

HCS#2 HB 698 -- TAX INCENTIVES

SPONSOR: Zerr

COMMITTEE ACTION: Voted "Do Pass" by the Committee on Economic Development by a vote of 20 to 2.

This substitute changes the laws regarding technology business facilities and data storage centers, the Distressed Areas Land Assemblage Tax Credit Act, and tax credits and tax deductions and establishes the Missouri Angel Investment Incentive Act, the Missouri Export Incentive Act, and a tax incentive program.

TECHNOLGY BUSINESS FACILITIES AND DATA STORAGE CENTERS (Sections 67.2050 and 144.810, RSMo)

Beginning August 28, 2013, the substitute authorizes a state and local sales and use tax exemption on items related to new data storage centers, limited to the net fiscal benefit of the state calculated over a 10-year period on:

- (a) All electrical energy, gas, water, and other utilities including telecommunications and Internet services used in a new data storage center;
- (b) All machinery, equipment, and computers used in any new center; and
- (c) All retail sales of tangible personal property and materials for the purposes of constructing a new data storage center.

Any new data storage center facility project seeking a tax exemption must submit a notice of intent and a project plan to the Department of Economic Development which identifies each known constructing and operating taxpayer for the project and any additional information that the department may require. The department must determine whether the project is eligible for exemption by verifying that a new facility will invest at least \$5 million within 12 consecutive months and results in the creation of at least five new jobs during a period of up to 12 consecutive months from the date of condition approval. The department must make a conditional determination within 30 days of submission by the operating taxpayer. Failure of the department to respond within the 30 days must result in a project plan being deemed conditionally approved.

Upon approval by the department, project taxpayers for expanding data center projects may, beginning August 28, 2013, and for a period of up to 10 years, be exempted from state and local sales

and use taxes exemption on:

(a) All electrical energy, gas, water, and other utilities including telecommunication and Internet services which, on an annual basis, exceed the amount used in the existing or the replaced facility prior to the expansion;

(b) All machinery, equipment, and computers used in any expanding center; and

(c) All retail sales of tangible personal property and materials for the purpose of constructing, repairing, or remodeling an expanding data storage center.

Any expanding data storage center wishing to utilize these exemptions must submit a notice of intent and a project plan to the department that identifies each known constructing and operating taxpayer and any additional information that the department may reasonably require to determine eligibility for the exemption. The department must determine whether the project is eligible for exemption by verifying that an expanding facility will invest at least \$1 million within 12 consecutive months. The department must make a conditional determination within 30 days of submission by the operating taxpayer. Failure of the department to respond within 30 days will result in a project plan being deemed conditionally approved. The departments of Economic Development and Revenue must conduct random audits to ensure that the intent of these provisions is followed. No recipient of an exemption can be eligible for benefits under any business recruitment tax credit under Section 135.800, RSMo.

The provisions of the substitute regarding the tax exemption regarding expanding data centers terminate on September 1, 2019 (Section 67.2050, RSMo.)

DISTRESSED AREAS LAND ASSEMBLAGE TAX CREDIT ACT (Section 99.1205)

The substitute changes the laws regarding the Distressed Areas Land Assemblage Tax Credit Act. The substitute revises the definition of "acquisition costs" to include engineering, surveying, title insurance, and architectural and design costs incurred in connection with the acquisition, financing, parcel consolidation, or site and redevelopment area planning regarding one or more eligible parcels. Acquisition costs include maintenance costs for a period of 12 years, instead of the current five years but cannot include costs for title insurance and survey.

The substitute revises the definition of "eligible parcel" to exclude any parcel acquired by the applicant from a municipal

authority prior to August 28, 2007.

The definition of an "eligible project area" is revised to include a redevelopment area as defined under the Real Property Tax Increment Allocation Redevelopment Act that contains at least 300 acres in 80 or more parcels, includes or previously included more than 1 million square feet of commercial building space, and is located within a low-income community as defined in 26 U.S.C. Section 45D as of January 1, 2011. An applicant is required to own at least 50 acres of eligible parcels within an eligible project area, excluding any parcels acquired from a municipal authority. The applicant must own at least 150 contiguous acres of real property, which may be separated by the width of public right-of-way, within the urban renewal area or redevelopment area containing the eligible project area.

The substitute revises the definition of "interest costs" to exclude attorney fees that relate to or arise out of loans relating to acquisition costs including without limitation, interest, loan fees, and closing costs associated with the refinancing of loans relating to acquisition costs.

An applicant is allowed to receive a tax credit for the acquisition and interest costs of an eligible parcel for 12 years instead of the current five years. Currently, an applicant can receive a tax credit for 50% of reasonable demolition costs. The substitute increases the amount of the tax credit to 100% of the reasonable demolition costs. An applicant is allowed to file for the tax credit quarterly instead of annually.

The annual amount of tax credits that can be issued is increased from \$20 million to \$30 million, and the aggregate program cap authorized after August 28, 2013, is \$95 million. The substitute establishes a process for allocating the annual \$30 million in tax credits depending upon the number of eligible applicants. No single applicant can receive more than 50% of the annual \$30 million tax credits. No credits can be authorized after August 28, 2019. Currently, no credits can be authorized after August 28, 2013.

TAX CREDITS AND TAX DEDUCTIONS

The substitute:

(1) Specifies that for the taxable years beginning on or after January 1, 2014, the total amount of tax credits authorized annually for specified approved companies that have paid an assessment for debt reduction under the Missouri Business Use Incentives for Large-Scale Development Act cannot exceed \$10

million. Currently, the amount cannot exceed \$25 million (Section 100.850);

(2) Prohibits the aggregate amount of all tax credits allowed the Wood Energy Tax from exceeding \$2 million in any fiscal year. The substitute extends from June 30, 2013, to June 30, 2019, when no new tax credits can be authorized (Section 135.305);

(3) Specifies that for all taxable years beginning on or after July 1, 2014, the total amount of tax credit authorizations that can be authorized in each fiscal year for the Low Income House Tax Credit for projects that are financed through tax-exempt bonds cannot exceed \$3 million. Currently, the maximum amount is \$6 million. The substitute specifies that the total amount of tax credits allowed over a federal credit period must be attributed to the fiscal year in which the credits are authorized by the Missouri Housing Development Commission for a qualified Missouri project. For all fiscal years beginning on or after July 1, 2014, there must be a \$135 million cap on tax credit authorizations for projects that are not financed through tax-exempt bonds. Currently, there is not a maximum amount. The substitute prohibits a taxpayer who receives state tax credits under these provisions from being eligible to receive a Historic Preservation Tax Credit for the same project (Sections 135.350 and 135.352);

(4) Specifies that the total amount of tax credits authorized under the Youth Opportunities and Violence Prevention Act cannot exceed \$5 million annually (Section 135.460);

(5) Reduces, from \$16 million to \$8 Million, the maximum amount of tax credits that can annually allow for the Rehabilitation and Construction of Residences in Distressed Communities and Census Blocks Tax Credit (Section 135.484);

(6) Specifies that no new tax credits can be issued under the Relocating a Business to a Distressed Community Tax Credit beginning August 28, 2013 (Section 135.535);

(7) Specifies that for the taxable years beginning on or after January 1, 2014, the total amount of tax credits annually authorized for the Qualified Beef Tax Credit cannot exceed \$1 million. Currently, the maximum amount is \$3 million (Section 135.679);

(8) Authorizes a tax credit equal to 7% of the adjusted purchase price paid to the issuer of a qualified equity investment for the third credit allowance date and 8% for the next four credit allowance dates for a qualified equity investment that was acquired after September 4, 1007, but before July 1, 2010. For a qualified

equity investment acquired after August 28, 2013, the tax credit will be equal to 11% of the adjusted purchase price paid to the issuer for the third and fourth credit allowance dates and 12% for the next three credit allowance dates. The tax credits are not transferable or refundable but may be carried forward for up to five years. No more than \$25 million of these tax credits can be utilized annually. The state is allowed to recapture credits when permissible under federal law in situations where the issuer redeems or makes principal repayment with respect to the qualified investment before the seventh anniversary of the investment's issuance; fails to invest 85% of the purchase price in low-income community investments in Missouri within 12 months of the issuance and maintain the level of investment until the last credit allowance date or prior to the final credit allowance date; or uses the cash proceeds of the investments to make investments in qualified active low-income community businesses in excess of 25% of the cash proceeds. Any tax credit subject to recapture will be taken from the taxpayer who claimed the tax credit on a return (Section 135.680);

(9) Specifies that for the tax years beginning on or after July 1, 2014, the total amount of tax credits annually allowed for the Grape and Wine Producers Tax Credit cannot exceed \$200,000. Currently, there is no maximum amount (Section 135.700);

(10) Extends the expiration date of the provisions regarding the Alternative Fuel Vehicle Refueling Property Tax Credit from August 28, 2014, to August 28, 2019 (Section 135.710);

(11) Specifies that for the tax years beginning on or after January 1, 2014, the total amount of tax credits annually authorized for the Film Production Companies Tax Credit cannot exceed \$3 million. Currently, the maximum amount is \$4.5 million. The expiration date of the provisions regarding the tax credit are extended from November 28, 2013, to August 28, 2019 (Section 135.750);

(12) Specifies that for the taxable years beginning on or after January 1, 2014, the total amount of tax credits that can annually be authorized for establishing a new business in an enhanced enterprise zone cannot exceed \$19 million. Currently, the maximum amount is \$24 million (Section 135.967);

(13) Requires, beginning on or after January 1, 2014, all tax credits that are subject to a statutory limitation on the total amount authorized to have the limitation reviewed by the General Assembly every five years (Section 135.1000);

(14) Repeals the provisions regarding the health insurance income

tax deduction for certain self-employed individuals (Section 143.119);

(15) Prohibits any new tax credits from being authorized for a family development account beginning July 1, 2014 (Section 208.770);

(16) Specifies that for each fiscal year beginning on or after July 1, 2014, the total amount of applications that the Department of Economic Development cannot approve for the Historic Structures Rehabilitation Tax Credit for projects over \$275,000 cannot exceed \$135 million. The maximum amount that can be authorized in each fiscal year for projects under \$275,000 is \$10 million. For all applications for credits approved on or after July 1, 2014, no more than \$125,000 may be issued for the eligible costs and expenses incurred in the rehabilitation of certain eligible owner-occupied residential property. For all credits authorized on or after July 1, 2014, the bill reduces from three years to one year the time period that the credit can be carried back and from 10 years to five years the time period that the credit can be carried forward. A taxpayer who receives a low income housing tax credit for a project not financed through tax-exempt bonds issuance cannot be eligible for a historic preservation tax credit for the same project. An application for the final approval and issuance of a tax credit must include a cost and expense certification by an independent licensed certified public accountant with any accrued developer fees stated separately. The department will have 45 days from receipt of the application for final approval to determine whether the completed project meets the required standards and to issue a tax credit certificate equal to 75% of the eligible costs and expenses verified to that date or the amount of tax credits approved for the project. Within 120 days following the receipt, the department must determine the final amount of eligible rehabilitation costs and expenses. If a taxpayer receives a tax credit that includes an amount attributable to accrued developer fees, he or she must submit within six years of completion of the rehabilitation an additional cost and expense certification verifying the total amount of developer fees actually accrued and paid. If the amount of the tax credits issued and attributable to developer fees exceeds the amount of developer fees actually accrued and paid, the taxpayer is liable to repay 25% of the excess. A taxpayer, or his or her authorized representative, may appeal any official decision on a preliminary or final approval and denial of approval to an independent third-party appeals officer designated by the department (Sections 253.545 - 253.559);

(17) Reduces the cap on the agricultural tax credit from \$6 million to \$2 million (Section 348.434);

(18) Prohibits the department from authorizing tax credits and exemptions under the abandoned property redevelopment projects, commonly known as brownfield redevelopment (Section 447.708);

(19) Repeals the provision that prohibits any tax credits for qualified research expenses from being approved, awarded, or issued and authorizes a tax credit of up to 6.5% of a taxpayer's qualified research expenses. The annual aggregate cap on the amount of these tax credits that can be authorized by the Department of Economic Development is \$10 million. Qualified research expenses will be limited to those incurred in the research and development of agricultural biotechnology, plant genomics products, diagnostic and therapeutic medical devices, or prescription pharmaceuticals consumed by humans or animals, that does not include human reproductive cloning. Expenses incurred in the research, development, or manufacture of power system technology for aerospace, space, defense, or implantable or wearable medical devices are also permitted. The department director may allow a taxpayer to transfer up to 40% of the tax credits issued, but not yet claimed, between January 1, 2014, and December 31, 2020. The department director must act between August 1 and August 15 on tax credit applications filed between January 1 and July 1 for claims from the previous year. The formula is specified by which tax credits will be issued if the eligible claims for the credits exceed the annual cap. No one taxpayer can be issued more than 30% of the total amount of tax credits authorized in any calendar year (Section 620.1039); and

(20) Specifies that no new tax credits can be authorized under this Section after August 28, 2013 (Section 620.1881).

MISSOURI EXPORT INCENTIVE ACT (Sections 135.1550 - 135.1575)

The substitute establishes the Missouri Export Incentive Act to encourage foreign trade through international airports in Missouri. For all taxable years beginning on or after July 1, 2013, an air export tax credit is authorized for a freight forwarder against income taxes with the exception of withholding taxes, corporate franchise taxes, and financial institution taxes for the shipment of cargo on a qualifying outbound flight in an amount equal to 40 cents per chargeable kilo. The Department of Economic Development must index, and the Secretary of State must publish in the Missouri Register, the amount of the air export tax credits to adjust each year depending upon fluctuations in the cost of fuel for over-the-road transportation. The substitute specifies the requirements in order for a freight forwarder to receive the credit and how it will be calculated. No credits can be authorized after June 30, 2021.

MISSOURI ANGEL INVESTMENT INCENTIVE ACT (Sections 348.273 and 348.274)

The substitute establishes the Missouri Angel Investment Incentive Act that is to be administered by regional Missouri Small Business and Technology Development Centers (SBTDCs) and the SBTDC home office. The primary goal of the act is to encourage individuals to provide seed-capital financing for emerging Missouri businesses engaged in the development, implementation, and commercialization of innovative technologies, products, and services. Each regional SBTDC must establish a regional committee of at least three but no more than five people to review applications from businesses requesting designation as a qualified Missouri business and allocate tax credits to qualified investors who make cash investments in the qualified Missouri business. The coordinator must establish its own rules of procedure, including the form and substance of applications to be used by each regional SBTDC and the criteria to be considered by each regional SBTDC when evaluating a qualified Missouri business and issue tax credits to qualified investors that have been allocated available tax credits by a regional SBTDC.

A tax credit must be allowed for an investor's cash investment in the qualified securities of a qualified Missouri business. The credit must be in a total amount equal to 50% of the investor's cash investment in any qualified Missouri business. This tax credit may be used in its entirety in the taxable year in which the cash investment is made except that no tax credit can be allowed in a year prior to 2013. If the amount by which that portion of the credit allowed exceeds the investor's liability in any one taxable year, beginning in 2013, the remaining portion of the credit may be carried forward five years or until the total amount of the credit is used, whichever occurs first. If the investor is a permitted entity investor, the credit must be claimed by the owners of the permitted entity investor in proportion to their equity investment in the permitted entity investor. The maximum tax credit allowed is \$50,000 for a single qualified Missouri business per investor who is a natural person or permitted entity investor or a total of \$250,000 for a single year per investor who is a natural person or owner of a permitted entity investor. No tax credits can be allowed for any cash investments in qualified securities for any year beginning after December 31, 2023. The total amount of tax credits that can be allowed cannot exceed \$6 million during tax years 2014 and 2015. For each tax year thereafter, the total amount of tax credits allowed must be increased by 20% of the amount allowed in the immediately preceding tax year so long as the total amount of credits allowed were issued during the preceding tax year. If unissued tax credits remain, the total amount of tax credits that may be allowed cannot exceed the total amount of tax

credits allowed in the immediately preceding tax year. The balance of unissued tax credits may be carried over for issuance in future years until December 31, 2023.

The tax credits must be administered by the regional SBTDCs. At the beginning of each year, the coordinator must equally designate the tax credits available during that year to each regional SBTDC. At the beginning of each calendar quarter, the coordinator must allocate to each regional SBTDC one-fourth of the total tax credits designated to the regional SBTDC for the year so that the regional SBTDC can allocate tax credits to qualified Missouri businesses and the coordinator can then issue tax credits to qualified investors for cash investments in the qualified Missouri businesses during that quarter.

At the end of each calendar quarter, each regional SBTDC must report to the coordinator any unallocated tax credits for the preceding quarter. The coordinator must aggregate all the tax credits and reallocate them equally among the regional SBTDCs as soon as possible during the next consecutive calendar quarter. Each regional SBTDC must receive the reallocation in addition to the new allocation of designated tax credits for the quarter. During the fourth calendar quarter, a regional SBTDC may request that another regional SBTDC with unallocated tax credits permit the unallocated tax credits to be allocated by the requesting SBTDC. No regional SBTDC can be required to grant the request. When a granting SBTDC transfers the allocation of the unallocated tax credits to a requesting SBTDC, the granting SBTDC must provide to the requesting SBTDC a written confirmation authorizing the transfer. The granting and the requesting SBTDC must include a copy of the written confirmation in its reports.

Before an investor may be entitled to receive tax credits, the investor must have made a cash investment in a qualified security of a qualified Missouri business. The business must have been approved by a regional SBTDC as a qualified Missouri business before the date on which the cash investment was made. To be designated as a qualified Missouri business, a business must make application to a regional SBTDC that includes specified information.

The designation of a business as a qualified Missouri business must be made by the regional SBTDC and must be renewed annually. A business must be so designated if the regional SBTDC determines specified criteria as established by the coordinator. A business may be considered as a qualified Missouri business under the provisions of the substitute if it falls within a standard industrial classification code established by the coordinator. A qualified Missouri business must have the burden of proof to

demonstrate to the regional SBTDC the qualifications of the business.

Each regional SBTDC is authorized to allocate tax credits to qualified Missouri businesses and the coordinator is authorized to issue tax credits to qualified investors in those qualified Missouri businesses. The tax credits must 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, 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 business. The regional SBTDC may consider numerous factors in the 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.

Each qualified Missouri business for which a regional SBTDC has allocated tax credits to the qualified investors of the qualified Missouri business must submit to the regional SBTDC a report before the tax credits are issued that includes specified information.

The State of Missouri cannot 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.

Each qualified Missouri business must notify in a timely manner the regional SBTDC that allocated the tax credits and the coordinator 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.

The coordinator must provide specified information to the Department of Revenue on an annual basis. The coordinator must conduct an annual review of the activities to ensure that tax credits issued under these provisions are issued in compliance with the substitute or rules and regulations promulgated by each regional SBTDC or the coordinator. If the coordinator determines that a business is not in substantial compliance to maintain its designation, the coordinator, by written notice, may inform the business that it will lose its designation as a qualified Missouri business 120 days from the date of mailing the notice unless the business corrects the deficiencies and is once again in compliance

with the requirements for designation. After the 120-day period, if the qualified Missouri business is still not in compliance, the coordinator may send a notice of loss of designation to the business, each regional SBTDC, the Director of the Department of Revenue, and to all known investors in the business. A business may lose its designation as a qualified Missouri business by moving its operations outside Missouri within 10 years after receiving financial assistance under the provisions of the substitute. In the event that a business loses its designation as a qualified Missouri business, it will be precluded from being issued any additional tax credits with respect to the business, must be precluded from being approved as a qualified Missouri business, and must repay any financial assistance to the regional SBTDC in an amount to be determined by the regional SBTDC. Each qualified Missouri business that loses its designation must enter into a repayment agreement with the regional SBTDC specifying the terms of the repayment obligation.

Investors in a qualified Missouri business must be entitled to keep all of the tax credits properly issued to the investors under these provisions.

The portions of documents and other materials submitted to any regional SBTDC or the coordinator that contain trade secrets must be kept confidential and must be maintained in a secured environment by the regional SBTDC and the coordinator.

Any qualified investor who makes a cash investment in a qualified security of a qualified Missouri business may transfer the tax credits to any natural person. Only the full credit for any one investment must be transferred and this interest must only be transferred one time. Documentation of any tax credit transfer must be provided by the qualified investor in the manner required by the coordinator.

Each qualified Missouri business for which tax credits have been issued must report specified information to the applicable regional SBTDC on an annual basis, on or before February 1. Each regional SBTDC and the coordinator must also report annually, on or before April 1, to the Governor; Director of the Department of Economic Development; Senate Committee on Commerce, Consumer Protection, Energy and the Environment; House Committee on Economic Development; any successor committees; and the coordinator specified information on the allocation and issuance of the tax credits.

Any violation of the reporting requirements may be grounds for the loss of designation of the qualified Missouri business, and the business must be subject to the specified restrictions.

A qualified Missouri business must give the state a 2% equity interest in the business, to be held by the department, before it can accept qualified securities. The department will not have voting rights while it holds the equity interest and the department can sell the equity interest if it is economically beneficial to the state. All proceeds from the sale of the equity interest will be used by the department to further the goals of this program.

These provisions expire December 31, 2023.

TAX INCENTIVE PROGRAM (Sections 620.2005 - 2015)

The substitute establishes a program to provide tax incentives through retained withholding taxes and refundable income and financial institutions tax credits for qualified companies. The program provides entitlement and discretionary benefits for qualified companies that offer health insurance to employees and pay at least 50% of the premiums. Tax credits provided under the program are fully transferrable and must be used within one taxable year following the taxable year in which they are issued.

Qualified companies may retain one-third of the withholding tax for new jobs for five years after the date the jobs are created or six years if the qualified company is an existing Missouri business, if the qualified company creates 10 or more new jobs at an average wage of 90% or more of the county average wage; the qualified company creates two or more new jobs in a rural area at an average wage of 90% or more of the county average wage and the qualified company commits at least \$100,000 to new capital investment at the project facility within two years; or if the qualified company creates two or more new jobs in an enhanced enterprise zone, the average wage of the new jobs equals or exceeds 80% of the county average wage, and the qualified company commits at least \$100,000 to new capital investment at the project facility within two years. The company may also receive tax credits of up to 8% of new payroll to be issued each year for five years if the combined tax credit and retained withholding benefits do not exceed 9% of the new payroll in any year, based on a list of factors for the department's consideration in granting the credits. Each decision to award additional incentives must be accompanied by a written decision that addresses each factor and the signature of the Governor if the amount of the award is greater than \$1 million per year. When the department approves a notice of intent to receive tax credits, it must enter into a written agreement with the qualified company that specifies, at a minimum, the number of new jobs, new payroll, and new capital investment for each year during the project period; the period over which the tax credits will be issued; clawback provisions as may be required by the department

but which must include repayment of interest at 9% annually; and any other provisions that the department may require. A qualified company that produces 10 or more jobs at the required wage may also receive tax credits of up to 3% of new payroll for five years as long as the total benefits awarded do not exceed 12% of new payroll in any year. These benefits also require a written decision and the Governor's signature when the award is greater than \$1 million per year. No benefits can be available for a qualified company that has performed significant, project-specific site work at the project facility, purchased machinery or equipment related to the project, or has publicly announced its intention to create new jobs or make new capital investment at the facility prior to the approval of its notice of intent.

A benefit for retained jobs, not to exceed \$6 million in the aggregate in any fiscal year, may be awarded if the department determines that there is a significant probability that a qualified company would relocate out of state if the benefit were not available. A qualified company may be authorized to retain an amount not to exceed 100% of the withholding tax from full-time jobs for 10 years if the average wage of the retained jobs equals or exceeds 90% of the county average wage. Requirements for these benefits include retaining at least 50 jobs for 10 years and making a new capital investment at the project facility within three years in an amount equal to one-half the total benefits offered to the company. These benefits also require the Governor's signature when the award is greater than \$1 million.

The department is required to respond to a written request for a proposed benefit award under the program within five business days of the receipt of the request. The response must contain a proposal of benefits or a written refusal stating the reasons for the refusal. Failure by the department to respond to a notice of intent within 30 days will result in it being deemed approved.

By no later than January 1, 2014, the department must provide quarterly reports on the program to the General Assembly, including, at a minimum, a listing of all applicants and the department's response time to requests for proposed benefit awards. A qualified company that receives benefits under the program is required to provide an annual report to the department in order to document compliance with all applicable requirements.

Beginning August 28, 2013, no new benefits can be authorized for any project that has not already been approved by the department under the Development Tax Credit Tax Program, the Rebuilding Communities Tax Credit Program, the Enhanced Enterprise Zone Tax Credit Program, and the Missouri Quality Jobs Program. The total amount of all tax credits authorized for each fiscal year under the

Compete Missouri Program, including any outstanding authorizations for tax credits under the other four specified programs, cannot exceed \$50 million for fiscal years 2014, 2015, and 2016.

These provisions expire six years after the effective date.

PROPOSERS: Supporters say that the bill reforms the tax credit system, reduces the total amount of tax credits, and preserves the most effective tax credits.

Testifying for the bill were Representative Zerr; Missouri Association of Realtors; Alliance for Investment, Jobs and Preservation; Partnership for Downtown St. Louis; and Missouri Grape and Wine Alliance.

OPPOSERS: There was no opposition voiced to the committee.