**House _______________________________________________ Amendment NO.____**

**Offered By**

_______________________________ _______________________________

AMEND Senate Substitute for Senate Committee Substitute for Senate Bill No. 549, Page 1, Section A, Line 3, by inserting after all of said section and line the following:

"100.297. 1. <u>Before August 28, 2018,</u> the board may authorize a tax credit, as described in this section, to the owner of any revenue bonds or notes issued by the board pursuant to the provisions of sections 100.250 to 100.297, for infrastructure facilities as defined in subdivision (9) of section 100.255, if, prior to the issuance of such bonds or notes, the board determines that:

(1) The availability of such tax credit is a material inducement to the undertaking of the project in the state of Missouri and to the sale of the bonds or notes;

(2) The loan with respect to the project is adequately secured by a first deed of trust or mortgage or comparable lien, or other security satisfactory to the board.

2. Upon making the determinations specified in subsection 1 of this section, the board may declare that each owner of an issue of revenue bonds or notes shall be entitled, in lieu of any other deduction with respect to such bonds or notes, to a tax credit against any tax otherwise due by such owner pursuant to the provisions of chapter 143, excluding withholding tax imposed by sections 143.191 to 143.261, chapter 147, or chapter 148, in the amount of one hundred percent of the unpaid principal of and unpaid interest on such bonds or notes held by such owner in the taxable year of such owner following the calendar year of the default of the loan by the borrower with respect to the project. The occurrence of a default shall be governed by documents authorizing the issuance of the bonds. The tax credit allowed pursuant to this section shall be available to the original owners of the bonds or notes or any subsequent owner or owners thereof. Once an owner is entitled to a claim, any such tax credits shall be transferable as provided in subsection 7 of section 100.286. Notwithstanding any provision of Missouri law to the contrary, any portion of the tax credit to which any owner of a revenue bond or note is entitled pursuant to this section which exceeds the total income tax liability of such owner of a revenue bond or note shall be carried forward and allowed as a credit against any future taxes imposed on such owner within the next ten years pursuant to the provisions of chapter 143, excluding withholding tax imposed by sections 143.191 to 143.261, chapter 147, or chapter 148. The eligibility of the owner of any revenue bond or note issued pursuant to the provisions of sections 100.250 to 100.297 for the tax credit provided by this section shall be expressly stated on the face of each such bond or note. The tax credit allowed pursuant to this section shall also be available to any financial institution or guarantor which executes any credit facility as security for bonds issued pursuant to this section to the same extent as if such financial institution or guarantor was an owner of the bonds or notes, provided however, in such case the tax credits provided by this section shall be available immediately following any default of the loan by the borrower with respect to the project. In addition to reimbursing the financial institution or guarantor for claims relating to unpaid principal and interest,

Action Taken_________________________________________ Date __________________ such claim may include payment of any unpaid fees imposed by such financial institution or guarantor for use of the credit facility.

3. The aggregate principal amount of revenue bonds or notes outstanding at any time with respect to which the tax credit provided in this section shall be available shall not exceed fifty million dollars.

135.305. 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. No new tax credits, provided for under sections 135.300 to 135.311, shall be authorized after **[**~~June 30, 2020~~**]** August 28, 2018. In no event shall the aggregate amount of all tax credits allowed under sections 135.300 to 135.311 exceed six million dollars in any given fiscal year. There shall be no tax credits authorized under sections 135.300 to 135.311 unless an appropriation is made for such tax credits.

135.313. 1. Any person, firm or corporation who engages in the business of producing charcoal or charcoal products in the state of Missouri shall be eligible for a tax credit on income taxes otherwise due pursuant to chapter 143, except sections 143.191 to 143.261, as an incentive to implement safe and efficient environmental controls. The tax credit shall be equal to fifty percent of the purchase price of the best available control technology equipment connected with the production of charcoal in the state of Missouri or, if the taxpayer manufactures such equipment, fifty percent of the manufacturing cost of the equipment, to and including the year the equipment is put into service. The credit may be claimed for a period of eight years beginning with the 1998 calendar year and is to be a tax credit against the tax otherwise due. No new tax credits authorized under this section shall be issued after August 28, 2018.

2. Any amount of credit which exceeds the tax due shall not be refunded but may be carried over to any subsequent taxable year, not to exceed seven years.

3. The charcoal producer may elect to assign to a third party the approved tax credit. Certification of assignment and other appropriate forms must be filed with the Missouri department of revenue and the department of economic development.

4. When applying for a tax credit, the charcoal producer specified in subsection 1 of this section shall make application for the credit to the division of environmental quality of the department of natural resources. The application shall identify the specific best available control technology equipment and the purchase price, or manufacturing cost of such equipment. The director of the department of natural resources is authorized to require permits to construct prior to the installation of best available control technology equipment and other information which he or she deems appropriate.

5. The director of the department of natural resources in conjunction with the department of economic development shall certify to the department of revenue that the best available control technology equipment meets the requirements to obtain a tax credit as specified in this section.

135.352. 1. A taxpayer owning an interest in a qualified Missouri project shall, subject to the limitations provided under the provisions of subsection 3 of this section, be allowed a state tax credit, whether or not allowed a federal tax credit, to be termed the Missouri low-income housing tax credit, if the commission issues an eligibility statement for that project.

2. For qualified Missouri projects placed in service after January 1, 1997, the Missouri low-income housing tax credit available to a project shall be such amount as the commission shall determine is necessary to ensure the feasibility of the project, up to an amount equal to the federal low-income housing tax credit for a qualified Missouri project, for a federal tax period, and such

amount shall be subtracted from the amount of state tax otherwise due for the same tax period.

3. (1) No more than six million dollars in tax credits shall be authorized each fiscal year for projects financed through tax-exempt bond issuance; and

(2) After June 30, 2019, no more than one hundred million dollars in tax credits shall be issued in any fiscal year, and no more than one hundred million dollars in tax credits shall be redeemed in any fiscal year.

4. The Missouri low-income housing tax credit shall be taken against the taxes and in the order specified pursuant to section 32.115. The credit authorized by this section shall not be refundable. Any amount of credit that exceeds the tax due for a taxpayer's taxable year may be carried back to any of the taxpayer's three prior taxable years or carried forward to any of the taxpayer's five subsequent taxable years.

5. All or any portion of Missouri tax credits issued in accordance with the provisions of sections 135.350 to 135.362 may be allocated to parties who are eligible pursuant to the provisions of subsection 1 of this section. Beginning January 1, 1995, for qualified projects which began on or after January 1, 1994, an owner of a qualified Missouri project shall certify to the director the amount of credit allocated to each taxpayer. The owner of the project shall provide to the director appropriate information so that the low-income housing tax credit can be properly allocated.

6. In the event that recapture of Missouri low-income housing tax credits is required pursuant to subsection 2 of section 135.355, any statement submitted to the director as provided in this section shall include the proportion of the state credit required to be recaptured, the identity of each taxpayer subject to the recapture and the amount of credit previously allocated to such taxpayer.

7. No taxpayer shall, during a single tax year, claim a tax credit authorized under this section and a tax credit authorized under section 253.550 if such credits were issued for the same property.

8. The director of the department may promulgate rules and regulations necessary to administer the provisions of this section. No rule or portion of a rule promulgated pursuant to the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of section 536.024.

135.363. **[**~~1. All or any portion of tax credits issued in accordance with the provisions of sections 135.350 to 135.363 may be transferred, sold or assigned to parties who are eligible under the provisions of subsection 1 of section 135.352.~~

~~2. Beginning January 1, 1995, for qualified projects which began on or after January 1, 1994, an owner or transferee desiring to make a transfer, sale or assignment as described in subsection 1 of this section shall submit to the director of the department of revenue a statement which describes the amount of credit for which such transfer, sale or assignment of credit is eligible. The owner shall provide to the director of revenue appropriate information so that the low-income housing tax credit can be properly allocated.~~

~~3. In the event that recapture of Missouri low-income housing tax credits is required pursuant to subsection 2 of section 135.355, any statement submitted to the director of the department of revenue as provided in this section shall include the proportion of the state credit required to be recaptured, the identity of each transferee subject to recapture and the amount of credit previously transferred to such transferee.~~

~~4. The director of the department of revenue may prescribe rules and regulations necessary for the administration of the provisions of this section.~~**]** Under section 23.253 of the Missouri sunset act:

(1) The provisions of the program authorized under sections 135.350 to 135.363 shall automatically sunset on December thirty-first six years after the effective date of this section unless

reauthorized by an act of the general assembly;

(2) If such program is reauthorized, the program authorized under sections 135.350 to 135.363 shall automatically sunset on December thirty-first twelve years after the effective date of the reauthorization of this section; and

(3) Sections 135.350 to 135.363 shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under sections 135.350 to 135.363 is sunset.

135.460. 1. This section and sections 620.1100 and 620.1103 shall be known and may be cited as the "Youth Opportunities and Violence Prevention Act".

2. As used in this section, the term "taxpayer" shall include corporations as defined in section 143.441 or 143.471, any charitable organization which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143, and individuals, individual proprietorships and partnerships.

3. (1) A taxpayer shall be allowed a tax credit against the tax otherwise due pursuant to chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, chapter 147, chapter 148, or chapter 153 in an amount equal to thirty percent for property contributions and fifty percent for monetary contributions of the amount such taxpayer contributed to the programs described in subsection 5 of this section, not to exceed two hundred thousand dollars per taxable year, per taxpayer; except as otherwise provided in subdivision (5) of subsection 5 of this section. No new tax credits authorized under this section shall be issued after August 28, 2018.

(2) The department of economic development shall prescribe the method for claiming the tax credits allowed in this section. No rule or portion of a rule promulgated under the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of chapter 536. All rulemaking authority delegated prior to June 27, 1997, is of no force and effect and repealed; however, nothing in this section shall be interpreted to repeal or affect the validity of any rule filed or adopted prior to June 27, 1997, if such rule complied with the provisions of chapter 536. The provisions of this section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, including the ability to review, to delay the effective date, or to disapprove and annul a rule or portion of a rule, are subsequently held unconstitutional, then the purported grant of rulemaking authority and any rule so proposed and contained in the order of rulemaking shall be invalid and void.

4. The tax credits allowed by this section shall be claimed by the taxpayer to offset the taxes that become due in the taxpayer's tax period in which the contribution was made. Any tax credit not used in such tax period may be carried over the next five succeeding tax periods.

5. The tax credit allowed by this section may only be claimed for monetary or property contributions to public or private programs authorized to participate pursuant to this section by the department of economic development and may be claimed for the development, establishment, implementation, operation, and expansion of the following activities and programs:

(1) An adopt-a-school program. Components of the adopt-a-school program shall include donations for school activities, seminars, and functions; school-business employment programs; and the donation of property and equipment of the corporation to the school;

(2) Expansion of programs to encourage school dropouts to reenter and complete high school or to complete a graduate equivalency degree program;

(3) Employment programs. Such programs shall initially, but not exclusively, target unemployed youth living in poverty and youth living in areas with a high incidence of crime;

(4) New or existing youth clubs or associations;

(5) Employment/internship/apprenticeship programs in business or trades for persons less than twenty years of age, in which case the tax credit claimed pursuant to this section shall be equal

to one-half of the amount paid to the intern or apprentice in that tax year, except that such credit shall not exceed ten thousand dollars per person;

(6) Mentor and role model programs;

(7) Drug and alcohol abuse prevention training programs for youth;

(8) Donation of property or equipment of the taxpayer to schools, including schools which primarily educate children who have been expelled from other schools, or donation of the same to municipalities, or not-for-profit corporations or other not-for-profit organizations which offer programs dedicated to youth violence prevention as authorized by the department;

(9) Not-for-profit, private or public youth activity centers;

(10) Nonviolent conflict resolution and mediation programs;

(11) Youth outreach and counseling programs.

6. Any program authorized in subsection 5 of this section shall, at least annually, submit a report to the department of economic development outlining the purpose and objectives of such program, the number of youth served, the specific activities provided pursuant to such program, the duration of such program and recorded youth attendance where applicable.

7. The department of economic development shall, at least annually <u>but ending with the calendar year 2024,</u> submit a report to the Missouri general assembly listing the organizations participating, services offered, and the number of youth served as the result of the implementation of this section.

8. The tax credit allowed by this section shall apply to all taxable years beginning after December 31, 1995.

9. For the purposes of the credits described in this section, in the case of a corporation described in section 143.471, partnership, limited liability company described in section 347.015, cooperative, marketing enterprise, or partnership, in computing Missouri's tax liability, such credits shall be allowed to the following:

(1) The shareholders of the corporation described in section 143.471;

(2) The partners of the partnership;

(3) The members of the limited liability company; and

(4) Individual members of the cooperative or marketing enterprise.

Such credits shall be apportioned to the entities described in subdivisions (1) and (2) of this subsection in proportion to their share of ownership on the last day of the taxpayer's tax period.

135.490. 1. In order to encourage and foster community improvement, an eligible small business, as defined in Section 44 of the Internal Revenue Code, shall be allowed a credit not to exceed five thousand dollars against the tax otherwise due pursuant to chapter 143, not including sections 143.191 to 143.265, in an amount equal to fifty percent of all eligible access expenditures exceeding the monetary cap provided by Section 44 of the Internal Revenue Code. For purposes of this section, "eligible access expenditures" means amounts paid or incurred by the taxpayer in order to comply with applicable access requirements provided by the Americans With Disabilities Act of 1990, as further defined in Section 44 of the Internal Revenue Code and federal rulings interpreting Section 44 of the Internal Revenue Code.

2. The tax credit allowed by this section shall be claimed by the taxpayer at the time such taxpayer files a return. Any amount of tax credit which exceeds the tax due shall be carried over to any subsequent taxable year, but shall not be refunded and shall not be transferable.

3. The director of the department of economic development and the director of the department of revenue shall jointly administer the tax credit authorized by this section. Both the director of the department of economic development and the director of the department of revenue are authorized to promulgate rules and regulations necessary to administer the provisions of this

section. No rule or portion of a rule promulgated pursuant to the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of chapter 536.

4. The provisions of this section shall become effective on January 1, 2000, and shall apply to all taxable years beginning after December 31, 1999. However, no new tax credits authorized under this section shall be issued after August 28, 2018.

135.800. 1. The provisions of sections 135.800 to 135.830 shall be known and may be cited as the "Tax Credit Accountability Act of 2004".

2. As used in sections 135.800 to 135.830, the following terms mean:

(1) "Administering agency", the state agency or department charged with administering a particular tax credit program, as set forth by the program's enacting statute; where no department or agency is set forth, the department of revenue;

(2) "Agricultural tax credits", the agricultural product utilization contributor tax credit created pursuant to section 348.430, the new generation cooperative incentive tax credit created pursuant to section 348.432, the family farm breeding livestock loan tax credit created under section 348.505, the qualified beef tax credit created under section 135.679, and the wine and grape production tax credit created pursuant to section 135.700;

(3) "All tax credit programs", or "any tax credit program", the tax credit programs included in the definitions of agricultural tax credits, business recruitment tax credits, community development tax credits, domestic and social tax credits, entrepreneurial tax credits, environmental tax credits, financial and insurance tax credits, housing tax credits, redevelopment tax credits, and training and educational tax credits;

(4) "Business recruitment tax credits", the business facility tax credit created pursuant to sections 135.110 to 135.150 and section 135.258, the enterprise zone tax benefits created pursuant to sections 135.200 to 135.270, the business use incentives for large-scale development programs created pursuant to sections 100.700 to 100.850, the development tax credits created pursuant to sections 32.100 to 32.125, the rebuilding communities tax credit created pursuant to section 135.535, the film production tax credit created pursuant to section 135.750, the enhanced enterprise zone created pursuant to sections 135.950 to 135.970, and the Missouri quality jobs program created pursuant to sections 620.1875 to 620.1900;

(5) "Community development tax credits", the neighborhood assistance tax credit created pursuant to sections 32.100 to 32.125, **[**~~the family development account tax credit created pursuant to sections 208.750 to 208.775,~~**]** the dry fire hydrant tax credit created pursuant to section 320.093, and the transportation development tax credit created pursuant to section 135.545;

(6) "Domestic and social tax credits", the youth opportunities tax credit created pursuant to section 135.460 and sections 620.1100 to 620.1103, the shelter for victims of domestic violence created pursuant to section 135.550, the senior citizen or disabled person property tax credit created pursuant to sections 135.010 to 135.035, the special needs adoption tax credit created pursuant to sections 135.325 to 135.339, the champion for children tax credit created pursuant to section 135.341, the maternity home tax credit created pursuant to section 135.600, the surviving spouse tax credit created pursuant to section 135.090, the residential treatment agency tax credit created pursuant to section 135.1150, the pregnancy resource center tax credit created pursuant to section 135.630, the food pantry tax credit created pursuant to section 135.647, the health care access fund tax credit created pursuant to section 135.575, the residential dwelling access tax credit created pursuant to section 135.562, the developmental disability care provider tax credit created under section 135.1180, and the shared care tax credit created pursuant to section 192.2015;

(7) "Entrepreneurial tax credits", the capital tax credit created pursuant to sections 135.400 to 135.429, the certified capital company tax credit created pursuant to sections 135.500 to 135.529, the seed capital tax credit created pursuant to sections 348.300 to 348.318, the new enterprise

creation tax credit created pursuant to sections 620.635 to 620.653, the research tax credit created pursuant to section 620.1039, the small business incubator tax credit created pursuant to section 620.495, the guarantee fee tax credit created pursuant to section 135.766, and the new generation cooperative tax credit created pursuant to sections 32.105 to 32.125;

(8) "Environmental tax credits", the charcoal producer tax credit created pursuant to section 135.313, the wood energy tax credit created pursuant to sections 135.300 to 135.311, and the alternative fuel stations tax credit created pursuant to section 135.710;

(9) "Financial and insurance tax credits", the bank franchise tax credit created pursuant to section 148.030, the bank tax credit for S corporations created pursuant to section 143.471, the exam fee tax credit created pursuant to section 148.400, the health insurance pool tax credit created pursuant to section 376.975, the life and health insurance guaranty tax credit created pursuant to section 376.745, the property and casualty guaranty tax credit created pursuant to section 375.774, and the self-employed health insurance tax credit created pursuant to section 143.119;

(10) "Housing tax credits", the neighborhood preservation tax credit created pursuant to sections 135.475 to 135.487, the low-income housing tax credit created pursuant to sections 135.350 to 135.363, and the affordable housing tax credit created pursuant to sections 32.105 to 32.125;

(11) "Recipient", the individual or entity who is the original applicant for and who receives proceeds from a tax credit program directly from the administering agency, the person or entity responsible for the reporting requirements established in section 135.805;

(12) "Redevelopment tax credits", the historic preservation tax credit created pursuant to sections 253.545 to 253.559, the brownfield redevelopment program tax credit created pursuant to sections 447.700 to 447.718, the community development corporations tax credit created pursuant to sections 135.400 to 135.430, the infrastructure tax credit created pursuant to subsection 6 of section 100.286, the bond guarantee tax credit created pursuant to section 100.297, the disabled access tax credit created pursuant to section 135.490, **[**~~the new markets tax credit created pursuant to section 135.680,~~**]** and the distressed areas land assemblage tax credit created pursuant to section 99.1205;

(13) "Training and educational tax credits", the Missouri works new jobs tax credit and Missouri works retained jobs credit created pursuant to sections 620.800 to 620.809.

135.801. Notwithstanding any other provision of law to the contrary, no taxpayer shall claim more than one of the following tax credits in a single tax year: agricultural tax credits, business recruitment tax credits, community development tax credits, entrepreneurial tax credits, environmental tax credits, housing tax credits, redevelopment tax credits, or training and educational tax credits, as those terms are defined under section 135.800. This section shall not prevent a taxpayer from claiming a portion of a tax credit carried over from a previous tax year.

135.835. 1. Notwithstanding any law to the contrary, for all tax years beginning on or after January 1, 2019, any tax credit that contains a limit on the amount that may be issued, authorized, or redeemed shall have such limit reduced by ten percent each tax year until such limit is reduced by a total of thirty percent, which shall be the limit of the tax credit thereafter.

2. Each state entity responsible for issuing, authorizing, or redeeming a tax credit affected by this section shall publish notice of the limit reduction under this section with materials regarding such tax credit.

3. This section shall not apply to:

(1) Any domestic and social tax credit, as that term is defined under section 135.800;

(2) Any financial and insurance tax credit, as that term is defined under section 135.800; or

(3) Any tax credit that is not subject to a cap or limit.

135.836. 1. Notwithstanding any law to the contrary, any state entity responsible for issuing, authorizing, or redeeming a tax credit shall have power to deny an application for such tax credits if the application fails to demonstrate:

(1) A public purpose for issuing the tax credit;

(2) That an increase in economic activity would directly result from the tax credit;

(3) A positive fiscal return to the state, including, but not limited to, increases in net tax revenue, that would directly result from the tax credit; or

(4) An ability to satisfy the requirements for the tax credit.

2. This section shall not apply to:

(1) Any domestic and social tax credit, as that term is defined under section 135.800; or

(2) Any financial and insurance tax credit, as that term is defined under section 135.800.

137.1018. 1. The commission shall ascertain the statewide average rate of property taxes levied the preceding year, based upon the total assessed valuation of the railroad and street railway companies and the total property taxes levied upon the railroad and street railway companies. It shall determine total property taxes levied from reports prescribed by the commission from the railroad and street railway companies. Total taxes levied shall not include revenues from the surtax on subclass three real property.

2. The commission shall report its determination of average property tax rate for the preceding year, together with the taxable distributable assessed valuation of each freight line company for the current year to the director no later than October first of each year.

3. Taxes on property of such freight line companies shall be collected at the state level by the director on behalf of the counties and other local public taxing entities and shall be distributed in accordance with sections 137.1021 and 137.1024. The director shall tax such property based upon the distributable assessed valuation attributable to Missouri of each freight line company, using the average tax rate for the preceding year of the railroad and street railway companies certified by the commission. Such tax shall be due and payable on or before December thirty-first of the year levied and, if it becomes delinquent, shall be subject to a penalty equal to that specified in section 140.100.

4. (1) As used in this subsection, the following terms mean:

(a) "Eligible expenses", expenses incurred in this state to manufacture, maintain, or improve a freight line company's qualified rolling stock;

(b) "Qualified rolling stock", any freight, stock, refrigerator, or other railcars subject to the tax levied under this section.

(2) For all taxable years beginning on or after January 1, 2009, a freight line company shall, subject to appropriation, be allowed a credit against the tax levied under this section for the applicable tax year. The tax credit amount shall be equal to the amount of eligible expenses incurred during the calendar year immediately preceding the tax year for which the credit under this section is claimed. The amount of the tax credit issued shall not exceed the freight line company's liability for the tax levied under this section for the tax year for which the credit is claimed.

(3) A freight line company may apply for the credit by submitting to the commission an application in the form prescribed by the state tax commission.

(4) Subject to appropriation, the state shall reimburse, on an annual basis, any political subdivision of this state for any decrease in revenue due to the provisions of this subsection.

5. Pursuant to section 23.253 of the Missouri sunset act:

(1) The program authorized under this section shall expire on August 28, **[**~~2020~~**]** 2018; and

(2) This section shall terminate on September 1, **[**~~2021~~**]** 2019.

253.545. As used in sections 253.545 to 253.559, the following terms mean, unless the context requires otherwise:

(1) "Certified historic structure", a property located in Missouri and listed individually on the National Register of Historic Places;

(2) "Deed in lieu of foreclosure or voluntary conveyance", a transfer of title from a

borrower to the lender to satisfy the mortgage debt and avoid foreclosure;

(3) "Eligible property", property located in Missouri and offered or used for residential or business purposes;

(4) "Leasehold interest", a lease in an eligible property for a term of not less than thirty years;

(5) "Principal", a managing partner, general partner, or president of a taxpayer;

(6) "Projected net fiscal benefit", the total net fiscal benefit to the state or municipality, less any state or local benefits offered to the taxpayer for a project, as determined by the department of economic development;

(7) "Qualified census tract", a census tract with a poverty rate of thirty percent or higher as determined by a map and listing of census tracts which shall be published by the department of economic development and updated on a five-year cycle, and which map and listing shall depict census tracts with thirty percent poverty rate or higher, grouped by census tracts with thirty percent to forty-two percent poverty, and forty-two percent to eighty-one percent poverty as determined by the most current five-year figures published by the American Community Survey conducted by the United States Census Bureau;

(8) "Structure in a certified historic district", a structure located in Missouri which is certified by the department of natural resources as contributing to the historic significance of a certified historic district listed on the National Register of Historic Places, or a local district that has been certified by the United States Department of the Interior;

[(7)] (9) "Taxpayer", any person, firm, partnership, trust, estate, limited liability company, or corporation.

253.550. 1. Any taxpayer incurring costs and expenses for the rehabilitation of eligible property, which is a certified historic structure or structure in a certified historic district, may, subject to the provisions of this section and section 253.559, receive a credit against the taxes imposed pursuant to chapters 143 and 148, except for sections 143.191 to 143.265, on such taxpayer in an amount equal to twenty-five percent of the total costs and expenses of rehabilitation incurred after January 1, 1998, which shall include, but not be limited to, qualified rehabilitation expenditures as defined under section 47(c)(2)(A) of the Internal Revenue Code of 1986, as amended, and the related regulations thereunder, provided the rehabilitation costs associated with rehabilitation and the expenses exceed fifty percent of the total basis in the property and the rehabilitation meets standards consistent with the standards of the Secretary of the United States Department of the Interior for rehabilitation as determined by the state historic preservation officer of the Missouri department of natural resources.

2. (1) During the period beginning on January 1, 2010, but ending on or after June 30, 2010, the department of economic development shall not approve applications for tax credits under the provisions of subsections [3] 4 and [8] 9 of section 253.559 which, in the aggregate, exceed seventy million dollars, increased by any amount of tax credits for which approval shall be rescinded under the provisions of section 253.559. For each fiscal year beginning on or after July 1, 2010, but ending before June 30, 2018, the department of economic development shall not approve applications for tax credits under the provisions of subsections [3] 4 and [8] 9 of section 253.559

which, in the aggregate, exceed one hundred forty million dollars, increased by any amount of tax credits for which approval shall be rescinded under the provisions of section 253.559. For each fiscal year beginning on or after July 1, 2018, the department of economic development shall not approve applications for tax credits under the provisions of subsections 4 and 9 of section 253.559 which, in the aggregate, exceed sixty million dollars, increased by any amount of tax credits for which approval shall be rescinded under the provisions of section 253.559. The limitations provided under this subsection shall not apply to applications approved under the provisions of subsection [3] 4 of section 253.559 for projects to receive less than two hundred seventy-five thousand dollars in tax credits.

(2) For each fiscal year beginning on or after July 1, 2018, the department may authorize an amount up to, but not to exceed, an additional thirty million dollars in tax credits issued under subsections 4 and 9 of section 253.559, provided that such tax credits are authorized solely for projects located in a qualified census tract.

(3) For each fiscal year beginning on or after July 1, 2018, if the maximum amount of tax credits allowed in any fiscal year as provided under subdivisions (1) and (2) of this subsection is authorized, the maximum amount of tax credits allowed under subdivision (1) of this subsection shall be adjusted by the percentage increase in the Consumer Price Index for All Urban Consumers, or its successor index, as such index is defined and officially reported by the United States Department of Labor, or its successor agency. Only one such adjustment shall be made for each instance in which the provisions of this subdivision apply. The director of the department of economic development shall publish such adjusted amount.

3. For all applications for tax credits approved on or after January 1, 2010, no more than two hundred fifty thousand dollars in tax credits may be issued for eligible costs and expenses incurred in the rehabilitation of an eligible property which is a nonincome producing single-family, owner-occupied residential property and is either a certified historic structure or a structure in a certified historic district.

4. The limitations on tax credit authorization provided under the provisions of subsections 2 and 3 of this section shall not apply to:

(1) Any application submitted by a taxpayer, which has received approval from the department prior to January 1, 2010; or

(2) Any taxpayer applying for tax credits, provided under this section, which, on or before January 1, 2010, has filed an application with the department evidencing that such taxpayer:

(a) Has incurred costs and expenses for an eligible property which exceed the lesser of five percent of the total project costs or one million dollars and received an approved Part I from the Secretary of the United States Department of Interior; or

(b) Has received certification, by the state historic preservation officer, that the rehabilitation plan meets the standards consistent with the standards of the Secretary of the United States Department of the Interior, and the rehabilitation costs and expenses associated with such rehabilitation shall exceed fifty percent of the total basis in the property.

253.559. 1. To obtain approval for tax credits allowed under sections 253.545 to 253.559, a taxpayer shall submit an application for tax credits to the department of economic development.

Each application for approval, including any applications received for supplemental allocations of tax credits as provided under subsection 8 of this section, shall be prioritized for review and approval, in the order of the date on which the application was postmarked, with the oldest postmarked date receiving priority. Applications postmarked on the same day shall go through a lottery process to determine the order in which such applications shall be reviewed.

2. Each application shall be reviewed by the department of economic development for approval. In order to receive approval, an application, other than applications submitted under the provisions of subsection [8] 9 of this section, shall include:

(1) Proof of ownership or site control. Proof of ownership shall include evidence that the taxpayer is the fee simple owner of the eligible property, such as a warranty deed or a closing statement. Proof of site control may be evidenced by a leasehold interest or an option to acquire such an interest. If the taxpayer is in the process of acquiring fee simple ownership, proof of site control shall include an executed sales contract or an executed option to purchase the eligible property;

(2) Floor plans of the existing structure, architectural plans, and, where applicable, plans of the proposed alterations to the structure, as well as proposed additions;

(3) The estimated cost of rehabilitation, the anticipated total costs of the project, the actual basis of the property, as shown by proof of actual acquisition costs, the anticipated total labor costs, the estimated project start date, and the estimated project completion date;

(4) Proof that the property is an eligible property and a certified historic structure or a structure in a certified historic district; [and]

(5) Proof of committed and unconditional financing. For purposes of this subdivision, the term "unconditional financing" shall not include conditions upon financing which are commonly imposed under generally accepted underwriting principals;

(6) A copy of all land use and building approvals reasonably necessary for the commencement of the project; and

(7) Any other information which the department of economic development may reasonably require to review the project for approval.

Only the property for which a property address is provided in the application shall be reviewed for approval. Once selected for review, a taxpayer shall not be permitted to request the review of another property for approval in the place of the property contained in such application. Any disapproved application shall be removed from the review process. If an application is removed from the review process, the department of economic development shall notify the taxpayer in writing of the decision to remove such application. Disapproved applications shall lose priority in the review process. A disapproved application, which is removed from the review process, may be resubmitted, but shall be deemed to be a new submission for purposes of the priority procedures described in this section.

3. In evaluating an application for tax credits submitted under this section, the department of economic development shall also consider:

(1) The amount of projected net fiscal benefit of the project to the state and local municipality, and the period in which the state and municipality would realize such net fiscal

benefit;

(2) The overall size and quality of the proposed project, including the estimated number of new jobs to be created by the project, the potential multiplier effect of the project, and similar factors;

(3) The level of economic distress in the area; and

(4) Input from the local municipality in which the proposed project is located as to the importance of the proposed project to the municipality.

4. If the department of economic development deems the application sufficient, the taxpayer shall be notified in writing of the approval for an amount of tax credits equal to the amount provided under section 253.550 less any amount of tax credits previously approved. Such approvals shall be granted to applications in the order of priority established under this section and shall require full compliance thereafter with all other requirements of law as a condition to any claim for such credits. If the department of economic development disapproves an application, the taxpayer shall be notified in writing of the reasons for such disapproval. A disapproved application may be resubmitted.

[4.] 5. Following approval of an application, the identity of the taxpayer contained in such application shall not be modified except:

(1) The taxpayer may add partners, members, or shareholders as part of the ownership structure, so long as the principal remains the same, provided however, that subsequent to the commencement of renovation and the expenditure of at least ten percent of the proposed rehabilitation budget, removal of the principal for failure to perform duties and the appointment of a new principal thereafter shall not constitute a change of the principal; or

(2) Where the ownership of the project is changed due to a foreclosure, deed in lieu of a foreclosure or voluntary conveyance, or a transfer in bankruptcy.

[5.] 6. In the event that the department of economic development grants approval for tax credits equal to the total amount available under subsection 2 of section 253.550, or sufficient that when totaled with all other approvals, the amount available under subsection 2 of section 253.550 is exhausted, all taxpayers with applications then awaiting approval or thereafter submitted for approval shall be notified by the department of economic development that no additional approvals shall be granted during the fiscal year and shall be notified of the priority given to such taxpayer's application then awaiting approval. Such applications shall be kept on file by the department of economic development and shall be considered for approval for tax credits in the order established in this section in the event that additional credits become available due to the rescission of approvals or when a new fiscal year's allocation of credits becomes available for approval.

[6.] 7. All taxpayers with applications receiving approval on or after the effective date of this act shall commence rehabilitation within [two years] nine months of the date of issuance of the letter from the department of economic development granting the approval for tax credits. "Commencement of rehabilitation" shall mean that as of the date in which actual physical work, contemplated by the architectural plans submitted with the application, has begun, the taxpayer has incurred no less than ten percent of the estimated costs of rehabilitation provided in the application. Taxpayers with approval of a project shall submit evidence of compliance with the provisions of this subsection. If the department of economic development determines that a taxpayer has failed to comply with the requirements provided under this section, the approval for the amount of tax credits for such taxpayer shall be rescinded and such amount of tax credits shall then be included in the total amount of tax credits, provided under subsection 2 of section 253.550, from which approvals may be granted. Any taxpayer whose approval shall be subject to rescission shall be notified of such from the department of economic development and, upon receipt of such notice, may submit a new application for the project.

[7.] 8. To claim the credit authorized under sections 253.550 to 253.559, a taxpayer with approval shall apply for final approval and issuance of tax credits from the department of economic development which, in consultation with the department of natural resources, shall determine the final amount of eligible rehabilitation costs and expenses and whether the completed rehabilitation meets the standards of the Secretary of the United States Department of the Interior for rehabilitation as determined by the state historic preservation officer of the Missouri department of natural resources. For financial institutions credits authorized pursuant to sections 253.550 to 253.561 shall be deemed to be economic development credits for purposes of section 148.064. The approval of all applications and the issuing of certificates of eligible credits to taxpayers shall be performed by the department of economic development. The department of economic development shall inform a taxpayer of final approval by letter and shall issue, to the taxpayer, tax credit certificates. The taxpayer shall attach the certificate to all Missouri income tax returns on which the credit is claimed.

[8.] 9. Except as expressly provided in this subsection, tax credit certificates shall be issued in the final year that costs and expenses of rehabilitation of the project are incurred, or within the twelve-month period immediately following the conclusion of such rehabilitation. In the event the amount of eligible rehabilitation costs and expenses incurred by a taxpayer would result in the issuance of an amount of tax credits in excess of the amount provided under such taxpayer's approval granted under subsection [3] 4 of this section, such taxpayer may apply to the department for issuance of tax credits in an amount equal to such excess. Applications for issuance of tax credits in excess of the amount provided under a taxpayer's application shall be made on a form prescribed by the department. Such applications shall be subject to all provisions regarding priority provided under subsection 1 of this section.

[9.] 10. The department of economic development shall determine, on an annual basis, the overall economic impact to the state from the rehabilitation of eligible property.

253.560. Under section 23.253 of the Missouri sunset act:

(1) The provisions of the program authorized under sections 253.545 to 253.560 shall automatically sunset on December thirty-first six years after the effective date of this section unless reauthorized by an act of the general assembly;

(2) If such program is reauthorized, the program authorized under sections 253.545 to 253.560 shall automatically sunset on December thirty-first twelve years after the effective date of the reauthorization of this section; and

(3) Sections 253.545 to 253.560 shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under sections 253.545 to 253.560 is sunset.

447.708. 1. For eligible projects, the director of the department of economic development, with notice to the directors of the departments of natural resources and revenue, and subject to the other provisions of sections 447.700 to 447.718, may not create a new enterprise zone but may decide that a prospective operator of a facility being remedied and renovated pursuant to sections 447.700 to 447.718 may receive the tax credits and exemptions pursuant to sections 135.100 to 135.150 and sections 135.200 to 135.257. The tax credits allowed pursuant to this subsection shall be used to offset the tax imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or the tax otherwise imposed by chapter 147, or the tax otherwise imposed by chapter 148. No tax credit authorized under this subsection shall be issued after August 28, 2018. For purposes of this subsection:

(1) For receipt of the ad valorem tax abatement pursuant to section 135.215, the eligible project must create at least ten new jobs or retain businesses which supply at least twenty-five existing jobs. The city, or county if the eligible project is not located in a city, must provide ad valorem tax abatement of at least fifty percent for a period not less than ten years and not more than twenty-five years;

(2) For receipt of the income tax exemption pursuant to section 135.220 and tax credit for new or expanded business facilities pursuant to sections 135.100 to 135.150, and 135.225, the eligible project must create at least ten new jobs or retain businesses which supply at least twenty-five existing jobs, or combination thereof. For purposes of sections 447.700 to 447.718, the tax credits described in section 135.225 are modified as follows: the tax credit shall be four hundred dollars per employee per year, an additional four hundred dollars per year for each employee exceeding the minimum employment thresholds of ten and twenty-five jobs for new and existing businesses, respectively, an additional four hundred dollars per year for each person who is a person difficult to employ as defined by section 135.240, and investment tax credits at the same amounts and levels as provided in subdivision (4) of subsection 1 of section 135.225;

(3) For eligibility to receive the income tax refund pursuant to section 135.245, the eligible project must create at least ten new jobs or retain businesses which supply at least twenty-five existing jobs, or combination thereof, and otherwise comply with the provisions of section 135.245 for application and use of the refund and the eligibility requirements of this section;

(4) The eligible project operates in compliance with applicable environmental laws and regulations, including permitting and registration requirements, of this state as well as the federal and local requirements;

(5) The eligible project operator shall file such reports as may be required by the director of economic development or the director's designee;

(6) The taxpayer may claim the state tax credits authorized by this subsection and the state income exemption for a period not in excess of ten consecutive tax years. For the purpose of this section, "taxpayer" means an individual proprietorship, partnership or corporation described in section 143.441 or 143.471 who operates an eligible project. The director shall determine the number of years the taxpayer may claim the state tax credits and the state income exemption based on the projected net state economic benefits attributed to the eligible project;

(7) For the purpose of meeting the new job requirement prescribed in subdivisions (1), (2) and (3) of this subsection, it shall be required that at least ten new jobs be created and maintained during the taxpayer's tax period for which the credits are earned, in the case of an eligible project that does not replace a similar facility in Missouri. "New job" means a person who was not previously employed by the taxpayer or related taxpayer within the twelve-month period immediately preceding the time the person was employed by that taxpayer to work at, or in connection with, the eligible project on a full-time basis. "Full-time basis" means the employee works an average of at least thirty-five hours per week during the taxpayer's tax period for which

the tax credits are earned. For the purposes of this section, "related taxpayer" has the same meaning as defined in subdivision (10) of section 135.100;

(8) For the purpose of meeting the existing job retention requirement, if the eligible project replaces a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer's tax period in which the tax credits are earned, it shall be required that at least twenty-five existing jobs be retained at, and in connection with the eligible project, on a full-time basis during the taxpayer's tax period for which the credits are earned. "Retained job" means a person who was previously employed by the taxpayer or related taxpayer, at a facility similar to the eligible project that closed elsewhere in Missouri prior to the end of the taxpayer's tax period in which the tax credits are earned, within the tax period immediately preceding the time the person was employed by the taxpayer to work at, or in connection with, the eligible project on a full-time basis. "Full-time basis" means the employee works an average of at least thirty-five hours per week during the taxpayer's tax period for which the tax credits are earned;

(9) In the case where an eligible project replaces a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer's tax period in which the tax credits are earned, the owner and operator of the eligible project shall provide the director with a written statement explaining the reason for discontinuing operations at the closed facility. The statement shall include a comparison of the activities performed at the closed facility prior to the date the facility ceased operating, to the activities performed at the eligible project, and a detailed account describing the need and rationale for relocating to the eligible project. If the director finds the relocation to the eligible project significantly impaired the economic stability of the area in which the closed facility was located, and that such move was detrimental to the overall economic development efforts of the state, the director may deny the taxpayer's request to claim tax benefits;

(10) Notwithstanding any provision of law to the contrary, for the purpose of this section, the number of new jobs created and maintained, the number of existing jobs retained, and the value of new qualified investment used at the eligible project during any tax year shall be determined by dividing by twelve, in the case of jobs, the sum of the number of individuals employed at the eligible project, or in the case of new qualified investment, the value of new qualified investment used at the eligible project, on the last business day of each full calendar month of the tax year. If the eligible project is in operation for less than the entire tax year, the number of new jobs created and maintained, the number of existing jobs retained, and the value of new qualified investment created at the eligible project during any tax year shall be determined by dividing the sum of the number of individuals employed at the eligible project, or in the case of new qualified investment, the value of new qualified investment used at the eligible project, on the last business day of each full calendar month during the portion of the tax year during which the eligible project was in operation, by the number of full calendar months during such period;

(11) For the purpose of this section, "new qualified investment" means new business facility investment as defined and as determined in subdivision (8) of section 135.100 which is used at and in connection with the eligible project. New qualified investment shall not include small tools, supplies and inventory. "Small tools" means tools that are portable and can be hand held.

2. The determination of the director of economic development pursuant to subsection 1 of this section shall not affect requirements for the prospective purchaser to obtain the approval of the granting of real property tax abatement by the municipal or county government where the eligible project is located.

3. (1) The director of the department of economic development, with the approval of the director of the department of natural resources, may, in addition to the tax credits allowed in subsection 1 of this section, grant a remediation tax credit to the applicant for up to one hundred percent of the costs of materials, supplies, equipment, labor, professional engineering, consulting

and architectural fees, permitting fees and expenses, demolition, asbestos abatement, and direct utility charges for performing the voluntary remediation activities for the preexisting hazardous substance contamination and releases, including, but not limited to, the costs of performing operation and maintenance of the remediation equipment at the property beyond the year in which the systems and equipment are built and installed at the eligible project and the costs of performing the voluntary remediation activities over a period not in excess of four tax years following the taxpayer's tax year in which the system and equipment were first put into use at the eligible project, provided the remediation activities are the subject of a plan submitted to, and approved by, the director of natural resources pursuant to sections 260.565 to 260.575. The tax credit may also include up to one hundred percent of the costs of demolition that are not directly part of the remediation activities, provided that the demolition is on the property where the voluntary remediation activities are occurring, the demolition is necessary to accomplish the planned use of the facility where the remediation activities are occurring, and the demolition is part of a redevelopment plan approved by the municipal or county government and the department of economic development. The demolition may occur on an adjacent property if the project is located in a municipality which has a population less than twenty thousand and the above conditions are otherwise met. The adjacent property shall independently qualify as abandoned or underutilized. The amount of the credit available for demolition not associated with remediation cannot exceed the total amount of credits approved for remediation including demolition required for remediation.

(2) The amount of remediation tax credits issued shall be limited to the least amount necessary to cause the project to occur, as determined by the director of the department of economic development.

(3) The director may, with the approval of the director of natural resources, extend the tax credits allowed for performing voluntary remediation maintenance activities, in increments of three-year periods, not to exceed five consecutive three-year periods. The tax credits allowed in this subsection shall be used to offset the tax imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or the tax otherwise imposed by chapter 147, or the tax otherwise imposed by chapter 148. The remediation tax credit may be taken in the same tax year in which the tax credits are received or may be taken over a period not to exceed twenty years.

(4) The project facility shall be projected to create at least ten new jobs or at least twenty-five retained jobs, or a combination thereof, as determined by the department of economic development, to be eligible for tax credits pursuant to this section.

(5) No more than seventy-five percent of earned remediation tax credits may be issued when the remediation costs were paid, and the remaining percentage may be issued when the department of natural resources issues a letter of completion letter or covenant not to sue following completion of the voluntary remediation activities. It shall not include any costs associated with ongoing operational environmental compliance of the facility or remediation costs arising out of spills, leaks, or other releases arising out of the ongoing business operations of the facility. In the event the department of natural resources issues a letter of completion for a portion of a property, an impacted media such as soil or groundwater, or for a site or a portion of a site improvement, a prorated amount of the remaining percentage may be released based on the percentage of the total site receiving a letter of completion.

<u>(6) No tax credit authorized under this subsection shall be issued after August 28, 2018.</u>

4. In the exercise of the sound discretion of the director of the department of economic development or the director's designee, the tax credits and exemptions described in this section may be terminated, suspended or revoked if the eligible project fails to continue to meet the conditions set forth in this section. In making such a determination, the director shall consider the severity of the condition violation, actions taken to correct the violation, the frequency of any condition

violations and whether the actions exhibit a pattern of conduct by the eligible facility owner and operator. The director shall also consider changes in general economic conditions and the recommendation of the director of the department of natural resources, or his or her designee, concerning the severity, scope, nature, frequency and extent of any violations of the environmental compliance conditions. The taxpayer or person claiming the tax credits or exemptions may appeal the decision regarding termination, suspension or revocation of any tax credit or exemption in accordance with the procedures outlined in subsections 4 and 5 of section 135.250. The director of the department of economic development shall notify the directors of the departments of natural resources and revenue of the termination, suspension or revocation of any tax credits as determined in this section or pursuant to the provisions of section 447.716.

5. Notwithstanding any provision of law to the contrary, no taxpayer shall earn the tax credits, exemptions or refund otherwise allowed in subdivisions (2), (3) and (4) of subsection 1 of this section and the tax credits otherwise allowed in section 135.110, or the tax credits, exemptions and refund otherwise allowed in sections 135.215, 135.220, 135.225 and 135.245, respectively, for the same facility for the same tax period.

6. The total amount of the tax credits allowed in subsection 1 of this section may not exceed the greater of:

(1) That portion of the taxpayer's income attributed to the eligible project; or

(2) One hundred percent of the total business' income tax if the eligible facility does not replace a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer's tax period in which the tax credits are earned, and further provided the taxpayer does not operate any other facilities besides the eligible project in Missouri; fifty percent of the total business' income tax if the eligible facility replaces a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer's tax period in which the credits are earned, and further provided the taxpayer does not operate any other facilities besides the eligible project in Missouri; or twenty-five percent of the total business income if the taxpayer operates, in addition to the eligible facility, any other facilities in Missouri. In no case shall a taxpayer operating more than one eligible project in Missouri be allowed to offset more than twenty-five percent of the taxpayer's business income in any tax period. That portion of the taxpayer's income attributed to the eligible project as referenced in subdivision (1) of this subsection, for which the credits allowed in sections 135.110 and 135.225 and subsection 3 of this section may apply, shall be determined in the same manner as prescribed in subdivision (5) of section 135.100. That portion of the taxpayer's franchise tax attributed to the eligible project for which the remediation tax credit may offset, shall be determined in the same manner as prescribed in paragraph (a) of subdivision (5) of section 135.100.

7. Taxpayers claiming the state tax benefits allowed in subdivisions (2) and (3) of subsection 1 of this section shall be required to file all applicable tax credit applications, forms and schedules prescribed by the director during the taxpayer's tax period immediately after the tax period in which the eligible project was first put into use. Otherwise, the taxpayer's right to claim such state tax benefits shall be forfeited. Unused business facility and enterprise zone tax credits shall not be carried forward but shall be initially claimed for the tax period during which the eligible project was first capable of being used, and during any applicable subsequent tax periods.

8. Taxpayers claiming the remediation tax credit allowed in subsection 3 of this section shall be required to file all applicable tax credit applications, forms and schedules prescribed by the director during the taxpayer's tax period immediately after the tax period in which the eligible project was first put into use, or during the taxpayer's tax period immediately after the tax period in which the voluntary remediation activities were performed.

9. The recipient of remediation tax credits, for the purpose of this subsection referred to as assignor, may assign, sell or transfer, in whole or in part, the remediation tax credit allowed in

subsection 3 of this section to any other person, for the purpose of this subsection referred to as assignee. To perfect the transfer, the assignor shall provide written notice to the director of the assignor's intent to transfer the tax credits to the assignee, the date the transfer is effective, the assignee's name, address and the assignee's tax period and the amount of tax credits to be transferred. The number of tax periods during which the assignee may subsequently claim the tax credits shall not exceed twenty tax periods, less the number of tax periods the assignor previously claimed the credits before the transfer occurred.

10. In the case where an operator and assignor of an eligible project has been certified to claim state tax benefits allowed in subdivisions (2) and (3) of subsection 1 of this section, and sells or otherwise transfers title of the eligible project to another taxpayer or assignee who continues the same or substantially similar operations at the eligible project, the director shall allow the assignee to claim the credits for a period of time to be determined by the director; except that, the total number of tax periods the tax credits may be earned by the assignor and the assignee shall not exceed ten. To perfect the transfer, the assignor shall provide written notice to the director of the assignor's intent to transfer the tax credits to the assignee, the date the transfer is effective, the assignee's name, address, and the assignee's tax period, and the amount of tax credits to be transferred.

11. For the purpose of the state tax benefits described in this section, in the case of a corporation described in section 143.471 or partnership, in computing Missouri's tax liability, such state benefits shall be allowed to the following:

(1) The shareholders of the corporation described in section 143.471;

(2) The partners of the partnership.

The credit provided in this subsection shall be apportioned to the entities described in subdivisions (1) and (2) of this subsection in proportion to their share of ownership on the last day of the taxpayer's tax period.

12. Notwithstanding any provision of law to the contrary, in any county **[**~~of the first classification~~**]** that has a charter form of government and that has a population of over nine hundred thousand inhabitants, all demolition costs incurred during the redevelopment of any former automobile manufacturing plant shall be allowable costs eligible for tax credits under sections 447.700 to 447.718 so long as the redevelopment of such former automobile manufacturing plant shall be projected to create at least two hundred fifty new jobs or at least three hundred retained jobs, or a combination thereof, as determined by the department of economic development. The amount of allowable costs eligible for tax credits shall be limited to the least amount necessary to cause the project to occur, as determined by the director of the department of economic development, provided that no tax credit shall be issued under this subsection until July 1, 2017. For purposes of this subsection, "former automobile manufacturing plant" means a redevelopment area that qualifies as an eligible project under section 447.700, that consists of at least one hundred acres, and that was used primarily for the manufacture of automobiles but, after 2007, ceased such manufacturing.

620.806. 1. The Missouri job development fund, formerly established in the state treasury by section 620.478, shall now be known as the "Missouri Works Job Development Fund" and shall be administered by the department for the training program. The fund shall consist of all moneys which may be appropriated to it by the general assembly and also any gifts, contributions, grants, or bequests received from federal, private or other sources, including, but not limited to, any block grant or other sources of funding relating to job training, school-to-work transition, welfare reform, vocational and technical training, housing, infrastructure, development, and human resource investment programs which may be provided by the federal government or other sources.

2. The department may provide financial assistance through the training program to qualified companies that create new jobs which will result in the need for training, that conduct training for retained jobs, or that make new capital investment relating directly to the retention of jobs in an amount at least five times greater than the amount of any financial assistance. Financial assistance may also be provided to a consortium of a majority of qualified companies organized to provide common training to the consortium members' employees. Funds in the Missouri works job development fund shall be appropriated, for financial assistance through the training program, by the general assembly to the department and shall be administered by a local educational agency certified by the department for such purpose. Except for state-sponsored preemployment training, no qualified company shall receive more than fifty percent of its training program costs from the Missouri works job development fund. No funds shall be awarded or reimbursed to any qualified company for the training, retraining, or upgrading of skills of potential employees with the purpose of replacing or supplanting employees engaged in an authorized work stoppage. Upon approval by the department, training project costs, except the purchase of training equipment and training facilities, shall be eligible for reimbursement with funds from the Missouri works job development fund. Notwithstanding any provision of law to the contrary, no qualified company within a service industry shall be eligible for assistance under this subsection unless such qualified company provides services in interstate commerce, which shall mean that the qualified company derives a majority of its annual revenues from out of the state.

3. The department may provide assistance, through appropriations made from the Missouri works job development fund, to business and technology centers. Such assistance shall not include the lending of the state's credit for the payment of any liability of the fund. Such centers may be established by Missouri community colleges, or state-owned postsecondary technical colleges, to provide business and training services for growth industries as determined by current labor market information."; and

Further amend said bill, Page 8, Section 620.809, Line 241, by inserting after all of said section and line the following:

"620.1900. 1. The department of economic development may charge a fee to the recipient of any tax credits issued by the department, in an amount up to two and one-half percent of the amount of tax credits issued, or for tax credits issued under sections 253.545 to 253.559 in an amount equal to four percent of the amount of tax credits issued. The fee shall be paid by the recipient upon the issuance of the tax credits. However, no fee shall be charged for the tax credits issued under section 135.460, or section 208.770, or under sections 32.100 to 32.125, if issued for community services, crime prevention, education, job training, or physical revitalization.

2. (1) All fees received by the department of economic development under this section shall be deposited solely to the credit of the economic development advancement fund, created under subsection 3 of this section.

(2) Thirty-seven and one-half percent of the revenue derived from the four percent fee charged on tax credits issued under sections 253.545 to 253.559 shall be appropriated from the economic development advancement fund for business recruitment and marketing.

3. There is hereby created in the state treasury the "Economic Development Advancement Fund", which shall consist of money collected under this section. The state treasurer shall be custodian of the fund and shall approve disbursements from the fund in accordance with sections

30.170 and 30.180. Upon appropriation, money in the fund shall be used solely for the administration of this section. Notwithstanding the provisions of section 33.080 to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund. The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund.

4. Such fund shall consist of any fees charged under subsection 1 of this section, any gifts, contributions, grants, or bequests received from federal, private, or other sources, fees or administrative charges from private activity bond allocations, moneys transferred or paid to the department in return for goods or services provided by the department, and any appropriations to the fund.

5. At least fifty percent of the fees and other moneys deposited in the fund shall be appropriated for marketing, technical assistance, and training, contracts for specialized economic development services, and new initiatives and pilot programming to address economic trends. The remainder may be appropriated toward the costs of staffing and operating expenses for the program activities of the department of economic development, and for accountability functions.

620.2010. 1. In exchange for the consideration provided by the new tax revenues and other economic stimuli that will be generated by the new jobs created, the department of economic development may authorize a qualified company **[**~~may~~**]** to retain, for a period of five years from the date the new jobs are created**[**~~,~~**]** or for a period of six years from the date the new jobs are created if the qualified company is an existing Missouri business, **[**~~retain~~**]** an amount equal to the withholding tax as calculated under subdivision (30) of section 620.2005 from the new jobs that would otherwise be withheld and remitted by the qualified company under the provisions of sections 143.191 to 143.265 if the department of economic development determines such retention of withholding tax incentivizes:

(1) The qualified company **[**~~creates~~**]** to create ten or more new jobs, and the average wage of the new payroll equals or exceeds ninety percent of the county average wage;

(2) The qualified company **[**~~creates~~**]** to create two or more new jobs at a project facility located in a rural area, the average wage of the new payroll equals or exceeds ninety percent of the county average wage, and the qualified company commits to making at least one hundred thousand dollars of new capital investment at the project facility within two years; or

(3) The qualified company **[**~~creates~~**]** to create two or more new jobs at a project facility located within a zone designated under sections 135.950 to 135.963, the average wage of the new payroll equals or exceeds eighty percent of the county average wage, and the qualified company commits to making at least one hundred thousand dollars in new capital investment at the project facility within two years of approval.

2. In addition to any benefits available under subsection 1 of this section, the department may award a qualified company that satisfies subdivision (1) of subsection 1 of this section additional tax credits, issued each year for a period of five years from the date the new jobs are created, or for a period of six years from the date the new jobs are created if the qualified company is an existing Missouri business, in an amount equal to or less than six percent of new payroll; provided that in no event may the total amount of benefits awarded to a qualified company under this section exceed nine percent of new payroll in any calendar year. The amount of tax credits awarded to a qualified company under this subsection shall not exceed the projected net fiscal benefit to the state, as determined by the department, and shall not exceed the least amount necessary to obtain the qualified company's commitment to initiate the project. In determining the amount of tax credits to award to a qualified company under this subsection, the department shall

consider the following factors:

(1) The significance of the qualified company's need for program benefits;

(2) The amount of projected net fiscal benefit to the state of the project and the period in which the state would realize such net fiscal benefit;

(3) The overall size and quality of the proposed project, including the number of new jobs, new capital investment, proposed wages, growth potential of the qualified company, the potential multiplier effect of the project, and similar factors;

(4) The financial stability and creditworthiness of the qualified company;

(5) The level of economic distress in the area;

(6) An evaluation of the competitiveness of alternative locations for the project facility, as applicable; and

(7) The percent of local incentives committed.

3. Upon approval of a notice of intent to receive tax credits under subsections 2 and 5 of this section, the department and the qualified company shall enter into a written agreement covering the applicable project period. The agreement shall specify, at a minimum:

(1) The committed number of new jobs, new payroll, and new capital investment for each year during the project period;

(2) The date or time period during which the tax credits shall be issued, which may be immediately or over a period not to exceed two years from the date of approval of the notice of intent;

(3) Clawback provisions, as may be required by the department; and

(4) Any other provisions the department may require.

4. In lieu of the benefits available under sections 1 and 2 of this section**[**~~,~~**]** and in exchange for the consideration provided by the new tax revenues and other economic stimuli that will be generated by the new jobs created by the program, <u>the department of economic development may authorize</u> a qualified company **[**~~may~~**]** <u>to retain</u>, for a period of five years from the date the new jobs are created**[**~~,~~**]** or for a period of six years from the date the new jobs are created if the qualified company is an existing Missouri business, **[**~~retain~~**]** an amount equal to the withholding tax as calculated under subdivision (30) of section 620.2005 from the new jobs that would otherwise be withheld and remitted by the qualified company under the provisions of sections 143.191 to 143.265 <u>if the department of economic development determines such retention of withholding tax incentivizes. Such retained amount shall be</u> equal to:

(1) Six percent of new payroll for a period of five years from the date the required number of new jobs were created if the qualified company creates one hundred or more new jobs and the average wage of the new payroll equals or exceeds one hundred twenty percent of the county average wage of the county in which the project facility is located; or

(2) Seven percent of new payroll for a period of five years from the date the required number of jobs were created if the qualified company creates one hundred or more new jobs and the average wage of the new payroll equals or exceeds one hundred forty percent of the county average wage of the county in which the project facility is located.

The department shall issue a refundable tax credit for any difference between the amount of benefit allowed under this subsection and the amount of withholding tax retained by the company, in the event the withholding tax is not sufficient to provide the entire amount of benefit due to the qualified company under this subsection.

5. In addition to the benefits available under subsection 4 of this section, the department may award a qualified company that satisfies the provisions of subsection 4 of this section additional tax credits, issued each year for a period of five years from the date the new jobs are

created, or for a period of six years from the date the new jobs are created if the qualified company is an existing Missouri business, in an amount equal to or less than three percent of new payroll; provided that in no event may the total amount of benefits awarded to a qualified company under this section exceed nine percent of new payroll in any calendar year. The amount of tax credits awarded to a qualified company under this subsection shall not exceed the projected net fiscal benefit to the state, as determined by the department, and shall not exceed the least amount necessary to obtain the qualified company's commitment to initiate the project. In determining the amount of tax credits to award to a qualified company under this subsection, the department shall consider the factors provided under subsection 2 of this section.

6. No benefits shall be available under this section for any qualified company that has performed significant, project-specific site work at the project facility, purchased machinery or equipment related to the project, or has publicly announced its intention to make new capital investment at the project facility prior to receipt of a proposal for benefits under this section or approval of its notice of intent, whichever occurs first."; and

Further amend said bill, Page 14, Section 620.2020, Line 213, by inserting after all of said section and line the following:

"**[**~~135.680. 1. As used in this section, the following terms shall mean:~~

~~(1) "Adjusted purchase price", the product of:~~

~~(a) The amount paid to the issuer of a qualified equity investment for such qualified equity investment; and~~

~~(b) The following fraction:~~

~~a. The numerator shall be the dollar amount of qualified low-income community investments held by the issuer in this state as of the credit allowance date during the applicable tax year; and~~

~~b. The denominator shall be the total dollar amount of qualified low-income community investments held by the issuer in all states as of the credit allowance date during the applicable tax year;~~

~~c. For purposes of calculating the amount of qualified low-income community investments held by an issuer, an investment shall be considered held by an issuer even if the investment has been sold or repaid; provided that the issuer reinvests an amount equal to the capital returned to or recovered by the issuer from the original investment, exclusive of any profits realized, in another qualified low-income community investment within twelve months of the receipt of such capital. An issuer shall not be required to reinvest capital returned from qualified low-income community investments after the sixth anniversary of the issuance of the qualified equity investment, the proceeds of which were used to make the qualified low-income community investment, and the qualified low-income community investment shall be considered held by the issuer through the seventh anniversary of the qualified equity investment's issuance;~~

~~(2) "Applicable percentage", zero percent for each of the first two credit allowance dates, seven percent for the third credit allowance date, and eight percent for the next four credit allowance dates;~~

~~(3) "Credit allowance date", with respect to any qualified equity investment:~~

~~(a) The date on which such investment is initially made; and~~

~~(b) Each of the six anniversary dates of such date thereafter;~~

~~(4) "Long-term debt security", any debt instrument issued by a qualified~~

~~community development entity, at par value or a premium, with an original maturity date of at least seven years from the date of its issuance, with no acceleration of repayment, amortization, or prepayment features prior to its original maturity date, and with no distribution, payment, or interest features related to the profitability of the qualified community development entity or the performance of the qualified community development entity's investment portfolio. The foregoing shall in no way limit the holder's ability to accelerate payments on the debt instrument in situations where the issuer has defaulted on covenants designed to ensure compliance with this section or Section 45D of the Internal Revenue Code of 1986, as amended;~~

~~(5) "Qualified active low-income community business", the meaning given such term in Section 45D of the Internal Revenue Code of 1986, as amended; provided that any business that derives or projects to derive fifteen percent or more of its annual revenue from the rental or sale of real estate shall not be considered to be a qualified active low-income community business;~~

~~(6) "Qualified community development entity", the meaning given such term in Section 45D of the Internal Revenue Code of 1986, as amended; provided that such entity has entered into an allocation agreement with the Community Development Financial Institutions Fund of the U.S. Treasury Department with respect to credits authorized by Section 45D of the Internal Revenue Code of 1986, as amended, which includes the state of Missouri within the service area set forth in such allocation agreement;~~

~~(7) "Qualified equity investment", any equity investment in, or long-term debt security issued by, a qualified community development entity that:~~

~~(a) Is acquired after September 4, 2007, at its original issuance solely in exchange for cash;~~

~~(b) Has at least eighty-five percent of its cash purchase price used by the issuer to make qualified low-income community investments; and~~

~~(c) Is designated by the issuer as a qualified equity investment under this subdivision and is certified by the department of economic development as not exceeding the limitation contained in subsection 2 of this section. This term shall include any qualified equity investment that does not meet the provisions of paragraph (a) of this subdivision if such investment was a qualified equity investment in the hands of a prior holder;~~

~~(8) "Qualified low-income community investment", any capital or equity investment in, or loan to, any qualified active low-income community business. With respect to any one qualified active low-income community business, the maximum amount of qualified low-income community investments made in such business, on a collective basis with all of its affiliates, that may be used from the calculation of any numerator described in subparagraph a. of paragraph (b) of subdivision (1) of this subsection shall be ten million dollars whether issued to one or several qualified community development entities;~~

~~(9) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding withholding tax imposed in sections 143.191 to 143.265, or otherwise due under section 375.916 or chapter 147, 148, or 153;~~

~~(10) "Taxpayer", any individual or entity subject to the tax imposed in chapter 143, excluding withholding tax imposed in sections 143.191 to 143.265, or the tax imposed in section 375.916 or chapter 147, 148, or 153.~~

~~2. A taxpayer that makes a qualified equity investment earns a vested right to~~

~~tax credits under this section. On each credit allowance date of such qualified equity investment the taxpayer, or subsequent holder of the qualified equity investment, shall be entitled to a tax credit during the taxable year including such credit allowance date. The tax credit amount shall be equal to the applicable percentage of the adjusted purchase price paid to the issuer of such qualified equity investment. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state tax liability for the tax year for which the tax credit is claimed. No tax credit claimed under this section shall be refundable or transferable. Tax credits earned by a partnership, limited liability company, S-corporation, or other pass-through entity may be allocated to the partners, members, or shareholders of such entity for their direct use in accordance with the provisions of any agreement among such partners, members, or shareholders. Any amount of tax credit that the taxpayer is prohibited by this section from claiming in a taxable year may be carried forward to any of the taxpayer's five subsequent taxable years. The department of economic development shall limit the monetary amount of qualified equity investments permitted under this section to a level necessary to limit tax credit utilization at no more than twenty-five million dollars of tax credits in any fiscal year. Such limitation on qualified equity investments shall be based on the anticipated utilization of credits without regard to the potential for taxpayers to carry forward tax credits to later tax years.~~

~~3. The issuer of the qualified equity investment shall certify to the department of economic development the anticipated dollar amount of such investments to be made in this state during the first twelve-month period following the initial credit allowance date. If on the second credit allowance date, the actual dollar amount of such investments is different than the amount estimated, the department of economic development shall adjust the credits arising on the second allowance date to account for such difference.~~

~~4. The department of economic development shall recapture the tax credit allowed under this section with respect to such qualified equity investment under this section if:~~

~~(1) Any amount of the federal tax credit available with respect to a qualified equity investment that is eligible for a tax credit under this section is recaptured under Section 45D of the Internal Revenue Code of 1986, as amended; or~~

~~(2) The issuer redeems or makes principal repayment with respect to a qualified equity investment prior to the seventh anniversary of the issuance of such qualified equity investment. Any tax credit that is subject to recapture shall be recaptured from the taxpayer that claimed the tax credit on a return.~~

~~5. The department of economic development shall promulgate rules to implement the provisions of this section, including recapture provisions on a scaled proportional basis, and to administer the allocation of tax credits issued for qualified equity investments, which shall be conducted on a first-come, first-serve basis. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after September 4, 2007, shall be invalid and void.~~

~~6. For fiscal years following fiscal year 2010, qualified equity investments shall not be made under this section unless reauthorization is made pursuant to this subsection. For all fiscal years following fiscal year 2010, unless the general assembly adopts a concurrent resolution granting authority to the department of economic development to approve qualified equity investments for the Missouri new markets development program and clearly describing the amount of tax credits available for the next fiscal year, or otherwise complies with the provisions of this subsection, no qualified equity investments may be permitted to be made under this section. The amount of available tax credits contained in such a resolution shall not exceed the limitation provided under subsection 2 of this section. In any year in which the provisions of this section shall sunset pursuant to subsection 7 of this section, reauthorization shall be made by general law and not by concurrent resolution. Nothing in this subsection shall preclude a taxpayer who makes a qualified equity investment prior to the expiration of authority to make qualified equity investments from claiming tax credits relating to such qualified equity investment for each applicable credit allowance date.~~

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

~~(1) The provisions of the new program authorized under this section shall automatically sunset six years after September 4, 2007, unless reauthorized by an act of the general assembly; and~~

~~(2) If such program is reauthorized, the program authorized under this section shall automatically sunset twelve years after the effective date of the reauthorization of this section; and~~

~~(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset. However, nothing in this subsection shall preclude a taxpayer who makes a qualified equity investment prior to sunset of this section under the provisions of section 23.253 from claiming tax credits relating to such qualified equity investment for each credit allowance date.~~**]**

**[**~~135.682. 1. The director of the department of economic development or the director's designee shall issue letter rulings regarding the tax credit program authorized under section 135.680, subject to the terms and conditions set forth in this section. The director of the department of economic development may impose additional terms and conditions consistent with this section to requests for letter rulings by regulation promulgated under chapter 536. For the purposes of this section, the term "letter ruling" means a written interpretation of law to a specific set of facts provided by the applicant requesting a letter ruling.~~

~~2. The director or director's designee shall respond to a request for a letter ruling within sixty days of receipt of such request. The applicant may provide a draft letter ruling for the department's consideration. The applicant may withdraw the request for a letter ruling, in writing, prior to the issuance of the letter ruling. The director or the director's designee may refuse to issue a letter ruling for good cause, but must list the specific reasons for refusing to issue the letter ruling. Good cause includes, but is not limited to:~~

~~(1) The applicant requests the director to determine whether a statute is constitutional or a regulation is lawful;~~

~~(2) The request involves a hypothetical situation or alternative plans;~~

~~(3) The facts or issues presented in the request are unclear, overbroad, insufficient, or otherwise inappropriate as a basis upon which to issue a letter ruling; and~~

~~(4) The issue is currently being considered in a rulemaking procedure, contested case, or other agency or judicial proceeding that may definitely resolve the issue.~~

~~3. Letter rulings shall bind the director and the director's agents and their successors until such time as the taxpayer or its shareholders, members, or partners, as applicable, claim all of such tax credits on a Missouri tax return, subject to the terms and conditions set forth in properly published regulations. The letter ruling shall apply only to the applicant.~~

~~4. Letter rulings issued under the authority of this section shall not be a rule as defined in section 536.010 in that it is an interpretation issued by the department with respect to a specific set of facts and intended to apply only to that specific set of facts, and therefore shall not be subject to the rulemaking requirements of chapter 536.~~

~~5. Information in letter ruling requests as described in section 620.014 shall be closed to the public. Copies of letter rulings shall be available to the public provided that the applicant identifying information and otherwise protected information is redacted from the letter ruling as provided in subsection 1 of section 610.024.~~**]**

**[**~~208.750. 1. Sections 208.750 to 208.775 shall be known and may be cited as the "Family Development Account Program".~~

~~2. For purposes of sections 208.750 to 208.775, the following terms mean:~~

~~(1) "Account holder", a person who is the owner of a family development account;~~

~~(2) "Community-based organization", any religious or charitable association formed pursuant to chapter 352 or any nonprofit corporation formed under chapter 355 that is approved by the director of the department of economic development to implement the family development account program;~~

~~(3) "Department", the department of economic development;~~

~~(4) "Director", the director of the department of economic development;~~

~~(5) "Family development account", a financial instrument established pursuant to section 208.760;~~

~~(6) "Family development account reserve fund", the fund created by an approved community-based organization for the purposes of funding the costs incurred in the administration of the program and for providing matching funds for moneys in family development accounts;~~

~~(7) "Federal poverty level", the most recent poverty income guidelines published in the calendar year by the United States Department of Health and Human Services;~~

~~(8) "Financial institution", any bank, trust company, savings bank, credit union or savings and loan association as defined in chapter 362, 369 or 370 and with an office in Missouri which is approved by the director for participation in the program;~~

~~(9) "Program", the Missouri family development account program established in sections 208.750 to 208.775;~~

~~(10) "Program contributor", a person or entity who makes a contribution to a family development account reserve fund and is not the account holder.~~]

[~~208.755. 1. There is hereby established within the department of economic development a program to be known as the "Family Development Account Program". The program shall provide eligible families and individuals with an opportunity to establish special savings accounts for moneys which may be used by such families and individuals for education, home ownership or small business capitalization.~~

~~2. The department shall solicit proposals from community-based organizations seeking to administer the accounts on a not-for-profit basis. Community-based organization proposals shall include:~~

~~(1) A requirement that the individual account holder or the family of an account holder match the contributions of a community-based organization member by contributing cash;~~

~~(2) A process for including account holders in decision making regarding the investment of funds in the accounts;~~

~~(3) Specifications of the population or populations targeted for priority participation in the program;~~

~~(4) A requirement that the individual account holder or the family of an account holder attend economic literacy seminars;~~

~~(5) A process for including economic literacy seminars in the family development account program; and~~

~~(6) A process for regular evaluation and review of family development accounts to ensure program compliance by account holders.~~

~~3. In reviewing the proposals of community-based organizations, the department shall consider the following factors:~~

~~(1) The not-for-profit status of such organization;~~

~~(2) The fiscal accountability of the community-based organization;~~

~~(3) The ability of the community-based organization to provide or raise moneys for matching contributions;~~

~~(4) The ability of the community-based organization to establish and administer a reserve fund account which shall receive all contributions from program contributors; and~~

~~(5) The significance and quality of proposed auxiliary services, including economic literacy seminars, and their relationship to the goals of the family development account program.~~

~~4. No more than twenty percent of all funds in the reserve fund account may be used for administrative costs of the program in each of the first two years of the program, and no more than fifteen percent of such funds may be used for administrative costs for any subsequent year. Funds deposited by account holders shall not be used for administrative costs.~~

~~5. The department shall promulgate rules and regulations to implement and administer the provisions of sections 208.750 to 208.775. No rule or portion of a rule promulgated pursuant to the authority of sections 208.750 to 208.775 shall become effective unless it has been promulgated pursuant to the provisions of chapter 536.~~]

**[**~~208.760. 1. A family or individual whose household income is less than or equal to two hundred percent of the federal poverty level may open a family development account for the purpose of accumulating and withdrawing moneys for specified expenditures. The account holder may withdraw moneys from the account on the approval of the community-based organization, without penalty, for any of the following expenditures:~~

~~(1) Educational costs for any family member at an accredited institution of higher education;~~

~~(2) Job training costs for any family member eighteen years of age or older, at an accredited or licensed training program;~~

~~(3) Purchase of a primary residence;~~

~~(4) Major repairs or improvements to a primary residence; or~~

~~(5) Start-up capitalization of a small business for any family member eighteen years of age or older.~~

~~2. Financial institutions approved by the department shall be permitted to establish family development accounts pursuant to sections 208.750 to 208.775. The financial institution shall certify to the department, on forms prescribed by the department and accompanied by any documentation required by the department, that such accounts have been established pursuant to the provisions of sections 208.750 to 208.775 and that deposits have been made on behalf of the account holder.~~

~~3. A financial institution establishing a family development account shall:~~

~~(1) Keep the account in the name of the account holder;~~

~~(2) Permit deposits to be made in the account by the following, subject to the indicated conditions:~~

~~(a) The account holder; or~~

~~(b) A community-based organization on behalf of the account holder. Such a deposit may include moneys to match the account holder's deposits, up to a three-to-one match rate;~~

~~(3) Require the account to earn at least the market rate of interest; and~~

~~(4) Permit the account holder to withdraw moneys from the account for any of the purposes listed in subsection 1 of this section.~~

~~4. The total of all deposits by the account holder into a family development account in a calendar year shall not exceed two thousand dollars. The total balance in a family development account shall not exceed fifty thousand dollars.~~**]**

**[**~~208.765. 1. Account holders who withdraw moneys from a family development account not in accordance with subsection 1 of section 208.760 shall forfeit all matching moneys in the account.~~

~~2. All moneys forfeited by an account holder pursuant to subsection 1 of this section shall be returned to the family development account reserve fund of the community-based organization.~~

~~3. In the event of an account holder's death, the account may be transferred to the ownership of a contingent beneficiary. An account holder shall name contingent beneficiaries at the time the account is established and may change such beneficiaries at any time. If the named beneficiary is deceased or otherwise cannot accept the transfer, the moneys shall be transferred to the family development account reserve fund of the community-based organization.~~**]**

**[**~~208.770. 1. Moneys deposited in or withdrawn pursuant to subsection 1 of~~

~~section 208.760 from a family development account by an account holder are exempted from taxation pursuant to chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, and chapter 147, 148 or 153 provided, however, that any money withdrawn for an unapproved use should be subject to tax as required by law.~~

~~2. Interest earned by a family development account is exempted from taxation pursuant to chapter 143.~~

~~3. Any funds in a family development account, including accrued interest, shall be disregarded when determining eligibility to receive, or the amount of, any public assistance or benefits.~~

~~4. A program contributor shall be allowed a credit against the tax imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, and chapter 147, 148 or 153, pursuant to sections 208.750 to 208.775. Contributions up to fifty thousand dollars per program contributor are eligible for the tax credit which shall not exceed fifty percent of the contribution amount.~~

~~5. The department of economic development shall verify all tax credit claims by contributors. The administrator of the community-based organization, with the cooperation of the participating financial institutions, shall submit the names of contributors and the total amount each contributor contributes to a family development account reserve fund for the calendar year. The director shall determine the date by which such information shall be submitted to the department by the local administrator. The department shall submit verification of qualified tax credits pursuant to sections 208.750 to 208.775 to the department of revenue.~~

~~6. For all fiscal years ending on or before June 30, 2010, the total tax credits authorized pursuant to sections 208.750 to 208.775 shall not exceed four million dollars in any fiscal year. For all fiscal years beginning on or after July 1, 2010, the total tax credits authorized under sections 208.750 to 208.775 shall not exceed three hundred thousand dollars in any fiscal year.~~**]**

**[**~~208.775. Subject to appropriations and to the provisions of chapter 34, the department shall annually award up to one hundred thousand dollars for an independent evaluation of the program. Based on this program evaluation, the department shall provide a comprehensive report on the program to the speaker of the house and the president pro tem of the senate by March first of each year, beginning in 2000.~~**]**

Section B. Because of the need to provide for the preservation of historic buildings, sections 253.545, 253.550, 253.559, and 620.1900 of section A of this act are deemed necessary for the immediate preservation of the public health, welfare, peace, and safety, and are hereby declared to be an emergency act within the meaning of the constitutiton, and sections 253.545, 253.550, 253.559, and 620.1900 of section A of this act shall be in full force and effect upon its passage and approval."; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.