

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE NO. 2 FOR
HOUSE BILL NO. 698
97TH GENERAL ASSEMBLY

1838H.07C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 99.1205, 100.850, 135.305, 135.350, 135.352, 135.460, 135.484, 135.535, 135.679, 135.680, 135.700, 135.710, 135.750, 135.967, 143.119, 208.770, 253.545, 253.550, 253.557, 253.559, 348.434, 447.708, 620.1039, and 620.1881, RSMo, and to enact in lieu thereof thirty-eight new sections relating to tax incentives.

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

Section A. Sections 99.1205, 100.850, 135.305, 135.350, 135.352, 135.460, 135.484, 135.535, 135.679, 135.680, 135.700, 135.710, 135.750, 135.967, 143.119, 208.770, 253.545, 253.550, 253.557, 253.559, 348.434, 447.708, 620.1039, and 620.1881, RSMo, are repealed and thirty-eight new sections enacted in lieu thereof, to be known as sections 67.2050, 99.1205, 100.850, 135.305, 135.350, 135.352, 135.460, 135.484, 135.535, 135.679, 135.680, 135.700, 135.710, 135.750, 135.967, 135.1000, 135.1550, 135.1555, 135.1560, 135.1565, 135.1570, 135.1575, 144.810, 208.770, 253.545, 253.550, 253.557, 253.559, 348.273, 348.274, 348.434, 447.708, 620.1039, 620.1881, 620.2005, 620.2010, 620.2015, and 620.2020, to read as follows:

67.2050. 1. As used in this section, unless the context clearly indicates otherwise, the following terms mean:

(1) "Facility", a location composed of real estate, buildings, fixtures, machinery, and equipment;

(2) "Municipality", any county, city, incorporated town, village of the state, or any utilities board thereof;

(3) "NAICS", the 2007 edition of the North American Industry Classification System developed under the direction and guidance of the federal Office of Management and Budget. Any NAICS sector, subsector, industry group, or industry identified in this

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.

10 section shall include its corresponding classification in previous and subsequent federal
11 industry classification systems;

12 (4) "Technology business facility", a facility purchased, constructed, extended, or
13 improved under this section, provided that such business facility is engaged in:

14 (a) Data processing, hosting, and related services (NAICS 518210);

15 (b) Internet publishing and broadcasting and web search portals (NAICS 519130)
16 at the business facility; or

17 (c) The transmission of voice, data, text, sound, and video using wired
18 telecommunication networks (NAICS 517110);

19 (5) "Technology business facility project" or "project", the purchase, sale, lease,
20 construction, extension, and improvement of technology business facilities, whether of the
21 facility as a whole or of any one or more of the facility's components of real estate,
22 buildings, fixtures, machinery, and equipment.

23 2. The governing body of any municipality may:

24 (1) Carry out technology business facility projects for economic development under
25 this section;

26 (2) Accept grants from the federal and state governments for technology business
27 facility project purposes, and may enter into such agreements as are not contrary to the
28 laws of this state and which may be required as a condition of grants by the federal
29 government or its agencies; and

30 (3) Receive gifts and donations from private sources to be used for technology
31 business facility project purposes.

32 3. The governing body of the municipality may enter into loan agreements, sell,
33 lease, or mortgage to private persons, partnerships, or corporations any one or more of the
34 components of a facility received, purchased, constructed, or extended by the municipality
35 for development of a technology business facility project. The loan agreement, installment
36 sale agreement, lease, or other such document shall contain such other terms as are agreed
37 upon between the municipality and the obligor, provided that such terms shall be
38 consistent with this section. When, in the judgment of the governing body of the
39 municipality, the technology business facility project will result in economic benefits to the
40 municipality, the governing body may lawfully enter into an agreement that includes
41 nominal monetary consideration to the municipality in exchange for the use of one or more
42 components of the facility.

43 4. Transactions involving the lease or rental of any components of a project under
44 this section shall be specifically exempted from the provisions of local sales tax law as
45 defined in sections 32.085, 238.235, 144.010 to 144.525, and 144.600 to 144.761 and from

46 the computation of the tax levied, assessed, or payable under local sales tax law as defined
47 in sections 32.085, 144.010 to 144.525, 144.600 to 144.745, and 238.235.

48 5. Leasehold interests granted and held under this section shall not be subject to
49 property taxes.

50 6. Any payments in lieu of taxes expected to be made by any lessee of the project
51 shall be applied in accordance with this section. The lessee may reimburse the municipality
52 for its actual costs of administering the plan. All amounts paid in excess of such actual
53 costs shall, immediately upon receipt thereof, be disbursed by the municipality's treasurer
54 or other financial officer to each affected taxing entity in proportion to the current ad
55 valorem tax levy of each affected taxing entity.

56 7. The county assessor shall include the current assessed value of all property
57 within the affected taxing entities in the aggregate valuation of assessed property entered
58 upon the assessor's book and verified under section 137.245, and such value shall be used
59 for the purpose of the debt limitation on local government under article VI, section 26(b),
60 Constitution of Missouri.

61 8. The governing body of any municipality may sell or otherwise dispose of the
62 property, buildings, or plants acquired under this section to private persons or
63 corporations for technology business facility project purposes upon approval by the
64 governing body. The terms and method of the sale or other disposal shall be established
65 by the governing body so as to reasonably protect the economic well-being of the
66 municipality and to promote the development of technology business facility projects. A
67 private person or corporation that initially transfers property to the municipality for the
68 purposes of a technology business facility project and does not charge a purchase price to
69 the municipality shall retain the right, upon request to the municipality, to have the
70 municipality retransfer the donated property to the person or corporation at no cost.

71 9. The provisions of this section shall not be construed to allow political
72 subdivisions to provide telecommunications services or telecommunications facilities to the
73 extent that they are prohibited from doing so by section 392.410.

99.1205. 1. This section shall be known and may be cited as the "Distressed Areas Land
2 Assemblage Tax Credit Act".

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

4 (1) "Acquisition costs", the purchase price for the eligible parcel, costs of environmental
5 assessments, closing costs, real estate brokerage fees, reasonable demolition costs of vacant
6 structures or any portion thereof, together with engineering costs, surveying costs, title
7 insurance, and architectural and design costs incurred in connection with acquisition,
8 financing, parcel consolidation or site and redevelopment area planning regarding one or

9 **more eligible parcels**, and reasonable maintenance costs incurred to maintain an acquired
10 eligible parcel for a period of [five] **twelve** years after the acquisition of such eligible parcel.
11 Acquisition costs shall not include costs for [title insurance and survey,] attorney's fees,
12 relocation costs, fines, or bills from a municipality;

13 (2) "Applicant", any person, firm, partnership, trust, limited liability company, or
14 corporation which has:

15 (a) Incurred, within an eligible project area, acquisition costs for the acquisition of land
16 sufficient to satisfy the requirements under subdivision (8) of this subsection; and

17 (b) Been appointed or selected, pursuant to a redevelopment agreement by a municipal
18 authority, as a redeveloper or similar designation, under an economic incentive law, to redevelop
19 an urban renewal area or a redevelopment area that includes all of an eligible project area or
20 whose redevelopment plan or redevelopment area, which encompasses all of an eligible project
21 area, has been approved or adopted under an economic incentive law. In addition to being
22 designated the redeveloper, the applicant shall have been designated to receive economic
23 incentives only after the municipal authority has considered the amount of the tax credits in
24 adopting such economic incentives as provided in subsection 8 of this section **unless such**
25 **economic incentives were approved for an eligible project area qualified as such under**
26 **subparagraph c. of paragraph (b) of subdivision (8) of this subsection.** The redevelopment
27 agreement shall provide that[:

28 a.] the funds generated through the use or sale of the tax credits issued under this section
29 shall be used to redevelop the eligible project area[;

30 b.] . **Additionally, except for projects in eligible project areas qualified as such**
31 **under subparagraph c. of paragraph (b) of subdivision (8) of this subsection, the**
32 **redemption agreement shall provide that:**

33 a. No more than seventy-five percent of the urban renewal area identified in the urban
34 renewal plan or the redevelopment area identified in the redevelopment plan may be redeveloped
35 by the applicant; and

36 [c.] b. The remainder of the urban renewal area or the redevelopment area shall be
37 redeveloped by co-redevelopers or redevelopers to whom the applicant has assigned its
38 redevelopment rights and obligations under the urban renewal plan or the redevelopment plan;

39 (3) "Certificate", a tax credit certificate issued under this section;

40 (4) "Condemnation proceedings", any action taken by, or on behalf of, an applicant to
41 initiate an action in a court of competent jurisdiction to use the power of eminent domain to
42 acquire a parcel within the eligible project area. Condemnation proceedings shall include any
43 and all actions taken after the submission of a notice of intended acquisition to an owner of a

44 parcel within the eligible project area by a municipal authority or any other person or entity under
45 section 523.250;

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

47 (6) "Economic incentive laws", any provision of Missouri law pursuant to which
48 economic incentives are provided to redevelopers of a parcel or parcels to redevelop the land,
49 such as tax abatement or payments in lieu of taxes, or redevelopment plans or redevelopment
50 projects approved or adopted which include the use of economic incentives to redevelop the land.
51 Economic incentive laws include, but are not limited to, the land clearance for redevelopment
52 authority law under sections 99.300 to 99.660, the real property tax increment allocation
53 redevelopment act under sections 99.800 to 99.865, the Missouri downtown and rural economic
54 stimulus act under sections 99.915 to 99.1060, and the downtown revitalization preservation
55 program under sections 99.1080 to 99.1092;

56 (7) "Eligible parcel", a parcel:

57 (a) Which is located within an eligible project area;

58 (b) Which is to be redeveloped;

59 (c) On which the applicant has not commenced construction prior to November 28,
60 2007;

61 (d) Which has been acquired **either directly by the applicant, or on behalf of the**
62 **applicant through one or more affiliated companies controlled by the applicant or under**
63 **common ownership with the applicant;**

64 (e) **Which has been acquired** without the commencement of any condemnation
65 proceedings with respect to such parcel brought by or on behalf of the applicant. Any parcel
66 acquired **before August 28, 2007**, by the applicant from a municipal authority shall not
67 constitute an eligible parcel; and

68 [(e)] (f) On which all outstanding taxes, fines, and bills levied by municipal governments
69 that were levied by the municipality during the time period that the applicant held title to the
70 eligible parcel have been paid in full;

71 (8) "Eligible project area", an area which shall have satisfied the following requirements:

72 (a) The eligible project area shall consist of at least seventy-five acres and may include
73 parcels within its boundaries that do not constitute an eligible parcel;

74 (b) At least eighty percent of the eligible project area shall be located within:

75 a. A Missouri qualified census tract area, as designated by the United States Department
76 of Housing and Urban Development under 26 U.S.C. Section 42[, or within] ; or

77 b. A distressed community as that term is defined in section 135.530; or

78 c. A redevelopment area as that term is defined under the real property tax
79 increment allocation redevelopment act under sections 99.800 to 99.865 that:

- 80 (i) **Contains at least three hundred acres of real property;**
81 (ii) **Includes or previously included in excess of one million square feet of**
82 **commercial building space;**
83 (iii) **Contains eighty or more parcels; and**
84 (iv) **Is located within a low-income community as defined by 26 U.S.C. Section 45D**
85 **as of January 1, 2011;**
86 (c) The eligible parcels acquired by the applicant within the eligible project area shall
87 total at least fifty acres, which may consist of contiguous and noncontiguous parcels, **but shall**
88 **not include any parcel acquired by the applicant from a municipal authority. Any**
89 **applicant applying for credits for costs incurred within an eligible project area qualified**
90 **as such under subparagraph c. of paragraph (b) of this subdivision shall own, either**
91 **directly by the applicant, or on behalf of the applicant through one or more affiliated**
92 **companies controlled by the applicant or under common ownership with the applicant, at**
93 **least one hundred fifty contiguous acres of real property, which may be separated by the**
94 **width of public right-of-way, within the urban renewal area or redevelopment area**
95 **containing such eligible project area;**
96 (d) **Other than in eligible project areas qualified as such under subparagraph c. of**
97 **paragraph (b) of this subdivision,** the average number of parcels per acre in an eligible project
98 area shall be four or more;
99 (e) Less than five percent of the acreage within the boundaries of the eligible project area
100 shall consist of owner-occupied residences which the applicant has identified for acquisition
101 under the urban renewal plan or the redevelopment plan pursuant to which the applicant was
102 appointed or selected as the redeveloper or by which the person or entity was qualified as an
103 applicant under this section on the date of the approval or adoption of such plan;
104 (9) "Interest costs", interest, loan fees, and closing costs, **any of which relate to or arise**
105 **out of loans relating to acquisition costs, including without limitation, interest, loan fees,**
106 **and closing costs associated with the refinancing of loans relating to acquisition costs.**
107 Interest costs shall not include attorney's fees;
108 (10) "Maintenance costs", costs of boarding up and securing vacant structures, costs of
109 removing trash, and costs of cutting grass and weeds;
110 (11) "Municipal authority", any city, town, village, county, public body corporate and
111 politic, political subdivision, or land trust of this state established and authorized to own land
112 within the state;
113 (12) "Municipality", any city, town, village, or county;
114 (13) "Parcel", a single lot or tract of land, and the improvements thereon, owned by, or
115 recorded as the property of, one or more persons or entities;

(14) "Redeveloped", the process of undertaking and carrying out a redevelopment plan or urban renewal plan pursuant to which the conditions which provided the basis for an eligible project area to be included in a redevelopment plan or urban renewal plan are to be reduced or eliminated by redevelopment or rehabilitation; and

(15) "Redevelopment agreement", the redevelopment agreement or similar agreement into which the applicant entered with a municipal authority and which is the agreement for the implementation of the urban renewal plan or redevelopment plan pursuant to which the applicant was appointed or selected as the redeveloper or by which the person or entity was qualified as an applicant under this section; and such appointment or selection shall have been approved by an ordinance of the governing body of the municipality, or municipalities, or in the case of any city not within a county, the board of aldermen, in which the eligible project area is located. The redevelopment agreement shall include a time line for redevelopment of the eligible project area, **including deadlines for commencement of work and for project completion, and shall provide the municipal authority the right to terminate the rights of the redeveloper under the redevelopment agreement if such deadlines are not met.** The redevelopment agreement shall state that the named developer shall be subject to the provisions of chapter 290.

3. **Subject to the limitations provided in subsection 7 of this section,** any applicant shall be entitled to a tax credit against the taxes imposed under chapters 143, 147, and 148, except for sections 143.191 to 143.265, in an amount equal to fifty percent of the acquisition costs; **except that, the tax credit for reasonable demolition costs shall be in an amount equal to one hundred percent of such costs,** and one hundred percent of the interest costs incurred for a period of [five] **twelve** years after the acquisition of an eligible parcel. [No tax credits shall be issued under this section until after January 1, 2008.]

4. If the amount of such tax credit exceeds the total tax liability for the year in which the applicant is entitled to receive a tax credit, the amount that exceeds the state tax liability may be carried forward for credit against the taxes imposed under chapters 143, 147, and 148 for the succeeding six years, or until the full credit is used, whichever occurs first. The applicant shall not be entitled to a tax credit for taxes imposed under sections 143.191 to 143.265. Applicants entitled to receive such tax credits may transfer, sell, or assign the tax credits. Tax credits granted to a partnership, a limited liability company taxed as a partnership, or multiple owners of property shall be passed through to the partners, members, or owners respectively pro rata or pursuant to an executed agreement among the partners, members, or owners documenting an alternate distribution method.

5. A purchaser, transferee, or assignee of the tax credits authorized under this section may use acquired tax credits to offset up to one hundred percent of the tax liabilities otherwise imposed under chapters 143, 147, and 148, except for sections 143.191 to 143.265. A seller,

transferor, or assignor shall perfect such transfer by notifying the department in writing within thirty calendar days following the effective date of the transfer and shall provide any information as may be required by the department to administer and carry out the provisions of this section.

6. To claim tax credits authorized under this section, an applicant shall submit to the department an application for a certificate. An applicant shall identify the boundaries of the eligible project area in the application. The department shall verify that the applicant has submitted a valid application in the form and format required by the department. The department shall verify that the municipal authority held the requisite hearings and gave the requisite notices for such hearings in accordance with the applicable economic incentive act, and municipal ordinances. On [an annual] **a quarterly** basis, an applicant may file for the tax credit for the acquisition costs, and for the tax credit for the interest costs, subject to the limitations of this section. If an applicant applying for the tax credit meets the criteria required under this section, the department shall issue a certificate in the appropriate amount. If an applicant receives a tax credit for maintenance costs as a part of the applicant's acquisition costs, the department shall post on its internet website the amount and type of maintenance costs and a description of the redevelopment project for which the applicant received a tax credit within thirty days after the department issues the certificate to the applicant.

7. The total aggregate amount of tax credits authorized under this section **after August 28, 2013**, shall not exceed ninety-five million dollars. At no time shall the annual amount of the tax credits issued under this section exceed [twenty] **thirty** million dollars. If the tax credits that are to be issued under this section exceed, in any year, the [twenty] **thirty** million dollar limitation, the department shall either:

(1) Issue tax credits to the applicant in the amount of [twenty] **thirty** million dollars, if there is only one applicant entitled to receive tax credits in that year; or

(2) **(a)** Issue the tax credits [on a pro rata basis] to all applicants entitled to receive tax credits in that year **as provided in this subdivision. The department shall determine on an ongoing basis during the course of each calendar year the amount of tax credits that have been issued to each applicant for each eligible project area during such year, and the amount of tax credits remaining available for issuance with respect to such calendar year, if any.**

(b) Applicants applying for tax credits with respect to projects located in eligible project areas qualified as such under subparagraph c. of paragraph (b) of subdivision (8) of subsection 2 of this section shall not, in the aggregate, be issued tax credits in excess of fifty percent of the annual thirty million dollar limitation with respect to such calendar year. If more than one applicant qualifies for issuance of tax credits under the preceding sentence in a given calendar year, such tax credits shall be issued on a pro rata basis.

188 Applicants applying for tax credits with respect to projects located in any other eligible
189 project areas shall not, in the aggregate, be issued tax credits in excess of fifty percent of
190 the annual thirty million dollar limitation with respect to such calendar year. If more than
191 one applicant qualifies for issuance of tax credits under the preceding sentence in a given
192 calendar year, such tax credits shall be issued on a pro rata basis.

193 (c) In the event that the department determines, as of December thirty-first of a
194 given calendar year, that the full amount of tax credits available for such calendar year
195 under paragraph (b) of this subdivision with respect to projects located in eligible project
196 areas qualified as such under subparagraph c. of paragraph (b) of subdivision (8) of
197 subsection 2 of this section, was not issued, then the department shall make available for
198 allocation to qualifying applicants with respect to projects located in any other eligible
199 project areas the unissued amount of such tax credits. In the event that the department
200 determines, as of December thirty-first of a given calendar year, that the full amount of tax
201 credits available for such calendar year under paragraph (b) of this subdivision with
202 respect to projects not located in eligible project areas qualified as such under
203 subparagraph c. of paragraph (b) of subdivision (8) of subsection 2 of this section, was not
204 issued, then the department shall make available for allocation to qualifying applicants
205 with respect to projects located in eligible project areas which qualified as such under
206 subparagraph c. of paragraph (b) of subdivision (8) of subsection 2 of this section, the
207 unissued amount of such tax credits.

208 (d) Any amount of tax credits, which an applicant is, or applicants are, entitled to receive
209 on an annual basis and are not issued due to the [twenty] **thirty** million dollar limitation, shall
210 be carried forward for the benefit of the applicant or applicants to subsequent years.
211 No tax credits provided under this section shall be authorized after August 28, [2013] **2019**. Any
212 tax credits which have been authorized on or before August 28, [2013] **2019**, but not issued, may
213 be issued, subject to the limitations provided under this subsection, until all such authorized tax
214 credits have been issued.

215 8. Upon issuance of any tax credits pursuant to this section, the department shall report
216 to the municipal authority the applicant's name and address, the parcel numbers of the eligible
217 parcels for which the tax credits were issued, the itemized acquisition costs and interest costs for
218 which tax credits were issued, and the total value of the tax credits issued. The municipal
219 authority and the state shall not consider the amount of the tax credits as an applicant's cost, but
220 shall include [the] **issued** tax credits in any **subsequent** sources and uses and cost benefit
221 analysis reviewed or created for the purpose of awarding other economic incentives. The amount
222 of the tax credits shall not be considered an applicant's cost in the evaluation of the amount of
223 any award of any other economic incentives, but shall be considered in measuring the

reasonableness of the rate of return to the applicant with respect to such award of other economic incentives. The municipal authority shall provide the report to any relevant commission, board, or entity responsible for the evaluation and recommendation or approval of other economic incentives to assist in the redevelopment of the eligible project area. Tax credits authorized under this section shall constitute redevelopment tax credits, as such term is defined under section 135.800, and shall be subject to all provisions applicable to redevelopment tax credits provided under sections 135.800 to 135.830.

9. The department shall review annually the eligibility of each applicant to receive tax credits under this section. The department shall not issue to an applicant any tax credits provided under this section after the date upon which the governing body of the municipality, or municipalities, or in the case of any city not within a county, the board of aldermen, makes a finding that the applicant has failed to comply with deadlines regarding project commencement or completion or other material provisions of its redevelopment agreement with an applicant, and in furtherance of such finding, the governing body validly adopts an ordinance terminating its redevelopment agreement with the applicant, with the result that such applicant no longer satisfies the requirements of paragraph (b) of subdivision (2) of subsection 2 of this section. The governing body shall notify the department of the governing body's findings and shall deliver to the department a certified copy of the ordinance terminating such redevelopment agreement as soon as practicable.

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

100.850. 1. The approved company shall remit to the board a job development assessment fee, not to exceed five percent of the gross wages of each eligible employee whose job was created as a result of the economic development project, or not to exceed ten percent if the economic development project is located within a distressed community as defined in section 135.530, for the purpose of retiring bonds which fund the economic development project.

2. Any approved company remitting an assessment as provided in subsection 1 of this section shall make its payroll books and records available to the board at such reasonable times as the board shall request and shall file with the board documentation respecting the assessment 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 on or before**
19 **December 31, 2013. For the taxable years beginning on or after January 1, 2014, the total**
20 **amount of tax credits authorized by subsection 4 of this section shall not exceed ten million**
21 **dollars annually.** Of such amount, nine hundred fifty thousand dollars shall be reserved for an
22 approved project for a world headquarters of a business whose primary function is tax return
23 preparation that is located in any home rule city with more than four hundred thousand
24 inhabitants and located in more than one county, which amount reserved shall end in the year of
25 the final 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.

 135.305. A Missouri wood energy producer shall be eligible for a tax credit on taxes
2 otherwise due under chapter 143, except sections 143.191 to 143.261, as a production incentive
3 to produce processed wood products in a qualified wood-producing facility using Missouri forest
4 product residue. The tax credit to the wood energy producer shall be five dollars per ton of
5 processed material. The credit may be claimed for a period of five years and is to be a tax credit
6 against the tax otherwise due. No new tax credits, provided for under sections 135.300 to
7 135.311, shall be authorized after June 30, [2013] **2019. In no event shall the aggregate**
8 **amount of all tax credits allowed under sections 135.300 to 135.311 exceed two million**
9 **dollars in any given fiscal year.**

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

3 (1) "Commission", the Missouri housing development commission, or its successor
4 agency;

5 (2) "Director", director of the department of revenue;

6 (3) "Eligibility statement", a statement authorized and issued by the commission
7 certifying that a given project qualifies for the Missouri low-income housing tax credit. The
8 commission shall promulgate rules establishing criteria upon which the eligibility statements will

9 be issued. The eligibility statement shall specify the amount of the Missouri low-income housing
10 tax credit allowed. The commission shall only authorize the tax credits to qualified projects
11 which begin after June 18, 1991;

12 (4) **"Federal credit period", the same meaning as is prescribed the term "credit**
13 **period" under section 42 of the 1986 Internal Revenue Code, as amended;**

14 (5) "Federal low-income housing tax credit", the federal tax credit as provided in section
15 42 of the 1986 Internal Revenue Code, as amended;

16 [(5)] (6) "Low-income project", a housing project which has restricted rents that do not
17 exceed thirty percent of median income for at least forty percent of its units occupied by persons
18 of families having incomes of sixty percent or less of the median income, or at least twenty
19 percent of the units occupied by persons or families having incomes of fifty percent or less of the
20 median income;

21 [(6)] (7) "Median income", those incomes which are determined by the federal
22 Department of Housing and Urban Development guidelines and adjusted for family size;

23 [(7)] (8) "Qualified Missouri project", a qualified low-income building as that term is
24 defined in section 42 of the 1986 Internal Revenue Code, as amended, which is located in
25 Missouri;

26 [(8)] (9) "Taxpayer", person, firm or corporation subject to the state income tax imposed
27 by the provisions of chapter 143 (except withholding imposed by sections 143.191 to 143.265)
28 or a corporation subject to the annual corporation franchise tax imposed by the provisions of
29 chapter 147, or an insurance company paying an annual tax on its gross premium receipts in this
30 state, or other financial institution paying taxes to the state of Missouri or any political
31 subdivision of this state under the provisions of chapter 148, or an express company which pays
32 an annual tax on its gross receipts in this state.

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 each fiscal year beginning on or after July 1, 2014, there shall be a one
17 hundred thirty-five million dollar cap on tax credit authorizations for projects which are
18 not financed through tax exempt bond issuance. For each fiscal year beginning on or after
19 July 1, 2014, there shall be a three million dollar cap on tax credit authorizations for
20 projects which are financed through tax exempt bond issuance.

21 5. The Missouri low-income housing tax credit shall be taken against the taxes and in
22 the order specified pursuant to section 32.115. The credit authorized by this section shall not be
23 refundable. Any amount of credit that exceeds the tax due for a taxpayer's taxable year may be
24 carried back to any of the taxpayer's three prior taxable years or carried forward to any of the
25 taxpayer's five subsequent taxable years.

26 [5.] 6. All or any portion of Missouri tax credits issued in accordance with the
27 provisions of sections 135.350 to 135.362 may be allocated to parties who are eligible pursuant
28 to the provisions of subsection 1 of this section. Beginning January 1, 1995, for qualified
29 projects which began on or after January 1, 1994, an owner of a qualified Missouri project shall
30 certify to the director the amount of credit allocated to each taxpayer. The owner of the project
31 shall provide to the director appropriate information so that the low-income housing tax credit
32 can be properly allocated.

33 [6.] 7. In the event that recapture of Missouri low-income housing tax credits is required
34 pursuant to subsection 2 of section 135.355, any statement submitted to the director as provided
35 in this section shall include the proportion of the state credit required to be recaptured, the
36 identity of each taxpayer subject to the recapture and the amount of credit previously allocated
37 to such taxpayer.

38 8. A taxpayer that receives state tax credits under the provisions of sections 253.545
39 to 253.559 shall be ineligible to receive state tax credits under the provisions of sections
40 135.350 to 135.363 for the same project, if such project is not financed through tax exempt
41 bond issuance.

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.

135.460. 1. This section and sections 620.1100 and 620.1103 shall be known and may
2 be cited as the "Youth Opportunities and Violence Prevention Act".

3 2. As used in this section, the term "taxpayer" shall include corporations as defined in
4 section 143.441 or 143.471, any charitable organization which is exempt from federal income
5 tax and whose Missouri unrelated business taxable income, if any, would be subject to the state
6 income tax imposed under chapter 143, and individuals, individual proprietorships and
7 partnerships.

8 3. A taxpayer shall be allowed a tax credit against the tax otherwise due pursuant to
9 chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, chapter 147,
10 chapter 148, or chapter 153 in an amount equal to thirty percent for property contributions and
11 fifty percent for monetary contributions of the amount such taxpayer contributed to the programs
12 described in subsection 5 of this section, not to exceed two hundred thousand dollars per taxable
13 year, per taxpayer; except as otherwise provided in subdivision (5) of subsection 5 of this
14 section. The department of economic development shall prescribe the method for claiming the
15 tax credits allowed in this section. No rule or portion of a rule promulgated under the authority
16 of this section shall become effective unless it has been promulgated pursuant to the provisions
17 of chapter 536. All rulemaking authority delegated prior to June 27, 1997, is of no force and
18 effect and repealed; however, nothing in this section shall be interpreted to repeal or affect the
19 validity of any rule filed or adopted prior to June 27, 1997, if such rule complied with the
20 provisions of chapter 536. The provisions of this section and chapter 536 are nonseverable and
21 if any of the powers vested with the general assembly pursuant to chapter 536, including the
22 ability to review, to delay the effective date, or to disapprove and annul a rule or portion of a
23 rule, are subsequently held unconstitutional, then the purported grant of rulemaking authority and
24 any rule so proposed and contained in the order of rulemaking shall be invalid and void.

25 4. The tax credits allowed by this section shall be claimed by the taxpayer to offset the
26 taxes that become due in the taxpayer's tax period in which the contribution was made. Any tax
27 credit not used in such tax period may be carried over the next five succeeding tax periods.

28 5. The tax credit allowed by this section may only be claimed for monetary or property
29 contributions to public or private programs authorized to participate pursuant to this section by
30 the department of economic development and may be claimed for the development,
31 establishment, implementation, operation, and expansion of the following activities and
32 programs:

33 (1) An adopt-a-school program. Components of the adopt-a-school program shall
34 include donations for school activities, seminars, and functions; school-business employment
35 programs; and the donation of property and equipment of the corporation to the school;

36 (2) Expansion of programs to encourage school dropouts to reenter and complete high
37 school or to complete a graduate equivalency degree program;

38 (3) Employment programs. Such programs shall initially, but not exclusively, target
39 unemployed youth living in poverty and youth living in areas with a high incidence of crime;

40 (4) New or existing youth clubs or associations;

41 (5) Employment/internship/apprenticeship programs in business or trades for persons
42 less than twenty years of age, in which case the tax credit claimed pursuant to this section shall
43 be equal to one-half of the amount paid to the intern or apprentice in that tax year, except that
44 such credit shall not exceed ten thousand dollars per person;

45 (6) Mentor and role model programs;

46 (7) Drug and alcohol abuse prevention training programs for youth;

47 (8) Donation of property or equipment of the taxpayer to schools, including schools
48 which primarily educate children who have been expelled from other schools, or donation of the
49 same to municipalities, or not-for-profit corporations or other not-for-profit organizations which
50 offer programs dedicated to youth violence prevention as authorized by the department;

51 (9) Not-for-profit, private or public youth activity centers;

52 (10) Nonviolent conflict resolution and mediation programs;

53 (11) Youth outreach and counseling programs.

54 6. Any program authorized in subsection 5 of this section shall, at least annually, submit
55 a report to the department of economic development outlining the purpose and objectives of such
56 program, the number of youth served, the specific activities provided pursuant to such program,
57 the duration of such program and recorded youth attendance where applicable.

58 7. The department of economic development shall, at least annually submit a report to
59 the Missouri general assembly listing the organizations participating, services offered and the
60 number of youth served as the result of the implementation of this section.

61 8. The tax credit allowed by this section shall apply to all taxable years beginning after
62 December 31, 1995.

63 9. For the purposes of the credits described in this section, in the case of a corporation
64 described in section 143.471, partnership, limited liability company described in section 347.015,
65 cooperative, marketing enterprise, or partnership, in computing Missouri's tax liability, such
66 credits shall be allowed to the following:

67 (1) The shareholders of the corporation described in section 143.471;

68 (2) The partners of the partnership;

69 (3) The members of the limited liability company; and

70 (4) Individual members of the cooperative or marketing enterprise.

71 Such credits shall be apportioned to the entities described in subdivisions (1) and (2) of this
72 subsection in proportion to their share of ownership on the last day of the taxpayer's tax period.

73 **10. The total amount of tax credits authorized under this section shall not exceed**
74 **five million dollars annually.**

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] **eight** million dollars per year. Of this total amount
3 of tax credits in any given year, [eight] **four** million dollars shall be set aside for projects in areas
4 described in subdivision (6) of section 135.478 and [eight] **four** 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
7 [three] **one million five hundred thousand** 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 **on or before December 31, 2013. Beginning August 28, 2013, no new tax credits shall be**
69 **issued under this section as provided under section 620.2020.** To the extent there are
70 available tax credits remaining under the ten million dollar cap provided in this section, up to one
71 hundred thousand dollars in the remaining credits shall first be used for tax credits authorized
72 under section 135.562. The total maximum credit for all entities already located in distressed
73 communities and claiming credits pursuant to subsection 4 of this section shall be seven hundred
74 and fifty thousand dollars. The department of economic development in approving taxpayers for
75 the credit as provided for in subsection 6 of this section shall use information provided by the
76 department of revenue regarding taxes paid in the previous year, or projected taxes for those
77 entities newly established in the state, as the method of determining when this maximum will
78 be reached and shall maintain a record of the order of approval. Any tax credit not used in the
79 period for which the credit was approved may be carried over until the full credit has been
80 allowed.

81 8. A Missouri employer relocating into a distressed community and having employees
82 covered by a collective bargaining agreement at the facility from which it is relocating shall not

83 be eligible for the credits in subsection 1, 3, 4 or 5 of this section, and its employees shall not be
84 eligible for the credit in subsection 2 of this section if the relocation violates or terminates a
85 collective bargaining agreement covering employees at the facility, unless the affected collective
86 bargaining unit concurs with the move.

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

135.680. 1. As used in **subsections 1 to 5 of** this section, the following terms shall
2 mean:

3 (1) "Adjusted purchase price", the product of:

4 (a) The amount paid to the issuer of a qualified equity investment for such qualified
5 equity investment; and

6 (b) The following fraction:

7 a. The numerator shall be the dollar amount of qualified low-income community
8 investments held by the issuer in this state as of the credit allowance date during the applicable
9 tax year; and

10 b. The denominator shall be the total dollar amount of qualified low-income community
11 investments held by the issuer in all states as of the credit allowance date during the applicable
12 tax year;

13 c. For purposes of calculating the amount of qualified low-income community
14 investments held by an issuer, an investment shall be considered held by an issuer even if the
15 investment has been sold or repaid; provided that the issuer reinvests an amount equal to the
16 capital returned to or recovered by the issuer from the original investment, exclusive of any
17 profits realized, in another qualified low-income community investment within twelve months
18 of the receipt of such capital. An issuer shall not be required to reinvest capital returned from
19 qualified low-income community investments after the sixth anniversary of the issuance of the
20 qualified equity investment, the proceeds of which were used to make the qualified low-income
21 community investment, and the qualified low-income community investment shall be considered
22 held by the issuer through the seventh anniversary of the qualified equity investment's issuance;

23 (2) "Applicable percentage", zero percent for each of the first two credit allowance dates,
24 seven percent for the third credit allowance date, and eight percent for the next four credit
25 allowance dates;

26 (3) "Credit allowance date", with respect to any qualified equity investment:

27 (a) The date on which such investment is initially made; and

28 (b) Each of the six anniversary dates of such date thereafter;

29 (4) "Long-term debt security", any debt instrument issued by a qualified community
30 development entity, at par value or a premium, with an original maturity date of at least seven
31 years from the date of its issuance, with no acceleration of repayment, amortization, or
32 prepayment features prior to its original maturity date, and with no distribution, payment, or
33 interest features related to the profitability of the qualified community development entity or the
34 performance of the qualified community development entity's investment portfolio. The
35 foregoing shall in no way limit the holder's ability to accelerate payments on the debt instrument
36 in situations where the issuer has defaulted on covenants designed to ensure compliance with this
37 section or Section 45D of the Internal Revenue Code of 1986, as amended;

38 (5) "Qualified active low-income community business", the meaning given such term
39 in Section 45D of the Internal Revenue Code of 1986, as amended; provided that any business

40 that derives or projects to derive fifteen percent or more of its annual revenue from the rental or
41 sale of real estate shall not be considered to be a qualified active low-income community
42 business;

43 (6) "Qualified community development entity", the meaning given such term in Section
44 45D of the Internal Revenue Code of 1986, as amended; provided that such entity has entered
45 into an allocation agreement with the Community Development Financial Institutions Fund of
46 the U.S. Treasury Department with respect to credits authorized by Section 45D of the Internal
47 Revenue Code of 1986, as amended, which includes the state of Missouri within the service area
48 set forth in such allocation agreement;

49 (7) "Qualified equity investment", any equity investment in, or long-term debt security
50 issued by, a qualified community development entity that:

51 (a) [Is] **Was** acquired after September 4, 2007, **but before July 1, 2010**, at its original
52 issuance solely in exchange for cash;

53 (b) Has at least eighty-five percent of its cash purchase price used by the issuer to make
54 qualified low-income community investments; and

55 (c) Is designated by the issuer as a qualified equity investment under this subdivision and
56 is certified by the department of economic development as not exceeding the limitation contained
57 in subsection 2 of this section. This term shall include any qualified equity investment that does
58 not meet the provisions of paragraph (a) of this subdivision if such investment was a qualified
59 equity investment in the hands of a prior holder;

60 (8) "Qualified low-income community investment", any capital or equity investment in,
61 or loan to, any qualified active low-income community business. With respect to any one
62 qualified active low-income community business, the maximum amount of qualified low-income
63 community investments made in such business, on a collective basis with all of its affiliates, that
64 may be used from the calculation of any numerator described in subparagraph a. of paragraph
65 (b) of subdivision (1) of this subsection shall be ten million dollars whether issued to one or
66 several qualified community development entities;

67 (9) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding
68 withholding tax imposed in sections 143.191 to 143.265, or otherwise due under section 375.916
69 or chapter 147, 148, or 153;

70 (10) "Taxpayer", any individual or entity subject to the tax imposed in chapter 143,
71 excluding withholding tax imposed in sections 143.191 to 143.265, or the tax imposed in section
72 375.916 or chapter 147, 148, or 153.

73 2. A taxpayer that makes a qualified equity investment earns a vested right to tax credits
74 under this section. On each credit allowance date of such qualified equity investment the
75 taxpayer, or subsequent holder of the qualified equity investment, shall be entitled to a tax credit

76 during the taxable year including such credit allowance date. The tax credit amount shall be
77 equal to the applicable percentage of the adjusted purchase price paid to the issuer of such
78 qualified equity investment. The amount of the tax credit claimed shall not exceed the amount
79 of the taxpayer's state tax liability for the tax year for which the tax credit is claimed. No tax
80 credit claimed under this section shall be refundable or transferable. Tax credits earned by a
81 partnership, limited liability company, S-corporation, or other pass-through entity may be
82 allocated to the partners, members, or shareholders of such entity for their direct use in
83 accordance with the provisions of any agreement among such partners, members, or
84 shareholders. Any amount of tax credit that the taxpayer is prohibited by this section from
85 claiming in a taxable year may be carried forward to any of the taxpayer's five subsequent taxable
86 years. The department of economic development shall limit the monetary amount of qualified
87 equity investments permitted under this section to a level necessary to limit tax credit utilization
88 at no more than twenty-five million dollars of tax credits in any fiscal year. Such limitation on
89 qualified equity investments shall be based on the anticipated utilization of credits without regard
90 to the potential for taxpayers to carry forward tax credits to later tax years.

91 3. The issuer of the qualified equity investment shall certify to the department of
92 economic development the anticipated dollar amount of such investments to be made in this state
93 during the first twelve-month period following the initial credit allowance date. If on the second
94 credit allowance date, the actual dollar amount of such investments is different than the amount
95 estimated, the department of economic development shall adjust the credits arising on the second
96 allowance date to account for such difference.

97 4. The department of economic development shall recapture the tax credit allowed under
98 this section with respect to such qualified equity investment under this section if:

99 (1) Any amount of the federal tax credit available with respect to a qualified equity
100 investment that is eligible for a tax credit under this section is recaptured under Section 45D of
101 the Internal Revenue Code of 1986, as amended; or

102 (2) The issuer redeems or makes principal repayment with respect to a qualified equity
103 investment prior to the seventh anniversary of the issuance of such qualified equity investment.
104 Any tax credit that is subject to recapture shall be recaptured from the taxpayer that claimed the
105 tax credit on a return.

106 5. The department of economic development shall promulgate rules to implement the
107 provisions of this section, including recapture provisions on a scaled proportional basis, and to
108 administer the allocation of tax credits issued for qualified equity investments, which shall be
109 conducted on a first-come, first-serve basis. Any rule or portion of a rule, as that term is defined
110 in section 536.010, that is created under the authority delegated in this section shall become
111 effective only if it complies with and is subject to all of the provisions of chapter 536 and, if

112 applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the
113 powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective
114 date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of
115 rulemaking authority and any rule proposed or adopted after September 4, 2007, shall be invalid
116 and void.

117 6. [For fiscal years following fiscal year 2010, qualified equity investments shall not be
118 made under this section unless reauthorization is made pursuant to this subsection. For all fiscal
119 years following fiscal year 2010, unless the general assembly adopts a concurrent resolution
120 granting authority to the department of economic development to approve qualified equity
121 investments for the Missouri new markets development program and clearly describing the
122 amount of tax credits available for the next fiscal year, or otherwise complies with the provisions
123 of this subsection, no qualified equity investments may be permitted to be made under this
124 section. The amount of available tax credits contained in such a resolution shall not exceed the
125 limitation provided under subsection 2 of this section. In any year in which the provisions of this
126 section shall sunset pursuant to subsection 7 of this section, reauthorization shall be made by
127 general law and not by concurrent resolution. Nothing in this subsection shall preclude a
128 taxpayer who makes a qualified equity investment prior to the expiration of authority to make
129 qualified equity investments from claiming tax credits relating to such qualified equity
130 investment for each applicable credit allowance date.] **As used in subsections 6 to 12 of this**
131 **section, the following terms shall mean:**

132 (1) "Applicable percentage", zero percent for each of the first two credit allowance
133 dates, eleven percent for the next two credit allowance dates, and twelve percent for the
134 next three credit allowance dates;

135 (2) "Credit allowance date", with respect to any qualified equity investment:

136 (a) The date on which such investment is initially made; and

137 (b) Each of the six anniversary dates of such date thereafter;

138 (3) "Long-term debt security", any debt instrument issued by a qualified
139 community development entity, at par value or a premium, with an original maturity date
140 of at least seven years from the date of its issuance, with no acceleration of repayment,
141 amortization, or prepayment features prior to its original maturity date. The qualified
142 community development entity that issues the debt instrument may not make cash interest
143 payments on the debt instrument during the period beginning on the date of issuance and
144 ending on the final credit allowance date in an amount that exceeds the cumulative
145 operating income, as defined by regulations adopted under Section 45D, Internal Revenue
146 Code of 1986, as amended, of the qualified community development entity for that period
147 prior to giving effect to the expense of such cash interest payments. The foregoing shall in

no way limit the holder's ability to accelerate payments on the debt instrument in situations where the issuer has defaulted on covenants designed to ensure compliance with this section or Section 45D of the Internal Revenue Code of 1986, as amended;

(4) "Purchase price", the amount paid to the issuer of a qualified equity investment for such qualified equity investment;

(5) "Qualified active low-income community business", the meaning given such term in Section 45D of the Internal Revenue Code of 1986, as amended, and 26 C.F.R. Section 1.45D-1, but limited to those businesses meeting the SBA size eligibility standards established in 13 C.F.R. 121.101-201 at the time the qualified low-income community investment is made. A business shall be considered a qualified active low-income community business for the duration of the qualified community development entity's investment in, or loan to, the business if the entity reasonably expects, at the time it makes the investment or loan, that the business will continue to satisfy the requirements for being a qualified active low-income community business, other than the SBA size standards, throughout the entire period of the investment or loan. The term excludes any business that derives or projects to derive fifteen percent or more of its annual revenue from the rental or sale of real estate. This exclusion does not apply to a business that is controlled by, or under common control with, another business if the second business:

(a) Does not derive or project to derive fifteen percent or more of its annual revenue from the rental or sale of real estate; and

(b) Is the primary tenant of the real estate leased from the first business;

(6) "Qualified community development entity", the meaning given such term in Section 45D of the Internal Revenue Code of 1986, as amended, provided that such entity has entered into, for the current year or any prior year, an allocation agreement with the Community Development Financial Institutions Fund of the U.S. Treasury Department with respect to credits authorized by Section 45D of the Internal Revenue Code of 1986, as amended, which includes the state of Missouri within the service area set forth in such allocation agreement. The term shall include subsidiary community development entities of any such qualified community development entity;

(7) "Qualified equity investment", any equity investment in, or long-term debt security issued by, a qualified community development entity that:

(a) Is acquired after August 28, 2013, at its original issuance solely in exchange for cash;

(b) Has at least eighty-five percent of its cash purchase price used by the issuer to make qualified low-income community investments by the first anniversary of the initial credit allowance date; and

(c) Is designated by the issuer as a qualified equity investment under this subdivision and is certified by the department of economic development as not exceeding the limitation contained in subsection 7 of this section.

This term shall include any qualified equity investment that does not meet the provisions of paragraph (a) of this subdivision if such investment was a qualified equity investment in the hands of a prior holder;

(8) "Qualified low-income community investment", any capital or equity investment in, or loan to, any qualified active low-income community business;

(9) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding withholding tax imposed in sections 143.191 to 143.265, or otherwise due under section 375.916 or chapter 147, 148, or 153;

(10) "Taxpayer", any individual or entity subject to the tax imposed in chapter 143, excluding withholding tax imposed in sections 143.191 to 143.265, or the tax imposed in section 375.916 or chapter 147, 148, or 153.

7. Any entity that makes a qualified equity investment earns a vested right to tax credits under this section. On each credit allowance date of such qualified equity investment, the entity or subsequent holder of the qualified equity investment shall be entitled to a tax credit during the taxable year, including such credit allowance date. The tax credit amount shall be equal to the applicable percentage of the purchase price paid to the issuer of such qualified equity investment. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state tax liability for the tax year for which the tax credit is claimed. No tax credit claimed under this section shall be refundable or saleable on the open market. Tax credits earned by a partnership, limited liability company, S-corporation, or other pass-through entity may be allocated to the partners, members, or shareholders of such entity for their direct use in accordance with the provisions of any agreement among such partners, members, or shareholders. Any amount of tax credit that the taxpayer is prohibited by this section from claiming in a taxable year may be carried forward to any of the taxpayer's five subsequent taxable years. The department of economic development shall limit the monetary amount of qualified equity investments permitted under this section to a level necessary to limit tax credit utilization at no more than fifteen million dollars of tax credits in any fiscal year. Such limitation on qualified equity investments shall be based on the anticipated utilization of credits without regard to the potential for taxpayers to carry forward tax credits to later tax years.

8. The issuer of the qualified equity investment shall certify to the department of economic development the anticipated dollar amount of such investments to be made in this state during the first twelve-month period following the initial credit allowance date.

If, on the second credit allowance date, the actual dollar amount of such investments is different than the amount estimated, the department of economic development shall adjust the credits arising on the second allowance date to account for such difference.

9. The department of economic development shall recapture the tax credit allowed under this section with respect to such qualified equity investment under this section if:

(1) Any amount of the federal tax credit available with respect to a qualified equity investment that is eligible for a tax credit under this section is recaptured under Section 45D of the Internal Revenue Code of 1986, as amended;

(2) The issuer redeems or makes principal repayment with respect to a qualified equity investment prior to the seventh anniversary of the issuance of such qualified equity investment. Any tax credit that is subject to recapture shall be recaptured from the taxpayer that claimed the tax credit on a return;

(3) The issuer fails to invest an amount equal to eighty-five percent of the purchase price of the qualified equity investment in qualified low-income community investments in Missouri within twelve months of the issuance of the qualified equity investment and maintain at least eighty-five percent of such level of investment in qualified low-income community investments in Missouri until the last credit allowance date for the qualified equity investment. For purposes of this section, an investment shall be considered held by an issuer even if the investment has been sold or repaid if the issuer reinvests an amount equal to the capital returned to or recovered by the issuer from the original investment, exclusive of any profits realized, in another qualified low-income community investment within twelve months of the receipt of such capital. An issuer shall not be required to reinvest capital returned from qualified low-income community investments after the earlier of (i) the sixth anniversary of the issuance of the qualified equity investment, the proceeds of which were used to make the qualified low-income community investment, or (ii) the date by which a qualified community development entity has made qualified low-income community investments with the proceeds of such qualified equity investment on a cumulative basis equal to at least one hundred fifty percent of such proceeds. If the requirements of either parts (i) or (ii) of this subdivision are met, the qualified low-income community investment shall be considered held by the issuer through the seventh anniversary of the qualified equity investment's issuance; or

(4) At any time prior to the final credit allowance date of a qualified equity investment the issuer uses the cash proceeds of such qualified equity investment to make qualified low-income community investments in any qualified active low-income community business, including affiliated qualified active low-income community businesses, exclusive of reinvestments of capital returned or repaid with respect to earlier

investments in such qualified active low-income community business and its affiliates, in excess of twenty-five percent of such cash proceeds.

Enforcement of each the recapture provisions in subdivisions (1) to (4) of this subsection shall be subject to a six-month cure period. No recapture shall occur until the qualified community development entity shall have been given notice of noncompliance and afforded six months from the date of such notice to cure the noncompliance.

10. (1) The department of economic development may promulgate rules to implement the provisions of this section, including recapture provisions on a scaled proportional basis, and to administer the allocation of tax credits issued for qualified equity investments, which shall be conducted on a first-come, first-served basis. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable, and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2013, shall be invalid and void.

(2) A qualified community development entity that seeks to have an equity investment or long-term debt security designated as a qualified equity investment and eligible for tax credits under this section shall pay a fee in the amount of one half of one percent of the amount of the equity investment or long-term debt security requested to be designated as a qualified equity investment to the department for deposit in the “New Markets Performance Guarantee Fund”, which is hereby established. The entity shall forfeit the fee in its entirety if the qualified community development entity or any subsidiary qualified community development entity that issues a qualified equity investment certified under this section fails to invest an amount equal to eighty-five percent of the purchase price of the qualified equity investment in qualified low-income community investments in Missouri within twelve months of the issuance of the qualified equity investment. Forfeiture of the fee under this subdivision shall be subject to the six-month cure period established under subdivision (5) of subsection 9 of this section.

(3) The fee required under subdivision (2) of this subsection shall be paid to the department and held in the New Markets Performance Guarantee Fund until such time as compliance with the provisions of this subsection shall have been established. The qualified community development entity may request a refund of the fee from the

department no sooner than thirty days after having met the requirements of subdivision (2) of this subsection. The department shall have thirty days to comply with such request or give notice of noncompliance.

11. (1) After a qualified equity investment is designated as such by the department of economic development the investment shall be deemed “bound”. A qualified equity investment may not be unbound unless all of the requirements of subdivision (2) of this subsection have been met. Until all qualified equity investments issued by a qualified community development entity are unbound under this subsection, the qualified community development entity shall not be entitled to distribute to its equity holders or make cash payments on long-term debt securities that have been designated as qualified equity investments in an amount that exceeds the sum of:

(a) The cumulative operating income, as defined by regulations adopted under Section 45D, Internal Revenue Code of 1986, as amended, earned by the qualified community development entity since issuance of the qualified equity investment, prior to giving effect to any expense from the payment of interest on long-term debt securities designated as qualified equity investments; and

(b) Fifty percent of the purchase price of the qualified equity investments issued by the qualified community development entity.

(2) To be unbound, a qualified equity investment shall:

(a) Be beyond its seventh credit allowance date;

(b) Have been in compliance with subsection 9 of this section up through its seventh credit allowance date; and

(c) Have had its proceeds invested in qualified active low-income community investments such that the total qualified active low-income community investments made, cumulatively including reinvestments, exceeds one hundred fifty percent of its qualified equity investment.

(3) A community development entity that seeks to have a qualified equity investment unbound under this section shall send notice to the department of economic development of its request to be unbound along with evidence supporting the request. The provisions of paragraph (b) of subdivision (2) of this subsection shall be deemed to be met if no recapture action has been commenced by the department of economic development as of the seventh credit allowance date. Such request shall not be unreasonably denied and shall be responded to within thirty days of receiving the request. If the request is denied for any reason, the burden of proof shall be on the department in any administrative or legal proceeding that follows.

327 **12. No qualified community development entity shall be entitled to pay to any**
328 **affiliate of such qualified community development entity any fees in connection with any**
329 **activity under this section prior to being unbound under subsection 11 of this section of all**
330 **qualified equity investments issued by such qualified community development entity. The**
331 **foregoing shall not prohibit a qualified community development entity from allocating or**
332 **distributing income earned by it to such affiliates or paying reasonable interest on amounts**
333 **lent to the qualified community development entity by such affiliates.**

334 **13. Subsections 1 to 5 of this section shall apply to qualified equity investments**
335 **made after September 4, 2007, but before July 1, 2010.**

336 **14. Subsections 6 to 12 of this section shall apply to qualified equity investments**
337 **made after August 28, 2013.**

338 [7.] **15.** Under section 23.253 of the Missouri sunset act:

339 (1) The provisions of the new program authorized under this section shall automatically
340 sunset six years after [September 4, 2007] **August 28, 2013**, unless reauthorized by an act of the
341 general assembly; and

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

345 (3) This section shall terminate on September first of the calendar year immediately
346 following the calendar year in which the program authorized under this section is sunset.
347 However, nothing in this subsection shall preclude a taxpayer who makes a qualified equity
348 investment prior to sunset of this section under the provisions of section 23.253 from claiming
349 tax credits relating to such qualified equity investment for each credit allowance date.

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
3 chapter 143, exclusive of the provisions relating to the withholding of tax as provided in sections
4 143.191 to 143.265, in an amount equal to twenty-five percent of the purchase price of all new
5 **and used** equipment and materials used directly in the growing of grapes or the production of
6 wine in the state. Each grower or producer shall apply to the department of economic
7 development and specify the total amount of such new equipment and materials purchased
8 during the calendar year. The department of economic development shall certify to the
9 department of revenue the amount of such tax credit to which a grape grower or wine producer
10 is entitled pursuant to this section. The provisions of this section notwithstanding, a grower or
11 producer may only apply for and receive the credit authorized by this section for five tax periods.

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

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

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

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

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

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

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

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

21 (b) Construction of such facility; and

22 (c) General maintenance of such facility during the time period in which such facility
23 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 years 2011 **and after**, 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 three million dollars**
62 **annually.** Taxpayers may carry forward unused credits for up to five tax periods, provided all
63 such credits shall be claimed within ten tax periods following the tax period in which the film
64 production or production-related activities for which the credits are certified by the department
65 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 the department, be allowed a credit, each tax year for up to ten tax years, in an amount determined as set forth in this section, against the tax imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265. No taxpayer shall receive multiple ten-year periods for subsequent expansions at the same facility.

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

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

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

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

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

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

(2) The sum calculated based upon the following:

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

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

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

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

5. Prior to January 1, 2007, in no event shall the department authorize more than four million dollars annually to be issued for all enhanced business enterprises. After December 31, 2006, **but before January 1, 2014**, in no event shall the department authorize more than twenty-four million dollars annually to be issued for all enhanced business enterprises.

36 **Beginning August 28, 2013, no new tax credits shall be issued under this section as**
37 **provided under section 620.2020.**

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 January 1, 2014,
2 **all tax credits which are subject to a statutory limitation on the total amount authorized**
3 **shall have such limitation reviewed by the general assembly every five years.**

135.1550. 1. Sections 135.1550 to 135.1575 shall be known and may be cited as the
2 **"Missouri Export Incentive Act".**

3 **2. As used in sections 135.1550 to 135.1575, unless the context clearly requires**
4 **otherwise, the following terms shall mean:**

5 **(1) "Air export tax credit", the tax credit against the taxes imposed under chapters**
6 **143, 147, and 148, except for those in sections 143.191 to 143.265, to be issued by the**
7 **department to a claiming freight forwarder for the shipment of air cargo on a qualifying**
8 **outbound flight;**

9 **(2) "Airport", any international airport located within the state;**

10 **(3) "Chargeable kilo", the shipment of a kilo of freight, as measured by the greater**
11 **of:**

12 **(a) Actual weight; or**

13 **(b) A dimensional weight, as determined by the conversion factors promulgated by**
14 **the International Air Transport Association, on a qualifying outbound flight;**

15 **(4) "Claiming freight forwarder", the freight forwarder designated as the "agent"**
16 **on the airway bill for the qualifying outbound flight for which such air export tax credit**
17 **is sought;**

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

19 **(6) "Direct international aircraft flight", a single aircraft transoceanic flight that**
20 **operates to an international destination in accordance with the operator's bilateral route**
21 **authority;**

22 **(7) "Freight forwarder", a person who assumes responsibility in the ordinary**
23 **course of business for the transportation of cargo from the place of receipt to the place of**
24 **destination, including the utilization of a qualifying outbound flight;**

25 **(8) "Qualifying outbound flight", a direct international aircraft flight that carries**
26 **either all cargo or a mix of passengers and cargo from the airport to an international**
27 **destination.**

135.1555. 1. For all fiscal years beginning on or after July 1, 2013, a claiming
2 **freight forwarder shall be entitled to an air export tax credit for the shipment of cargo on**
3 **a qualifying outbound flight in an amount equal to forty cents per chargeable kilo.**

4 **2. The department shall index, and the secretary of state shall publish in the**
5 **Missouri Register, the amount of the air export tax credits to adjust each year depending**
6 **upon fluctuations in the cost of fuel for over-the-road transportation.**

135.1560. 1. To receive benefits provided under section 135.1555, a claiming freight
2 **forwarder shall file an application with the department within one hundred twenty**
3 **calendar days of the date of shipment. The documentation to be presented by the claiming**
4 **freight forwarder in such an application shall consist of the master airway bill for the**
5 **shipment on the qualifying outbound flight for which the claiming freight forwarder is**
6 **seeking air export tax credits. The department shall establish procedures to allow claiming**
7 **freight forwarders that file applications for air export tax credits to receive such tax credits**
8 **within twenty business days of the filing of the application.**

9 **2. If the fiscal year cap on the issuance of air export tax credits provided under**
10 **section 135.1565 is met in a given fiscal year, then the amount of such tax credits that have**
11 **been authorized, but remain unissued, shall be carried forward and issued in the**
12 **subsequent fiscal year.**

13 **3. No tax credits provided under this section shall be authorized after June 30,**
14 **2021. Any tax credits authorized on or before June 30, 2021, but not issued, may be issued**
15 **until all such authorized tax credits have been issued.**

135.1565. The total aggregate amount for air export tax credits authorized under
2 **section 135.1555 shall not exceed sixty million dollars. The amount of the air export tax**
3 **credits issued under section 135.1555 shall not exceed seven million five hundred thousand**
4 **dollars for each fiscal year beginning on or after July 1, 2013, unless authorized by the**
5 **department. Any amount issued exceeding seven million five hundred thousand dollars**
6 **in a fiscal year shall be reduced first from the authorized amount for the fiscal year ending**
7 **June 30, 2021, and then the preceding fiscal years, until all such authorized credits have**
8 **been issued.**

135.1570. If the amount of any tax credit authorized under sections 135.1550 to
2 **135.1575 exceeds the total tax liability for the year in which the applicant is entitled to**
3 **receive a tax credit, the amount that exceeds the state tax liability may be carried forward**
4 **for credit against the taxes imposed under chapters 143, 147, and 148, except those in**

5 sections 143.191 to 143.265, for the succeeding six years, or until the full credit is used,
6 whichever occurs first. Tax credits authorized under the provisions of sections 135.1550
7 to 135.1575 may be transferred, sold, or otherwise assigned. Tax credits granted to a
8 partnership, a limited liability company taxed as a partnership, or multiple owners of
9 property shall be passed through to the partners, members, or owners respectively pro rata
10 or pursuant to an executed agreement among the partners, members, or owners
11 documenting an alternate distribution method.

135.1575. 1. The department may promulgate rules to implement the provisions
2 of sections 135.1550 to 135.1575. Any rule or portion of a rule, as that term is defined in
3 section 536.010 that is created under the authority delegated in this section shall become
4 effective only if it complies with and is subject to all of the provisions of chapter 536, and,
5 if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of
6 the powers vested with the general assembly pursuant to chapter 536, to review, to delay
7 the effective date, or to disapprove and annul a rule are subsequently held
8 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted
9 after the effective date of this act, shall be invalid and void.

10 2. The provisions of section 23.253 of the Missouri sunset act notwithstanding:

11 (1) The provisions of the new programs authorized under sections 135.1550 to
12 135.1575 shall automatically sunset eight years after the effective date of this act, unless
13 reauthorized by an act of the general assembly;

14 (2) If such program is reauthorized, the program authorized under this section
15 shall automatically sunset eight years after the effective date of the reauthorization of this
16 section; and

17 (3) This section shall terminate on September first of the calendar year immediately
18 following the calendar year in which the programs authorized under sections 135.1550 to
19 135.1575 sunset.

144.810. 1. As used in this section, unless the context clearly indicates otherwise,
2 the following terms mean:

3 (1) "Commencement of commercial operations", shall be deemed to occur during
4 the first calendar year for which the data storage center is first available for use by the
5 operating taxpayer, or first capable of being used by the operating taxpayer, as a data
6 storage center;

7 (2) "Constructing taxpayer", if more than one taxpayer is responsible for a project,
8 a taxpayer responsible for the construction of the facility, as opposed to a taxpayer
9 responsible for the equipping and ongoing operations of the facility;

10 **(3) "County average wage", the average wage in each county as determined by the**
11 **department for the most recently completed full calendar year. However, if the computed**
12 **county average wage is above the statewide average wage, the statewide average wage shall**
13 **be deemed the county average wage for such county for the purpose of determining**
14 **eligibility;**

15 **(4) "Data storage center" or "facility", a facility constructed, extended, improved,**
16 **or operating under this section, provided that such business facility is engaged primarily**
17 **in:**

18 **(a) Data processing, hosting, and related services (NAICS 518210);**

19 **(b) Internet publishing and broadcasting and web search portals (NAICS 519130),**
20 **at the business facility; or**

21 **(c) Customer service, customer contact, or customer support operations through**
22 **the use of computer databases and telecommunications services at the business facility;**

23 **(5) "Existing facility", a data storage center in this state as it existed prior to**
24 **August 28, 2013, as determined by the department;**

25 **(6) "Expanding facility" or "expanding data storage center", an existing facility**
26 **or replacement facility that expands its operations in this state on or after August 28, 2013,**
27 **and has a net new investment related to the expansion of operations in this state of at least**
28 **five million dollars during a period of up to twelve consecutive months and results in the**
29 **creation of at least five new jobs during a period of up to twenty-four consecutive months**
30 **from the date of conditional approval for an exemption under this section, if the average**
31 **wage of the new jobs equals or exceeds one hundred and fifty percent of the county average**
32 **wage. An expanding facility shall continue to be an expanding facility regardless of a**
33 **subsequent change in or addition of operating taxpayers or constructing taxpayers;**

34 **(7) "Expanding facility project" or "expanding data storage center project", the**
35 **construction, extension, improvement, equipping, and operation of an expanding facility;**

36 **(8) "Investment" shall include the value of real and depreciable personal property,**
37 **acquired as part of the new or expanding facility project which is used in the operation of**
38 **the facility following conditional approval of an exemption under this section;**

39 **(9) "NAICS", the 2007 edition of the North American Industry Classification**
40 **System as prepared by the Executive Office of the President, Office of Management and**
41 **Budget. Any NAICS sector, subsector, industry group, or industry identified in this section**
42 **shall include its corresponding classification in previous and subsequent federal industry**
43 **classification systems;**

44 **(10) "New facility" or "new data storage center", a facility in this state meeting the**
45 **following requirements:**

46 (a) The facility is acquired by, or leased to, an operating taxpayer on or after
47 August 28, 2013. A facility shall be deemed to have been acquired by, or leased to, an
48 operating taxpayer on or after August 28, 2013, if the transfer of title to an operating
49 taxpayer, the transfer of possession under a binding contract to transfer title to an
50 operating taxpayer, or the commencement of the term of the lease to an operating taxpayer
51 occurs on or after August 28, 2013, or, if the facility is constructed, erected, or installed by
52 or on behalf of an operating taxpayer, such construction, erection, or installation is
53 commenced on or after August 28, 2013;

54 (b) If such facility was acquired by an operating or constructing taxpayer from
55 another person or persons on or after August 28, 2013, and such facility was employed
56 prior to August 28, 2013, by any other person or persons in the operation of a data storage
57 center the facility shall not be considered a new facility;

58 (c) Such facility is not an expanding or replacement facility, as defined in this
59 section;

60 (d) The new facility project investment is at least thirty-seven million dollars during
61 a period of up to thirty-six consecutive months from the date of the conditional approval
62 for an exemption under this section. If more than one taxpayer is responsible for a project,
63 the investment requirement may be met by an operating taxpayer, a constructing taxpayer,
64 or a combination of constructing taxpayers and operating taxpayers;

65 (e) At least thirty new jobs are created at the new facility during a period of up to
66 thirty-six consecutive months from the date of conditional approval for an exemption
67 under this section if the average wage of the new jobs equals or exceeds one hundred fifty
68 percent of the county average wage; and

69 (f) A new facility shall continue to be a new facility regardless of a subsequent
70 change in or addition of operating taxpayers or constructing taxpayers;

71 (11) "New data storage center project" or "new facility project", the construction,
72 extension, improvement, equipping, and operation of a new facility;

73 (12) "New job" in the case of a new data center project, the total number of full-
74 time employees located at a new data storage center for a period of up to thirty-six
75 consecutive months from the date of conditional approval for an exemption under this
76 section. In the case of an expanding data storage center project, the total number of full-
77 time employees located at the expanding data storage center that exceeds the greater of the
78 number of full-time employees located at the project facility on the date of the submission
79 of a project plan under this section or for the twelve-month period prior to the date of the
80 submission of a project plan, the average number of full-time employees located at the
81 expanding data storage center facility. In the event the expanding data storage center

82 facility has not been in operation for a full twelve-month period at the time of the
83 submission of a project plan, the average number of full-time employees for the number
84 of months the expanding data storage center facility has been in operation prior to the date
85 of the submission of the project plan;

86 (13) "Notice of intent", a form developed by the department of economic
87 development, completed by the project taxpayer, and submitted to the department, which
88 states the project taxpayer's intent to construct or expand a data center and requests the
89 exemptions under this program;

90 (14) "Operating taxpayer", if more than one taxpayer is responsible for a project,
91 a taxpayer responsible for the equipping and ongoing operations of the facility, as opposed
92 to a taxpayer responsible for the purchasing or construction of the facility;

93 (15) "Project taxpayers", each constructing taxpayer and each operating taxpayer
94 for a data storage center project;

95 (16) "Replacement facility", a facility in this state otherwise described in
96 subdivision (7) of this subsection, but which replaces another facility located within the
97 state, which the taxpayer or a related taxpayer previously operated but discontinued
98 operating within one year prior to the commencement of commercial operations at the new
99 facility;

100 (17) "Taxpayer", the purchaser of tangible personal property or a service that is
101 subject to state or local sales or use tax and from whom state or local sales or use tax is
102 owed. Taxpayer shall not mean the seller charged by law with collecting the sales tax from
103 the purchaser.

104 2. In addition to the exemptions granted under chapter 144, project taxpayers for
105 a new data storage center project shall be entitled, for a project period not to exceed fifteen
106 years from the date of conditional approval under this section and subject to the
107 requirements of subsection 3 of this section, to an exemption of one hundred percent of the
108 state and local sales and use taxes defined, levied, or calculated under section 32.085,
109 sections 144.010 to 144.525, sections 144.600 to 144.761, or section 238.235, limited to the
110 net fiscal benefit of the state calculated over a ten year period, on:

111 (1) All electrical energy, gas, water, and other utilities including telecommunication
112 and internet services used in a new data storage center;

113 (2) All machinery, equipment, and computers used in any new data storage center;
114 and

115 (3) All sales at retail of tangible personal property and materials for the purpose
116 of constructing any new data storage center.

117

The amount of any exemption provided under this subsection shall not exceed the projected net fiscal benefit to the state over a period of ten years, as determined by the department of economic development using the Regional Economic Modeling, Inc. dataset or comparable data.

3. (1) Any data storage center project seeking a tax exemption under subsection 2 of this section shall submit a notice of intent and a project plan to the department of economic development, which shall identify each known constructing taxpayer and known operating taxpayer for the project and include any additional information the department of economic development may require to determine eligibility for the exemption. The department of economic development shall review the project plan and determine whether the project is eligible for the exemption under subsection 2 of this section, conditional upon subsequent verification by the department that the project meets the requirements in subsection 1 of this section for a new facility project. The department shall make such conditional determination within thirty days of submission by the operating taxpayer. Failure of the department to respond within thirty days shall result in a project plan being deemed conditionally approved.

(2) The department of economic development shall convey conditional approvals to the department of revenue and the identified project taxpayers. After a conditionally approved new facility has met the requirements in subsection 1 of this section for a new facility and the execution of the agreement specified in subsection 6 of this section, the project taxpayers shall provide proof of the same to the department of economic development. Upon verification of such proof, the department of economic development shall certify the new facility to the department of revenue as being eligible for the exemption dating retroactively to the first day of construction on the new facility. The department of revenue, upon receipt of adequate proof of the amount of sales taxes paid since the first day of construction, shall issue a refund of taxes paid but eligible for exemption under subsection 2 of this section to each operating taxpayer and each constructing taxpayer and issue a certificate of exemption to each new project taxpayer for ongoing exemptions under subsection 2 of this section. The department of revenue shall issue such a refund within thirty days of receipt of certification from the department of economic development.

(3) Any project that does not meet the minimum investment or new job requirements of subsection 1 of this section may still be eligible for the exemption under subsection 2 of this section, as long as the exemptions for such project plan do not exceed the projected net fiscal benefit to the state over a period of ten years.

153 **(4) The commencement of the exemption period may be delayed at the option of the**
154 **operating taxpayer, but not more than twenty-four months after the execution of the**
155 **agreement required under subsection 6 of this section.**

156 **4. In addition to the exemptions granted under chapter 144, upon approval by the**
157 **department of economic development, project taxpayers for expanding data center projects**
158 **may, for a period not to exceed ten years, be specifically exempted from state and local**
159 **sales and use taxes defined, levied, or calculated under section 32.085, sections 144.010 to**
160 **144.525, sections 144.600 to 144.761, or section 238.235 on:**

161 **(1) All electrical energy, gas, water, and other utilities including telecommunication**
162 **and internet services used in an expanding data storage center which, on an annual basis,**
163 **exceeds the amount of electrical energy, gas, water, and other utilities including**
164 **telecommunication and internet services used in the existing facility or the replaced facility**
165 **prior to the expansion. For purposes of this subdivision only, "amount" shall be measured**
166 **in kilowatt hours, gallons, cubic feet, or other measures applicable to a utility service as**
167 **opposed to in dollars, to account for increases in utility rates;**

168 **(2) All machinery, equipment, and computers used in any expanding data storage**
169 **center; and**

170 **(3) All sales at retail of tangible personal property and materials for the purpose**
171 **of constructing, repairing, or remodeling any expanding data storage center.**

172
173 **The amount of any exemption provided under this subsection shall not exceed the**
174 **projected net fiscal benefit to the state over a period of ten years, as determined by the**
175 **department of economic development.**

176 **5. (1) Any data storage center project seeking a tax exemption under subsection**
177 **4 of this section shall submit a notice of intent and a project plan to the department of**
178 **economic development, which shall identify each known constructing taxpayer and each**
179 **known operating taxpayer for the project and include any additional information the**
180 **department of economic development may reasonably require to determine eligibility for**
181 **the exemption. The department of economic development shall review the project plan and**
182 **determine whether the project is eligible for the exemption under subsection 4 of this**
183 **section, conditional upon subsequent verification by the department that the project meets**
184 **the requirements in subsection 1 of this section for an expanding facility project and the**
185 **execution of the agreement specified in subsection 6 of this section. The department shall**
186 **make such conditional determination within thirty days of submission by the operating**
187 **taxpayer. Failure of the department to respond within thirty days shall result in a project**
188 **plan being deemed conditionally approved.**

189 (2) The department of economic development shall convey such conditional
190 approval to the department of revenue and the identified project taxpayers. After a
191 conditional approved facility has met the requirements in subsection 1 of this section, the
192 project taxpayers shall provide proof of the same to the department of economic
193 development. Upon verification of such proof, the department of economic development
194 shall certify the project to the department of revenue as being eligible for the exemption
195 dating retroactively to the first day of the expansion of the facility. The department of
196 revenue, upon receipt of adequate proof of the amount of sales taxes paid since the first day
197 of the expansion of the facility, shall issue a refund of taxes paid but eligible for exemption
198 under subsection 4 of this section to any applicable project taxpayer and issue a certificate
199 of exemption to any applicable project taxpayer for ongoing exemptions under subsection
200 4 of this section. The department of revenue shall issue such a refund within thirty days
201 of receipt of certification from the department of economic development.

202 (3) Any project that does not meet the minimum investment or new job
203 requirements of subsection 1 of this section may still be eligible for the exemption under
204 subsection 4 of this section, as long as the exemptions for such project plan do not exceed
205 the projected net fiscal benefit to the state over a period of ten years.

206 (4) The commencement of the exemption period may be delayed at the option of the
207 operating taxpayer, but not more than twenty-four months after the execution of the
208 agreement required under subsection 6 of this section.

209 6. (1) The exemptions in subsections 2 and 4 of this section shall be tied to the new
210 or expanding facility project. A certificate of exemption in the hands of a taxpayer that is
211 no longer an operating or constructing taxpayer of the new or expanding facility project
212 shall be invalid as of the date the taxpayer was no longer an operating or constructing
213 taxpayer of the new or expanding facility project. New certificates of exemption shall be
214 issued to successor constructing taxpayers and operating taxpayers at such new or
215 expanding facility projects. The right to the exemption by successor taxpayers shall exist
216 without regard to subsequent levels of investment in the new or expanding facility by
217 successor taxpayers.

218 (2) As a condition of receiving an exemption under subsection 2 or 4 of this section,
219 the project taxpayers shall enter into an agreement with the department of economic
220 development providing for repayment penalties in the event the data storage center project
221 fails to comply with any of the requirements of this section.

222 (3) The department of revenue shall credit any amounts remitted by the project
223 taxpayers under this subsection to the fund to which the sales and use taxes exempted
224 would have otherwise been credited.

225 **7. The department of economic development and the department of revenue shall**
226 **cooperate in conducting random audits to ensure that the intent of this section is followed.**

227 **8. Notwithstanding any other provision of law to the contrary, no recipient of an**
228 **exemption pursuant to this section shall be eligible for benefits under any business**
229 **recruitment tax credit, as defined in section 135.800.**

230 **9. The department of economic development and the department of revenue shall**
231 **jointly prescribe such rules and regulations necessary to carry out the provisions of this**
232 **section. Any rule or portion of a rule, as that term is defined in section 536.010, that is**
233 **created under the authority delegated in this section shall become effective only if it**
234 **complies with and is subject to all of the provisions of chapter 536 and, if applicable,**
235 **section 536.028. This section and chapter 536 are nonseverable and if any of the powers**
236 **vested with the general assembly pursuant to chapter 536 to review, to delay the effective**
237 **date, or to disapprove and annul a rule are subsequently held unconstitutional, then the**
238 **grant of rulemaking authority and any rule proposed or adopted after August 28, 2013,**
239 **shall be invalid and void.**

240 **10. This section shall terminate on September 1, 2019. The termination of this**
241 **section shall not be construed to limit or in any way impair the exemption for any project**
242 **approved prior to the termination of this section.**

208.770. 1. Moneys deposited in or withdrawn pursuant to subsection 1 of section
2 208.760 from a family development account by an account holder are exempted from taxation
3 pursuant to chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, and
4 chapter 147, 148 or 153 provided, however, that any money withdrawn for an unapproved use
5 should be subject to tax as required by law.

6 2. Interest earned by a family development account is exempted from taxation pursuant
7 to chapter 143.

8 3. Any funds in a family development account, including accrued interest, shall be
9 disregarded when determining eligibility to receive, or the amount of, any public assistance or
10 benefits.

11 4. A program contributor shall be allowed a credit against the tax imposed by chapter
12 143, excluding withholding tax imposed by sections 143.191 to 143.265, and chapter 147, 148
13 or 153, pursuant to sections 208.750 to 208.775. Contributions up to fifty thousand dollars per
14 program contributor are eligible for the tax credit which shall not exceed fifty percent of the
15 contribution amount.

16 5. The department of economic development shall verify all tax credit claims by
17 contributors. The administrator of the community-based organization, with the cooperation of
18 the participating financial institutions, shall submit the names of contributors and the total

19 amount each contributor contributes to a family development account reserve fund for the
20 calendar year. The director shall determine the date by which such information shall be
21 submitted to the department by the local administrator. The department shall submit verification
22 of qualified tax credits pursuant to sections 208.750 to 208.775 to the department of revenue.

23 6. For all fiscal years ending on or before June 30, 2010, the total tax credits authorized
24 pursuant to sections 208.750 to 208.775 shall not exceed four million dollars in any fiscal year.
25 For all fiscal years beginning on or after July 1, 2010, **but before July 1, 2014**, the total tax
26 credits authorized under sections 208.750 to 208.775 shall not exceed three hundred thousand
27 dollars in any fiscal year. **Beginning July 1, 2014, no new tax credits shall be authorized**
28 **under sections 208.750 to 208.775.**

253.545. As used in sections 253.545 to 253.559, the following terms mean, unless the
2 context requires otherwise:

3 (1) "Certified historic structure", a property located in Missouri and listed individually
4 on the National Register of Historic Places;

5 (2) "Deed in lieu of foreclosure or voluntary conveyance", a transfer of title from a
6 borrower to the lender to satisfy the mortgage debt and avoid foreclosure;

7 (3) "Eligible property", property located in Missouri and offered or used for residential
8 or business purposes;

9 (4) "Leasehold interest", a lease in an eligible property for a term of not less than thirty
10 years;

11 (5) "Principal", a managing partner, general partner, or president of a taxpayer;

12 (6) "Structure in a certified historic district", a structure located in Missouri which is
13 certified by the department of natural resources as contributing to the historic significance of a
14 certified historic district listed on the National Register of Historic Places, or a local district that
15 has been certified by the United States Department of the Interior;

16 (7) "Taxpayer", any person, firm, partnership, trust, estate, limited liability company, or
17 corporation;

18 (8) **"Total costs and expenses of rehabilitation", all costs and expenses related to**
19 **the rehabilitation of eligible property that is a certified historic structure or a structure in**
20 **a certified historic district including, but not limited to, qualified rehabilitation**
21 **expenditures as defined in Section 47(c)(2)(A) of the Internal Revenue Code of 1986, as**
22 **amended, and any related regulations promulgated under such section. Such costs and**
23 **expenses shall include, but not be limited to, rehabilitation work in progress, accrued**
24 **developer fees, and costs and expenses related to rehabilitation incurred at the taxpayers**
25 **own risk up to one year before the date of submission of a preliminary application under**
26 **section 253.559. Provided however, that accrued developer fees shall only be considered**

27 **"total costs and expenses of rehabilitation" if an agreement or other contractual document**
28 **provides for the payment of such fees within no more than six years of completion of the**
29 **rehabilitation.**

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 **shall**, subject to the provisions of this section and section 253.559, receive a credit against the
4 taxes 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. **The department of**
13 **economic development shall determine the total costs and expenses of rehabilitation**
14 **pursuant to subsection 7 of section 253.559, but in no case shall such total costs and**
15 **expenses of rehabilitation be defined more narrowly than qualified rehabilitation**
16 **expenditures as defined in Section 47 (c) (2) (A) of the Internal Revenue Code of 1986, as**
17 **amended, and any related regulations promulgated under such section, as required by**
18 **section 253.545.**

2. During the period beginning on January 1, 2010, but ending on or after June 30, 2010,
20 the department of economic development shall not approve applications for tax credits under the
21 provisions of subsections 3 and 8 of section 253.559 which, in the aggregate, exceed seventy
22 million dollars, increased by any amount of tax credits for which approval shall be rescinded
23 under the provisions of section 253.559. For each fiscal year beginning on or after July 1, 2010,
24 **but ending on or before June 30, 2014**, the department of economic development shall not
25 approve applications for tax credits under the provisions of subsections 3 and 8 of section
26 253.559 which, in the aggregate, exceed one hundred forty million dollars, increased by any
27 amount of tax credits for which approval shall be rescinded under the provisions of section
28 253.559. The limitations provided under this subsection shall not apply to applications approved
29 under the provisions of subsection 3 of section 253.559 for projects to receive less than two
30 hundred seventy-five thousand dollars in tax credits.

3. For all applications for tax credits approved on or after January 1, 2010, **but before**
32 **July 1, 2014**, no more than two hundred fifty thousand dollars in tax credits may be issued for
33 eligible costs and expenses incurred in the rehabilitation of an eligible property which is a

34 nonincome producing single-family, owner-occupied residential property and is either a certified
35 historic structure or a structure in a certified historic district.

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

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

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

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

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

50 **5. For each fiscal year beginning on or after July 1, 2014, the department of**
51 **economic development shall not approve applications for tax credits under the provisions**
52 **of subsections 3 and 8 of section 253.559 which, in the aggregate, exceed one hundred**
53 **thirty-five million dollars, increased by any amount of tax credits for which approval shall**
54 **be rescinded under the provisions of section 253.559. The limitations provided under this**
55 **subsection shall not apply to applications approved under the provisions of subsection 3**
56 **of section 253.559 for projects to receive less than two hundred seventy-five thousand**
57 **dollars in tax credits.**

58 **6. For all applications for tax credits approved on or after July 1, 2014, no more**
59 **than one hundred twenty-five thousand dollars in tax credits may be issued for eligible**
60 **costs and expenses incurred in the rehabilitation of an eligible property which is a**
61 **nonincome producing single-family, owner-occupied residential property and is either a**
62 **certified historic structure or a structure in a certified historic district.**

63 **7. In lieu of the limitations on tax credit authorization provided under the**
64 **provisions of subsections 5 and 6 of this section, the limitations on tax credit authorization**
65 **provided under the provisions of subsections 2 and 3 of this section shall apply to:**

66 (1) Any application submitted by a taxpayer, which has received approval from the
67 department prior to July 1, 2014; or

68 (2) Any application for tax credits provided under this section for a project, which
69 on or before July 1, 2014:

70 (a) Received an approved Part I from the Secretary of the United States
71 Department of Interior and has incurred costs and expenses for an eligible property which
72 exceed the lesser of fifteen percent of the total project costs or three million dollars; or

73 (b) Has received certification, by the state historic preservation officer, that the
74 rehabilitation plan meets the standards consistent with the standards of the Secretary of
75 the United States Department of the Interior, and the rehabilitation costs and expenses
76 associated with such rehabilitation would, upon completion, be expected to exceed fifty
77 percent of the total basis in the property.

78 8. For each fiscal year beginning on or after July 1, 2014, the department of
79 economic development shall not approve applications for projects to receive less than two
80 hundred seventy-five thousand dollars in tax credits which, in the aggregate, exceed ten
81 million dollars, increased by any amount of tax credits for which approval shall be
82 rescinded under the provisions of section 253.559. The limitations on tax credit
83 authorization provided under the provisions of this subsection shall not apply to:

84 (1) Any application submitted by a taxpayer, which has received approval from the
85 department prior to the July 1, 2014; or

86 (2) Any application for tax credits provided under this section for a project, which
87 on or before July 1, 2014:

88 (a) Received an approved Part I from the Secretary of the United States Department
89 of Interior and has incurred costs and expenses for an eligible property which exceed five
90 percent of the total project costs; or

91 (b) Has received certification, by the state historic preservation officer, that the
92 rehabilitation plan meets the standards consistent with the standards of the Secretary of
93 the United States Department of the Interior, and the rehabilitation costs and expenses
94 associated with such rehabilitation would, upon completion, be expected to exceed fifty
95 percent of the total basis in the property.

253.557. 1. If the amount of such credit exceeds the total tax liability for the year in
2 which the rehabilitated property is placed in service, the amount that exceeds the state tax
3 liability may be carried back to any of the three preceding years and carried forward for credit
4 against the taxes imposed pursuant to chapter 143 and chapter 148, except for sections 143.191
5 to 143.265 for the succeeding ten years, or until the full credit is used, whichever occurs first.
6 Not-for-profit entities, including but not limited to corporations organized as not-for-profit
7 corporations pursuant to chapter 355 shall be ineligible for the tax credits authorized under
8 sections 253.545 [through 253.561] to 253.559. Any taxpayer that receives state tax credits
9 under the provisions of sections 135.350 to 135.363 for a project that is not financed
10 through tax exempt bonds issuance shall be ineligible for the state tax credits authorized

11 **under sections 253.545 to 253.559 for the same project.** Taxpayers eligible for such tax
12 credits may transfer, sell or assign the credits **to any other taxpayer including, but not limited**
13 **to, a not-for-profit entity.** Credits granted to a partnership, a limited liability company taxed
14 as a partnership or multiple owners of property shall be passed through to the partners, members
15 or owners **including, but not limited to, any not-for-profit entity that is a partner, member,**
16 **or owner,** respectively pro rata or pursuant to an executed agreement among [the] **such** partners,
17 members or owners documenting an alternate distribution method.

18 2. The assignee of the tax credits, hereinafter the assignee for purposes of this
19 subsection, may use acquired credits to offset up to one hundred percent of the tax liabilities
20 otherwise imposed pursuant to chapter 143 and chapter 148, except for sections 143.191 to
21 143.265. The assignor shall perfect such transfer by notifying the department of economic
22 development in writing within thirty calendar days following the effective date of the transfer
23 and shall provide any information as may be required by the department of economic
24 development to administer and carry out the provisions of this section.

253.559. 1. To obtain approval for tax credits allowed under sections 253.545 to
2 253.559, a taxpayer shall submit an application for tax credits to the department of economic
3 development. Each application for approval, including any applications received for
4 supplemental allocations of tax credits as provided under subsection 8 of this section, shall be
5 prioritized for review and approval, in the order of the date on which the application was
6 postmarked, with the oldest postmarked date receiving priority. Applications postmarked on the
7 same day shall go through a lottery process to determine the order in which such applications
8 shall be reviewed.

9 2. Each application shall be reviewed by the department of economic development for
10 approval. In order to receive approval, an application, other than applications submitted under
11 the provisions of subsection 8 of this section, shall include:

12 (1) Proof of ownership or site control. Proof of ownership shall include evidence that
13 the taxpayer is the fee simple owner of the eligible property, such as a warranty deed or a closing
14 statement. Proof of site control may be evidenced by a leasehold interest or an option to acquire
15 such an interest. If the taxpayer is in the process of acquiring fee simple ownership, proof of site
16 control shall include an executed sales contract or an executed option to purchase the eligible
17 property;

18 (2) Floor plans of the existing structure, architectural plans, and, where applicable, plans
19 of the proposed alterations to the structure, as well as proposed additions;

20 (3) The estimated cost of rehabilitation, the anticipated total costs of the project, the
21 actual basis of the property, as shown by proof of actual acquisition costs, the anticipated total
22 labor costs, the estimated project start date, and the estimated project completion date;

23 (4) Proof that the property is an eligible property and a certified historic structure or a
24 structure in a certified historic district, **or evidence that the taxpayer has submitted the**
25 **necessary documentation to qualify the property as an eligible property and a certified**
26 **historic structure or as a structure in a certified historic district. A final determination of**
27 **such qualifications shall not be a prerequisite for approval of the application or the**
28 **incurrence of eligible costs; and**

29 (5) Any other information which the department of economic development may
30 reasonably require to review the project for approval. Only the property for which a property
31 address is provided in the application shall be reviewed for approval. Once selected for review,
32 a taxpayer shall not be permitted to request the review of another property for approval in the
33 place of the property contained in such application. Any disapproved application shall be
34 removed from the review process. If an application is removed from the review process, the
35 department of economic development shall notify the taxpayer in writing of the decision to
36 remove such application. Disapproved applications shall lose priority in the review process. A
37 disapproved application, which is removed from the review process, may be resubmitted, but
38 shall be deemed to be a new submission for purposes of the priority procedures described in this
39 section.

40 3. If the department of economic development deems the application sufficient, the
41 taxpayer shall be notified in writing of the approval for an amount of tax credits equal to the
42 amount provided under section 253.550 less any amount of tax credits previously approved.
43 Such approvals shall be granted to applications in the order of priority established under this
44 section and shall require full compliance thereafter with all other requirements of law as a
45 condition to any claim for such credits. **Notwithstanding any provision of law to the**
46 **contrary, a determination of the department of economic development, in consultation with**
47 **the department of natural resources, whether the completed rehabilitation meets the**
48 **standards of the Secretary of the United States Department of the Interior for**
49 **rehabilitation as determined by the state historic preservation officer of the department**
50 **of natural resources under subsection 7 of this section, shall not be required for the**
51 **department of economic development to approve an application under this subsection.**

52 4. Following approval of an application, the identity of the taxpayer contained in such
53 application shall not be modified except:

54 (1) The taxpayer may add partners, members, or shareholders as part of the ownership
55 structure, so long as the principal remains the same, provided however, that subsequent to the
56 commencement of renovation and the expenditure of at least ten percent of the proposed
57 rehabilitation budget, removal of the principal for failure to perform duties and the appointment
58 of a new principal thereafter shall not constitute a change of the principal; or

59 (2) Where the ownership of the project is changed due to a foreclosure, deed in lieu of
60 a foreclosure or voluntary conveyance, or a transfer in bankruptcy. **Upon any such change in**
61 **ownership, the taxpayer contained in such application, or any successor owner of the**
62 **project, shall notify the department of such change.**

63 5. In the event that the department of economic development grants approval for tax
64 credits equal to the **applicable** total amount available under subsection 2 **or 5** of section 253.550,
65 or sufficient that when totaled with all other approvals, the **applicable** amount available under
66 subsection 2 **or 5** of section 253.550 is exhausted, all taxpayers with applications then awaiting
67 approval or thereafter submitted for approval shall be notified by the department of economic
68 development that no additional approvals shall be granted during the fiscal year and shall be
69 notified of the priority given to such taxpayer's application then awaiting approval. Such
70 applications shall be kept on file by the department of economic development and shall be
71 considered for approval for tax credits in the order established in this section in the event that
72 additional credits become available due to the rescission of approvals or when a new fiscal year's
73 allocation of credits becomes available for approval.

74 6. All taxpayers with applications receiving approval on or after the effective date of this
75 act shall commence rehabilitation within two years of the date of issuance of the letter from the
76 department of economic development granting the approval for tax credits. "Commencement
77 of rehabilitation" shall mean that as of the date in which actual physical work, contemplated by
78 the architectural plans submitted with the application, has begun, the taxpayer has incurred no
79 less than ten percent of the estimated costs of rehabilitation provided in the application.
80 Taxpayers with approval of a project shall submit evidence of compliance with the provisions
81 of this subsection. If the department of economic development determines that a taxpayer has
82 failed to comply with the requirements provided under this section, the approval for the amount
83 of tax credits for such taxpayer shall be rescinded and such amount of tax credits shall then be
84 included in the **applicable** total amount of tax credits, provided under subsection 2 **or 5** of
85 section 253.550, from which approvals may be granted. Any taxpayer whose approval shall be
86 subject to rescission shall be notified of such from the department of economic development and,
87 upon receipt of such notice, may submit a new application for the project.

88 7. To claim the credit authorized under sections 253.550 to 253.559, a taxpayer with
89 approval shall apply for final approval and issuance of tax credits from the department of
90 economic development [which,] . **Such application for final approval and issuance of tax**
91 **credits shall include a cost and expense certification, prepared by a licensed certified public**
92 **accountant that is not an affiliate of the applicant, certifying the total costs and expenses**
93 **of rehabilitation and the total amount of tax credits for which such taxpayer is eligible**
94 **under sections 253.550 to 253.559. Cost and expense certifications required under this**

95 **section shall separately state any accrued developer fees. No later than forty-five calendar**
96 **days following receipt of a taxpayer's application for final approval and issuance of tax**
97 **credits, the department of economic development shall determine,** in consultation with the
98 department of natural resources, [shall determine the final amount of eligible rehabilitation costs
99 and expenses and] whether the completed rehabilitation meets the standards of the Secretary of
100 the United States Department of the Interior for rehabilitation [as determined by the state historic
101 preservation officer of the Missouri department of natural resources]. **If the completed**
102 **rehabilitation meets such standards, the department of economic development shall, within**
103 **forty-five calendar days following the receipt of the taxpayer's application for final**
104 **approval and tax credit issuance, inform such taxpayer of its initial determination by letter**
105 **and issue such taxpayer an initial tax credit issuance. A taxpayer receiving an initial tax**
106 **credit issuance shall receive tax credit certificates in an amount equal to the lesser of**
107 **seventy-five percent of the total amount of tax credits for which the taxpayer is eligible**
108 **under sections 253.550 to 253.559, as certified in the cost and expense certification, or the**
109 **amount of tax credits approved for such project under subsection 3 of this section. Within**
110 **one hundred and twenty calendar days following receipt of a taxpayer's application for**
111 **final approval and tax credit issuance, the department shall determine the final amount of**
112 **eligible rehabilitation costs and expenses. For a taxpayer receiving an initial tax credit**
113 **issuance, no later than one hundred and twenty calendar days following receipt of such**
114 **taxpayer's application for final aproval and tax credit issuance, the department shall notify**
115 **such taxpayer of its final determination by letter and issue such taxpayer tax credit**
116 **certificates in an amount equal to the lesser of the remaining amount of tax credits for**
117 **which such taxpayer is eligible to receive under sections 253.550 to 253.559, as determined**
118 **by the department, or the remaining amount of tax credits for which such taxpayer was**
119 **approved under subsection 3 of this section, but not issued under the initial tax credit**
120 **issuance. If the department of economic development determines that the amount of tax**
121 **credits issued to a taxpayer in the initial tax credit issuance is in excess of the total amount**
122 **of tax credits such taxpayer is eligible to receive under sections 253.550 to 253.559, the**
123 **department shall notify such taxpayer and such taxpayer shall repay the state an amount**
124 **equal to such excess.** For financial institutions credits authorized pursuant to sections 253.550
125 to [253.561] **253.559** shall be deemed to be economic development credits for purposes of
126 section 148.064. The approval of all applications and the issuing of certificates of eligible credits
127 to taxpayers shall be performed by the department of economic development. [The department
128 of economic development shall inform a taxpayer of final approval by letter and shall issue, to
129 the taxpayer, tax credit certificates.] The taxpayer shall attach the certificate to all Missouri
130 income tax returns on which the credit is claimed. **Taxpayers which receive tax credit**

certificates under sections 253.550 to 253.559, attributable to accrued developer fees shall, within six years of completion of rehabilitation, submit an additional cost and expense certification verifying the total amount of developer fees actually accrued and paid. To the extent the amount of developer fees contained in a taxpayer's cost and expense certification included with such taxpayers application for final approval and tax credit issuance exceeds the amount of developer fees actually accrued and paid, as evidenced by the additional cost and expense certification, such taxpayer shall repay to the state an amount equal to twenty-five percent of such excess.

8. Except as expressly provided in this subsection, tax credit certificates shall be issued in the final year that costs and expenses of rehabilitation of the project are incurred, or within the twelve-month period immediately following the conclusion of such rehabilitation. In the event the amount of eligible rehabilitation costs and expenses incurred by a taxpayer would result in the issuance of an amount of tax credits in excess of the amount provided under such taxpayer's approval granted under subsection 3 of this section, such taxpayer may apply to the department for issuance of tax credits in an amount equal to such excess. Applications for issuance of tax credits in excess of the amount provided under a taxpayer's application shall be made on a form prescribed by the department **and shall be substantially in the form of the department of economic development form titled "Historic Preservation Tax Credit Program - Request for Additional Credits" in effect by the effective date of this act.** Such applications shall be subject to all provisions regarding priority provided under subsection 1 of this section.

9. The department of economic development shall determine, on an annual basis, the overall economic impact to the state from the rehabilitation of eligible property.

10. (1) Taxpayers or duly authorized representatives may appeal any official decision, including all preliminary or final approvals and denials of approvals, made by the department or the department of natural resources with regard to an application submitted under sections 253.550 to 253.559 to an independent third-party appeals officer designated by the department within fourteen days of receipt of the appeal by the department. Such appeals under this section shall constitute an administrative review of the decision appealed from and shall not be conducted as an adjudicative proceeding.

(2) Appeals shall be submitted to the designated appeals officer in writing within thirty days of receipt by the taxpayer or the taxpayer's duly authorized representative of the decision that is the subject of the appeal, and shall include all information the appellant wishes the appeals officer to consider in deciding the appeal.

(3) Within fourteen days of receipt of an appeal, the appeals officer shall notify the department or the department of natural resources that an appeal is pending, identify the decision being appealed, and forward a copy of the information submitted by the appellant.

167 The department or the department of natural resources may submit a written response to
168 the appeal within thirty days.

169 (4) The appellant shall be entitled to one meeting with the appeals officer to discuss
170 the appeal, but the appeals officer may schedule additional meetings at the officer's
171 discretion. The department or the department of natural resources may appear at all
172 meetings.

173 (5) The appeals officer shall consider the record of the decision in question, any
174 further written submissions by the appellant and the department or the department of
175 natural resources, and other available information, and shall deliver a written decision to
176 all parties as promptly as circumstances permit, but not later than ninety days after the
177 initial receipt of an appeal by the appeals officer.

178 11. By no later than January 1, 2014, the department shall propose rules to
179 implement the provisions of sections 253.550 to 253.559. Prior to proposing such rules, the
180 department shall conduct a stakeholder process designed to solicit input from interested
181 parties. Any rule or portion of a rule, as that term is defined in section 536.010, that is
182 created under the authority delegated herein shall become effective only if it complies with
183 and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028.
184 This section and chapter 536 are nonseverable and if any of the powers vested with the
185 general assembly pursuant to chapter 536 to review, to delay the effective date, or to
186 disapprove and annul a rule are subsequently held unconstitutional, then the grant of
187 rulemaking authority and any rule proposed or adopted after August 28, 2013, shall be
188 invalid and void.

348.273. 1. This section and section 348.274 shall be known and may be cited as the
2 "Missouri Angel Investment Incentive Act".

3 2. As used in this section and section 348.274, the following terms mean:

4 (1) "Cash investment", money or money equivalent contribution;

5 (2) "Coordinator", the SBTDC home office;

6 (3) "Investor":

7 (a) A natural person who is an accredited investor as defined in 17 CFR
8 230.501(a)(5) or 230.501(a)(6), as in effect on August 28, 2013; or

9 (b) A permitted entity investor who is an accredited investor as defined in 17 CFR
10 230.501(a)(8), as in effect on August 28, 2013; or

11 (c) A natural person or permitted entity investor making an investment who
12 qualifies under the Jumpstart Our Business Startups (JOBS) Act, Pub.L.No. 112-106, as
13 in effect on August 23, 2013.

14

15 A person who serves as an executive, officer, or employee of the business in which an
16 otherwise qualified cash investment is made is not an investor, and such person shall not
17 qualify for the issuance of tax credits for such investment;

18 (4) "Owner", any natural person who is, directly or indirectly, a partner,
19 stockholder, or member in a permitted entity investor;

20 (5) "Permitted entity investor", any general partnership, limited partnership,
21 corporation that has in effect a valid election to be taxed as an S corporation under the
22 Internal Revenue Code of 1986, as amended, revocable living trust, nonprofit corporation,
23 or limited liability company that has elected to be taxed as a partnership under the United
24 States Internal Revenue Code of 1986, as amended, and that was established and is
25 operated for the purpose of making investments in other entities;

26 (6) "Qualified knowledge-based company", a company based on the use of ideas
27 and information to provide innovative technologies, products, and services;

28 (7) "Qualified Missouri business", a Missouri business that is approved and
29 certified as qualified knowledge-based company by the regional SBTDC that meet at least
30 one of the following criteria:

31 (a) Any business owned by an individual;

32 (b) Any partnership, association, or corporation domiciled in Missouri; or

33 (c) Any corporation, even if a wholly owned subsidiary of a foreign corporation,
34 that does business primarily in Missouri or does substantially all of such business's
35 production in Missouri;

36 (8) "Qualified securities", a cash investment through any one or more forms of
37 financial assistance as provided in this subdivision and that have been approved in form
38 and substance by the coordinator. Forms of such financial assistance include:

39 (a) Any form of equity, such as:

40 a. A general or limited partnership interest;

41 b. Common stock;

42 c. Preferred stock, with or without voting rights, without regard to seniority
43 position, and whether or not convertible into common stock; or

44 d. Any form of subordinate or convertible debt, or both, with warrants or other
45 means of equity conversion attached; or

46 (b) A debt instrument, such as a note or debenture that is secured or unsecured,
47 subordinated to the general creditors of the debtor and requiring no payments of principal,
48 other than principal payments required to be made out of any future profits of the debtor,
49 for at least a seven-year period after commencement of such debt instrument's term;

50 (9) "SBTDC", the Missouri small business and technology development center; and

51 (10) "Tax credit", a credit against the tax otherwise due under chapter 143,
52 excluding withholding tax imposed by sections 143.191 to 143.265, or otherwise due under
53 chapter 147, 148, or 153.

54 3. The Missouri angel investment incentive act shall be administered by the
55 regional SBTDCs and the coordinator, with the primary goal of encouraging individuals
56 to provide seed-capital financing for emerging Missouri businesses engaged in the
57 development, implementation, and commercialization of innovative technologies, products,
58 and services. Each regional SBTDC shall establish a regional committee consisting of no
59 fewer than three but no more than five persons for the purpose of reviewing applications
60 from businesses requesting designation as a qualified Missouri business and allocating the
61 amount of available tax credits among the qualified investors that make cash investments
62 in such qualified Missouri businesses. The coordinator shall establish its own rules of
63 procedure, including the form and substance of applications to be used by each regional
64 SBTDC and the criteria to be considered by each regional SBTDC when evaluating a
65 qualified Missouri business. Such applications and criteria are to be not less than the
66 minimum requirements set forth in subsection 5 of this section. The coordinator shall issue
67 tax credits to qualified investors who make cash investments in qualified Missouri
68 businesses that have been allocated available tax credits by a regional SBTDC.

69 4. (1) A tax credit shall be allowed for an investor's cash investment in the qualified
70 securities of a qualified Missouri business. The credit shall be in a total amount equal to
71 fifty percent of such investor's cash investment in any qualified Missouri business, subject
72 to the limitations set forth in this subsection. This tax credit may be used in its entirety in
73 the taxable year in which the cash investment is made, but no tax credit shall be allowed
74 prior to the year beginning August 28, 2013. If the amount by which that portion of the
75 credit allowed by this section exceeds the investor's tax liability in any one taxable year,
76 beginning in the calendar year 2013, the remaining portion of the credit may be carried
77 forward five years or until the total amount of the credit is used, whichever occurs first.
78 If the investor is a permitted entity investor, the credit provided by this section shall be
79 claimed by the owners of the permitted entity investor in proportion to their equity
80 investment in the permitted entity investor.

81 (2) A cash investment in a qualified security shall be deemed to have been made on
82 the date of acquisition of the qualified security, as such date is determined in accordance
83 with the provisions of the Internal Revenue Code of 1986, as amended.

84 (3) The SBTDC shall not allow tax credits of more than fifty thousand dollars for
85 a single qualified Missouri business per investor who is a natural person or permitted
86 entity investor or a total of two hundred fifty thousand dollars in tax credits for a single

87 year per investor who is a natural person or owner of a permitted entity investor. No tax
88 credits authorized by this section and section 348.274 shall be allowed for any cash
89 investments in qualified securities for any year beginning after December 31, 2023. The
90 total amount of tax credits allowed under this section shall not exceed six million dollars.

91 (4) The tax credits shall be administered by the regional SBTDCs. At the beginning
92 of each calendar year, the coordinator shall equally designate the tax credits available
93 during that year to each regional SBTDC. At the beginning of each calendar quarter, the
94 coordinator shall allocate to each regional SBTDC one-fourth of the total tax credits
95 designated to such regional SBTDC for the calendar year such that the regional SBTDC
96 can allocate tax credits among the qualified Missouri businesses. The coordinator shall
97 then issue tax credits to qualified investors for cash investments in such qualified Missouri
98 businesses during that calendar quarter.

99 (5) At the end of each calendar quarter, each regional SBTDC shall report to the
100 coordinator any unallocated tax credits for the preceding quarter. Such report shall meet
101 the requirements set forth in section 348.274. The coordinator shall aggregate all such tax
102 credits and reallocate them equally among the regional SBTDCs as soon as possible during
103 the next consecutive calendar quarter. Each regional SBTDC shall receive such
104 reallocation in addition to the new allocation of designated tax credits for such quarter.

105 (6) During the fourth calendar quarter, a regional SBTDC in need of additional tax
106 credits for transactions closing in the fourth calendar quarter may request that another
107 regional SBTDC with unallocated tax credits permit such unallocated tax credits to be
108 allocated by the requesting SBTDC. No regional SBTDC shall be required to grant such
109 request. When a granting SBTDC transfers the allocation of the unallocated tax credits
110 to a requesting SBTDC under this subdivision, the granting SBTDC shall provide to the
111 requesting SBTDC a written confirmation authorizing such transfer, the granting SBTDC
112 shall include a copy of such written confirmation in its reports provided under section
113 348.274, and the requesting SBTDC shall include a copy of such written confirmation in
114 its reports provided under section 348.274.

115 5. (1) Before an investor may be entitled to receive tax credits under this section
116 and section 348.274, such investor shall have made a cash investment in a qualified security
117 of a qualified Missouri business. The business shall have been approved by a regional
118 SBTDC as a qualified Missouri business before the date on which the cash investment was
119 made. To be designated as a qualified Missouri business, a business shall apply to a
120 regional SBTDC in accordance with the provisions of this section.

121 (2) The application by a business to a regional SBTDC shall be in the form and
122 substance as required by the coordinator, but shall include at least the following:

123 **(a) The name of the business and certified copies of the organizational documents**
124 **of the business;**

125 **(b) A business plan, including a description of the business and the management,**
126 **product, market, and financial plan of the business;**

127 **(c) A statement of the potential economic impact of the enterprise, including the**
128 **number, location, and types of jobs expected to be created;**

129 **(d) A description of the qualified securities to be issued, the consideration to be**
130 **paid for the qualified securities, and the amount of any tax credits requested;**

131 **(e) A statement of the amount, timing, and projected use of the proceeds to be**
132 **raised from the proposed sale of qualified securities; and**

133 **(f) Such other information as the regional SBTDC or the coordinator may**
134 **reasonably request.**

135 **(3) The designation of a business as a qualified Missouri business shall be made by**
136 **the regional SBTDC, and such designation shall be renewed annually. A business shall be**
137 **so designated if the regional SBTDC determines, based upon the application submitted by**
138 **the business and any additional investigation the regional SBTDC shall undertake, that**
139 **such business meets the criteria established by the coordinator. Such criteria shall include**
140 **at least the following:**

141 **(a) The business shall not have had annual gross revenues of more than five million**
142 **dollars in the most recent tax year of the business;**

143 **(b) Businesses that are not bioscience businesses shall have been in operation for**
144 **less than five years, and bioscience businesses shall have been in operation for less than ten**
145 **years;**

146 **(c) The ability of investors in the business to receive tax credits for cash investments**
147 **in qualified securities of the business is beneficial, because funding otherwise available for**
148 **the business is not available on commercially reasonable terms;**

149 **(d) The business shall not have ownership interests including, but not limited to,**
150 **common or preferred shares of stock that can be traded via a public stock exchange before**
151 **the date that a qualifying investment is made;**

152 **(e) The business shall not be engaged primarily in any one or more of the following**
153 **enterprises:**

154 **a. The business of banking, savings and loan or lending institutions, credit or**
155 **finance, or financial brokerage or investments;**

156 **b. The provision of professional services, such as legal, accounting, or engineering**
157 **services;**

158 **c. Governmental, charitable, religious, or trade organizations;**

- 159 **d. The ownership, development brokerage, sales, or leasing of real estate;**
160 **e. Insurance;**
161 **f. Construction or construction management or contracting;**
162 **g. Business consulting or brokerage;**
163 **h. Any business engaged primarily as a passive business, having irregular or**
164 **noncontiguous operations, or deriving substantially all of the income of the business from**
165 **passive investments that generate interest, dividends, royalties, or capital gains, or any**
166 **business arrangements the effect of which is to immunize an investor from risk of loss;**
167 **i. Any activity that is in violation of the law;**
168 **j. Any business raising money primarily to purchase real estate, land, or fixtures;**
169 **and**
170 **k. Any gambling-related business;**
171 **(f) The business has a reasonable chance of success;**
172 **(g) The business has the reasonable potential to create measurable employment**
173 **within the region, this state, or both;**
174 **(h) The business has an innovative and proprietary technology, product, or service;**
175 **(i) The existing owners of the business and other founders have made or are**
176 **committed to making a substantial financial and time commitment to the business;**
177 **(j) The securities to be issued and purchased are qualified securities;**
178 **(k) The business has the reasonable potential to address the needs and**
179 **opportunities specific to the region, this state, or both;**
180 **(l) The business has made binding commitments to the regional SBTDC for**
181 **adequate reporting of financial data, including a requirement for an annual report, or, if**
182 **required by the regional SBTDC, an annual audit of the financial and operational records**
183 **of the business, the right of access to the financial records of the business, and the right of**
184 **the regional SBTDC to record and publish normal and customary data and information**
185 **related to the issuance of tax credits that are not otherwise determined to be trade or**
186 **business secrets; and**
187 **(m) The business shall satisfy all other requirements of this section and section**
188 **348.274.**
189 **(4) Notwithstanding the requirements of subdivision (3) of this subsection, a**
190 **business may be considered as a qualified Missouri business under the provisions of this**
191 **section and section 348.274 if such business falls within a standard industrial classification**
192 **code established by the coordinator.**
193 **(5) A qualified Missouri business shall have the burden of proof to demonstrate to**
194 **the regional SBTDC the qualifications of the business under this section.**

348.274. 1. (1) Each regional SBTDC is authorized to allocate tax credits to qualified Missouri businesses. The coordinator is authorized to issue tax credits to qualified investors in such qualified Missouri businesses. Such tax credits shall be allocated to those qualified Missouri businesses which, as determined by the regional SBTDC, are most likely to provide the greatest economic benefit to the region or the state, or both. The regional SBTDC may allocate, and the coordinator may issue, whole or partial tax credits based on the regional SBTDC's assessment of the qualified Missouri businesses. The regional SBTDC may consider numerous factors in such assessment including, but not limited to, the quality and experience of the management team, the size of the estimated market opportunity, the risk from current or future competition, the ability to defend intellectual property, the quality and utility of the business model, and the quality and reasonableness of financial projections for the business.

(2) Each qualified Missouri business for which a regional SBTDC has allocated tax credits such that the coordinator can issue tax credits to the qualified investors of such qualified Missouri business shall submit to the regional SBTDC a report before such tax credits are issued. The regional SBTDC shall provide copies of this report to the coordinator. Such report shall include the following:

(a) The name, address, and taxpayer identification number of each investor who has made cash investment in the qualified securities of the qualified Missouri business;

(b) Proof of such investment, including copies of the securities' purchase agreements and cancelled checks or wire transfer receipts; and

(c) Any additional information as the regional SBTDC may reasonably require under this section and section 348.273.

2. (1) The state of Missouri shall not be held liable for any damages to any investor that makes an investment in any qualified security of a qualified Missouri business, any business that applies to be designated as a qualified Missouri business and is turned down, or any investor that makes an investment in a business that applies to be designated as a qualified Missouri business and is turned down.

(2) Each qualified Missouri business shall have the obligation to notify the regional SBTDC that allocated the tax credits to the qualified Missouri business and the coordinator in a timely manner of any changes in the qualifications of the business or in the eligibility of investors to claim a tax credit for cash investment in a qualified security.

(3) The coordinator shall provide the information specified in subdivision (3) of subsection 4 of this section to the department of revenue on an annual basis. The coordinator shall conduct an annual review of the activities undertaken under this section and section 348.273 to ensure that tax credits issued under this section and section 348.273

37 are issued in compliance with the provisions of this section and section 348.273 or rules and
38 regulations promulgated by each regional SBTDC or the coordinator with respect to this
39 section and section 348.273. The reasonable costs of the annual review shall be paid by the
40 coordinator according to a reasonable fee schedule adopted by the coordinator.

41 (4) If the coordinator determines that a business is not in substantial compliance
42 with the requirements of this section and section 348.273 to maintain its designation, the
43 coordinator, by written notice, may inform the business that such business will lose its
44 designation as a qualified Missouri business one hundred twenty days from the date of
45 mailing of the notice unless such business corrects the deficiencies and is once again in
46 compliance with the requirements for designation.

47 (5) At the end of the one hundred twenty days period, if the qualified Missouri
48 business is still not in substantial compliance, the coordinator may send a notice of loss of
49 designation to the business, each regional SBTDC, the director of the department of
50 revenue, and to all known investors in the business.

51 (6) A business may lose its designation as a qualified Missouri business under this
52 section and section 348.273 by moving its operations outside Missouri within ten years after
53 receiving financial assistance under this section and section 348.273.

54 (7) In the event that a business loses its designation as a qualified Missouri business,
55 such business shall be precluded from being issued any additional tax credits with respect
56 to the business, shall be precluded from being approved as a qualified Missouri business,
57 and shall repay any financial assistance to the regional SBTDC, in an amount to be
58 determined by the regional SBTDC. Each qualified Missouri business that loses its
59 designation as a qualified Missouri business shall enter into a repayment agreement, with
60 the regional SBTDC specifying the terms of such repayment obligation.

61 (8) Investors in a qualified Missouri business shall be entitled to keep all of the tax
62 credits properly issued to such investors under this section and section 348.273.

63 (9) The portions of documents and other materials submitted to any regional
64 SBTDC or the coordinator that contain trade secrets shall be kept confidential and shall
65 be maintained in a secured environment by the regional SBTDC and the coordinator, as
66 applicable. For the purposes of this section and section 348.273, such portions of trade
67 secrets, documents, and other materials means any customer lists; any formula, compound,
68 production data, or compilation of information that will allow certain individuals within
69 a commercial concern using such portions of documents and other material the means to
70 fabricate, produce, or compound an article of trade; or any service having commercial
71 value which gives the user an opportunity to obtain a business advantage over competitors
72 who do not know or use such service.

73 **(10) Each regional SBTDC and the coordinator may prepare and adopt procedures**
74 **concerning the performance of the duties placed upon each respective entity by this section**
75 **and section 348.273.**

76 **3. Any qualified investor who makes a cash investment in a qualified security of a**
77 **qualified Missouri business may transfer the tax credits such qualified investor may receive**
78 **under subsection 4 of section 348.273 to any natural person. Such transferee may claim**
79 **the tax credit against the transferee's Missouri income tax liability as provided in**
80 **subdivision (1) of subsection 4 of section 348.273, subject to all restrictions and limitations**
81 **set forth in this section and section 348.273. Only the full credit for any one investment**
82 **shall be transferred and this interest shall only be transferred one time. Documentation**
83 **of any tax credit transfer under this section shall be provided by the qualified investor in**
84 **the manner required by the coordinator.**

85 **4. (1) Each qualified Missouri business for which tax credits have been issued**
86 **under this section and section 348.273 shall report to the applicable regional SBTDC on**
87 **an annual basis, on or before February first. The regional SBTDC shall provide copies of**
88 **the reports to the coordinator. Such reports shall include the following:**

89 **(a) The name, address, and taxpayer identification number of each investor who**
90 **has made a cash investment in the qualified securities of the qualified Missouri business**
91 **and has received tax credits for this investment during the preceding year;**

92 **(b) The amounts of these cash investments by each investor and a description of the**
93 **qualified securities issued in consideration of such cash investments; and**

94 **(c) Any additional information as the regional SBTDC or the coordinator may**
95 **reasonably require under this section and section 348.273.**

96 **(2) Each regional SBTDC shall report quarterly to the coordinator on the allocation**
97 **of the tax credits in the preceding calendar quarter. Such reports shall include:**

98 **(a) The amount of applications the regional SBTDC received;**

99 **(b) The number and ratio of successful applications to unsuccessful applications;**

100 **(c) The amount of tax credits allocated but not issued in the previous quarter,**
101 **including the percentage that was allocated to individuals and the percentage that was**
102 **allocated to investment firms;**

103 **(d) The amount of tax credits issued in the previous quarter, including the**
104 **percentage that was issued to individuals and the percentage that was issued to investment**
105 **firms;**

106 **(e) The amount of unallocated tax credits; and**

107 **(f) Such other information as reasonably agreed upon by each regional SBTDC and**
108 **the coordinator.**

(3) Each regional SBTDC and the coordinator, as applicable, shall also report annually to the governor; the director of the department of economic development; the senate committee on commerce, consumer protection, energy and the environment; the house committee on economic development; and any successor committees thereto, and to the coordinator, on or before April first, on the allocation and issuance of the tax credits. Such reports shall include:

(a) The amount of tax credits issued in the previous fiscal year, including what percentage was issued to individuals and what percentage was issued to investment firms;

(b) The types of businesses that benefitted from the tax credits;

(c) The amount of allocated but unissued tax credits and the information about the unissued tax credits set forth in subdivision (2) of this subsection;

(d) Any aggregate job creation or capital investment in the region that resulted from the use of the tax credits for a period of five years beginning from the date on which the tax credits were awarded;

(e) The manner in which the purpose of this section and section 348.273 has been carried out with regard to the region;

(f) The total cash investments made for the purchase of qualified securities of qualified Missouri businesses within the region during the preceding year and cumulatively since the effective date of this section and section 348.273;

(g) An estimate of jobs created and jobs preserved by cash investments made in qualified Missouri businesses within the region;

(h) An estimate of the multiplier effect on the economy of the region of the cash investments made under this section and section 348.273;

(i) Information regarding which businesses derived benefit from the tax credits remained in the region, which businesses ceased business, which businesses were purchased, and which businesses may have moved out of the region or state and why.

(4) Any violation of the reporting requirements of this subsection by a qualified Missouri business may be grounds for the loss of designation of such qualified Missouri business, and any business that loses its designation as a qualified Missouri business shall be subject to the restrictions upon loss of designation set forth in subsection 2 of this section.

5. Sections 348.273 and 348.274 shall expire on December 31, 2023.

348.434. 1. **Beginning July 1, 2014**, the aggregate of tax credits issued per fiscal year pursuant to sections 348.430 and 348.432 shall not exceed [six] **two** million dollars.

2. Upon July 2, 1999, and ending June 30, 2000, tax credits shall be issued pursuant to section 348.430, except that, the authority shall allocate no more than three million dollars to

5 fund section 348.432 in fiscal year 2000. Beginning in fiscal year 2001 and each subsequent
6 year, tax credits shall be issued pursuant to section 348.432.

7 3. Beginning the first day of May of each fiscal year following implementation of section
8 348.432, the authority may determine the extent of tax credits, pursuant to section 348.432, that
9 will be utilized in each fiscal year. If the authority determines that:

10 (1) Less than [six] **two** million dollars for a fiscal year is to be utilized in tax credits
11 pursuant to section 348.432; and

12 (2) The assets available to the authority, pursuant to section 348.430, do not exceed
13 [twelve] **four** million dollars; then, the authority may offer the remaining authorized tax credits
14 be issued pursuant to section 348.430.

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

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

17 (2) For receipt of the income tax exemption pursuant to section 135.220 and tax credit
18 for new or expanded business facilities pursuant to sections 135.100 to 135.150, and 135.225,
19 the eligible project must create at least ten new jobs or retain businesses which supply at least
20 twenty-five existing jobs, or combination thereof. For purposes of sections 447.700 to 447.718,
21 the tax credits described in section 135.225 are modified as follows: the tax credit shall be four
22 hundred dollars per employee per year, an additional four hundred dollars per year for each
23 employee exceeding the minimum employment thresholds of ten and twenty-five jobs for new
24 and existing businesses, respectively, an additional four hundred dollars per year for each person
25 who is a person difficult to employ as defined by section 135.240, and investment tax credits at
26 the same amounts and levels as provided in subdivision (4) of subsection 1 of section 135.225;

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

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

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

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

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

53 (8) For the purpose of meeting the existing job retention requirement, if the eligible
54 project replaces a similar facility that closed elsewhere in Missouri prior to the end of the
55 taxpayer's tax period in which the tax credits are earned, it shall be required that at least
56 twenty-five existing jobs be retained at, and in connection with the eligible project, on a full-time
57 basis during the taxpayer's tax period for which the credits are earned. "Retained job" means a
58 person who was previously employed by the taxpayer or related taxpayer, at a facility similar to
59 the eligible project that closed elsewhere in Missouri prior to the end of the taxpayer's tax period
60 in which the tax credits are earned, within the tax period immediately preceding the time the
61 person was employed by the taxpayer to work at, or in connection with, the eligible project on

62 a full-time basis. "Full-time basis" means the employee works an average of at least thirty-five
63 hours per week during the taxpayer's tax period for which the tax credits are earned;

64 (9) In the case where an eligible project replaces a similar facility that closed elsewhere
65 in Missouri prior to the end of the taxpayer's tax period in which the tax credits are earned, the
66 owner and operator of the eligible project shall provide the director with a written statement
67 explaining the reason for discontinuing operations at the closed facility. The statement shall
68 include a comparison of the activities performed at the closed facility prior to the date the facility
69 ceased operating, to the activities performed at the eligible project, and a detailed account
70 describing the need and rationale for relocating to the eligible project. If the director finds the
71 relocation to the eligible project significantly impaired the economic stability of the area in
72 which the closed facility was located, and that such move was detrimental to the overall
73 economic development efforts of the state, the director may deny the taxpayer's request to claim
74 tax benefits;

75 (10) Notwithstanding any provision of law to the contrary, for the purpose of this
76 section, the number of new jobs created and maintained, the number of existing jobs retained,
77 and the value of new qualified investment used at the eligible project during any tax year shall
78 be determined by dividing by twelve, in the case of jobs, the sum of the number of individuals
79 employed at the eligible project, or in the case of new qualified investment, the value of new
80 qualified investment used at the eligible project, on the last business day of each full calendar
81 month of the tax year. If the eligible project is in operation for less than the entire tax year, the
82 number of new jobs created and maintained, the number of existing jobs retained, and the value
83 of new qualified investment created at the eligible project during any tax year shall be
84 determined by dividing the sum of the number of individuals employed at the eligible project,
85 or in the case of new qualified investment, the value of new qualified investment used at the
86 eligible project, on the last business day of each full calendar month during the portion of the tax
87 year during which the eligible project was in operation, by the number of full calendar months
88 during such period;

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

94 2. The determination of the director of economic development pursuant to subsection
95 1 of this section shall not affect requirements for the prospective purchaser to obtain the approval
96 of the granting of real property tax abatement by the municipal or county government where the
97 eligible project is located.

3. (1) The director of the department of economic development, with the approval of the director of the department of natural resources, may, [in addition to the tax credits allowed in subsection 1 of this section,] grant a remediation tax credit to the applicant for up to one hundred percent of the costs of materials, supplies, equipment, labor, professional engineering, consulting and architectural fees, permitting fees and expenses, demolition, asbestos abatement, and direct utility charges for performing the voluntary remediation activities for the preexisting hazardous substance contamination and releases, including, but not limited to, the costs of performing operation and maintenance of the remediation equipment at the property beyond the year in which the systems and equipment are built and installed at the eligible project and the costs of performing the voluntary remediation activities over a period not in excess of four tax years following the taxpayer's tax year in which the system and equipment were first put into use at the eligible project, provided the remediation activities are the subject of a plan submitted to, and approved by, the director of natural resources pursuant to sections 260.565 to 260.575. The tax credit may also include up to one hundred percent of the costs of demolition that are not directly part of the remediation activities, provided that the demolition is on the property where the voluntary remediation activities are occurring, the demolition is necessary to accomplish the planned use of the facility where the remediation activities are occurring, and the demolition is part of a redevelopment plan approved by the municipal or county government and the department of economic development. The demolition may occur on an adjacent property if the project is located in a municipality which has a population less than twenty thousand and the above conditions are otherwise met. The adjacent property shall independently qualify as abandoned or underutilized. The amount of the credit available for demolition not associated with remediation cannot exceed the total amount of credits approved for remediation including demolition required for remediation.

(2) The amount of remediation tax credits issued shall be limited to the least amount necessary to cause the project to occur, as determined by the director of the department of economic development.

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

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

(5) No more than seventy-five percent of earned remediation tax credits may be issued when the remediation costs were paid, and the remaining percentage may be issued when the department of natural resources issues a letter of completion letter or covenant not to sue following completion of the voluntary remediation activities. It shall not include any costs associated with ongoing operational environmental compliance of the facility or remediation costs arising out of spills, leaks, or other releases arising out of the ongoing business operations of the facility. In the event the department of natural resources issues a letter of completion for a portion of a property, an impacted media such as soil or groundwater, or for a site or a portion of a site improvement, a prorated amount of the remaining percentage may be released based on the percentage of the total site receiving a letter of completion.

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

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

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

(1) That portion of the taxpayer's income attributed to the eligible project; or

(2) One hundred percent of the total business' income tax if the eligible facility does not replace a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer's tax period in which the tax credits are earned, and further provided the taxpayer does not operate any other facilities besides the eligible project in Missouri; fifty percent of the total business' income tax if the eligible facility replaces a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer's tax period in which the credits are earned, and further provided the taxpayer does not operate any other facilities besides the eligible project in Missouri; or twenty-five percent of the total business income if the taxpayer operates, in addition to the eligible facility, any other facilities in Missouri. In no case shall a taxpayer operating more than one eligible project in Missouri be allowed to offset more than twenty-five percent of the taxpayer's business income in any tax period. That portion of the taxpayer's income attributed to the eligible project as referenced in subdivision (1) of this subsection, for which the credits allowed in sections 135.110 and 135.225 and subsection 3 of this section, may apply, shall be determined in the same manner as prescribed in subdivision (6) of section 135.100. That portion of the taxpayer's franchise tax attributed to the eligible project for which the remediation tax credit may offset, shall be determined in the same manner as prescribed in paragraph (a) of subdivision (6) of section 135.100.

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

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

9. The recipient of remediation tax credits, for the purpose of this subsection referred to as assignor, may assign, sell or transfer, in whole or in part, the remediation tax credit allowed in subsection 3 of this section to any other person, for the purpose of this subsection referred to as assignee. To perfect the transfer, the assignor shall provide written notice to the director of the assignor's intent to transfer the tax credits to the assignee, the date the transfer is effective, the assignee's name, address and the assignee's tax period and the amount of tax credits to be

205 transferred. The number of tax periods during which the assignee may subsequently claim the
206 tax credits shall not exceed twenty tax periods, less the number of tax periods the assignor
207 previously claimed the credits before the transfer occurred.

208 10. In the case where an operator and assignor of an eligible project has been certified
209 to claim state tax benefits allowed in subdivisions (2) and (3) of subsection 1 of this section, and
210 sells or otherwise transfers title of the eligible project to another taxpayer or assignee who
211 continues the same or substantially similar operations at the eligible project, the director shall
212 allow the assignee to claim the credits for a period of time to be determined by the director;
213 except that, the total number of tax periods the tax credits may be earned by the assignor and the
214 assignee shall not exceed ten. To perfect the transfer, the assignor shall provide written notice
215 to the director of the assignor's intent to transfer the tax credits to the assignee, the date the
216 transfer is effective, the assignee's name, address, and the assignee's tax period, and the amount
217 of tax credits to be transferred.

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

221 (1) The shareholders of the corporation described in section 143.471;

222 (2) The partners of the partnership.

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

226 **12. For each fiscal year beginning on or after July 1, 2014, no more than twenty-five**
227 **million dollars in tax credits shall be authorized under the provisions of section 447.700 to**
228 **447.718.**

620.1039. 1. As used in this section, the term "taxpayer" means an individual, a
2 partnership, or any charitable organization which is exempt from federal income tax and whose
3 Missouri unrelated business taxable income, if any, would be subject to the state income tax
4 imposed under chapter 143, RSMo, or a corporation as described in section 143.441 or 143.471,
5 RSMo, or section 148.370, RSMo, and the term "qualified research expenses" has the same
6 meaning as prescribed in 26 U.S.C. 41, **except that such qualified research expenses shall be**
7 **limited to those incurred in the:**

8 (1) **Research and development of agricultural biotechnology;**

9 (2) **Research and development of plant genomics products;**

10 (3) **Research and development of diagnostic and therapeutic medical devices;**

11 (4) **Research and development of prescription pharmaceuticals consumed by**
12 **humans or animals, that does not include human reproductive cloning; or**

13 **(5) Research, development, or manufacture of power system technology for**
14 **aerospace, space, defense, or implantable or wearable medical devices.**

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

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

40 4. Certificates of tax credit issued pursuant to this section may be transferred, sold or
41 assigned by filing a notarized endorsement thereof with the department which names the
42 transferee and the amount of tax credit transferred. The director of economic development may
43 allow a taxpayer to transfer, sell or assign up to forty percent of the amount of the certificates of
44 tax credit issued to and not claimed by such taxpayer pursuant to this section during any tax year
45 commencing on or after January 1, [1996] **2014**, and ending not later than December 31, [1999]
46 **2020**. Such taxpayer shall file, by December 31, [2001] **2022**, an application with the
47 department which names the transferee, the amount of tax credit desired to be transferred, and
48 a certification that the funds received by the applicant as a result of the transfer, sale or

49 assignment of the tax credit shall be expended within three years at the state university for the
50 sole purpose of conducting research activities agreed upon by the department, the taxpayer and
51 the state university. Failure to expend such funds in the manner prescribed pursuant to this
52 section shall cause the applicant to be subject to the provisions of section 620.017.

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

64 6. The aggregate of all tax credits authorized pursuant to this section shall not exceed
65 [nine] **ten** million [seven hundred thousand] dollars in any **calendar** year. **In the event that**
66 **total eligible claims for credits received in a calendar year exceed the annual cap, each**
67 **eligible claimant shall be issued credits based upon the following formula: the eligible**
68 **credits if the annual cap had not been exceeded multiplied by the ratio of the annual cap**
69 **divided by the total of all eligible claims for credits filed in that calendar year.**

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

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

116 (d) The qualified company in the project facility will cause to be invested a minimum
117 of seventy million dollars in new investment prior to the end of two years or will cause to be
118 invested a minimum of thirty million dollars in new investment prior to the end of two years and

119 maintain an annual payroll of at least seventy million dollars during each of the years for which
120 a credit is claimed; and

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

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

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

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

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

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

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

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

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

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

178 4. The qualified company shall provide an annual report of the number of jobs and such
179 other information as may be required by the department to document the basis for the benefits
180 of this program. The department may withhold the approval of any benefits until it is satisfied
181 that proper documentation has been provided, and shall reduce the benefits to reflect any
182 reduction in full-time employees or new payroll. Upon approval by the department, the qualified
183 company may begin the retention of the withholding taxes when it reaches the minimum number
184 of new jobs and the average wage exceeds the county average wage. Tax credits, if any, may be
185 issued upon satisfaction by the department that the qualified company has exceeded the county
186 average wage and the minimum number of new jobs. In such annual report, if the average wage
187 is below the county average wage, the qualified company has not maintained the employee
188 insurance as required, or if the number of new jobs is below the minimum, the qualified
189 company shall not receive tax credits or retain the withholding tax for the balance of the benefit
190 period. In the case of a qualified company that initially filed a notice of intent and received an

191 approval from the department for high-impact benefits and the minimum number of new jobs
192 in an annual report is below the minimum for high-impact projects, the company shall not
193 receive tax credits for the balance of the benefit period but may continue to retain the
194 withholding taxes if it otherwise meets the requirements of a small and expanding business under
195 this program.

196 5. **For the tax years ending before January 1, 2014**, the maximum calendar year
197 annual tax credits issued for the entire program shall not exceed eighty million dollars.
198 **Beginning August 28, 2013, no new tax credits shall be issued under this section as**
199 **provided under section 620.2020.** Notwithstanding any provision of law to the contrary, the
200 maximum annual tax credits authorized under section 135.535 are hereby reduced from ten
201 million dollars to eight million dollars, with the balance of two million dollars transferred to this
202 program. There shall be no limit on the amount of withholding taxes that may be retained by
203 approved companies under this program.

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

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

220 8. Tax credits may be claimed against taxes otherwise imposed by chapters 143 and 148,
221 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.

620.2005. As used in sections 620.2005 to 620.2020, the following terms mean:

2 (1) "Average wage", the new payroll divided by the number of new jobs, or the
3 payroll of the retained jobs divided by the number of retained jobs;

4 (2) "Commencement of operations", the starting date for the qualified company's
5 first new employee, which shall be no later than twelve months from the date of the
6 approval;

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

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

19 (5) "Director", the director of the department of economic development;

20 (6) "Employee", a person employed by a qualified company, excluding owners of
21 the qualified company unless the qualified company is participating in an employee stock
22 ownership plan;

23 (7) "Existing Missouri business", a qualified company that, for the ten-year period
24 preceding submission of a notice of intent to the department, had a physical location in
25 Missouri and full-time employees who routinely perform job duties within Missouri;

26 (8) "Full-time employee", an employee of the qualified company who is scheduled
27 to work an average of at least thirty-five hours per week for a twelve-month period, and
28 one for whom the qualified company offers health insurance and pays at least fifty percent
29 of such insurance premiums. An employee who spends less than fifty percent of his or her
30 work time at the facility shall be considered to be located at a facility if he or she receives
31 directions and control from that facility and is on the facility's payroll, one hundred
32 percent of the employee's income from such employment is Missouri income, and the
33 employee is paid greater than or equal to the applicable percentage of the county average
34 wage;

35 (9) "Local incentives", the present value of the dollar amount of direct benefit
36 received by a qualified company for a project facility from one or more local political
37 subdivisions, but this term shall not include loans or other funds provided to the qualified
38 company that shall be repaid by the qualified company to the political subdivision;

39 (10) "NAICS" or "NAICS industry classification", the classification provided by
40 the most recent edition of the North American Industry Classification System as prepared
41 by the Executive Office of the President, Office of Management and Budget;

42 (11) "New capital investment", costs incurred by the qualified company at the
43 project facility after acceptance by the qualified company of the proposal for benefits from
44 the department or the approval notice of intent, whichever occurs first, for real or personal
45 property. New capital investment may include the value of finance or capital leases for real
46 or personal property for the term of such lease at the project facility executed after
47 acceptance by the qualified company of the proposal for benefits from the department or
48 the approval of the notice of intent;

49 (12) "New direct local revenue", the present value of the dollar amount of direct
50 net new tax revenues of the local political subdivisions likely to be produced by the project
51 over a ten-year period as calculated by the department, excluding local earnings tax and
52 net new utility revenues, provided the local incentives include a discount or other direct
53 incentives from utilities owned or operated by the political subdivision;

54 (13) "New jobs", the number of full-time employees located at the project facility
55 that exceeds the project facility base employment less any decrease in the number of full-
56 time employees at related facilities below the related facility base employment. No job that
57 was created prior to the date of the notice of intent shall be deemed a new job;

58 (14) "New payroll", the amount of wages paid for all new jobs located at the
59 project facility during the qualified company's tax year that exceeds the project facility
60 base payroll;

61 (15) "Notice of intent", a form developed by the department and available online,
62 completed by the qualified company, and submitted to the department stating the qualified
63 company's intent to request benefits under this program;

64 (16) "Percent of local incentives", the amount of local incentives divided by the
65 amount of new direct local revenue;

66 (17) "Program", the Missouri works program established in sections 620.2000 to
67 620.2020;

68 (18) "Project facility", the building or buildings used by a qualified company at
69 which new or retained jobs and any new capital investment are or will be located. A
70 project facility may include separate buildings located within sixty miles of each other such
71 that their purpose and operations are interrelated, provided that if the buildings making
72 up the project facility are not located within the same county, the average wage of the new
73 payroll shall exceed the applicable percentage of the highest county average wage among
74 the counties in which the buildings are located. Upon approval by the department, a
75 subsequent project facility may be designated if the qualified company demonstrates a
76 need to relocate at any time during the project period;

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

84 **(20) "Project facility base payroll", the annualized payroll for the project facility**
85 **base employment or the total amount of wages paid by the qualified company to its full-**
86 **time employees located at the project facility in the twelve months prior to the notice of**
87 **intent. For purposes of calculating the benefits under this program, the amount of base**
88 **payroll shall increase each year based on an appropriate measure, as determined by the**
89 **department;**

90 **(21) "Project period", the time period within which benefits are awarded to a**
91 **qualified company or within which the qualified company is obligated to perform under**
92 **an agreement with the department, whichever is greater;**

93 **(22) "Projected net fiscal benefit", the total fiscal benefit to the state less any state**
94 **benefits offered to the qualified company, as determined by the department;**

95 **(23) "Qualified company", a firm, partnership, joint venture, association, private**
96 **or public corporation whether organized for profit or not, or headquarters of such entity**
97 **registered to do business in Missouri that is the owner or operator of a project facility,**
98 **certifies that it offers health insurance to all full-time employees of all facilities located in**
99 **this state, and certifies that it pays at least fifty percent of such insurance premiums. For**
100 **the purposes of sections 620.2000 to 620.2020, the term "qualified company" shall not**
101 **include:**

102 **(a) Gambling establishments (NAICS industry group 7132);**

103 **(b) Storefront consumer-based retail trade establishments (under NAICS sectors**
104 **44 and 45), except with respect to any company headquartered in this state with a majority**
105 **of its full-time employees engaged in operations not within the NAICS codes specified in**
106 **this subdivision;**

107 **(c) Food and drinking places (NAICS subsector 722);**

108 **(d) Public utilities (NAICS 221 including water and sewer services);**

109 **(e) Any company that is delinquent in the payment of any nonprotested taxes or**
110 **any other amounts due the state, federal government, or any political subdivision of this**
111 **state;**

(f) Any company requesting benefits for retained jobs that has filed for or has publicly announced its intention to file for bankruptcy protection.

Any taxpayer who is awarded benefits under this section and who files for bankruptcy under Chapter 7 of the United States Bankruptcy Code, Title 11 U.S.C., shall immediately notify the department, shall forfeit such benefits, and shall repay the state an amount equal to any state tax credits already redeemed and any withholding taxes already retained;

(g) Educational services (NAICS sector 61);

(h) Religious organizations (NAICS industry group 8131);

(i) Public administration (NAICS sector 92);

(j) Ethanol distillation or production;

(k) Biodiesel production; or

(l) Healthcare and social services (NAICS sector 62).

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

(24) "Related company" shall mean:

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

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

(c) Corporations, partnerships, trusts, or associations controlled by an individual, corporation, partnership, trust, or association in control of the qualified company. As used in this paragraph, "control of a qualified company" shall mean:

a. Ownership, directly or indirectly, of stock possessing at least fifty percent of the total combined voting power of all classes of stock entitled to vote in the case of a qualified company that is a corporation;

b. Ownership of at least fifty percent of the capital or profit interest in such qualified company if it is a partnership or association;

c. Ownership, directly or indirectly, of at least fifty percent of the beneficial interest in the principal or income of such qualified company if it is a trust, and ownership shall

be determined as provided in Section 318 of the Internal Revenue Code of 1986, as amended;

(25) "Related facility", a facility operated by the qualified company or a related company located in this state that is directly related to the operations of the project facility or in which operations substantially similar to the operations of the project facility are performed;

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

(27) "Related facility base payroll", the annualized payroll of the related facility base payroll or the total amount of taxable wages paid by the qualified company to full-time employees of the qualified company located at a related facility in the twelve months prior to the filing of the notice of intent. For purposes of calculating the benefits under this program, the amount of related facility base payroll shall increase each year based on an appropriate measure, as determined by the department;

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

(29) "Tax credits", tax credits issued by the department to offset the state taxes imposed under chapters 143 and 148, or which may be sold or refunded as provided for in this program; and

(30) "Withholding tax", the state tax imposed under sections 143.191 to 143.265. For purposes of this program, the withholding tax shall be computed using a schedule as determined by the department based on average wages.

620.2010. 1. In exchange for the consideration provided by the new tax revenues and other economic stimuli that will be generated by the new jobs created, a qualified company may, for a period of five years from the date the new jobs are created, or for a period of six years from the date the new jobs are created if the qualified company is an existing Missouri business, retain an amount equal to one-third of the withholding tax as calculated under subdivision (30) of section 620.2005 from the new jobs that would otherwise be withheld and remitted by the qualified company under the provisions of sections 143.191 to 143.265 if:

(1) The qualified company creates ten or more new jobs, and the average wage of the new payroll equals or exceeds ninety percent of the county average wage;

11 **(2) The qualified company creates two or more new jobs at a project facility located**
12 **in a rural area, the average wage of the new payroll equals or exceeds ninety percent of the**
13 **county average wage, and the qualified company commits to making at least one hundred**
14 **thousand dollars of new capital investment at the project facility within two years; or**

15 **(3) The qualified company creates two or more new jobs at a project facility located**
16 **within a zone designated under sections 135.950 to 135.963, the average wage of the new**
17 **payroll equals or exceeds eighty percent of the county average wage, and the qualified**
18 **company commits to making at least one hundred thousand dollars in new capital**
19 **investment at the project facility within two years;**

20 **2. In addition to any benefits available under subsection 1 of this section, the**
21 **department may award a qualified company that satisfies subdivision (1) of subsection 1**
22 **of this section additional tax credits, issued each year for a period of five years from the**
23 **date the new jobs are created, in an amount equal to or less than eight percent of new**
24 **payroll; provided that in no event may the total amount of benefits awarded to a qualified**
25 **company under this section exceed nine percent of new payroll in any calendar year. The**
26 **amount of tax credits awarded to a qualified company under this subsection shall not**
27 **exceed the projected net fiscal benefit to the state, as determined by the department, and**
28 **shall not exceed the least amount necessary to obtain the qualified company's commitment**
29 **to initiate the project. In determining the amount of tax credits to award to a qualified**
30 **company under this subsection, the department shall consider the following factors:**

31 **(1) The significance of the qualified company's need for program benefits;**

32 **(2) The amount of projected net fiscal benefit to the state and the period in which**
33 **the state would realize such net fiscal benefit;**

34 **(3) The overall size and quality of the proposed project, including the number of**
35 **new jobs, new capital investment, proposed wages, growth potential of the qualified**
36 **company, the potential multiplier effect of the project, and similar factors;**

37 **(4) The financial stability and creditworthiness of the qualified company;**

38 **(5) The level of economic distress in the area;**

39 **(6) An evaluation of the competitiveness of alternative locations for the project**
40 **facility, as applicable;**

41 **(7) The percent of local incentives committed; and**

42 **(8) The likelihood that the qualified company will create new jobs or make new**
43 **capital investment without the award of the benefits;**

44

45 **In determining whether to offer the additional incentives in this section, the department**
46 **shall issue a written decision which addresses each factor set forth herein. Any decision**

47 to reward additional incentives under this section shall require the signature of the
48 governor if the discretionary award is greater than one million dollars per year.

49 3. Upon approval of a notice of intent to receive tax credits under subsection 2 of
50 this section, the department and the qualified company shall enter into a written agreement
51 covering the applicable project period. The agreement shall specify, at a minimum:

52 (1) The committed number of new jobs, new payroll, and new capital investment
53 for each year during the project period;

54 (2) The date or time period during which the tax credits shall be issued, which may
55 be immediately or over a period not to exceed two years from the date of approval of the
56 notice of intent;

57 (3) Clawback provisions, as may be required by the department but which shall
58 include repayment of interest at a rate of nine percent per annum; and

59 (4) Any other provisions the department may require.

60 4. In addition to the benefits available under subsections 1 and 2 of this section, the
61 department may award a qualified company that satisfies subdivision (1) of subsection 1
62 of this section additional tax credits, issued each year for a period of five years from the
63 date the new jobs are created, in an amount equal to or less than three percent of new
64 payroll, provided that in no event may the total amount of benefits awarded to a qualified
65 company under this section exceed twelve percent of new payroll in any calendar year.
66 The amount of tax credits awarded to a qualified company under this subsection shall not
67 exceed the projected net fiscal benefit to the state, as determined by the department, and
68 shall not exceed the minimum amount necessary to obtain the qualified company's
69 commitment to initiate the project. In determining the amount of tax credits to award to
70 a qualified company under this subsection, the department shall consider the factors
71 provided under subsection 2 of this section. Any decision to reward additional incentives
72 under this section shall require the signature of the governor if the discretionary award is
73 greater than one million dollars per year.

74 5. No benefits shall be available under this section for any qualified company that
75 has performed significant, project-specific site work at the project facility, purchased
76 machinery or equipment related to the project, or has publicly announced its intention to
77 create new jobs or make new capital investment at the project facility prior to approval of
78 its notice of intent.

620.2015. 1. In exchange for the consideration provided by the tax revenues and
2 other economic stimuli that will be generated by the retention of jobs and the making of
3 new capital investment in this state, a qualified company may be eligible to receive the
4 benefits described in this section if the department determines that there is a significant

5 probability that the qualified company would relocate to another state in the absence of
6 the benefits authorized under this section. In no event shall the total amount of benefits
7 available to all qualified companies under this section exceed six million dollars in any
8 fiscal year.

9 2. A qualified company meeting the requirements of this section may be authorized
10 to retain an amount not to exceed one hundred percent of the withholding tax from full-
11 time jobs that would otherwise be withheld and remitted by the qualified company under
12 the provisions of sections 143.191 to 143.265 for a period of ten years if the average wage
13 of the retained jobs equals or exceeds ninety percent of the county average wage. To
14 receive benefits under this section, a qualified company shall enter into a written
15 agreement with the department containing detailed performance requirements and
16 repayment penalties in event of nonperformance. The amount of benefits awarded to a
17 qualified company under this section shall exceed neither the projected net fiscal benefit
18 nor the minimum amount necessary to obtain the qualified company's commitment to
19 retain the necessary number of jobs and make the required new capital investment.

20 3. To be eligible to receive benefits under this section, the qualified company shall
21 agree to:

22 (1) Retain, for a period of ten years from the date of approval of the notice of intent,
23 at least fifty retained jobs; and

24 (2) Make a new capital investment at the project facility within three years of the
25 approval in an amount equal to one-half the total benefits, available under this section,
26 which are offered to the qualified company by the department.

27 4. In awarding benefits under this section, the department shall consider the factors
28 set forth in subsection 2 of section 620.2010. Any decision to reward incentives under this
29 section shall require the signature of the governor if the discretionary award is greater
30 than one million dollars per year.

31 5. Upon approval of a notice of intent to request benefits under this section, the
32 department and the qualified company shall enter into a written agreement covering the
33 applicable project period. The agreement shall specify, at a minimum:

34 (1) The committed number of retained jobs, payroll, and new capital investment
35 for each year during the project period;

36 (2) Clawback provisions, as may be required by the department but which shall
37 include repayment of interest at a rate of nine percent per annum; and

38 (3) Any other provisions the department may require.

620.2020. 1. The department shall respond to a written request, by or on behalf of
2 a qualified company, for a proposed benefit award under the provisions of this program

3 within five business days of receipt of such request. Such response shall contain either a
4 proposal of benefits for the qualified company, or a written response refusing to provide
5 such a proposal and stating the reasons for such refusal. A qualified company that intends
6 to seek benefits under the program shall submit to the department a notice of intent. The
7 department shall respond within thirty days to a notice of intent with an approval or a
8 rejection, provided that the department may withhold approval or provide a contingent
9 approval until it is satisfied that proper documentation of eligibility has been provided.
10 Failure to respond on behalf of the department shall result in the notice of intent being
11 deemed approved. A qualified company receiving approval for program benefits may
12 receive additional benefits for subsequent new jobs at the same facility after the full initial
13 project period if the applicable minimum job requirements are met. There shall be no
14 limit to the number of project periods in which a qualified company may participate, and
15 a qualified company may elect to file a notice of intent to begin a new project period
16 concurrent with an existing project period if the applicable minimum job requirements are
17 achieved, the qualified company provides the department with the required annual
18 reporting, and the qualified company is in compliance with this program and any other
19 state programs in which the qualified company is currently or has previously participated.
20 However, the qualified company shall not receive any further program benefits under the
21 original approval for any new jobs created after the date of the new notice of intent, and
22 any jobs created before the new notice of intent shall not be included as new jobs for
23 purposes of the benefit calculation for the new approval. When a qualified company has
24 filed and received approval of a notice of intent and subsequently files another notice of
25 intent, the department shall apply the definition of project facility under subdivision (18)
26 of section 620.2005 to the new notice of intent as well as all previously approved notices of
27 intent and shall determine the application of the definitions of new job, new payroll,
28 project facility base employment, and project facility base payroll accordingly.

29 2. Notwithstanding any provision of law to the contrary, the benefits available to
30 the qualified company under any other state programs for which the company is eligible
31 and which utilize withholding tax from the new or retained jobs of the company shall first
32 be credited to the other state program before the withholding retention level applicable
33 under this program begins to accrue. If any qualified company also participates in a job
34 training program utilizing withholding tax, the company shall retain no withholding tax
35 under this program, but the department shall issue a refundable tax credit for the full
36 amount of benefit allowed under this program. The calendar year annual maximum
37 amount of tax credits which may be issued to a qualifying company that also participates

38 in a jobs training program shall be increased by an amount equivalent to the withholding
39 tax retained by that company under a jobs training program.

40 3. A qualified company receiving benefits under this program shall provide an
41 annual report of the number of jobs and such other information as may be required by the
42 department to document the basis for program benefits available no later than ninety days
43 prior to the end of the qualified company's tax year immediately following the tax year for
44 which the benefits provided under the program are attributed. In such annual report, if
45 the average wage is less than the applicable percentage of the county average wage, the
46 qualified company has not maintained the employee insurance as required, or the number
47 of jobs is less than the number required, the qualified company shall not receive tax credits
48 or retain the withholding tax for the balance of the project period. Failure to timely file
49 the annual report required under this section shall result in the forfeiture of tax credits
50 attributable to the year for which the reporting was required and a recapture of
51 withholding taxes retained by the qualified company during such year.

52 4. The department may withhold the approval of any benefits under this program
53 until it is satisfied that proper documentation has been provided, and shall reduce the
54 benefits to reflect any reduction in full-time employees or payroll. Upon approval by the
55 department, the qualified company may begin the retention of the withholding taxes when
56 it adds the required number of jobs and the average wage meets or exceeds the applicable
57 percentage of county average wage. Tax credits, if any, may be issued upon satisfaction
58 by the department that the qualified company has exceeded the applicable percentage of
59 the county average wage and has added the required number of jobs.

60 5. Any qualified company approved for benefits under this program shall provide
61 to the department, upon request, any and all information and records reasonably required
62 to monitor compliance with program requirements. This program shall be considered a
63 business recruitment tax credit under subdivision (4) of subsection 2 of section 135.800,
64 and any qualified company approved for benefits under this program shall be subject to
65 the provisions of sections 135.800 to 135.830.

66 6. Any taxpayer who is awarded benefits under this program and knowingly hires
67 individuals who are not allowed to work legally in the United States shall immediately
68 forfeit such benefits and shall repay the state an amount equal to any state tax credits
69 already redeemed and any withholding taxes already retained.

70 7. The maximum amount of tax credits that may be authorized under this program
71 for any fiscal year beginning on or after July 1, 2014, shall be fifty million dollars, less the
72 amount of any tax credits previously obligated for that fiscal year under any of the tax
73 credit programs referenced in subsection 13 of this section.

74 **8. For tax credits for the creation of new jobs under section 620.2010, the**
75 **department shall allocate the annual tax credits based on the date of the approval,**
76 **reserving such tax credits based on the department's best estimate of new jobs and new**
77 **payroll of the project, and any other applicable factors in determining the amount of**
78 **benefits available to the qualified company under this program, however, the annual**
79 **issuance of tax credits shall be subject to annual verification of actual payroll by the**
80 **department. Any authorization of tax credits shall expire if, within two years from the date**
81 **of commencement of operations, or approval if applicable, the qualified company has failed**
82 **to meet the applicable minimum job requirements. The qualified company may retain**
83 **authorized amounts from the withholding tax under the project after the applicable**
84 **minimum job requirements have been met for the duration of the project period. No**
85 **benefits shall be provided under this program until the qualified company meets the**
86 **applicable minimum new job requirements. In the event the qualified company does not**
87 **meet the applicable minimum new job requirements, it may submit a new notice of intent**
88 **or the department may provide a new approval for a new project of the qualified company**
89 **at the project facility or other facilities.**

90 **9. Tax credits provided under this program may be claimed against taxes otherwise**
91 **imposed by chapters 143 and 148, and may not be carried forward, but shall be claimed**
92 **within one year of the close of the taxable year for which they were issued. Tax credits**
93 **provided under this program may be transferred, sold, or assigned by filing a notarized**
94 **endorsement thereof with the department that names the transferee, the amount of tax**
95 **credit transferred, the value received for the credit, as well as any other information**
96 **reasonably requested by the department. For a qualified company with flow-through tax**
97 **treatment to its members, partners, or shareholders, the tax credit shall be allowed to**
98 **members, partners, or shareholders in proportion to their share of ownership on the last**
99 **day of the qualified company's tax period.**

100 **10. Prior to the issuance of tax credits or the qualified company beginning to retain**
101 **withholding taxes, the department shall verify through the department of revenue and any**
102 **other applicable state department that the tax credit applicant does not owe any delinquent**
103 **income, sales, or use tax; interest or penalties on such taxes; or any delinquent fees or**
104 **assessments levied by any state department. The department shall also verify through the**
105 **department of insurance, financial institutions and professional registration that the**
106 **applicant does not owe any delinquent insurance taxes or other fees. Such delinquency**
107 **shall not affect an approval, except that any tax credits issued shall be first applied to the**
108 **delinquency, and any amount issued shall be reduced by the applicant's tax delinquency.**
109 **If the department of revenue, the department of insurance, financial institutions and**

professional registration, or any other state department concludes that a taxpayer is delinquent after June fifteenth but before July first of any year, and the application of tax credits to such delinquency causes a tax deficiency on behalf of the taxpayer to arise, then the taxpayer shall be granted thirty days to satisfy the deficiency in which interest, penalties, and additions to tax shall be tolled. After applying all available credits toward a tax delinquency, the administering agency shall notify the appropriate department, and that department shall update the amount of outstanding delinquent tax owed by the applicant. If any credits remain after satisfying all insurance, income, sales, and use tax delinquencies, the remaining credits shall be issued to the applicant, subject to the restrictions of other provisions of law.

11. The director of revenue shall issue a refund to the qualified company to the extent that the amount of tax credits allowed under this program exceeds the amount of the qualified company's tax liability under chapter 143 or 148.

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

13. Notwithstanding any provision of law to the contrary, beginning August 28, 2013, no new benefits shall be authorized for any project that had not received from the department a proposal or approval for such benefits prior to August 28, 2013, under the development tax credit program created under sections 32.100 to 32.125, the rebuilding communities tax credit program created under section 135.535, the enhanced enterprise zone tax credit program created under sections 135.950 to 135.973, and the Missouri quality jobs program created under sections 620.1875 to 620.1890. The provisions of this subsection shall not be construed to limit or impair the ability of any administering agency to authorize or issue benefits for any project that had received an approval or a proposal from the department under any of the programs referenced in this subsection prior to August 28, 2013, or the ability of any taxpayer to redeem any such tax credits or to retain any withholding tax under an approval issued prior to that date. The provisions of this subsection shall not be construed to limit or in any way impair the ability of any governing authority to provide any local abatement or designate a new zone under the enhanced enterprise zone program created by sections 135.950 to 135.963. Notwithstanding any provision of law to the contrary, no qualified company that is awarded benefits under this program shall:

(1) Simultaneously receive benefits under the programs referenced in this subsection at the same project facility; or

(2) Receive benefits under the provisions of section 620.1910 for the same jobs.

145 **14. If any provision of sections 620.2000 to 620.2020 or application thereof to any**
146 **person or circumstance is held invalid, the invalidity shall not affect other provisions or**
147 **application of these sections which can be given effect without the invalid provisions or**
148 **application. To this end, the provisions of sections 620.2000 to 620.2020 are hereby**
149 **declared severable.**

150 **15. By no later than January 1, 2014, and the first day of each calendar quarter**
151 **thereafter, the department shall present a quarterly report to the general assembly**
152 **detailing the benefits authorized under this program during the immediately preceding**
153 **calendar quarter to the extent such information may be disclosed under state and federal**
154 **law. The report shall include, at a minimum:**

155 **(1) A list of all approved and disapproved applicants for each tax credit;**

156 **(2) A list of the aggregate amount of new or retained jobs that are directly**
157 **attributable to the tax credits authorized;**

158 **(3) A statement of the aggregate amount of new capital investment directly**
159 **attributable to the tax credits authorized;**

160 **(4) Documentation of the estimated net state fiscal benefit for each authorized**
161 **project and, to the extent available, the actual benefit realized upon completion of such**
162 **project or activity; and**

163 **(5) The department's response time for each request for a proposed benefit award**
164 **under this program.**

165 **16. The department may adopt such rules, statements of policy, procedures, forms,**
166 **and guidelines as may be necessary to carry out the provisions of sections 620.2000 to**
167 **620.2020. Any rule or portion of a rule, as that term is defined in section 536.010, that is**
168 **created under the authority delegated in this section shall become effective only if it**
169 **complies with and is subject to all of the provisions of chapter 536 and, if applicable,**
170 **section 536.028. This section and chapter 536 are nonseverable and if any of the powers**
171 **vested with the general assembly pursuant to chapter 536 to review, to delay the effective**
172 **date, or to disapprove and annul a rule are subsequently held unconstitutional, then the**
173 **grant of rulemaking authority and any rule proposed or adopted after August 28, 2013,**
174 **shall be invalid and void.**

175 **17. Under section 23.253 of the Missouri sunset act:**

176 **(1) The provisions of the new program authorized under sections 620.2000 to**
177 **620.2020 shall automatically sunset six years after the effective date of this section unless**
178 **reauthorized by an act of the general assembly; and**

179 **(2) If such program is reauthorized, the program authorized under this section**
180 **shall automatically sunset twelve years after the effective date of this reauthorization of**
181 **sections 620.2000 to 620.2020; and**

182 **(3) Sections 620.2000 to 620.2020 shall terminate on September first of the calendar**
183 **year immediately following the calendar year in which the program authorized under**
184 **sections 620.2000 to 620.2020 is sunset.**
185

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

13 2. The director of the department of revenue shall promulgate rules and
14 regulations to administer the provisions of this section. Any rule or portion of a
15 rule, as that term is defined in section 536.010, that is created under the authority
16 delegated in this section shall become effective only if it complies with and is
17 subject to all of the provisions of chapter 536 and, if applicable, section 536.028.
18 This section and chapter 536 are nonseverable and if any of the powers vested
19 with the general assembly pursuant to chapter 536 to review, to delay the
20 effective date, or to disapprove and annul a rule are subsequently held
21 unconstitutional, then the grant of rulemaking authority and any rule proposed or
adopted after August 28, 2007, shall be invalid and void.]

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