

FIRST REGULAR SESSION

# HOUSE BILL NO. 486

## 99TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE DUNN.

1013H.01I

D. ADAM CRUMBLISS, Chief Clerk

### AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to tax credits for grocery stores.

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

Section A. Chapter 135, RSMo, is amended by adding thereto one new section, to be known as section 135.1620, to read as follows:

**135.1620. 1. As used in this section, the following terms mean:**

(1) "Eligible expenses", expenses incurred in the construction or development of real property for the purpose of establishing a full-service grocery store in a food desert;

(2) "Food desert", a census tract that has a poverty rate of at least twenty percent or a median family income of less than eighty percent of the statewide average and where at least five hundred people or thirty-three percent of the population are located at least half a mile from a full-service grocery store in urban areas or ten miles in rural areas;

(3) "Full-service grocery store", a grocery store that provides a full complement of healthful fruits, vegetables, grains, meat, and dairy products along with household items. Fresh fruits and vegetables shall be available for sale in quantities that are substantially similar to industry standards for facilities of similar size;

(4) "New location", a full-service grocery store facility located on a tract of real property within a food desert acquired by or leased to a taxpayer on or after January 1, 2018. A location shall be deemed to have been acquired by or leased to a taxpayer on or after January 1, 2018, if the transfer of title to the taxpayer, the transfer of possession under a binding contract to transfer title to a taxpayer, or the commencement of the term of the lease to a taxpayer occurs on or after January 1, 2018, or if the commencement of

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 the construction or installation of the facility by or on behalf of a taxpayer occurs on or  
19 after January 1, 2018;

20 (5) "Rural area", a town or community within the state that is not within a  
21 standard metropolitan statistical area and has a population of six thousand or fewer  
22 inhabitants as determined by the last preceding federal decennial census or any  
23 unincorporated area not within a standard metropolitan statistical area;

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

26 (7) "Taxpayer", any individual, partnership, or corporation as described in section  
27 143.441 or 143.471 that is subject to the tax imposed under chapter 143, excluding  
28 withholding tax imposed under sections 143.191 to 143.265, or any charitable organization  
29 that is exempt from federal income tax and whose Missouri unrelated business taxable  
30 income, if any, would be subject to the state income tax imposed under chapter 143;

31 (8) "Urban area", an urban place as designated by the Bureau of the Census.

32 2. A taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax  
33 liability in an amount equal to fifty percent of the taxpayer's eligible expenses for  
34 establishing a full-service grocery store in a food desert after initial expenses of:

35 (1) One million dollars if the full-service grocery store is established in a charter  
36 county, a county of the first classification, or a city not within any county; or

37 (2) Five hundred thousand dollars if the full-service grocery store is established in  
38 any other county.

39 3. The amount of the tax credit claimed shall not exceed the amount of the  
40 taxpayer's state tax liability for the tax year that the credit is claimed, and such taxpayer  
41 shall not be allowed to claim a tax credit in excess of two million five hundred thousand  
42 dollars per tax year. However, any tax credit that cannot be claimed in the tax year the  
43 contribution was made may be carried over to the next three succeeding tax years until the  
44 full credit has been claimed.

45 4. The total amount of tax credits that may be authorized under this section in any  
46 calendar year shall not exceed twenty-five million dollars.

47 5. Tax credits issued under the provisions of this section may be transferred, sold,  
48 or assigned.

49 6. The issuance of tax credits authorized under this section shall cease and the  
50 taxpayer shall immediately submit payment to the state general revenue fund in an amount  
51 equal to all credits previously issued to the taxpayer, less any amounts previously repaid,  
52 increased by an amount equal to a reasonable rate of return on the value of the credits  
53 issued in the event that the taxpayer:

54           (1) Fails to complete construction on a full-service grocery store within five years  
55 of the commencement of the project; or

56           (2) Fails to operate a full-service grocery store at the same new location for at least  
57 ten consecutive years.

58           7. The department of economic development may promulgate rules to implement  
59 the provisions of this section. Any rule or portion of a rule, as that term is defined in  
60 section 536.010, that is created under the authority delegated in this section shall become  
61 effective only if it complies with and is subject to all of the provisions of chapter 536 and,  
62 if applicable, section 536.028. This section and chapter 536 are nonseverable, and if any  
63 of the powers vested with the general assembly pursuant to chapter 536 to review, to delay  
64 the effective date, or to disapprove and annul a rule are subsequently held  
65 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted  
66 after August 28, 2017, shall be invalid and void.

67           8. Under section 23.253 of the Missouri sunset act:

68           (1) The program authorized under this section shall automatically sunset on  
69 December thirty-first six years after the effective date of this section unless reauthorized  
70 by an act of the general assembly;

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

74           (3) This section shall terminate on September first of the calendar year immediately  
75 following the calendar year in which the program authorized under this section is sunset.

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