

SECOND REGULAR SESSION

HOUSE BILL NO. 1089

97TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES MCCAHERTY (Sponsor), DIEHL, CORNEJO, JOHNSON,
CROSS, MAYFIELD, OTTO, ENGLISH AND ROORDA (Co-sponsors).

4205H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 620, RSMo, by adding thereto one new section relating to the bring jobs home act.

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

Section A. Chapter 620, RSMo, is amended by adding thereto one new section, to be known as section 620.2425, to read as follows:

620.2425. 1. This section shall be known and may be cited as the "Bring Jobs Home Act".

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

(1) "Business unit":

(a) Any trade or business; and

(b) Any line of business, or functional unit, which is part of any trade or business;

(2) "Eligible expenses":

(a) Any amount for which a deduction is allowed to the taxpayer under Section 162 of the Internal Revenue Code of 1986, as amended; and

(b) Permit and license fees, lease brokerage fees, equipment installation costs and other similar expenses.

Such term does not include any compensation which is paid or incurred in connection with severance from employment and any similar amount or expenses deducted in determining federal taxable income;

(3) "Eligible insourcing expenses":

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.

17 (a) Eligible expenses paid or incurred by the taxpayer in connection with the
18 elimination of any business unit of the taxpayer (or of any member of any expanded
19 affiliated group in which the taxpayer is also a member) located outside the state of
20 Missouri; and

21 (b) Eligible expenses paid or incurred by the taxpayer in connection with the
22 establishment of any business unit of the taxpayer (or of any member of any expanded
23 affiliated group in which the taxpayer is also a member) located within the state of
24 Missouri if such establishment constitutes the relocation of the business unit so eliminated.
25

26 For purposes of this subdivision, a relocation shall not be treated as failing to occur merely
27 because such elimination occurs in a different taxable year than such establishment;

28 (4) "Expanded affiliated group", an affiliated group as defined in Section 1504(a)
29 of the Internal Revenue Code of 1986, as amended, determined without regard to Section
30 1504(b)(3) of the Internal Revenue Code of 1986, as amended, and by substituting more
31 than fifty percent for at least eighty percent each place it appears in Section 1504(a) of the
32 Internal Revenue Code of 1986, as amended. A partnership or any other entity (other than
33 a corporation) shall be treated as a member of an expanded affiliated group if such entity
34 is controlled by members of such group (including any entity treated as a member of such
35 group by reason of this subdivision);

36 (5) "Expenses shall be under insourcing plan", amounts that shall be taken into
37 account under subdivision (3) of this subsection only to the extent that such amounts are
38 paid or incurred under a written plan to carry out the relocation described in subdivision
39 (3) of this subdivision;

40 (6) "Taxpayer", any person, firm, partnership, trust, estate, limited liability
41 company, or corporation.

42 3. The insourcing expenses deduction for any taxable year shall be taken against
43 the taxes imposed under chapter 143, except for sections 143.191 to 143.625, and is an
44 amount equal to twenty percent of the eligible insourcing expenses of the taxpayer which
45 are taken into account in such taxable year under subsection 5 of this section. In no event
46 shall the total amount of tax deductions available to all qualified taxpayers under this
47 section exceed ten million dollars per year. If the total amount of deductions claimed
48 under this section for a given year exceed ten million dollars, then deductions will be
49 allowed based upon the filing date.

50 4. No deduction shall be allowed under this section unless the number of full-time
51 equivalent employees of the taxpayer for the taxable year for which the deduction is
52 claimed exceeds the number of full-time equivalent employees of the taxpayer for the last

53 taxable year ending before the first taxable year in which such eligible insourcing expenses
54 were paid or incurred. For purposes of this subsection, full-time equivalent employees has
55 the meaning given such term under Section 45R(d) of the Internal Revenue Code of 1986,
56 as amended, (and the applicable rules of Section 45R(e) of the Internal Revenue Code of
57 1986, as amended), determined by only taking into account wages (as otherwise defined in
58 Section 45R(e) of the Internal Revenue Code of 1986, as amended), paid with respect to
59 services performed within Missouri.

60 5. (1) Except as provided in subdivisions (2) and (3) of this subsection, eligible
61 insourcing expenses shall be taken into account in the taxable year during which the plan
62 described in subdivision (5) of subsection 2 of this section has been completed and all
63 eligible insourcing expenses under such plan have been paid or incurred.

64 (2) If the taxpayer elects the application of this subdivision, eligible insourcing
65 expenses shall be taken into account in the first taxable year after the taxable year
66 described in subdivision (1) of this subsection.

67 (3) If a taxpayer is not allowed a deduction under subsection 3 for a given year, then
68 the taxpayer may claim the deduction in the next following year.

69 6. Any taxpayer allowed a deduction under this section who, within ten years of
70 receiving the deduction, eliminates the business unit for which the deduction was allowed
71 shall repay the state an amount equal to the amount of the deduction allowed.

72 7. Notwithstanding any provision of law, no deduction shall be allowed for any
73 expenses incurred when dissolving a business unit in Missouri and relocating such business
74 unit to another state.

75 8. The department of economic development and the department of revenue shall
76 promulgate rules to implement the provisions of this section. Any rule or portion of a rule,
77 as that term is defined in section 536.010, that is created under the authority delegated in
78 this section shall become effective only if it complies with and is subject to all of the
79 provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536
80 are nonseverable and if any of the powers vested with the general assembly under chapter
81 536 to review, to delay the effective date, or to disapprove and annul a rule are
82 subsequently held unconstitutional, then the grant of rulemaking authority and any rule
83 proposed or adopted after August 28, 2014, shall be invalid and void.

84 9. Under section 23.253 of the Missouri sunset act:

85 (1) The provisions of the new program authorized under this section shall
86 automatically sunset six years after the effective date, unless reauthorized by an act of the
87 general assembly; and

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

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

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