

House \_\_\_\_\_ Amendment NO. \_\_\_\_\_

Offered By \_\_\_\_\_

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

3  
4 "135.305. A Missouri wood energy producer shall be eligible for a tax credit on taxes  
5 otherwise due under chapter 143, except sections 143.191 to 143.261, as a production incentive to  
6 produce processed wood products in a qualified wood-producing facility using Missouri forest  
7 product residue. The tax credit to the wood energy producer shall be five dollars per ton of  
8 processed material. The credit may be claimed for a period of five years and is to be a tax credit  
9 against the tax otherwise due. No new tax credits, provided for under sections 135.300 to 135.311,  
10 shall be authorized after ~~June 30, 2020~~ August 28, 2018. In no event shall the aggregate amount  
11 of all tax credits allowed under sections 135.300 to 135.311 exceed six million dollars in any given  
12 fiscal year. There shall be no tax credits authorized under sections 135.300 to 135.311 unless an  
13 appropriation is made for such tax credits.

14 135.313. 1. Any person, firm or corporation who engages in the business of producing  
15 charcoal or charcoal products in the state of Missouri shall be eligible for a tax credit on income  
16 taxes otherwise due pursuant to chapter 143, except sections 143.191 to 143.261, as an incentive to  
17 implement safe and efficient environmental controls. The tax credit shall be equal to fifty percent  
18 of the purchase price of the best available control technology equipment connected with the  
19 production of charcoal in the state of Missouri or, if the taxpayer manufactures such equipment,  
20 fifty percent of the manufacturing cost of the equipment, to and including the year the equipment is  
21 put into service. The credit may be claimed for a period of eight years beginning with the 1998  
22 calendar year and is to be a tax credit against the tax otherwise due. No new tax credits authorized  
23 under this section shall be issued after August 28, 2018.

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

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

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

36 5. The director of the department of natural resources in conjunction with the department of

Action Taken \_\_\_\_\_ Date \_\_\_\_\_

1 economic development shall certify to the department of revenue that the best available control  
2 technology equipment meets the requirements to obtain a tax credit as specified in this section.

3 135.490. 1. In order to encourage and foster community improvement, an eligible small  
4 business, as defined in Section 44 of the Internal Revenue Code, shall be allowed a credit not to  
5 exceed five thousand dollars against the tax otherwise due pursuant to chapter 143, not including  
6 sections 143.191 to 143.265, in an amount equal to fifty percent of all eligible access expenditures  
7 exceeding the monetary cap provided by Section 44 of the Internal Revenue Code. For purposes of  
8 this section, "eligible access expenditures" means amounts paid or incurred by the taxpayer in order  
9 to comply with applicable access requirements provided by the Americans With Disabilities Act of  
10 1990, as further defined in Section 44 of the Internal Revenue Code and federal rulings interpreting  
11 Section 44 of the Internal Revenue Code.

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

15 3. The director of the department of economic development and the director of the  
16 department of revenue shall jointly administer the tax credit authorized by this section. Both the  
17 director of the department of economic development and the director of the department of revenue  
18 are authorized to promulgate rules and regulations necessary to administer the provisions of this  
19 section. No rule or portion of a rule promulgated pursuant to the authority of this section shall  
20 become effective unless it has been promulgated pursuant to the provisions of chapter 536.

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

24 135.700. For all tax years beginning on or after January 1, 1999, but before January 1,  
25 2019, a grape grower or wine producer shall be allowed a tax credit against the state tax liability  
26 incurred pursuant to chapter 143, exclusive of the provisions relating to the withholding of tax as  
27 provided in sections 143.191 to 143.265, in an amount equal to twenty-five percent of the purchase  
28 price of all new equipment and materials used directly in the growing of grapes or the production of  
29 wine in the state. Each grower or producer shall apply to the department of economic development  
30 and specify the total amount of such new equipment and materials purchased during the calendar  
31 year. The department of economic development shall certify to the department of revenue the  
32 amount of such tax credit to which a grape grower or wine producer is entitled pursuant to this  
33 section. The provisions of this section notwithstanding, a grower or producer may only apply for  
34 and receive the credit authorized by this section for five tax periods.

35 135.800. 1. The provisions of sections 135.800 to 135.830 shall be known and may be cited  
36 as the "Tax Credit Accountability Act of 2004".

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

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

41 (2) "Agricultural tax credits", the agricultural product utilization contributor tax credit  
42 created pursuant to section 348.430, the new generation cooperative incentive tax credit created  
43 pursuant to section 348.432, the family farm breeding livestock loan tax credit created under section  
44 348.505, the qualified beef tax credit created under section 135.679, and the wine and grape  
45 production tax credit created pursuant to section 135.700;

46 (3) "All tax credit programs", or "any tax credit program", the tax credit programs included  
47 in the definitions of agricultural tax credits, business recruitment tax credits, community  
48 development tax credits, domestic and social tax credits, entrepreneurial tax credits, environmental

1 tax credits, financial and insurance tax credits, housing tax credits, redevelopment tax credits, and  
2 training and educational tax credits;

3 (4) "Business recruitment tax credits", the business facility tax credit created pursuant to  
4 sections 135.110 to 135.150 and section 135.258, the enterprise zone tax benefits created pursuant  
5 to sections 135.200 to 135.270, the business use incentives for large-scale development programs  
6 created pursuant to sections 100.700 to 100.850, the development tax credits created pursuant to  
7 sections 32.100 to 32.125, the rebuilding communities tax credit created pursuant to section  
8 135.535, the film production tax credit created pursuant to section 135.750, the enhanced enterprise  
9 zone created pursuant to sections 135.950 to 135.970, and the Missouri quality jobs program created  
10 pursuant to sections 620.1875 to 620.1900;

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

15 (6) "Domestic and social tax credits", the youth opportunities tax credit created pursuant to  
16 section 135.460 and sections 620.1100 to 620.1103, the shelter for victims of domestic violence  
17 created pursuant to section 135.550, the senior citizen or disabled person property tax credit created  
18 pursuant to sections 135.010 to 135.035, the special needs adoption tax credit created pursuant to  
19 sections 135.325 to 135.339, the champion for children tax credit created pursuant to section  
20 135.341, the maternity home tax credit created pursuant to section 135.600, the surviving spouse tax  
21 credit created pursuant to section 135.090, the residential treatment agency tax credit created  
22 pursuant to section 135.1150, the pregnancy resource center tax credit created pursuant to section  
23 135.630, the food pantry tax credit created pursuant to section 135.647, the health care access fund  
24 tax credit created pursuant to section 135.575, the residential dwelling access tax credit created  
25 pursuant to section 135.562, the developmental disability care provider tax credit created under  
26 section 135.1180, and the shared care tax credit created pursuant to section 192.2015;

27 (7) "Entrepreneurial tax credits", the capital tax credit created pursuant to sections 135.400  
28 to 135.429, the certified capital company tax credit created pursuant to sections 135.500 to 135.529,  
29 the seed capital tax credit created pursuant to sections 348.300 to 348.318, the new enterprise  
30 creation tax credit created pursuant to sections 620.635 to 620.653, the research tax credit created  
31 pursuant to section 620.1039, the small business incubator tax credit created pursuant to section  
32 620.495, the guarantee fee tax credit created pursuant to section 135.766, and the new generation  
33 cooperative tax credit created pursuant to sections 32.105 to 32.125;

34 (8) "Environmental tax credits", the charcoal producer tax credit created pursuant to section  
35 135.313, the wood energy tax credit created pursuant to sections 135.300 to 135.311, and the  
36 alternative fuel stations tax credit created pursuant to section 135.710;

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

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

46 (11) "Recipient", the individual or entity who is the original applicant for and who receives  
47 proceeds from a tax credit program directly from the administering agency, the person or entity  
48 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.

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.

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

1 447.700 to 447.718 may receive the tax credits and exemptions pursuant to sections 135.100 to  
2 135.150 and sections 135.200 to 135.257. The tax credits allowed pursuant to this subsection shall  
3 be used to offset the tax imposed by chapter 143, excluding withholding tax imposed by sections  
4 143.191 to 143.265, or the tax otherwise imposed by chapter 147, or the tax otherwise imposed by  
5 chapter 148. No tax credit authorized under this subsection shall be issued after August 28, 2018.  
6 For purposes of this subsection:

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

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

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

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

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

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

37 (7) For the purpose of meeting the new job requirement prescribed in subdivisions (1), (2)  
38 and (3) of this subsection, it shall be required that at least ten new jobs be created and maintained  
39 during the taxpayer's tax period for which the credits are earned, in the case of an eligible project  
40 that does not replace a similar facility in Missouri. "New job" means a person who was not  
41 previously employed by the taxpayer or related taxpayer within the twelve-month period  
42 immediately preceding the time the person was employed by that taxpayer to work at, or in  
43 connection with, the eligible project on a full-time basis. "Full-time basis" means the employee  
44 works an average of at least thirty-five hours per week during the taxpayer's tax period for which  
45 the tax credits are earned. For the purposes of this section, "related taxpayer" has the same meaning  
46 as defined in subdivision (10) of section 135.100;

47 (8) For the purpose of meeting the existing job retention requirement, if the eligible project  
48 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

1 the systems and equipment are built and installed at the eligible project and the costs of performing  
2 the voluntary remediation activities over a period not in excess of four tax years following the  
3 taxpayer's tax year in which the system and equipment were first put into use at the eligible project,  
4 provided the remediation activities are the subject of a plan submitted to, and approved by, the  
5 director of natural resources pursuant to sections 260.565 to 260.575. The tax credit may also  
6 include up to one hundred percent of the costs of demolition that are not directly part of the  
7 remediation activities, provided that the demolition is on the property where the voluntary  
8 remediation activities are occurring, the demolition is necessary to accomplish the planned use of  
9 the facility where the remediation activities are occurring, and the demolition is part of a  
10 redevelopment plan approved by the municipal or county government and the department of  
11 economic development. The demolition may occur on an adjacent property if the project is located  
12 in a municipality which has a population less than twenty thousand and the above conditions are  
13 otherwise met. The adjacent property shall independently qualify as abandoned or underutilized.  
14 The amount of the credit available for demolition not associated with remediation cannot exceed the  
15 total amount of credits approved for remediation including demolition required for remediation.

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

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

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

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

39 (6) No tax credit authorized under this subsection shall be issued after August 28, 2018.

40 4. In the exercise of the sound discretion of the director of the department of economic  
41 development or the director's designee, the tax credits and exemptions described in this section may  
42 be terminated, suspended or revoked if the eligible project fails to continue to meet the conditions  
43 set forth in this section. In making such a determination, the director shall consider the severity of  
44 the condition violation, actions taken to correct the violation, the frequency of any condition  
45 violations and whether the actions exhibit a pattern of conduct by the eligible facility owner and  
46 operator. The director shall also consider changes in general economic conditions and the  
47 recommendation of the director of the department of natural resources, or his or her designee,  
48 concerning the severity, scope, nature, frequency and extent of any violations of the environmental

1 compliance conditions. The taxpayer or person claiming the tax credits or exemptions may appeal  
2 the decision regarding termination, suspension or revocation of any tax credit or exemption in  
3 accordance with the procedures outlined in subsections 4 and 5 of section 135.250. The director of  
4 the department of economic development shall notify the directors of the departments of natural  
5 resources and revenue of the termination, suspension or revocation of any tax credits as determined  
6 in this section or pursuant to the provisions of section 447.716.

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

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

14 (1) That portion of the taxpayer's income attributed to the eligible project; or  
15 (2) One hundred percent of the total business' income tax if the eligible facility does not  
16 replace a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer's tax  
17 period in which the tax credits are earned, and further provided the taxpayer does not operate any  
18 other facilities besides the eligible project in Missouri; fifty percent of the total business' income tax  
19 if the eligible facility replaces a similar facility that closed elsewhere in Missouri prior to the end of  
20 the taxpayer's tax period in which the credits are earned, and further provided the taxpayer does not  
21 operate any other facilities besides the eligible project in Missouri; or twenty-five percent of the  
22 total business income if the taxpayer operates, in addition to the eligible facility, any other facilities  
23 in Missouri. In no case shall a taxpayer operating more than one eligible project in Missouri be  
24 allowed to offset more than twenty-five percent of the taxpayer's business income in any tax period.  
25 That portion of the taxpayer's income attributed to the eligible project as referenced in subdivision  
26 (1) of this subsection, for which the credits allowed in sections 135.110 and 135.225 and subsection  
27 3 of this section may apply, shall be determined in the same manner as prescribed in subdivision (5)  
28 of section 135.100. That portion of the taxpayer's franchise tax attributed to the eligible project for  
29 which the remediation tax credit may offset, shall be determined in the same manner as prescribed  
30 in paragraph (a) of subdivision (5) of section 135.100.

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

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

43 9. The recipient of remediation tax credits, for the purpose of this subsection referred to as  
44 assignor, may assign, sell or transfer, in whole or in part, the remediation tax credit allowed in  
45 subsection 3 of this section to any other person, for the purpose of this subsection referred to as  
46 assignee. To perfect the transfer, the assignor shall provide written notice to the director of the  
47 assignor's intent to transfer the tax credits to the assignee, the date the transfer is effective, the  
48 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."; 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~~

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

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

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

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

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

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

21           (4) ~~"Long-term debt security", any debt instrument issued by a qualified community~~  
 22 ~~development entity, at par value or a premium, with an original maturity date of at least~~  
 23 ~~seven years from the date of its issuance, with no acceleration of repayment, amortization, or~~  
 24 ~~prepayment features prior to its original maturity date, and with no distribution, payment, or~~  
 25 ~~interest features related to the profitability of the qualified community development entity or~~  
 26 ~~the performance of the qualified community development entity's investment portfolio. The~~  
 27 ~~foregoing shall in no way limit the holder's ability to accelerate payments on the debt~~  
 28 ~~instrument in situations where the issuer has defaulted on covenants designed to ensure~~  
 29 ~~compliance with this section or Section 45D of the Internal Revenue Code of 1986, as~~  
 30 ~~amended;~~

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

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

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

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

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

48           (c) ~~Is designated by the issuer as a qualified equity investment under this subdivision~~

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

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

12 (9) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding  
 13 withholding tax imposed in sections 143.191 to 143.265, or otherwise due under section  
 14 375.916 or chapter 147, 148, or 153;

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

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

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

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

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

48 (2) The issuer redeems or makes principal repayment with respect to a qualified

1 equity investment prior to the seventh anniversary of the issuance of such qualified equity  
 2 investment. Any tax credit that is subject to recapture shall be recaptured from the taxpayer  
 3 that claimed the tax credit on a return.

4 5. The department of economic development shall promulgate rules to implement  
 5 the provisions of this section, including recapture provisions on a scaled proportional basis,  
 6 and to administer the allocation of tax credits issued for qualified equity investments, which  
 7 shall be conducted on a first-come, first-serve basis. Any rule or portion of a rule, as that  
 8 term is defined in section 536.010, that is created under the authority delegated in this  
 9 section shall become effective only if it complies with and is subject to all of the provisions  
 10 of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are  
 11 nonseverable and if any of the powers vested with the general assembly pursuant to chapter  
 12 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently  
 13 held unconstitutional, then the grant of rulemaking authority and any rule proposed or  
 14 adopted after September 4, 2007, shall be invalid and void.

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

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

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

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

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

43  
 44 [135.682. 1. The director of the department of economic development or the  
 45 director's designee shall issue letter rulings regarding the tax credit program authorized  
 46 under section 135.680, subject to the terms and conditions set forth in this section. The  
 47 director of the department of economic development may impose additional terms and  
 48 conditions consistent with this section to requests for letter rulings by regulation

1 promulgated under chapter 536. For the purposes of this section, the term "letter ruling"  
2 means a written interpretation of law to a specific set of facts provided by the applicant  
3 requesting a letter ruling.

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

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

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

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

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

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

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

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

29  
30 Further amend said bill by amending the title, enacting clause, and intersectional references  
31 accordingly.