

HB 486 -- FOOD DESERT TAX CREDIT

SPONSOR: Dunn

This bill authorizes an income tax credit for full-service grocery stores located in a food desert. A "food desert" is defined as a census tract that has a poverty rate of at least 20% or a median family income of less than 80% of the statewide average featuring at least 500 people or 33% of the population are located at least 1/2 mile from a full-service grocery store in urban areas or 10 miles in rural areas.

A taxpayer is allowed to claim a tax credit amount equal to 50% of the amount incurred in the construction or development of property for the purpose of establishing a full-service grocery store by the taxpayer after initial expenses of \$1 million if the grocery store is established in a charter county, a first class county, or St. Louis city and \$500,000 if established elsewhere. A taxpayer cannot be allowed to claim a tax credit in excess of \$2.5 million per taxable year. The credit is nonrefundable, but may be carried over to the next three years. The credits can be transferred, sold, or assigned. The total amount of credits authorized cannot exceed \$25 million in any calendar year.

A taxpayer must repay the credits if he or she fails to complete construction of a full-service grocery store within five years or fails to operate a full-service grocery store at the same new location for at least 10 consecutive years.

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

This bill is the same as HCS HB 1865 (2016) and similar to HB 568 (2015).