

HB 1366 -- TAXES AND LIMITATIONS ON TAX CREDITS

SPONSOR: Bahr

This bill subtracts from a taxpayer's federal adjusted gross income the net profits from a farm or business; net income from rental real estate, royalties, partnerships, S corporations, estates, trusts, residual interest in real estate investment conduits, and farm rental as determined by the Internal Revenue Code 1986 as amended from schedules C, E, and F.

Beginning August 28, 2014, the Department of Economic Development, the Missouri Housing Development Commission and the Missouri Development Finance Board must not in the aggregate approve applications for tax credits exceeding \$100 million. No tax credits will be authorized beyond each tax credit's application approval caps in state law, but when in conflict, the aggregate cap must supersede the application approval cap.

Beginning August 28, 2014, the maximum annual amount of tax credits issued for all tax credit programs administered by the department, commission, and board must not exceed \$100 million and must be issued on a first come first served basis. No tax credits will be authorized beyond each tax credit's issuance caps in state law, but when in conflict, the issuance caps must be superseded by the aggregate cap.

Beginning August 28, 2014, the approval of an application for a tax credit does not create a right to require the state to issue a credit if the issuance would exceed the aggregate \$100 million limitation. All applications approved prior to the date that do require the state to issue a credit beyond the aggregate cap will be honored under the terms provided in state law at the time the application was approved and will not be counted against the cap.

The commission and board must report to the department the tax credit applications approved and tax credits issued within one business day of the approval. The department must keep a running record of tax credit activities to ensure compliance with the limitations.