

SECOND REGULAR SESSION

HOUSE BILL NO. 1661

97TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE RICHARDSON.

5523L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 135.305, RSMo, and to enact in lieu thereof three new sections relating to agricultural tax credits.

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

Section A. Section 135.305, RSMo, is repealed and three new sections enacted in lieu thereof, to be known as sections 135.305, 135.315, and 135.1590, to read as follows:

135.305. 1. A Missouri wood energy producer shall be eligible for a tax credit on taxes otherwise due under chapter 143, except sections 143.191 to 143.261, as a production incentive to produce processed wood products in a qualified wood-producing facility using Missouri forest product residue. The tax credit to the wood energy producer shall be five dollars per ton of processed material. The credit may be claimed for a period of five years and is to be a tax credit against the tax otherwise due. **Except as provided in subsection 2 of this section**, no new tax credits, provided for under sections 135.300 to 135.311, shall be authorized after June 30, 2013.

2. **For all taxable years beginning on or after January 1, 2014, but ending on or before December 31, 2019, a Missouri wood energy producer may claim a tax credit as provided in this section, but the aggregate amount of all tax credits issued under sections 135.300 to 135.311 shall not exceed three million five hundred thousand dollars in any given fiscal year.**

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

(1) "Processed biomass engineered fiber fuel", any fuel derived from substances produced in this state that were changed from their original form and combined in a manufacturing process in this state of three or more biomass inputs, resulting in a fuel

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.

5 product with a heat value of at least seven thousand five hundred British Thermal Units
6 (BTUs) per pound;

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

9 (3) "Taxpayer", any individual subject to the tax imposed in chapter 143, excluding
10 withholding tax imposed by sections 143.191 to 143.265.

11 2. For all taxable years beginning on or after January 1, 2015, a taxpayer shall be
12 allowed a tax credit for using processed biomass engineered fiber fuel. The tax credit
13 amount shall be equal to the following percentages of the purchase price of processed
14 biomass engineered fiber fuel:

15 (1) For the year in which the fuel was purchased and used, thirty percent;

16 (2) For the second year in which the fuel was purchased and used, twenty-five
17 percent;

18 (3) For the third year in which the fuel was purchased and used, twenty percent;

19 (4) For the fourth year in which the fuel was purchased and used, fifteen percent;

20 (5) For the fifth year in which the fuel was purchased and used, ten percent;

21 (6) For the sixth year in which the fuel was purchased and used, five percent.

22 3. No tax credit shall be issued under this section after the sixth year in which the
23 fuel was purchased and used.

24 4. The amount of the tax credit issued shall not exceed the amount of the taxpayer's
25 state tax liability for the tax year for which the credit is claimed. No amount of credit that
26 the taxpayer is prohibited by this section from claiming in a tax year shall be refundable,
27 nor shall any tax credit issued under this section be transferred, sold, or assigned. If the
28 amount of the tax credit issued exceeds the amount of the taxpayer's state tax liability for
29 the tax year for which the credit is claimed, the difference shall not be refundable but may
30 be carried forward to any of the taxpayer's four subsequent taxable years.

31 5. The total amount of tax credits authorized under this section shall not exceed five
32 million dollars annually.

33 6. The department of revenue may promulgate rules to implement the provisions
34 of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that
35 is created under the authority delegated in this section shall become effective only if it
36 complies with and is subject to all of the provisions of chapter 536 and, if applicable,
37 section 536.028. This section and chapter 536 are nonseverable and if any of the powers
38 vested with the general assembly pursuant to chapter 536 to review, to delay the effective
39 date, or to disapprove and annul a rule are subsequently held unconstitutional, then the

40 grant of rule making authority and any rule proposed or adopted after August 28, 2014,
41 shall be invalid and void.

42 7. Under section 23.253 of the Missouri sunset act:

43 (1) The provisions of the new program authorized under this section shall
44 automatically sunset on December thirty-first six years after the effective date of this
45 section unless reauthorized by an act of the general assembly; and

46 (2) If such program is reauthorized, the program authorized under this section
47 shall automatically sunset on December thirty-first twelve years after the effective date of
48 the reauthorization of this section; and

49 (3) This section shall terminate on September first of the calendar year immediately
50 following the calendar year in which the program authorized under this section is sunset.
51 The termination of the program as described in this subsection shall not be construed to
52 preclude any taxpayer who claims any benefit under any program that is sunset under this
53 subsection from claiming such benefit for all allowable activities related to such claim that
54 were completed before the program was sunset, or to eliminate any responsibility of the
55 administering agency to verify the continued eligibility of projects receiving tax credits and
56 to enforce other requirements of law that applied before the program was sunset.

2 135.1590. 1. This section shall be known and may be cited as the "Show-Me Milk
and Infrastructure Stabilization Act".

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

4 (1) "Authority", the Missouri agricultural and small business development
5 authority established in chapter 348;

6 (2) "Qualified milk producer", any resident taxpayer actively engaged in business
7 as a producer of grade A milk.

8 3. For all taxable years beginning on or after January 1, 2014, a qualified milk
9 producer shall be allowed a tax credit against the state tax liability incurred under chapter
10 143, excluding withholding tax imposed by sections 143.191 to 143.265,
11 in an amount equal to the total aggregate allowable credit per year divided by the number
12 of qualified grade A dairies as determined by the Missouri state milk board. The
13 maximum credit allowed to a qualified milk producer shall not exceed twenty-five
14 thousand dollars per year.

15 4. Taxpayers shall apply for the milk production tax credit by submitting an
16 application to the authority, on a form provided by the authority. As part of the
17 application, the taxpayer shall provide the taxpayer's producer identification number and
18 documentation as to the amount of milk produced by the taxpayer's operation during the
19 tax credit allowance period.

20 **5. On or before January 1, 2017, the authority shall issue a report, and make such**
21 **report available for public inspection, on the total number of pounds of milk produced by**
22 **each qualified milk producer in each of the three preceding calendar years.**

23 **6. The total aggregate amount of tax credits authorized under this section shall not**
24 **exceed five million dollars in a calendar year.**

25 **7. Any individual or business entity may assign, transfer, or sell tax credits allowed**
26 **in this section. All tax credits allowed under this section shall be used in the year in which**
27 **they are issued. Tax credits earned by a partnership, limited liability company, S-**
28 **corporation, or other pass-through entity may be allocated to the partners, members, or**
29 **shareholders of such entity for their direct use in accordance with the provisions of any**
30 **agreement among such partners, members, or shareholders.**

31 **8. Under section 23.253 of the Missouri sunset act:**

32 **(1) The provisions of the new program authorized under this section shall**
33 **automatically sunset on December thirty-first three years after the effective date of this**
34 **section, unless reauthorized by an act of the general assembly; and**

35 **(2) If such program is reauthorized, the program authorized under this section**
36 **shall automatically sunset on December thirty-first one year after the effective date of the**
37 **reauthorization of this section; and**

38 **(3) This section shall terminate on September first of the calendar year immediately**
39 **following the calendar year in which the program authorized under this section is sunset.**
40 **The termination of the program as described in this subsection shall not be construed to**
41 **preclude any taxpayer who claims any benefit under any program that is sunset under this**
42 **subsection from claiming such benefit for all allowable activities related to such claim that**
43 **were completed before the program was sunset, or to eliminate any responsibility of the**
44 **administering agency to verify the continued eligibility of projects receiving tax credits and**
45 **to enforce other requirements of law that applied before the program was sunset.**

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