

SECOND REGULAR SESSION

HOUSE BILL NO. 1366

97TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE BAHR.

4834L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapters 143 and 620, RSMo, by adding thereto two new sections relating to income taxation.

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

Section A. Chapters 143 and 620, RSMo, are amended by adding thereto two new sections, to be known as sections 143.126 and 620.031, to read as follows:

143.126. 1. For all taxable years beginning on or after January 1, 2015, there shall be subtracted from the taxpayer's federal adjusted gross income the following amounts to the extent included in federal adjusted gross income:

(1) Net profit from business as determined under the Internal Revenue Code of 1986, as amended, and reported from schedule C and on line 12 of the taxpayer's form 1040 federal individual income tax return;

(2) Net income from rental real estate, royalties, partnerships, S corporations, estates, trusts, residual interest in real estate mortgage investment conduits, and net farm rental as determined under the Internal Revenue Code of 1986, as amended, and reported from schedule E and on line 17 of the taxpayer's form 1040 federal individual income tax return; and

(3) Net farm profit as determined under the Internal Revenue Code of 1986, as amended, and reported from schedule F and on line 18 of the taxpayer's form 1040 federal income tax return.

2. As used in this section, references to the federal form 1040 and federal schedule C, schedule E, and schedule F, shall be to such form and schedules as they existed for the

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 taxable year beginning on January 1, 2011, and as revised thereafter by the Internal
18 Revenue Service.

620.031. 1. Notwithstanding any other provision of law to the contrary, beginning
2 on August 28, 2014, the department of economic development, the Missouri housing
3 development commission, and the Missouri development finance board shall not approve
4 applications for tax credits which, in the aggregate, exceed one hundred million dollars.
5 All such tax credits are made subject to the application approval limitation outlined in this
6 section, and approved on a first come, first served basis. No tax credit provisions in this
7 section shall be construed as giving authority to the department of economic development,
8 the Missouri housing development commission, and the Missouri development finance
9 board to authorize or issue tax credits beyond the programmatic application approval caps
10 in state law on or before the effective date of this section. When conflicting, all sections or
11 portions of sections setting out program specific tax credit application approval limitations
12 or caps shall be superseded by the aggregate cap provided in this subsection.

13 2. Notwithstanding any other provision of law to the contrary, beginning on August
14 28, 2014, the maximum annual amount of tax credits issued for all tax credit programs
15 administered by the department of economic development, the Missouri housing
16 development commission, and the Missouri development finance board shall not exceed
17 one hundred million dollars. All such tax credits are made subject to the issuance
18 limitation outlined in this section, and issued on a first come, first served basis. No tax
19 credit provisions in this section shall be construed as giving authority to the department
20 of economic development, the Missouri housing development commission, and the Missouri
21 development finance board to authorize or issue tax credits beyond the programmatic
22 issuance caps in state law on or before the effective date of this section. When conflicting,
23 all sections or portions of sections setting out program specific tax credit issuance
24 limitations or caps shall be superseded by the aggregate cap provided in this subsection.

25 3. Notwithstanding any other provision of law to the contrary, beginning on August
26 28, 2014, no newly approved tax credit application shall create a right for the holder to
27 force the state issuance of a tax credit which, if issued, would exceed the aggregate issuance
28 limitations set forth in subsection 2 of this section. Applications approved before August
29 28, 2014, which do create such a right shall be honored under the terms provided by state
30 law in effect when the application was approved, and shall not be counted against the one
31 hundred million dollar issuance cap provided in this section.

32 4. The Missouri housing development commission and the Missouri development
33 finance board shall report to the department of economic development the amount of all
34 tax credit application approvals and tax credit issuances made by such entities within one

35 **business day of such approvals. The department of economic development shall maintain**
36 **a running record of such tax credit activities to ensure compliance with the application**
37 **approval and issuance limitations of this section.**

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