection 3 of this section, be allowed a state  
3 tax credit, whether or not allowed a federal tax credit, to be termed the Missouri low-income  
4 housing tax credit, if the commission issues an eligibility statement for that project.

5 2. For qualified Missouri projects placed in service after January 1, 1997, the Missouri  
6 low-income housing tax credit available to a project shall be such amount as the commission  
7 shall determine is necessary to ensure the feasibility of the project, up to an amount equal to the  
8 federal low-income housing tax credit for a qualified Missouri project, for a federal [tax] **credit**  
9 period, and such amount shall be subtracted from the amount of state tax otherwise due for the  
10 same tax period.

11           3. No more than six million dollars in tax credits shall be authorized each fiscal year  
12 **ending on or before June 30, 2014**, for projects financed through tax-exempt bond issuance.

13           **4. For purposes of the limitations provided under this subsection, the aggregate**  
14 **amount of tax credits allowed over a federal credit period shall be attributed to the fiscal**  
15 **year in which such credits are authorized by the commission for a qualified Missouri**  
16 **project. For all fiscal years beginning on or after July 1, 2014, there shall be a one hundred**  
17 **thirty million dollar cap on tax credit authorizations for projects which are not financed**  
18 **through tax exempt bonds.**

19           **5. For the purposes of the limitations provided under this subsection, the aggregate**  
20 **amount of tax credits allowed over a federal credit period shall be attributed to the fiscal**  
21 **year in which such credits are authorized by the commission for a qualified Missouri**  
22 **project. For all fiscal years beginning on or after July 1, 2014, there shall be a thirty**  
23 **million dollar cap on tax credit authorizations for projects which are financed through tax**  
24 **exempt bond issuance.**

25           [4.] **6.** The Missouri low-income housing tax credit shall be taken against the taxes and  
26 in the order specified pursuant to section 32.115. The credit authorized by this section shall not  
27 be refundable. Any amount of credit that exceeds the tax due for a taxpayer's taxable year may  
28 be carried back to any of the taxpayer's three prior taxable years or carried forward to any of the  
29 taxpayer's five subsequent taxable years.

30           [5.] **7.** All or any portion of Missouri tax credits issued in accordance with the provisions  
31 of sections 135.350 to 135.362 may be allocated to parties who are eligible pursuant to the  
32 provisions of subsection 1 of this section. Beginning January 1, 1995, for qualified projects  
33 which began on or after January 1, 1994, an owner of a qualified Missouri project shall certify  
34 to the director the amount of credit allocated to each taxpayer. The owner of the project shall  
35 provide to the director appropriate information so that the low-income housing tax credit can be  
36 properly allocated.

37           [6.] **8.** In the event that recapture of Missouri low-income housing tax credits is required  
38 pursuant to subsection 2 of section 135.355, any statement submitted to the director as provided  
39 in this section shall include the proportion of the state credit required to be recaptured, the  
40 identity of each taxpayer subject to the recapture and the amount of credit previously allocated  
41 to such taxpayer.

42           [7.] **9.** The director of the department may promulgate rules and regulations necessary  
43 to administer the provisions of this section. No rule or portion of a rule promulgated pursuant  
44 to the authority of this section shall become effective unless it has been promulgated pursuant  
45 to the provisions of section 536.024.

46           **10. A taxpayer that receives state tax credits under the provisions of sections**  
47 **253.545 to 253.559 shall be ineligible to receive state tax credits under the provisions of**  
48 **sections 135.350 to 135.363 for the same project.**

135.484. 1. Beginning January 1, 2000, tax credits shall be allowed pursuant to section  
2 135.481 in an amount not to exceed [sixteen] **twelve** million dollars per year. Of this total  
3 amount of tax credits in any given year, eight million dollars shall be set aside for projects in  
4 areas described in subdivision (6) of section 135.478 and eight million dollars for projects in  
5 areas described in subdivision (10) of section 135.478. The maximum tax credit for a project  
6 consisting of multiple-unit qualifying residences in a distressed community shall not exceed three  
7 million dollars.

8           2. Any amount of credit which exceeds the tax liability of a taxpayer for the tax year in  
9 which the credit is first claimed may be carried back to any of the taxpayer's three prior tax years  
10 and carried forward to any of the taxpayer's five subsequent tax years. A certificate of tax credit  
11 issued to a taxpayer by the department may be assigned, transferred, sold or otherwise conveyed.  
12 Whenever a certificate of tax credit is assigned, transferred, sold or otherwise conveyed, a  
13 notarized endorsement shall be filed with the department specifying the name and address of the  
14 new owner of the tax credit and the value of the credit.

15           3. The tax credits allowed pursuant to sections 135.475 to 135.487 may not be claimed  
16 in addition to any other state tax credits, with the exception of the historic structures  
17 rehabilitation tax credit authorized pursuant to sections 253.545 to 253.559, which insofar as  
18 sections 135.475 to 135.487 are concerned may be claimed only in conjunction with the tax  
19 credit allowed pursuant to subsection 4 of section 135.481. In order for a taxpayer eligible for  
20 the historic structures rehabilitation tax credit to claim the tax credit allowed pursuant to  
21 subsection 4 of section 135.481, the taxpayer must comply with the requirements of sections  
22 253.545 to 253.559, and in such cases, the amount of the tax credit pursuant to subsection 4 of  
23 section 135.481 shall be limited to the lesser of twenty percent of the taxpayer's eligible costs or  
24 forty thousand dollars.

135.535. 1. A corporation, limited liability corporation, partnership or sole  
2 proprietorship, which moves its operations from outside Missouri or outside a distressed  
3 community into a distressed community, or which commences operations in a distressed  
4 community on or after January 1, 1999, and in either case has more than seventy-five percent of  
5 its employees at the facility in the distressed community, and which has fewer than one hundred  
6 employees for whom payroll taxes are paid, and which is a manufacturing, biomedical, medical  
7 devices, scientific research, animal research, computer software design or development,  
8 computer programming, including internet, web hosting, and other information technology,  
9 wireless or wired or other telecommunications or a professional firm shall receive a forty percent

10 credit against income taxes owed pursuant to chapter 143, 147 or 148, other than taxes withheld  
11 pursuant to sections 143.191 to 143.265, for each of the three years after such move, if approved  
12 by the department of economic development, which shall issue a certificate of eligibility if the  
13 department determines that the taxpayer is eligible for such credit. The maximum amount of  
14 credits per taxpayer set forth in this subsection shall not exceed one hundred twenty-five  
15 thousand dollars for each of the three years for which the credit is claimed. The department of  
16 economic development, by means of rule or regulation promulgated pursuant to the provisions  
17 of chapter 536, shall assign appropriate North American Industry Classification System numbers  
18 to the companies which are eligible for the tax credits provided for in this section. Such  
19 three-year credits shall be awarded only one time to any company which moves its operations  
20 from outside of Missouri or outside of a distressed community into a distressed community or  
21 to a company which commences operations within a distressed community. A taxpayer shall file  
22 an application for certification of the tax credits for the first year in which credits are claimed and  
23 for each of the two succeeding taxable years for which credits are claimed.

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

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

42         4. A corporation, partnership or sole partnership, which has no more than one hundred  
43 employees for whom payroll taxes are paid, which is already located in a distressed community  
44 and which expends funds for such equipment pursuant to subsection 3 of this section in an  
45 amount exceeding its average of the prior two years for such equipment, shall be eligible to



46 receive a tax credit against income taxes owed pursuant to chapters 143, 147 and 148 in an  
47 amount equal to the lesser of seventy-five thousand dollars or twenty-five percent of the funds  
48 expended for such additional equipment per such entity. Tax credits allowed pursuant to this  
49 subsection or subsection 1 of this section may be carried back to any of the three prior tax years  
50 and carried forward to any of the five tax years.

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

62         6. Tax credits shall be approved for applicants meeting the requirements of this section  
63 in the order that such applications are received. Certificates of tax credits issued in accordance  
64 with this section may be transferred, sold or assigned by notarized endorsement which names the  
65 transferee.

66         7. The tax credits allowed pursuant to subsections 1, 2, 3, 4 and 5 of this section shall  
67 be for an amount of no more than ten million dollars for each year [beginning in 1999] **ending**  
68 **before January 1, 2014. For the taxable years beginning on or after January 1, 2014, the**  
69 **total amount of tax credits authorized under subsections 1, 2, 3, 4, and 5 of this section**  
70 **shall not exceed two million dollars annually.** To the extent there are available tax credits  
71 remaining under the ten million dollar cap provided in this section, up to one hundred thousand  
72 dollars in the remaining credits shall first be used for tax credits authorized under section  
73 135.562. The total maximum credit for all entities already located in distressed communities and  
74 claiming credits pursuant to subsection 4 of this section shall be seven hundred and fifty  
75 thousand dollars. The department of economic development in approving taxpayers for the  
76 credit as provided for in subsection 6 of this section shall use information provided by the  
77 department of revenue regarding taxes paid in the previous year, or projected taxes for those  
78 entities newly established in the state, as the method of determining when this maximum will  
79 be reached and shall maintain a record of the order of approval. Any tax credit not used in the  
80 period for which the credit was approved may be carried over until the full credit has been  
81 allowed.

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

88           9. Notwithstanding any provision of law to the contrary, no taxpayer shall earn the tax  
89 credits allowed in this section and the tax credits otherwise allowed in section 135.110, or the  
90 tax credits, exemptions, and refund otherwise allowed in sections 135.200, 135.220, 135.225 and  
91 135.245, respectively, for the same business for the same tax period.

          135.679. 1. This section shall be known and may be cited as the "Qualified Beef Tax  
2 Credit Act".

3           2. As used in this section, the following terms mean:

4           (1) "Agricultural property", any real and personal property, including but not limited to  
5 buildings, structures, improvements, equipment, and livestock, that is used in or is to be used in  
6 this state by residents of this state for:

7           (a) The operation of a farm or ranch; and

8           (b) Grazing, feeding, or the care of livestock;

9           (2) "Authority", the agricultural and small business development authority established  
10 in chapter 348;

11          (3) "Backgrounded", any additional weight at the time of the first qualifying sale, before  
12 being finished, above the established baseline weight;

13          (4) "Baseline weight", the average weight in the immediate past three years of all beef  
14 animals sold that are thirty months of age or younger, categorized by sex. Baseline weight for  
15 qualified beef animals that are physically out-of-state but whose ownership is retained by a  
16 resident of this state shall be established by the average transfer weight in the immediate past  
17 three years of all beef animals that are thirty months of age or younger and that are transferred  
18 out-of-state but whose ownership is retained by a resident of this state, categorized by sex. The  
19 established baseline weight shall be effective for a period of three years. If the taxpayer is a  
20 qualifying beef animal producer with fewer than three years of production, the baseline weight  
21 shall be established by the available average weight in the immediate past year of all beef  
22 animals sold that are thirty months of age or younger, categorized by sex. If the qualifying beef  
23 animal producer has no previous production, the baseline weight shall be established by the  
24 authority;

25          (5) "Finished", the period from backgrounded to harvest;

26 (6) "Qualifying beef animal", any beef animal that is certified by the authority, that was  
27 born in this state after August 28, 2008, that was raised and backgrounded or finished in this state  
28 by the taxpayer, excluding any beef animal more than thirty months of age as verified by certified  
29 written birth records;

30 (7) "Qualifying sale", the first time a qualifying beef animal is sold in this state after the  
31 qualifying beef animal is backgrounded, and a subsequent sale if the weight of the qualifying  
32 beef animal at the time of the subsequent sale is greater than the weight of the qualifying beef  
33 animal at the time of the first qualifying sale of such beef animal;

34 (8) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding  
35 withholding tax imposed by sections 143.191 to 143.265, or otherwise due under chapter 147;

36 (9) "Taxpayer", any individual or entity who:

37 (a) Is subject to the tax imposed in chapter 143, excluding withholding tax imposed by  
38 sections 143.191 to 143.265, or the tax imposed in chapter 147;

39 (b) In the case of an individual, is a resident of this state as verified by a 911 address or  
40 in the absence of a 911 system, a physical address; and

41 (c) Owns or rents agricultural property and principal place of business is located in this  
42 state.

43 3. For all taxable years beginning on or after January 1, 2009, but ending on or before  
44 December 31, 2016, a taxpayer shall be allowed a tax credit for the first qualifying sale and for  
45 a subsequent qualifying sale of all qualifying beef animals. The tax credit amount for the first  
46 qualifying sale shall be ten cents per pound, shall be based on the backgrounded weight of all  
47 qualifying beef animals at the time of the first qualifying sale, and shall be calculated as follows:  
48 the qualifying sale weight minus the baseline weight multiplied by ten cents, as long as the  
49 qualifying sale weight is equal to or greater than two hundred pounds above the baseline weight.  
50 The tax credit amount for each subsequent qualifying sale shall be ten cents per pound, shall be  
51 based on the backgrounded weight of all qualifying beef animals at the time of the subsequent  
52 qualifying sale, and shall be calculated as follows: the qualifying sale weight minus the baseline  
53 weight multiplied by ten cents, as long as the qualifying sale weight is equal to or greater than  
54 two hundred pounds above the baseline weight. The authority may waive no more than  
55 twenty-five percent of the two hundred pound weight gain requirement, but any such waiver shall  
56 be based on a disaster declaration issued by the U. S. Department of Agriculture.

57 4. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's  
58 state tax liability for the taxable year for which the credit is claimed. No tax credit claimed under  
59 this section shall be refundable. The tax credit shall be claimed in the taxable year in which the  
60 qualifying sale of the qualifying beef occurred, but any amount of credit that the taxpayer is  
61 prohibited by this section from claiming in a taxable year may be carried forward to any of the

62 taxpayer's five subsequent taxable years and carried backward to any of the taxpayer's three  
63 previous taxable years. The amount of tax credits that may be issued to all eligible applicants  
64 claiming tax credits authorized in this section in a fiscal year **ending on or before June 30,**  
65 **2014,** shall not exceed three million dollars. **For the fiscal years beginning on or after July**  
66 **1, 2014, the total amount of tax credits authorized under this section shall not exceed one**  
67 **million dollars annually.** Tax credits shall be issued on an as-received application basis until  
68 the fiscal year limit is reached. Any credits not issued in any fiscal year shall expire and shall  
69 not be issued in any subsequent years.

70         5. To claim the tax credit allowed under this section, the taxpayer shall submit to the  
71 authority an application for the tax credit on a form provided by the authority and any application  
72 fee imposed by the authority. The application shall be filed with the authority at the end of each  
73 calendar year in which a qualified sale was made and for which a tax credit is claimed under this  
74 section. The application shall include any certified documentation and information required by  
75 the authority. All required information obtained by the authority shall be confidential and not  
76 disclosed except by court order, subpoena, or as otherwise provided by law. If the taxpayer and  
77 the qualified sale meet all criteria required by this section and approval is granted by the  
78 authority, the authority shall issue a tax credit certificate in the appropriate amount. Tax credit  
79 certificates issued under this section may be assigned, transferred, sold, or otherwise conveyed,  
80 and the new owner of the tax credit certificate shall have the same rights in the tax credit as the  
81 original taxpayer. Whenever a tax credit certificate is assigned, transferred, sold or otherwise  
82 conveyed, a notarized endorsement shall be filed with the authority specifying the name and  
83 address of the new owner of the tax credit certificate or the value of the tax credit.

84         6. Any information provided under this section shall be confidential information, to be  
85 shared with no one except state and federal animal health officials, except as provided in  
86 subsection 5 of this section.

87         7. The authority may promulgate rules to implement the provisions of this section. Any  
88 rule or portion of a rule, as that term is defined in section 536.010, that is created under the  
89 authority delegated in this section shall become effective only if it complies with and is subject  
90 to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and  
91 chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant  
92 to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are  
93 subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed  
94 or adopted after August 28, 2007, shall be invalid and void.

95         8. This section shall not be subject to the Missouri sunset act, sections 23.250 to 23.298.

135.700. **1.** For all tax years beginning on or after January 1, 1999, a grape grower or  
2 wine producer shall be allowed a tax credit against the state tax liability incurred pursuant to

chapter 143, exclusive of the provisions relating to the withholding of tax as provided in sections 143.191 to 143.265, in an amount equal to twenty-five percent of the purchase price of all new equipment and materials used directly in the growing of grapes or the production of wine in the state. Each grower or producer shall apply to the department of economic development and specify the total amount of such new equipment and materials purchased during the calendar year. The department of economic development shall certify to the department of revenue the amount of such tax credit to which a grape grower or wine producer is entitled pursuant to this section. The provisions of this section notwithstanding, a grower or producer may only apply for and receive the credit authorized by this section for five tax periods.

**2. For the taxable years beginning on or after July 1, 2014, the total amount of tax credits allowed under subsection 1 of this section shall not exceed two hundred thousand dollars annually.**

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

(1) "Alternative fuels", any motor fuel at least seventy percent of the volume of which consists of one or more of the following:

- (a) Ethanol;
- (b) Natural gas;
- (c) Compressed natural gas;
- (d) Liquified natural gas;
- (e) Liquified petroleum gas;
- (f) Any mixture of biodiesel and diesel fuel, without regard to any use of kerosene;
- (g) Hydrogen;

(2) "Department", the department of natural resources;

(3) "Eligible applicant", a business entity that is the owner of a qualified alternative fuel vehicle refueling property;

(4) "Qualified alternative fuel vehicle refueling property", property in this state owned by an eligible applicant and used for storing alternative fuels and for dispensing such alternative fuels into fuel tanks of motor vehicles owned by such eligible applicant or private citizens which, if constructed after August 28, 2008, was constructed with at least fifty-one percent of the costs being paid to qualified Missouri contractors for the:

(a) Fabrication of premanufactured equipment or process piping used in the construction of such facility;

(b) Construction of such facility; and

(c) General maintenance of such facility during the time period in which such facility receives any tax credit under this section.

24

25 If no qualified Missouri contractor is located within seventy-five miles of the property, the  
26 requirement that fifty-one percent of the costs shall be paid to qualified Missouri contractors  
27 shall not apply;

28 (5) "Qualified Missouri contractor", a contractor whose principal place of business is  
29 located in Missouri and has been located in Missouri for a period of not less than five years.

30 2. For all tax years beginning on or after January 1, 2009, but before January 1, 2012,  
31 any eligible applicant who installs and operates a qualified alternative fuel vehicle refueling  
32 property shall be allowed a credit against the tax otherwise due under chapter 143, excluding  
33 withholding tax imposed by sections 143.191 to 143.265, or due under chapter 147 or chapter  
34 148 for any tax year in which the applicant is constructing the refueling property. The credit  
35 allowed in this section per eligible applicant shall not exceed the lesser of twenty thousand  
36 dollars or twenty percent of the total costs directly associated with the purchase and installation  
37 of any alternative fuel storage and dispensing equipment on any qualified alternative fuel vehicle  
38 refueling property, which shall not include the following:

39 (1) Costs associated with the purchase of land upon which to place a qualified alternative  
40 fuel vehicle refueling property;

41 (2) Costs associated with the purchase of an existing qualified alternative fuel vehicle  
42 refueling property; or

43 (3) Costs for the construction or purchase of any structure.

44 3. Tax credits allowed by this section shall be claimed by the eligible applicant at the  
45 time such applicant files a return for the tax year in which the storage and dispensing facilities  
46 were placed in service at a qualified alternative fuel vehicle refueling property, and shall be  
47 applied against the income tax liability imposed by chapter 143, chapter 147, or chapter 148 after  
48 all other credits provided by law have been applied. The cumulative amount of tax credits which  
49 may be claimed by eligible applicants claiming all credits authorized in this section shall not  
50 exceed the following amounts:

51 (1) In taxable year 2009, three million dollars;

52 (2) In taxable year 2010, two million dollars; and

53 (3) In taxable year 2011, one million dollars.

54 4. If the amount of the tax credit exceeds the eligible applicant's tax liability, the  
55 difference shall not be refundable. Any amount of credit that an eligible applicant is prohibited  
56 by this section from claiming in a taxable year may be carried forward to any of such applicant's  
57 two subsequent taxable years. Tax credits allowed under this section may be assigned,  
58 transferred, sold, or otherwise conveyed.

59 5. An alternative fuel vehicle refueling property, for which an eligible applicant receives  
60 tax credits under this section, which ceases to sell alternative fuel shall cause the forfeiture of

61 such eligible applicant's tax credits provided under this section for the taxable year in which the  
62 alternative fuel vehicle refueling property ceased to sell alternative fuel and for future taxable  
63 years with no recapture of tax credits obtained by an eligible applicant with respect to such  
64 applicant's tax years which ended before the sale of alternative fuel ceased.

65         6. The director of revenue shall establish the procedure by which the tax credits in this  
66 section may be claimed, and shall establish a procedure by which the cumulative amount of tax  
67 credits is apportioned equally among all eligible applicants claiming the credit. To the maximum  
68 extent possible, the director of revenue shall establish the procedure described in this subsection  
69 in such a manner as to ensure that eligible applicants can claim all the tax credits possible up to  
70 the cumulative amount of tax credits available for the taxable year. No eligible applicant  
71 claiming a tax credit under this section shall be liable for any interest or penalty for filing a tax  
72 return after the date fixed for filing such return as a result of the apportionment procedure under  
73 this subsection.

74         7. Any eligible applicant desiring to claim a tax credit under this section shall submit the  
75 appropriate application for such credit with the department. The application for a tax credit  
76 under this section shall include any information required by the department. The department  
77 shall review the applications and certify to the department of revenue each eligible applicant that  
78 qualifies for the tax credit.

79         8. The department and the department of revenue may promulgate rules to implement  
80 the provisions of this section. Any rule or portion of a rule, as that term is defined in section  
81 536.010, that is created under the authority delegated in this section shall become effective only  
82 if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section  
83 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the  
84 general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove  
85 and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority  
86 and any rule proposed or adopted after August 28, 2008, shall be invalid and void.

87         9. Pursuant to section 23.253 of the Missouri sunset act:

88         (1) The provisions of the new program authorized under this section shall automatically  
89 sunset six years after August 28, [2008] **2013**, unless reauthorized by an act of the general  
90 assembly; and

91         (2) If such program is reauthorized, the program authorized under this section shall  
92 automatically sunset twelve years after the effective date of the reauthorization of this section;  
93 and

94         (3) This section shall terminate on December thirty-first of the calendar year immediately  
95 following the calendar year in which the program authorized under this section is sunset.

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

2 (1) "Highly compensated individual", any individual who receives compensation in  
3 excess of one million dollars in connection with a single qualified film production project;

4 (2) "Qualified film production project", any film, video, commercial, or television  
5 production, as approved by the department of economic development and the office of the  
6 Missouri film commission, that is under thirty minutes in length with an expected in-state  
7 expenditure budget in excess of fifty thousand dollars, or that is over thirty minutes in length  
8 with an expected in-state expenditure budget in excess of one hundred thousand dollars.  
9 Regardless of the production costs, "qualified film production project" shall not include any:

10 (a) News or current events programming;

11 (b) Talk show;

12 (c) Production produced primarily for industrial, corporate, or institutional purposes, and  
13 for internal use;

14 (d) Sports event or sports program;

15 (e) Gala presentation or awards show;

16 (f) Infomercial or any production that directly solicits funds;

17 (g) Political ad;

18 (h) Production that is considered obscene, as defined in section 573.010;

19 (3) "Qualifying expenses", the sum of the total amount spent in this state for the  
20 following by a production company in connection with a qualified film production project:

21 (a) Goods and services leased or purchased by the production company. For goods with  
22 a purchase price of twenty-five thousand dollars or more, the amount included in qualifying  
23 expenses shall be the purchase price less the fair market value of the goods at the time the  
24 production is completed;

25 (b) Compensation and wages paid by the production company on which the production  
26 company remitted withholding payments to the department of revenue under chapter 143. For  
27 purposes of this section, compensation and wages shall not include any amounts paid to a highly  
28 compensated individual;

29 (4) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding  
30 withholding tax imposed by sections 143.191 to 143.265, or otherwise due under chapter 148;

31 (5) "Taxpayer", any individual, partnership, or corporation as described in section  
32 143.441, 143.471, or section 148.370 that is subject to the tax imposed in chapter 143, excluding  
33 withholding tax imposed by sections 143.191 to 143.265, or the tax imposed in chapter 148 or  
34 any charitable organization which is exempt from federal income tax and whose Missouri  
35 unrelated business taxable income, if any, would be subject to the state income tax imposed  
36 under chapter 143.



37           2. For all taxable years beginning on or after January 1, 1999, but ending on or before  
38 December 31, 2007, a taxpayer shall be granted a tax credit for up to fifty percent of the amount  
39 of investment in production or production-related activities in any film production project with  
40 an expected in-state expenditure budget in excess of three hundred thousand dollars. For all  
41 taxable years beginning on or after January 1, 2008, a taxpayer shall be allowed a tax credit for  
42 up to thirty-five percent of the amount of qualifying expenses in a qualified film production  
43 project. Each film production company shall be limited to one qualified film production project  
44 per year. Activities qualifying a taxpayer for the tax credit pursuant to this subsection shall be  
45 approved by the office of the Missouri film commission and the department of economic  
46 development.

47           3. Taxpayers shall apply for the film production tax credit by submitting an application  
48 to the department of economic development, on a form provided by the department. As part of  
49 the application, the expected in-state expenditures of the qualified film production project shall  
50 be documented. In addition, the application shall include an economic impact statement,  
51 showing the economic impact from the activities of the film production project. Such economic  
52 impact statement shall indicate the impact on the region of the state in which the film production  
53 or production-related activities are located and on the state as a whole.

54           4. For all taxable years ending on or before December 31, 2007, tax credits certified  
55 pursuant to subsection 2 of this section shall not exceed one million dollars per taxpayer per year,  
56 and shall not exceed a total for all tax credits certified of one million five hundred thousand  
57 dollars per year. For all taxable years beginning on or after January 1, 2008, **but ending on or**  
58 **before December 31, 2013**, tax credits certified under subsection 1 of this section shall not  
59 exceed a total for all tax credits certified of four million five hundred thousand dollars per year.  
60 **For the taxable years beginning on or after January 1, 2014, the total amount of tax credits**  
61 **authorized under subsection 1 of this section shall not exceed a three million five hundred**  
62 **thousand dollars annually.** Taxpayers may carry forward unused credits for up to five tax  
63 periods, provided all such credits shall be claimed within ten tax periods following the tax period  
64 in which the film production or production-related activities for which the credits are certified  
65 by the department occurred.

66           5. Notwithstanding any provision of law to the contrary, any taxpayer may sell, assign,  
67 exchange, convey or otherwise transfer tax credits allowed in subsection 2 of this section. The  
68 taxpayer acquiring the tax credits may use the acquired credits to offset the tax liabilities  
69 otherwise imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to  
70 143.265, or chapter 148. Unused acquired credits may be carried forward for up to five tax  
71 periods, provided all such credits shall be claimed within ten tax periods following the tax period

72 in which the film production or production-related activities for which the credits are certified  
73 by the department occurred.

74 6. Under section 23.253 of the Missouri sunset act:

75 (1) The provisions of the new program authorized under this section shall automatically  
76 sunset six years after [November] **August 28, [2007] 2013**, unless reauthorized by an act of the  
77 general assembly; and

78 (2) If such program is reauthorized, the program authorized under this section shall  
79 automatically sunset twelve years after the effective date of the reauthorization of this section;  
80 and

81 (3) This section shall terminate on September first of the calendar year immediately  
82 following the calendar year in which the program authorized under this section is sunset.

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

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

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

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

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

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

19 (1) The annual amount authorized by the department for the enhanced business  
20 enterprise, which shall be limited to the projected state economic benefit, as determined by the  
21 department; or

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

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

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

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

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

32 5. Prior to January 1, 2007, in no event shall the department authorize more than four  
33 million dollars annually to be issued for all enhanced business enterprises. After December 31,  
34 2006, **but before January 1, 2014**, in no event shall the department authorize more than  
35 twenty-four million dollars annually to be issued for all enhanced business enterprises. **For the**  
36 **taxable years beginning on or after January 1, 2014, the total amount of tax credits**  
37 **authorized by this section shall not exceed nineteen million dollars annually.**

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

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

46 (2) The taxpayer's investment in the expansion and in the original facility prior to  
47 expansion shall be determined in the manner provided in subdivision (19) of section 135.950.

48 7. The number of new business facility employees during any taxable year shall be  
49 determined by dividing by twelve the sum of the number of individuals employed on the last  
50 business day of each month of such taxable year. If the new business facility is in operation for  
51 less than the entire taxable year, the number of new business facility employees shall be  
52 determined by dividing the sum of the number of individuals employed on the last business day  
53 of each full calendar month during the portion of such taxable year during which the new  
54 business facility was in operation by the number of full calendar months during such period. For  
55 the purpose of computing the credit allowed by this section in the case of a facility which  
56 qualifies as a new business facility under subsection 6 of this section, and in the case of a new  
57 business facility which satisfies the requirements of paragraph (c) of subdivision (17) of section  
58 135.950, or subdivision (25) of section 135.950, the number of new business facility employees  
59 at such facility shall be reduced by the average number of individuals employed, computed as  
60 provided in this subsection, at the facility during the taxable year immediately preceding the

61 taxable year in which such expansion, acquisition, or replacement occurred and shall further be  
62 reduced by the number of individuals employed by the taxpayer or related taxpayer that was  
63 subsequently transferred to the new business facility from another Missouri facility and for which  
64 credits authorized in this section are not being earned, whether such credits are earned because  
65 of an expansion, acquisition, relocation, or the establishment of a new facility.

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

73       9. For the purpose of computing the credit allowed by this section in the case of a facility  
74 which qualifies as a new business facility pursuant to subsection 6 of this section, and in the case  
75 of a new business facility which satisfies the requirements of paragraph (c) of subdivision (17)  
76 of section 135.950 or subdivision (25) of section 135.950, the amount of the taxpayer's new  
77 business facility investment in such facility shall be reduced by the average amount, computed  
78 as provided in subdivision (19) of section 135.950 for new business facility investment, of the  
79 investment of the taxpayer, or related taxpayer immediately preceding such expansion or  
80 replacement or at the time of acquisition. Furthermore, the amount of the taxpayer's new  
81 business facility investment shall also be reduced by the amount of investment employed by the  
82 taxpayer or related taxpayer which was subsequently transferred to the new business facility from  
83 another Missouri facility and for which credits authorized in this section are not being earned,  
84 whether such credits are earned because of an expansion, acquisition, relocation, or the  
85 establishment of a new facility.

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

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

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

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

99           14. Prior to the issuance of tax credits, the department shall verify through the  
100 department of revenue, or any other state department, that the tax credit applicant does not owe  
101 any delinquent income, sales, or use tax or interest or penalties on such taxes, or any delinquent  
102 fees or assessments levied by any state department and through the department of insurance,  
103 financial institutions and professional registration that the applicant does not owe any delinquent  
104 insurance taxes. Such delinquency shall not affect the authorization of the application for such  
105 tax credits, except that the amount of credits issued shall be reduced by the applicant's tax  
106 delinquency. If the department of revenue or the department of insurance, financial institutions  
107 and professional registration, or any other state department, concludes that a taxpayer is  
108 delinquent after June fifteenth but before July first of any year and the application of tax credits  
109 to such delinquency causes a tax deficiency on behalf of the taxpayer to arise, then the taxpayer  
110 shall be granted thirty days to satisfy the deficiency in which interest, penalties, and additions  
111 to tax shall be tolled. After applying all available credits toward a tax delinquency, the  
112 administering agency shall notify the appropriate department, and that department shall update  
113 the amount of outstanding delinquent tax owed by the applicant. If any credits remain after  
114 satisfying all insurance, income, sales, and use tax delinquencies, the remaining credits shall be  
115 issued to the applicant, subject to the restrictions of other provisions of law.

**135.1000. Notwithstanding any other provision of law, beginning on or after  
2 January 1, 2014, all tax credits which are subject to a statutory limitation on the total  
3 aggregate amount authorized shall have such limitation reviewed by the general assembly  
4 every five years. Following review, unless reaffirmed by a resolution from either the house  
5 of representatives or the senate, a limitation's total aggregate amount authorized shall be  
6 reduced by five percent.**

143.119. 1. A self-employed taxpayer, as such term is used in the federal internal  
2 revenue code, who is otherwise ineligible for the federal income tax health insurance deduction  
3 under Section 162 of the federal internal revenue code shall be entitled to a credit against the tax  
4 otherwise due under this chapter, excluding withholding tax imposed by sections 143.191 to  
5 143.265, in an amount equal to the portion of such taxpayer's federal tax liability incurred due  
6 to such taxpayer's inclusion of such payments in federal adjusted gross income. The tax credits  
7 authorized under this section shall be nontransferable. To the extent tax credit issued under this  
8 section exceeds a taxpayer's state income tax liability, such excess shall be considered an  
9 overpayment of tax and shall be refunded to the taxpayer.

10           2. The director of the department of revenue shall promulgate rules and regulations to  
11 administer the provisions of this section. Any rule or portion of a rule, as that term is defined

12 in section 536.010, that is created under the authority delegated in this section shall become  
13 effective only if it complies with and is subject to all of the provisions of chapter 536 and, if  
14 applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the  
15 powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective  
16 date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of  
17 rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid  
18 and void.

19 **3. Under section 23.253 of the Missouri sunset act:**

20 **(1) The provisions of the program authorized under this section shall automatically**  
21 **sunset six years after August 28, 2013, unless reauthorized by an act of the general**  
22 **assembly; and**

23 **(2) If such program is reauthorized, the program authorized under this section shall**  
24 **automatically sunset twelve years after the effective date of the reauthorization of this**  
25 **section; and**

26 **(3) This section shall terminate on September first of the calendar year immediately**  
27 **following the calendar year in which the program authorized under this section is sunset.**

253.550. 1. Any taxpayer incurring costs and expenses for the rehabilitation of eligible  
2 property, which is a certified historic structure or structure in a certified historic district, may,  
3 subject to the provisions of this section and section 253.559, receive a credit against the taxes  
4 imposed pursuant to chapters 143 and 148, except for sections 143.191 to 143.265, on such  
5 taxpayer in an amount equal to twenty-five percent of the total costs and expenses of  
6 rehabilitation incurred after January 1, 1998, [which shall include, but not be limited to, qualified  
7 rehabilitation expenditures as defined under section 47(c)(2)(A) of the Internal Revenue Code  
8 of 1986, as amended, and the related regulations thereunder,] provided the rehabilitation costs  
9 associated with rehabilitation and the expenses exceed fifty percent of the total basis in the  
10 property and the rehabilitation meets standards consistent with the standards of the Secretary of  
11 the United States Department of the Interior for rehabilitation as determined by the state historic  
12 preservation officer of the Missouri department of natural resources.

13 2. During the period beginning on January 1, 2010, but ending on or after June 30, 2010,  
14 the department of economic development shall not approve applications for tax credits under the  
15 provisions of subsections 3 and 8 of section 253.559 which, in the aggregate, exceed seventy  
16 million dollars, increased by any amount of tax credits for which approval shall be rescinded  
17 under the provisions of section 253.559. [For each fiscal year] **During the period** beginning on  
18 [or after] July 1, 2010, **but ending on or after June 30, 2014**, the department of economic  
19 development shall not approve applications for tax credits under the provisions of subsections  
20 3 and 8 of section 253.559 which, in the aggregate, exceed one hundred forty million dollars,

21 increased by any amount of tax credits for which approval shall be rescinded under the  
22 provisions of section 253.559. **For each fiscal year beginning on or after July 1, 2014, the**  
23 **department of economic development shall not approve applications for tax credits under**  
24 **the provisions of subsections 3 and 8 of section 253.559 which, in the aggregate, exceed one**  
25 **hundred twenty million dollars.** The limitations provided under this subsection shall not apply  
26 to applications approved under the provisions of [subsection 3 of] section 253.559 for projects  
27 to receive less than two hundred seventy-five thousand dollars in tax credits. **For each fiscal**  
28 **year beginning on or after July 1, 2014, the department of economic development shall not**  
29 **approve applications for tax credits under the provisions of section 253.559 for projects to**  
30 **receive less than two hundred seventy-five thousand dollars in tax credits which, in the**  
31 **aggregate, exceed twenty million dollars.**

32         3. For all applications for tax credits approved on or after January 1, 2010, no more than  
33 two hundred fifty thousand dollars in tax credits may be issued for eligible costs and expenses  
34 incurred in the rehabilitation of an eligible property which is a nonincome producing  
35 single-family, owner-occupied residential property and is either a certified historic structure or  
36 a structure in a certified historic district.

37         4. The limitations on tax credit authorization provided under the provisions of  
38 subsections 2 and 3 of this section shall not apply to:

39         (1) Any application submitted by a taxpayer, which has received approval from the  
40 department prior to January 1, 2010; or

41         (2) Any taxpayer applying for tax credits, provided under this section, which, on or  
42 before January 1, 2010, has filed an application with the department evidencing that such  
43 taxpayer:

44         (a) Has incurred costs and expenses for an eligible property which exceed the lesser of  
45 five percent of the total project costs or one million dollars and received an approved Part I from  
46 the Secretary of the United States Department of Interior; or

47         (b) Has received certification, by the state historic preservation officer, that the  
48 rehabilitation plan meets the standards consistent with the standards of the Secretary of the  
49 United States Department of the Interior, and the rehabilitation costs and expenses associated  
50 with such rehabilitation shall exceed fifty percent of the total basis in the property.

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

7 qualified company who is provided an approval for a project shall be allowed a benefit as  
8 provided in this program in the amount and duration provided in this section. A qualified  
9 company may receive additional periods for subsequent new jobs at the same facility after the  
10 full initial period if the minimum thresholds are met as set forth in sections 620.1875 to  
11 620.1890. There is no limit on the number of periods a qualified company may participate in the  
12 program, as long as the minimum thresholds are achieved and the qualified company provides  
13 the department with the required reporting and is in proper compliance for this program or other  
14 state programs. A qualified company may elect to file a notice of intent to start a new project  
15 period concurrent with an existing project period if the minimum thresholds are achieved and  
16 the qualified company provides the department with the required reporting and is in proper  
17 compliance for this program and other state programs; however, the qualified company may not  
18 receive any further benefit under the original approval for jobs created after the date of the new  
19 notice of intent, and any jobs created before the new notice of intent may not be included as new  
20 jobs for the purpose of benefit calculation in relation to the new approval. When a qualified  
21 company has filed and received approval of a notice of intent and subsequently files another  
22 notice of intent, the department shall apply the definition of project facility under subdivision  
23 (19) of section 620.1878 to the new notice of intent as well as all previously approved notices  
24 of intent and shall determine the application of the definitions of new job, new payroll, project  
25 facility base employment, and project facility base payroll accordingly.

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



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

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

52 (1) Small and expanding business projects: in exchange for the consideration provided  
53 by the new tax revenues and other economic stimuli that will be generated by the new jobs  
54 created by the program, a qualified company may retain an amount equal to the withholding tax  
55 as calculated under subdivision (33) of section 620.1878 from the new jobs that would otherwise  
56 be withheld and remitted by the qualified company under the provisions of sections 143.191 to  
57 143.265 for a period of three years from the date the required number of new jobs were created  
58 if the average wage of the new payroll equals or exceeds the county average wage or for a period  
59 of five years from the date the required number of new jobs were created if the average wage of  
60 the new payroll equals or exceeds one hundred twenty percent of the county average wage;

61 (2) Technology business projects: in exchange for the consideration provided by the new  
62 tax revenues and other economic stimuli that will be generated by the new jobs created by the  
63 program, a qualified company may retain an amount equal to a maximum of five percent of new  
64 payroll for a period of five years from the date the required number of jobs were created from  
65 the withholding tax of the new jobs that would otherwise be withheld and remitted by the  
66 qualified company under the provisions of sections 143.191 to 143.265 if the average wage of  
67 the new payroll equals or exceeds the county average wage. An additional one-half percent of  
68 new payroll may be added to the five percent maximum if the average wage of the new payroll  
69 in any year exceeds one hundred twenty percent of the county average wage in the county in  
70 which the project facility is located, plus an additional one-half percent of new payroll may be  
71 added if the average wage of the new payroll in any year exceeds one hundred forty percent of  
72 the average wage in the county in which the project facility is located. The department shall  
73 issue a refundable tax credit for any difference between the amount of benefit allowed under this  
74 subdivision and the amount of withholding tax retained by the company, in the event the  
75 withholding tax is not sufficient to provide the entire amount of benefit due to the qualified  
76 company under this subdivision;

77 (3) High impact projects: in exchange for the consideration provided by the new tax  
78 revenues and other economic stimuli that will be generated by the new jobs created by the

79 program, a qualified company may retain an amount from the withholding tax of the new jobs  
80 that would otherwise be withheld and remitted by the qualified company under the provisions  
81 of sections 143.191 to 143.265, equal to three percent of new payroll for a period of five years  
82 from the date the required number of jobs were created if the average wage of the new payroll  
83 equals or exceeds the county average wage of the county in which the project facility is located.  
84 For high-impact projects in a facility located within two adjacent counties, the new payroll shall  
85 equal or exceed the higher county average wage of the adjacent counties. The percentage of  
86 payroll allowed under this subdivision shall be three and one-half percent of new payroll if the  
87 average wage of the new payroll in any year exceeds one hundred twenty percent of the county  
88 average wage in the county in which the project facility is located. The percentage of payroll  
89 allowed under this subdivision shall be four percent of new payroll if the average wage of the  
90 new payroll in any year exceeds one hundred forty percent of the county average wage in the  
91 county in which the project facility is located. An additional one percent of new payroll may be  
92 added to these percentages if local incentives equal between ten percent and twenty-four percent  
93 of the new direct local revenue; an additional two percent of new payroll is added to these  
94 percentages if the local incentives equal between twenty-five percent and forty-nine percent of  
95 the new direct local revenue; or an additional three percent of payroll is added to these  
96 percentages if the local incentives equal fifty percent or more of the new direct local revenue.  
97 The department shall issue a refundable tax credit for any difference between the amount of  
98 benefit allowed under this subdivision and the amount of withholding tax retained by the  
99 company, in the event the withholding tax is not sufficient to provide the entire amount of benefit  
100 due to the qualified company under this subdivision;

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

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

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

111 (c) The qualified company is considered to have a significant statewide effect on the  
112 economy, and has been determined to represent a substantial risk of relocation from the state by  
113 the quality jobs advisory task force established in section 620.1887; provided, however, until

such time as the initial at-large members of the quality jobs advisory task force are appointed, this determination shall be made by the director of the department of economic development;

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

(e) The local taxing entities shall provide local incentives of at least fifty percent of the new direct local revenues created by the project over a ten-year period. The quality jobs advisory task force may recommend to the department of economic development that appropriate penalties be applied to the company for violating the agreement. The amount of the job retention credit granted may be equal to up to fifty percent of the amount of withholding tax generated by the full-time jobs at the project facility for a period of five years. The calendar year annual maximum amount of tax credit that may be issued to any qualified company for a job retention project or combination of job retention projects shall be seven hundred fifty thousand dollars per year, but the maximum amount may be increased up to one million dollars if such action is proposed by the department and approved by the quality jobs advisory task force established in section 620.1887; provided, however, until such time as the initial at-large members of the quality jobs advisory task force are appointed, this determination shall be made by the director of the department of economic development. In considering such a request, the task force shall rely on economic modeling and other information supplied by the department when requesting the increased limit on behalf of the job retention project. In no event shall the total amount of all tax credits issued for the entire job retention program under this subdivision exceed three million dollars annually. Notwithstanding the above, no tax credits shall be issued for job retention projects approved by the department after August 30, 2013;

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

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

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

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

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

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

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

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

(h) In the years it receives tax credits under sections 620.1875 to 620.1890, the company cumulatively invests at least two million dollars in capital improvements in facilities and equipment located at such facilities that are not located within a five hundred year flood plain as designated by the Federal Emergency Management Agency, and amended from time to time. The amount of the small business job retention and flood survivor relief credit granted may be equal to up to one hundred percent of the amount of withholding tax generated by the full-time jobs at the project facility for a period of three years. The calendar year annual maximum amount of tax credit that may be issued to any qualified company for a small business job retention and survivor relief project shall be two hundred fifty thousand dollars per year, but the maximum amount may be increased up to five hundred thousand dollars if such action is proposed by the department and approved by the quality jobs advisory task force established in section 620.1887. In considering such a request, the task force shall rely on economic modeling and other information supplied by the department when requesting an increase in the limit on behalf of the small business job retention and flood survivor relief project. In no event shall the total amount of all tax credits issued for the entire small business job retention and flood survivor relief program under this subdivision exceed five hundred thousand dollars annually. Notwithstanding the provisions of this subdivision to the contrary, no tax credits shall be issued for small business job retention and flood survivor relief projects approved by the department after August 30, 2010.

4. The qualified company shall provide an annual report of the number of jobs and such other information as may be required by the department to document the basis for the benefits of this program. The department may withhold the approval of any benefits until it is satisfied that proper documentation has been provided, and shall reduce the benefits to reflect any reduction in full-time employees or new payroll. Upon approval by the department, the qualified company may begin the retention of the withholding taxes when it reaches the minimum number of new jobs and the average wage exceeds the county average wage. Tax credits, if any, may be issued upon satisfaction by the department that the qualified company has exceeded the county

average wage and the minimum number of new jobs. In such annual report, if the average wage is below the county average wage, the qualified company has not maintained the employee insurance as required, or if the number of new jobs is below the minimum, the qualified company shall not receive tax credits or retain the withholding tax for the balance of the benefit period. In the case of a qualified company that initially filed a notice of intent and received an approval from the department for high-impact benefits and the minimum number of new jobs in an annual report is below the minimum for high-impact projects, the company shall not receive tax credits for the balance of the benefit period but may continue to retain the withholding taxes if it otherwise meets the requirements of a small and expanding business under this program.

5. **For the tax years ending before January 1, 2014**, the maximum calendar year annual tax credits issued for the entire program shall not exceed eighty million dollars. **For the tax years beginning on or after January 1, 2014, the total amount of tax credits authorized under this section shall not exceed seventy million dollars annually.** Notwithstanding any provision of law to the contrary, the maximum annual tax credits authorized under section 135.535 are hereby reduced from ten million dollars to eight million dollars, with the balance of two million dollars transferred to this program. There shall be no limit on the amount of withholding taxes that may be retained by approved companies under this program.

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

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

8. Tax credits may be claimed against taxes otherwise imposed by chapters 143 and 148, and may not be carried forward but shall be claimed within one year of the close of the taxable

222 year for which they were issued, except as provided under subdivision (4) of subsection 3 of this  
223 section.

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

228 10. Prior to the issuance of tax credits, the department shall verify through the  
229 department of revenue, or any other state department, that the tax credit applicant does not owe  
230 any delinquent income, sales, or use tax or interest or penalties on such taxes, or any delinquent  
231 fees or assessments levied by any state department and through the department of insurance,  
232 financial institutions and professional registration that the applicant does not owe any delinquent  
233 insurance taxes. Such delinquency shall not affect the authorization of the application for such  
234 tax credits, except that at issuance credits shall be first applied to the delinquency and any  
235 amount issued shall be reduced by the applicant's tax delinquency. If the department of revenue  
236 or the department of insurance, financial institutions and professional registration, or any other  
237 state department, concludes that a taxpayer is delinquent after June fifteenth but before July first  
238 of any year and the application of tax credits to such delinquency causes a tax deficiency on  
239 behalf of the taxpayer to arise, then the taxpayer shall be granted thirty days to satisfy the  
240 deficiency in which interest, penalties, and additions to tax shall be tolled. After applying all  
241 available credits toward a tax delinquency, the administering agency shall notify the appropriate  
242 department and that department shall update the amount of outstanding delinquent tax owed by  
243 the applicant. If any credits remain after satisfying all insurance, income, sales, and use tax  
244 delinquencies, the remaining credits shall be issued to the applicant, subject to the restrictions  
245 of other provisions of law.

246 11. Except as provided under subdivision (4) of subsection 3 of this section, the director  
247 of revenue shall issue a refund to the qualified company to the extent that the amount of credits  
248 allowed in this section exceeds the amount of the qualified company's income tax.

249 12. An employee of a qualified company will receive full credit for the amount of tax  
250 withheld as provided in section 143.211.

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

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