

HCS HB 1089 -- BRING JOBS HOME ACT (McCaherty)

COMMITTEE OF ORIGIN: Committee on International Trade

This bill establishes the Bring Jobs Home Act and authorizes a tax credit against income tax other than the withholding tax of up to 20% of the eligible expenses associated with eliminating a business located outside of the state and reestablishing it in Missouri. The elimination may occur in a year other than the year the relocation occurs, and the expenses must be under a written insourcing plan. To be eligible for the tax credit, the number of full-time employees in Missouri for the year the credit is claimed must exceed the number of full-time employees for the year preceding the year in which the eligible insourcing expenses were paid or incurred.

Eligible insourcing expenses must be taken into account during the taxable year that the plan has been completed and all eligible insourcing expenses have been paid or incurred or, if the taxpayer chooses, the first taxable year after the taxable year the expenses have been paid or incurred. Eligible expenses do not include expenses deducted in determining federal taxable income. A credit will not be allowed for any expenses incurred when dissolving a business in Missouri and relocating it to another state.

The maximum annual amount of tax credits issued under this program must not exceed \$10 million and must be issued on a first come first served filing basis. If a taxpayer is not issued a credit for a given year because the cap has been reached, the taxpayer may claim the credit in the following year. If a taxpayer is allowed a credit under this program and within 10 years of receiving the credit eliminates the business unit for which the credit was allowed, the taxpayer must repay the state an amount equal to the amount of the tax credit.

The provisions of the bill will expire six years after the effective date.