

SECOND REGULAR SESSION  
[RE-PERFECTED]  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 1089**  
**97TH GENERAL ASSEMBLY**

4205H.04R

D. ADAM CRUMBLISS, Chief Clerk

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**AN ACT**

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

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*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  
2 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  
2 Home Act".**

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

4 **(1) "Business unit":**

5 **(a) Any trade or business; and**

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

7 **(2) "Department", the department of economic development;**

8 **(3) "Eligible expenses":**

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

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

13

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

17 **(4) "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.

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

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

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

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

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

41           (7) "Full-time equivalent employee", the same meaning as ascribed to the term  
42 under Sections 45R(d) and 45R(e) of the Internal Revenue Code of 1986, as amended,  
43 determined by only taking into account wages as otherwise defined in Section 45R(e) of the  
44 Internal Revenue Code of 1986, as amended, paid with respect to services performed  
45 within Missouri;

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

48           (9) "Taxpayer", any individual, firm, a partner in a firm, corporation, partnership,  
49 shareholder in an S-corporation, or limited liability company subject to the income tax  
50 imposed under chapter 143, excluding withholding tax imposed by sections 143.191 to  
51 143.265.

52           3. For all taxable years beginning on or after January 1, 2014, the insourcing  
53 expenses tax credit for any taxable year shall be taken against the taxes imposed under  
54 chapter 143, except for sections 143.191 to 143.625, and is an amount equal to twenty

55 percent of the eligible insourcing expenses of the taxpayer which are taken into account in  
56 such taxable year under subsection 5 of this section. The amount of the tax credit claimed  
57 shall not exceed the amount of the taxpayer's state tax liability for the taxable year for  
58 which the credit is claimed. Any amount of credit that the taxpayer is prohibited by this  
59 section from claiming in a tax year shall not be refundable. Tax credits issued under this  
60 section shall not be transferred, sold, or assigned.

61 4. No credit shall be allowed under this section until the department determines the  
62 number of full-time equivalent employees of the taxpayer for the taxable year for which  
63 the credit is claimed exceeds the number of full-time equivalent employees of the taxpayer  
64 for the last taxable year ending before the first taxable year in which such eligible  
65 insourcing expenses were paid or incurred.

66 5. (1) Except as provided in subdivisions (2) and (3) of this subsection, eligible  
67 insourcing expenses shall be taken into account in the taxable year during which the plan  
68 described in subdivision (5) of subsection 2 of this section has been completed and all  
69 eligible insourcing expenses under such plan have been paid or incurred.

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

73 (3) If a taxpayer is not allowed a tax credit under subsection 3 for a given year, then  
74 the taxpayer may claim the tax credit in the following year.

75 6. Notwithstanding any other provision of law to the contrary, no credit shall be  
76 allowed for any expenses incurred when dissolving a business unit in Missouri and  
77 relocating such business unit to another state.

78 7. The total amount of tax credits authorized under this section shall not exceed ten  
79 million dollars in any taxable year. In the event that more than ten million dollars in  
80 credits are claimed in a taxable year, credits shall be issued on a first-come, first-served  
81 filing basis.

82 8. A taxpayer that receives tax credits under the provisions of this section shall be  
83 ineligible to receive tax credits under the provisions of any other state tax credit program  
84 for the same expenses incurred.

85 9. Any taxpayer allowed a tax credit under this section who, within ten years of  
86 receiving the tax credit, eliminates the business unit for which the tax credit was allowed  
87 shall repay the state an amount equal to the amount of the tax credit allowed.

88 10. The department of economic development and the department of revenue shall  
89 promulgate rules to implement the provisions of this section. Any rule or portion of a rule,  
90 as that term is defined in section 536.010, that is created under the authority delegated in  
91 this section shall become effective only if it complies with and is subject to all the provisions

92 of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are  
93 nonseverable and if any of the powers vested with the general assembly under chapter 536  
94 to review, to delay the effective date, or to disapprove and annul a rule are subsequently  
95 held unconstitutional, then the grant of rulemaking authority and any rule proposed or  
96 adopted after August 28, 2014, shall be invalid and void.

97 11. Under section 23.253 of the Missouri sunset act:

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

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

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

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