COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3662-04
Bill No.: HCS for SCS for SB 616
Subject: Taxation and Revenue - General; Taxation and Revenue - Sales and Use; Counties, Hospitals
Type: Original
Date: May 8, 2020

Bill Summary: This proposal modifies provisions relating to taxes.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
General Revenue*	($940,000) or up to ($16,178,000)	($940,000) or Could exceed ($18,212,000)	($940,000) or Could exceed ($18,212,000)	($940,000) or Could exceed ($18,212,000)
Total Estimated Net Effect on General Revenue	**($940,000) or up to ($16,178,000)**	**($940,000) or Could exceed ($18,212,000)**	**($940,000) or Could exceed ($18,212,000)**	**($940,000) or Could exceed ($18,212,000)**

* The actual impact of the proposal to the General Revenue Fund depends upon the utilization of new (Capitol Complex) or amended (Wood Energy, Shelter for Victims of Domestic Violence and Rolling Stock) tax credit programs.

Numbers within parentheses: ( ) indicate costs or losses.
This fiscal note contains 33 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
Blind Pension (0651)	$0	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
Capitol Complex	Up to $20,000,000	Up to $20,000,000	Up to $20,000,000	Up to $20,000,000
Total Estimated Net Effect on Other State Funds	**Up to $20,000,000**	**Could exceed $20,000,000**	**Could exceed $20,000,000**	**Could exceed $20,000,000**

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
Total Estimated Net Effect on All Federal Funds	**$0**	**$0**	**$0**	**$0**

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
Capitol Complex	0 to 1 FTE	0 to 1 FTE	0 to 1 FTE	0 to 1 FTE
Total Estimated Net Effect on FTE	**0 to 1 FTE**	**0 to 1 FTE**	**0 to 1 FTE**	**0 to 1 FTE**

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed $100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
Local Government	**$0 or up to $2,200,000**	**Unknown to (Unknown)**	**Unknown to (Unknown)**	**Unknown to (Unknown)**

FISCAL ANALYSIS

ASSUMPTION

Due to time constraints, **Oversight** was unable to receive some of the agency responses in a timely manner and performed limited analysis. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

§94.842 - City of Springfield to Levy a Transient Guest

In response to similar legislation (HB 1700), officials from the **Office of Administration, Division of Budget & Planning (B&P)** stated this proposed legislation allows voters in the City of Springfield (the City) to impose a transient guest tax up to 7.5% for the purpose of funding capital investments that can be demonstrated to increase the number of overnight visitors.

The analysis assumes that an agreement is entered into by the City and the State of Missouri's Director of Revenue for the collection of the tax.

Based upon the City's Calendar Year 2019 estimated $117.0 million of taxable room sales, B&P estimates that a 7.5% tax will generate $8.8 million in collections ($117 million * 7.5%). Since the legislation indicates that this sales tax would take effect starting April 1, only Quarter 4 of Fiscal Year 2021 sales collections would be impacted. This results in the proposed sales tax generating approximately $2.2 million for the City in Fiscal Year 2021. As a voter-approved tax, the collected revenues will not impact General Revenue (GR) and Total State Revenues (TSR); however, the Department of Revenue (DOR) will retain 1% to offset collection costs (if an agreement is entered into by the City and DOR for DOR to collect the tax). Therefore, this portion could increase GR and TSR by approximately $22,000 in Fiscal Year 2021.

B&P defers to DOR for more specific estimates of actual collection costs.

Oversight notes B&P estimates the City could recognize $8.8 million in tax revenue when fully implemented. Oversight further notes B&P estimates that GR and TSR could increase by one percent (1%) of the total amount collected from the City's transient guest tax if the City and DOR come to an agreement for DOR to collect the tax on behalf of the City.

In response to similar legislation (HB 1700), officials from the **City of Springfield (City)** stated there is a positive impact to the City. The City assumes, if voters approved the tax increase, the positive impact is likely to be more than $2.5 million per year.

ASSUMPTION (continued)

Oversight notes the City assumes the City's tax revenues would increase by an amount greater than $2.5 million per year.

Oversight notes this proposed legislation would allow the City, if approved by the City's voters, to impose a tax on the charges for all sleeping rooms paid by transient guests of hotels or motels located in the City equal at a rate not to exceed seven and one-half percent (7.5%). Oversight further notes the tax revenues generated would be designated solely for capital investments that can be demonstrated to increase the number of overnight visitors in the City.

Oversight assumes that the City would not recognize a gain in tax revenues unless the tax was approved by the voters of the City. Therefore, for purposes of this fiscal note, Oversight will show a range for Springfield from $0 (governing body of the city does not submit the proposal to the voters or the voters defeat the proposal) up to $2.2 million in Fiscal Year 2021 and $8.8 million each fiscal year thereafter, as estimated by B&P using data provided by to them by the City's Convention and Visitors Bureau.

For the purposes of this fiscal note, Oversight will show a range for General Revenue beginning at $0 (City collects the tax) to $22,000 in Fiscal Year 2021 and $88,000 each fiscal year thereafter (City and DOR agree for DOR to collect the tax on behalf of the City).

Oversight notes, in response to similar legislation (HB 1700), the **Missouri Department of Revenue** and the **Missouri Secretary of State's Office** each stated the proposed legislation would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations.

Oversight notes if an agreement was entered into by the City of Springfield and the Missouri Department of Revenue, GR and TSR could increase by one percent (1%) of the total amount of tax generated.

Oversight notes, in response to similar legislation (HB 1700), the **University of Missouri's Economic and Policy Analysis Research Center** indicated they do not possess the data to estimate the impact of this proposed legislation.

§§99.805, 99.810, 99.821, 99.843, 99.846, 99.847, and 99.848 - Tax Increment Financing Districts

Oversight notes, in response to the similar legislation (Perfected SB 570), officials from the **Office of Administration, Division of Budget & Planning (B&P)** assumed this proposed legislation has no direct impact on B&P, has no direct impact on General Revenue and Total State Revenue, and will not impact the calculation pursuant to Article X, Section 18(e).

ASSUMPTION (continued)

In response to similar legislation (Perfected SB 570), officials from the **Missouri Department of Revenue** and the **Missouri State Tax Commission** each assumed there is no fiscal impact from this proposed legislation.

Oversight notes, in response to similar legislation (SB 570), the **Missouri Department of Economic Development, Divisions of: Business and Community Solutions** and the **Missouri Development Finance Board** and the **Missouri Department of Public Safety, State Emergency Management Agency** each stated they do not anticipate a fiscal impact from this proposed legislation.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations.

In response to similar legislation (SB 570), officials from the **City of Kansas City (Kansas City or City)** stated the proposed amendments to Sec. 99.805(1) narrow the definition of "blighted area". Kansas City does not have sufficient information to determine whether the change in the definition would actually decrease the expected number of future proposed Tax Increment Finance (TIF) projects. If there is a decrease in the number of such projects and this were determined to have a negative effect on economic development, then this proposed legislation would have a negative fiscal impact on Kansas City.

The proposed amendment to the definition of "conservation area" in §99.805, which requires that the "dilapidation standard" be met in all "conservation area" designations, is also designed to limit the availability of "conservation area" as a basis for a TIF project. Kansas City does not have sufficient information to determine whether this change would limit the number of future proposed "conservation area" TIF projects within Kansas City. If there is a decrease in the number of such projects and this were determined to have a negative effect on economic development, then such proposed amendment would have a negative fiscal impact on Kansas City.

The proposed definitions for "retail area" or "retail infrastructure" found in §99.805 of this proposed legislation, in combination with the new §99.810.2 in this legislation, will have a positive fiscal impact on Kansas City. These added definitions will limit some developers from overstretching the boundaries for which TIF projects were intended; overstretching that would result in less City tax revenues being diverted into the TIF project.

In response to similar legislation (Perfected SB 570), officials from the **City of Springfield** assumed there is no direct fiscal impact to the Springfield. However, allowing a school district to opt out of Tax Increment Finance (TIF) revenue capture essentially removes TIF as a viable economic development tool that could otherwise be used to redevelop blighted areas, so this bill may have long-term negative fiscal effects.

ASSUMPTION (continued)

Oversight notes this proposal changes the definition of "blighted area" and "conservation area" while also changing the criteria required to be met by conservation areas before redevelopment plans can take place. This proposed legislation would also change the requirements for retail areas and development allowances in flood plains for tax increment financing projects. Under this proposed legislation, potential tax increment financing project areas must first be studied by a party other than the proponent of the redevelopment plan.

Redevelopment plans approved or amended after December 31, 2020 by St. Louis City may provide for the deposit of up to ten percent (10%) of the tax increment financing revenues into a strategic infrastructure for economic growth fund instead of depositing such amounts into the special allocation fund. Oversight will reflect potential income into the new St. Louis City fund and an offsetting loss to their special allocation fund.

Oversight notes this proposed legislation would allow for redevelopment projects that are located in an area designated as a flood plain so long as the redevelopment projects are within one of the following political subdivisions: Jackson County, Jefferson County, City of Platte City, City of St. Joseph, City of Springfield, port district or levee/drainage district (so long as it was created prior to August 28, 2020). The allowances granted, and otherwise not granted, shall not apply to projects or districts approved prior to June 30, 2021.

Oversight also notes this proposed legislation would allow for ambulance district boards, fire protection district boards, and any governing body operating a 911 center providing dispatch services who imposes a property tax for the purposes of providing emergency services to be entitled to reimbursement from the special allocation fund in the amount of at least fifty percent but not more than one hundred percent of the districts or 911 center's tax increment. In addition, any ambulance district boards, fire protection districts or any governing body operating a 911 center imposing an economic activities tax for the purposes of providing emergency services shall be entitled to reimbursement from the special allocation fund.

In response to similar legislation (SB 570), officials from the **City of Columbia** and **St. Louis County** each assumed there is no fiscal impact from this proposed legislation.

Oversight will not show a fiscal impact of the changes to the tax increment financing laws. Oversight assumes the changes put forth may or may not impact future development projects; however, Oversight considers this to be an indirect impact of the proposed legislation.

§135.305- Reauthorization of the Wood Energy Tax Credit until June 30, 2026

In response to similar legislation (HB 2274), officials from the **Office of Administration, Division of Budget & Planning (B&P)** assumed this proposal has no direct impact on B&P, no impact on General Revenue (GR) or Total State Revenue (TSR) nor will it impact the calculation under Article X, Section 18(e).

ASSUMPTION (continued)

Oversight's policy is to show the extension of the tax credit in the fiscal note. Oversight will show the revenue reduction (TSR and GR) for Fiscal Year(s), beginning in Fiscal Year 2021, as a continuation at the FY 21 appropriation level ($740,000) or up to the $6 million annual cap.

In response to similar legislation (HB 2274), officials from the **Missouri Department of Revenue** noted the Wood Energy Tax Credit has a $6 million annual cap that is subject to appropriations. The legislature appropriated $1 million in Wood Energy Tax Credits in Fiscal Year 2018 and Fiscal Year 2019. The legislature appropriated $1.5 million in Wood Energy Tax Credits in Fiscal Year 2020. The Wood Energy Tax Credit authorized under this section is not currently allowed additional authorizations after June 30, 2020. This proposed legislation would extend the sunset date applied to the credit until June 30, 2026.

DOR assumes no additional impact to their agency from the extension of the Wood Energy Tax Credit.

Oversight's policy is to show the extension of the tax credit in the fiscal note. Oversight will show the revenue reduction (TSR and GR) for Fiscal Year(s), beginning in Fiscal Year 2021.

Oversight notes, in response to similar legislation (HB 2274), the **Missouri Department of Natural Resources** stated the proposed legislation would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this organization.

Oversight notes this proposed legislation extends the expiration date or end date for the Wood Energy Tax Credit authorized under §135.305 from June 30, 2020 to June 30, 2026. The issuance of the Wood Energy Tax Credit is subject to appropriation by the General Assembly and has a cap of $6 million for each fiscal year. Oversight notes the previous three fiscal year's appropriations for the Wood Energy Tax Credit were:

Fiscal Year 2021 - $740,000 (HB 2006)
Fiscal Year 2020 - $1.5 million (HB 6)
Fiscal Year 2019 - $1.0 million (HB 2007)
Fiscal Year 2018 - $1.0 million (HB 7)

Oversight notes, according to the Tax Credit Analysis submitted by the Department of Natural Resources regarding the Wood Energy Tax Credit program, the Wood Energy Tax Credit had the following activity:

ASSUMPTION (continued)

	FY 2017 ACTUAL	FY 2018 ACTUAL	FY 2019 ACTUAL	FY 2020 (full year) Est.	FY 2021 (budget year) Est.
Certificates Issued (#)	7	7	9	7	0
Projects (#)	7	7	9	7	0
Amount Authorized	$970,000	$970,000	$678,887	$1,455,000	$0
Amount Issued	$970,000	$970,000	$678,887	$1,455,000	$0
Amount Redeemed	$1,374,622	$891,087	$789,077	$989,077	$989,077
FY 2020 EST. Amount Outstanding		$1,388,703	FY 2020 EST. Amount under review to be Authorized and Issued		$3,701,213

Since the cap for this tax credit is $6 million annually (subject to appropriation), for purposes of this fiscal note, Oversight will present the extension of the tax credit as a continuation of the current appropriation level ($740,000) up to the $6 million annual cap.

Section 135.550 - Domestic Violence Tax Credit

In response to similar legislation (Perfected SB 704), officials from **DOR** stated, currently, a taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability, in an amount equal to fifty percent of the amount such taxpayer contributed to a shelter for victims of domestic violence. No taxpayer is allowed to claim more than $50,000 and the total cumulative cap on the program is two million annually.

DOR notes the current tax credit program has issued the following amount of credits:

FY 2015	$1,426,180
FY 2016	$1,892,974
FY 2017	$1,611,058
FY 2018	$1,871,245
FY 2019	$1,852,801

This proposal expands the existing program to allow a nonprofit organization established and operating for the purpose of a shelter for victims of domestic violence and are operated by the state or a political subdivision to also receive this credit as well as rape crisis centers. This could potentially expand the number of taxpayers that could claim the tax credit.

ASSUMPTION (continued)

This proposal replaces the $2.0 million annual cap with a $4.0 million annual cap from this program and it allows the taxpayer to claim the credit in an amount equal to seventy percent of the amount of the contribution. Additionally, this expands the definition of domestic violence shelters, which may encourage more taxpayers to contribute. The five year issue average of the program has been $1,730,852.

Assuming the $1,730,852 had been half of the domestic violence shelters contributions, then increasing the tax credit percent to seventy percent would have resulted in $2,423,193 in tax credits, an increase of $692,341. The increased percent of the credit could result in additional contributions being made to domestic violence shelters, but the DOR does not have any information as to how many more contributions would be made. The DOR assumes this would increase the loss to General Revenue that could exceed $692,341.

In response to similar legislation (Perfected SB 704), officials from the **Missouri Department of Commerce and Insurance (DCI)** assumed a potential unknown negative impact of premium tax revenues (up to the tax credit limit established in the bill) as a result of the Domestic Violence & Rape Crisis Center and the Capitol Complex tax credit. Premium revenue is split 50/50 between General Revenue and County Foreign Insurance Fund except for domestic Stock Property and Casualty Companies who pay premium tax to the County Stock Fund. The County Foreign Insurance Fund is later distributed to school districts throughout the state. County Stock Funds are later distributed to the school district and county treasurer of the county in which the principal office of the insurer is located. It is unknown how each of these funds may be impacted by tax credits each year and which insurers will qualify for the tax credit proposed.

Oversight notes, per the Tax Credit Analysis Form, for the Shelter for Victims of Domestic Violence Tax Credit, the following activity has been recognized:

	FY 2017 ACTUAL	FY 2018 ACTUAL	FY 2019 ACTUAL	FY 2020 (Est)	FY 2021 (Est)
Certificates Issued (#)	2364	2403	2035	2450	2450
Projects (#)	N/A	N/A	N/A	N/A	N/A
Amount Authorized	$1,611,058	$1,871,245	$1,752,801	$1,800,000	$1,800,000
Amount Issued	$1,611,058	$1,871,245	$1,852,801	$1,800,000	$1,800,000
Amount Redeemed	$1,476,638	$1,510,572	$883,099	$1,300,000	$1,300,000

Oversight notes, in Fiscal Year 2020, $1,800,000 is projected to be issued in Domestic Violence Shelter Tax Credit(s).

ASSUMPTION (continued)

Oversight notes this proposed legislation expands the definition of "shelter for victims of domestic violence" to include a non-profit organization established and operating exclusively for the purpose of supporting a shelter for victims of domestic violence operated by the state or one of its political subdivisions and adds the definition of "rape crisis center." Oversight assumes the expansion of the definition of shelter for victims of domestic violence and adding rape crisis centers to eligible entities expands and increases the number of entities that are permitted to award Domestic Violence Shelter Tax Credits to donors. Oversight assumes the increase in the number of entities that are permitted to award such tax credits could increase the participation in the tax credit program.

Also, **Oversight** notes this proposed legislation increases the tax credit percentage from 50% of the donation to 70% of the donation beginning Fiscal Year 2022. Oversight assumes the increase in tax credit percentage could provide incentive for increased participation in the program.

Oversight further notes this proposed legislation increases, for all fiscal years beginning on or after July 1, 2021 (Fiscal Year 2022), the cumulative amount of tax credits that may be claimed by all the taxpayer's contributing to shelters for victims of domestic violence from $2 million to $4 million.

Therefore, for purposes of this fiscal note, **Oversight** will report the fiscal impact as an amount equal to a negative "Up to $200,000" beginning in Fiscal Year 2021, as a result of the potential increased utilization of the tax credit as a result from expanding the definition of "shelter for victims of domestic violence" and adding the definition of "rape crisis center" (current $2 million cap - Fiscal Year 2021 estimated issuances of $1.8 million) . Furthermore, beginning in Fiscal Year 2022, Oversight will report the fiscal impact as an amount equal to a negative "Up to $2,200,000" as a result of the $2 million increase in the cap, plus the potential increased utilization of the tax credit of $200,000 in Fiscal Year 2021 (current $2 million cap - Fiscal Year 2021 estimated issuances of $1.8 million) from expanding the definition of "shelter for victims of domestic violence" and adding the definition of "rape crisis center."

§§137.123 and 153.030 - Taxation of Certain Energy-Producing Property

In response to similar legislation (HB 2454), officials from the **State Tax Commission (STC)** stated the STC has reviewed HB 2454 and determined an unknown fiscal impact on school districts and other local taxing jurisdictions (cities, counties and fire districts) who rely on property tax as a source of revenue which wind energy projects owned by a public utility has tax situs. In 2019, House Bill 220 was enacted which established that all wind generation real and

ASSUMPTION (continued)

personal property used to generate electricity owned by a public utility would will be assessed locally by county assessors and the addition of the wind energy assessment assets created a positive fiscal impact for local taxing jurisdictions. HB 2454 establishes that wind energy projects (all real and personal property excluding land) will be assessed using a depreciation methodology provided in §137.123. The fiscal impact for those taxing jurisdictions in which a wind energy facility has tax situs will be determined by the size, number and scope of the wind energy project.

In response to similar legislation (HB 2454), officials from the **Office of Administration, Division of Budget and Planning (B&P)** assumed this proposal may impact TSR. This proposal may impact the calculation under Article X, Section 18(e).

§§137.123 and 153.030 would require all real and tangible personal property, except land, associated with a wind energy project be depreciated at the rates established within the section. B&P notes that currently such property uses the depreciation schedule in §137.122. Therefore, B&P estimates that these sections may impact TSR and the Blind Pension Trust Fund if the use of the new depreciation schedule changes the assessed values of relevant property. In addition, these sections may impact the calculation under Article X, Section 18(e).

This proposal would also repeal § 393.1073 which established the "Task Force on Wind Energy". B&P notes that this section expired on December 31, 2019. This section will not impact TSR or the calculation under Article X, Section 18(e).

In response to similar legislation (HB 2454), officials from the **Department of Revenue (DOR)** state the assessment of property tax is handled by the State Tax Commission. The Department assumes no direct fiscal impact from this proposal and defers to the State Tax Commission for a statewide fiscal impact.

In response to similar legislation (HB 2454), officials from the **Department of Social Services**, **Department of Commerce and Insurance**, and the **Office of the State Auditor** each assumed the proposal will have no fiscal impact on their respective organizations.

Officials from **Adair County** stated this proposal will be detrimental to tax funding for schools. In response to similar legislation (HB 2454), officials stated mills need to be assessed by their potential energy output.

ASSUMPTION (continued)

Oversight assumes this proposal changes the depreciation schedule for tangible personal property and makes real property, excluding land, subject to a depreciation schedule. In addition, Oversight assumes this proposal requires assessors to use the cost approach to valuing property that uses wind energy directly to generate electricity.

Oversight assumes this proposal could result in an unknown impact (positive or negative) to the Blind Pension Fund and local political subdivisions depending on the specifics of the wind energy project.

Additionally, **Oversight** notes property tax revenues are generally designed to be revenue neutral from year to year. The tax levy is adjusted relative to the assessed value to produce roughly the same revenue from the prior year with an allowance for growth. Therefore, Oversight assumes this proposal could impact property tax levies.

§137.1018 - Extends Sunset on Rolling Stock Tax Credit

In response to similar legislation (SB 1081), officials from the **State Tax Commission** assumed this proposal has an unknown fiscal impact. The rolling stock tax credit was established to provide an economic incentive (subject to appropriation)to have private rail cars manufactured, maintained or improved in Missouri. Freight line companies receive the tax credit for expenses (prorated based on the amount of appropriation) incurred in the manufacture or improvements to qualified rolling stock; the state then reimburses political subdivisions for any loss in property tax revenue resulting from utilization of this credit. The credit, created in 2008, has been funded in three fiscal years 2016, 2017, and 2020. The fiscal impact would be determined by the legislature if appropriated.

In response to similar legislation (SB 1081),officials from the **Department of Revenue (DOR)** assumed this is the rolling stock tax credit and it was scheduled to sunset on August 28, 2020. This proposal would extend the sunset to August 28, 2026. This tax credit is subject to appropriations.

The General Assembly appropriated the following amounts:
FY 2010 - $4,000,000- Governor line-item vetoed
FY 2015 - $2,000,000 - Governor line-item vetoed
FY 2016 - $300,000
FY 2017 - $ 600,000 - Governor restricted $300,000
FY 2018 & FY 2019- $0 was appropriated
FY 2020- $200,000

ASSUMPTION (continued)

The extension of the sunset of this program is not expected to have a fiscal impact on the DOR. Since this tax credit is appropriated, it would not have a fiscal impact unless the General Assembly votes to appropriate money to it.

Per the Qualified Rolling Stock Tax Credit Sunset Review, **Oversight** notes the following information:

Table 1 - Appropriation history of the Qualified Rolling Stock tax credit

Fiscal Year(s)	General Assembly appropriated	Amount Vetoed/ Reserved/Restricted	Tax credits available	Tax credits issued
2010	$3,000,000	($3,000,000)	$0	$0
2011 - 2014	$0	$0	$0	$0
2015	$2,000,000	($2,000,000)	$0	$0
2016	$300,000	($9,000)	$291,000	$291,000
2017	$600,000	($309,000)	$291,000	$291,000
2018	$0	$0	$0	$0
2019	$1	$0	$1	$0
2020	$200,000	($6,000)	$194,000	N.A.

Source: Missouri State Tax Commission, SAMII, Missouri General Assembly

Table 2 reflects information about the tax credits issued during fiscal years 2016 and 2017. Roughly half of the credits issued (each year's total credits issued were $291,000) were for under $100.

ASSUMPTION (continued)

Table 2 - Facts regarding the tax credits issued in FY 2016 and FY 2017

Fiscal Year	Number of companies that received credits	Largest tax credit issued	2nd largest tax credit issued	Smallest tax credit issued	Median tax credit issued	Number of credits issued greater than $100	Number of credits issued smaller than $100	Total tax credits as a % of Total Private Car property taxes due
2016	101	$104,684	$36,599	$0.34	$119.95	51	50	6.2%
2017	99	$106,954	$37,574	$0.35	$126.06	57	42	6.7%

Source: Missouri State Tax Commission, Oversight Division

Table 3 reflects the reimbursement by the Commission to the counties (after the tax credit has been utilized by the private car companies) based on railroad mileage.

Table 3

Fiscal Year	Total amount reimbursed*	Number of counties reimbursed**	Average reimbursement per county	Largest reimbursement county	Smallest reimbursement county
2016	$286,361	90	$3,182	$11,028 (Jackson)	$303 (Camden)
2017	$286,361	90	$3,182	$11,028 (Jackson)	$303 (Camden)

Source: Missouri State Tax Commission

Oversight notes the Qualified Rolling Stock Tax Credit was scheduled to sunset six years from the effective date, August 28, 2014; however, Senate Bill 23 (2013) extended the sunset to August 28, 2020. Oversight assumes this proposal would continue the Qualified Rolling Stock tax credit that is set to expire in FY 2021.

Oversight assumes the cost to the state would depend on the amount appropriated by the General Assembly. Oversight will show a range of impact from $0 (no appropriation) to a cost that could exceed $100,000.

ASSUMPTION (continued)

§205.202 - Hospital Districts - Wayne County - Sales Tax in Lieu of Property Tax

In response to the previous version of this proposal, officials from the **DOR** stated this section clarifies what happens upon dissolution of a hospital district that was levying a sales tax. The sales tax is to be distributed 25% to the county public health center and 75% to the federally qualified health center. This proposal would not have a fiscal impact on DOR but would clarify where the money DOR receives is to be distributed.

Oversight notes in response to similar legislation, (SCS for SB 616), the **Department of Health and Senior Services** and the **Department of Social Services** stated the proposal would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations.

Section 436.218 - 436.266 - Athlete Agents

In response to the previous version of this proposal, officials from the **DOR** state this section would not have a fiscal impact on DOR.

In response to similar legislation (HCS HB 2100 & 1532), officials from the **Department of Commerce and Insurance (DCI)**, the **Department of Corrections**, the **Office of the State Courts Administrator**, the **Office of the State Public Defender**, the **Office of Prosecution Services**, the **Department of Public Safety**, **Missouri Highway Patrol**, **State Technical College of Missouri** and the **University of Central Missouri** each assumed the proposal would have no fiscal impact on their respective organizations.

Oversight notes that several agencies have stated the proposal would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note as it relates to this section.

Oversight notes, in response to similar legislation (HB 1532), the **University of Central Missouri**, the **Missouri Department of Social Services**, the **Department of Public Safety, State Emergency Management Agency** and **Missouri National Guard**, and the **Missouri Department of Health and Senior Services** each stated the proposed legislation would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero fiscal impact in the fiscal note for these organizations.

ASSUMPTION (continued)

§620.3210 - Capitol Complex Tax Credit Act

In response to similar legislation (SB 586), officials from the **Office of Administration, Division of Budget & Planning (B&P)** stated this proposal would create a tax credit for individuals or entities that make eligible monetary or artifact donations to the Capitol Complex Fund, beginning January 1, 2020. Taxpayers may claim a tax credit for an amount up to 50% of their eligible monetary donation or for an amount up to 30% of their eligible artifact donation. The credit for monetary donations is refundable or can be carried forward to any of the four subsequent taxable years. The credit for eligible artifact donations has a four-year carry-forward provision. Issuances of these tax credits are capped at $10,000,000 annually. These tax credits may offset Tax Year 2020 liabilities; therefore, reducing General Revenue (GR) and Total State Revenues (TSR) by an amount up to $10,000,000 annually beginning in Fiscal Year 2021.

This proposal would also create the Capitol Complex Fund that will be used for maintenance, renovations, and rehabilitation of the Capitol Complex, administered by the Missouri Development Finance Board. Revenues for this fund will consist of monetary donations. Because this fund will be a Missouri Development Finance Board fund outside the State Treasury, it will have no impact on TSR.

Oversight notes the tax credit created under §620.3210 of this proposed legislation is awarded to qualified donors who make eligible monetary donations equal to fifty percent (50%) of the donation and to qualified donors who make eligible artifact donations equal to thirty percent (30%) of the donation. Only revenues from eligible monetary donations of this proposed legislation would be deposited into the Capitol Complex Fund. The cumulative cap for tax credits created under this proposed legislation is $10 million annually. Oversight notes the $10 million cap is for both eligible monetary donations and eligible artifact donations. Thus, Oversight assumes the maximum amount that could be deposited into the Capitol Complex Fund by means of eligible monetary donations is $20 million annually provided no eligible artifact donations are recognized. The estimated amount deposited into the Capitol Complex Fund is dependent on eligible monetary donations; the estimated amount deposited could be reduced for every eligible artifact donation as no revenues are deposited into the Capitol Complex Fund from artifact donations while the donation itself would lessen the shared amount available within the $10 million tax credit cap.

ASSUMPTION (continued)

In response to similar legislation (SB 586), officials from the **Missouri Department of Economic Development (DED)** stated this creates the Capitol Complex Tax Credit Act. Beginning January 1, 2020, a donor gets a tax credit equal to fifty percent (50%) for monetary donations and thirty percent (30%) for artifact donations. This proposed legislation places a cap of $10 million in authorizations per year. This is the impact to TSR since it is a reduction of tax revenue.

DED will need to hire one (1) Economic Development Incentive Specialist III (at $51,808 annually) to administer the program.

Oversight assumes DED could absorb the additional duties and responsibilities of the tax credit program proposed without adding additional FTE; however, due to the uncertainty of how many tax credits will be issued under this proposed legislation, Oversight will range DED's cost from $0 (FTE can be absorbed) to the estimate(s) provided by DED for one Economic Development Incentive Specialist III (FTE is not absorbed) to the Capitol Complex Fund. Oversight notes this proposed legislation allows administrative costs to be paid out of the Capitol Complex Fund. Therefore, Oversight assumes GR would not be impacted by adding DED's FTE. Oversight notes, however, this proposed legislation would not require in-state or out-of-state travel for DED. Therefore, Oversight has adjusted the expenses reported by DED to remove the in-state and out-of-state travel expenses reported.

In response to similar legislation (SB 586), officials from the **Missouri Department of Revenue (DOR)** stated this proposed legislation creates the "Capitol Complex Tax Credit Act." For all taxable years beginning on or after January 1, 2020, this act authorizes a tax credit against the taxes otherwise due under Chapter 143 and 148, except for §§143.191 to 143.265, for all monetary and artifact donations. The tax credit for monetary donations shall not exceed fifty percent (50%) of the eligible donation, is refundable and may be carried forward up to four taxable years. The tax credit for artifact donations shall not exceed thirty percent (30%) of the eligible donation, is not refundable but may be carried forward up to four taxable years. No more than $10 million in tax credits shall be authorized in any given calendar year.

This proposed legislation establishes the "Capitol Complex Fund", which is authorized to receive any eligible monetary donation as provided in the section. The "Capitol Complex Fund" shall be separated into two accounts: a rehabilitation and renovation account and a maintenance account.

ASSUMPTION (continued)

The distribution of the funds shall be 90% to the rehabilitation and renovation account and 7.5% to the maintenance account. The remaining 2.5 percent may be used for soliciting donations to the fund, advertising and promoting the fund, and administrative costs of the fund.

DOR assumes this would cause a negative impact to GR up to $10 million annually starting in Fiscal Year 2021.

Oversight notes the tax credit program authorized under this proposed legislation would begin January 1, 2020. Tax Year 2020 tax returns claiming the tax credit(s) authorized under this proposed legislation would not be filed until after January 1, 2021(Fiscal Year 2021). Therefore, Oversight will show the revenue reduction to GR and TSR, as it relates to the tax credit beginning in Fiscal Year 2021 and show the revenue gain to the Capitol Complex Fund, as it relates to the donations made, beginning in Fiscal Year 2021.

In response to similar legislation (SB 586), officials from the **Office of Administration (OA)** stated this bill would create the Capitol Complex Fund (the Fund) to be used for maintenance, renovation, and rehabilitation of the Capitol Complex. Donors to the Fund would be eligible to receive a credit against state income tax for 50% of their donation amount. The bill provides that the Commissioner of Administration would determine what projects are performed with the money from the Fund and how projects will be carried out.

OA and the Division of Facilities Management, Design & Construction Division (OA,FMDC) assume this bill could result in OA,FMDC being responsible for additional projects in the Capitol Complex. Without information about the amount of donations that would be received and the nature of the projects that would be performed with the money from the fund, there could be an increase in project work. On the other hand, this bill could have a cost savings for OA,FMDC dependent upon the amount of donations and tax credits that could equitably be used towards projects and maintenance to the buildings.

In response to similar legislation (SB 586), officials from the **Missouri Department of Commerce and Insurance (DCI)** stated this proposed legislation could result in a potential unknown decrease of premium tax revenues (up to the tax credit limit established in the bill) as a result of the creation of the Capitol Complex Tax Credit. Premium tax revenue is split 50/50 between General Revenue GR and the County Foreign Insurance Fund except for domestic Stock

ASSUMPTION (continued)

Property and Casualty Companies who pay premium tax to the County Stock Fund. The County Foreign Insurance Fund is later distributed to school districts throughout the state. County Stock Funds are later distributed to the school district and county treasurer of the county in which the principal office of the insurer is located. It is unknown how each of these funds may be impacted by tax credits each year and which insurers will qualify for the tax credit proposed.

DCI will require minimal contract computer programming to add this new tax credit to the premium tax database and can do so under existing appropriation. However, should multiple bills pass that would require additional updates to the premium tax database, DCI may need to request more expense and equipment appropriation through the budget process.

Oversight notes DCI assumes they could absorb the responsibilities of the tax credit created under this proposed legislation. Should many bills pass which warrant updates to DCI's Premium Tax Database, DCI may seek additional expense and equipment through the appropriation process.

Oversight notes this proposed legislation establishes the Capitol Complex Tax Credit Act for which qualified donors of eligible monetary items and eligible artifact items could qualify for a tax credit to offset tax(es) due under Chapters 143 and 148, other than Withholding Tax(es) authorized under §§143.191 to 143.265. The tax credit program authorized would begin January 1, 2020. Qualified donors who make eligible monetary donations could qualify for a tax credit up to fifty percent (50%) of the amount donated while qualified donors who make eligible artifact donations could qualify for a tax credit up to thirty percent (30%) of the value of the artifact which would be determined by the Board of Public Buildings. Oversight notes the Board of Public Building consists of the Governor, the Attorney General and the Lieutenant Governor. Tax credits authorized for eligible monetary donations could be refunded or carried forward for four taxable periods. Tax credits authorized for eligible artifact donations are limited to the recipients state tax liability and may not be refunded but may be carried forward for four taxable periods.

Oversight notes that no more than $10 million may be authorized in tax credit(s) under this proposed legislation each calendar year and the tax credits would be issued on a first-come, first-serve basis. Therefore, **Oversight** estimates GR and TSR could be reduced by an amount up to $10,000,000 as a result of the tax credit created under this proposed legislation.

Oversight notes the eligible monetary amounts donated by qualified donors would be deposited into the Capitol Complex Fund. Oversight estimates the maximum deposits into the Capitol Complex Fund each year by means of eligible monetary donations to be $20 million ($10 million cap / 50% tax credit).

ASSUMPTION (continued)

This proposed legislation provides that the Capitol Complex Fund shall be segregated into two separate accounts; a Rehabilitation and Renovation Account and a Maintenance Account. Oversight notes the proposed legislation states ninety percent (90%) of the revenues received from eligible monetary donations shall be deposited into the Rehabilitation and Renovation Account and seven and one-half percent (7.5%) percent shall be deposited into the Maintenance Account while the remaining two and one-half percent (2.5%) may be used for the purposes of soliciting donations to the fund, advertising and promoting the fund, and administrative costs of administering the fund. Oversight provides the following maximum estimated allocation of revenues generated by eligible monetary donations:

Capitol Complex Fund		Rehab. And Renovation Account (90%)	Maintenance Account (7.5%)	Soliciting/Advertising/Promotion/ Admin. Costs (2.5%)
Section 620.3210	$20,000,000	$18,000,000	$1,500,000	$500,000
Total (DED FTE Not Included)	**$20,000,000**	**$18,000,000**	**$1,500,000**	**$500,000**
Less DED Admin. Cost	($84,157) credited from revenues in last column			
Total (DED FTE Included)	**$19,915,843**	**$18,000,000**	**$1,500,000**	**$415,843**

Oversight notes the estimated deposits into the Capitol Complex Fund of $20 million is dependent on monetary donations and could be reduced by each eligible artifact donation, as tax credits awarded for such a donation do not warrant any deposit into the Capitol Complex fund but would lessen the shared amount available within the $10 million tax credit cap.

Oversight notes, since the Capitol Complex Fund would be a Missouri Development Finance Board fund, outside of the State Treasurer's Office, there will be no impact to General Revenue (GR) or Total State Revenue (TSR) as a result of the qualified donations.

Oversight notes, in response to similar legislation (SB 586), the **Governor's Office**, the **Missouri Department of Transportation**, the **Missouri State Treasurer's Office** and the **Missouri Attorney General's Office** each stated this proposed legislation would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero fiscal impact in this fiscal note for these organizations.

ASSUMPTION (continued)

Oversight notes, in response to similar legislation (SB 586), the **Lieutenant Governor's Office** stated this proposed legislation would not have a direct fiscal impact on that organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero fiscal impact in this fiscal note for this organization.

Bill as a Whole

In response to legislation with similar rules language, officials from the **Joint Committee on Administrative Rules (JCAR)** have assumed the proposal is not anticipated to cause a fiscal impact beyond current appropriations.

Oversight assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

In response to legislation with similar rules language, officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than $5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

FISCAL IMPACT - State Government	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
GENERAL REVENUE FUND				
Revenue Gain - (§94.842) - one percent of total tax revenues collected by DOR on behalf of the City of Springfield (if agreement is made with City) p.4	$0 or up to $22,000	$0 or up to $88,000	$0 or up to $88,000	$0 or up to $88,000
Revenue Reduction - (§135.305) - Extension of the Wood Energy Tax Credit from 6/30/2020 to 6/30/2026 p. 9	($740,000) or up to ($6,000,000) depending upon appropriation	($740,000) or up to ($6,000,000) depending upon appropriation	($740,000) or up to ($6,000,000) depending upon appropriation	($740,000) or up to ($6,000,000) depending upon appropriation
Revenue Reduction - (§135.550) - Increase in DVC tax credit from 50% to 70% and cap p.11	Up to ($200,000)	Up to ($2,200,000)	Up to ($2,200,000)	Up to ($2,200,000)
Cost - (§137.1018) Extension of sunset for Qualified Rolling Stock tax credit p. 15	$0	$0 or (Unknown, Could exceed $100,000)	$0 or (Unknown, Could exceed $100,000)	$0 or (Unknown, Could exceed $100,000)

FISCAL IMPACT - State Government	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
GENERAL REVENUE FUND (continued)				
Revenue Reduction - (§620.3210) - Tax Credit for eligible monetary donations to Capitol Complex Fund and eligible artifact donations to Board of Public Buildings p. 17	Up to ($10,000,000)	Up to ($10,000,000)	Up to ($10,000,000)	Up to ($10,000,000)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	**($940,000) or up to ($16,178,000)**	**($940,000) or Could exceed ($18,212,000)**	**($940,000) or Could exceed ($18,212,000)**	**($940,000) or Could exceed ($18,212,000)**
BLIND PENSION FUND (0651)				
Revenue Gain or Loss - (§§137.123 & 153.030) - Changes to the assessment of wind energy projects p. 11 - 13	$0	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
ESTIMATED NET EFFECT ON THE BLIND PENSION FUND	**$0**	**Unknown to (Unknown)**	**Unknown to (Unknown)**	**Unknown to (Unknown)**

FISCAL IMPACT - State Government	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
CAPITOL COMPLEX FUND				
Revenue Gain - (§620.3210) - Total value of monetary donations made by donors for 50% tax credit p. 17 - 20	Up to $20,000,000	Up to $20,000,000	Up to $20,000,000	Up to $20,000,000
Revenue Reduction/Expense - (§620.3210) - Revenues used for restoration and maintenance of the buildings of the Capitol Complex p. 17 - 20	(Unknown)	(Unknown)	(Unknown)	(Unknown)
Cost - DED - (§620.3210) p. 18				
Personal Service	$0 to ($43,173)	$0 to ($52,326)	$0 to ($52,849)	$0 to ($53,377)
Fringe Benefits	$0 to ($23,938)	$0 to ($28,897)	$0 to ($29,071)	$0 to ($29,362)
Equipment and Expense	$0 to ($11,215)	$0 to ($2,934)	$0 to ($2,998)	$0 to ($3,073)
Total Cost - DED	$0 to ($78,326)	$0 to ($84,157)	$0 to ($84,918)	$0 to ($85,812)
FTE Change	0 to 1 FTE	0 to 1 FTE	0 to 1 FTE	0 to 1 FTE
ESTIMATED NET EFFECT ON CAPITOL COMPLEX FUND	**Up to $20,000,000**	**Up to $20,000,000**	**Up to $20,000,000**	**Up to $20,000,000**
Estimated Net FTE Change on the Capitol Complex Fund	0 to 1 FTE	0 to 1 FTE	0 to 1 FTE	0 to 1 FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
LOCAL GOVERNMENTS				
<u>Revenue Gain</u> - (§94.842) - City of Springfield transient guest tax p.4 & 5	$0 or up to $2,200,000	$0 or up to $8,800,000	$0 or up to $8,800,000	$0 or up to $8,800,000
<u>Revenue Gain or Loss</u> - Changes to the assessment of wind energy projects (§§137.123 & 153.030) p. 11 - 13	$0	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
<u>Income</u> - Various taxing districts - allowed to retain a portion of their revenues (§§99.805 - 99.848) p. 6 & 7	$0	$0 or Unknown	$0 or Unknown	$0 or Unknown
<u>Loss</u> - TIF Districts - various taxing districts may be allowed to be excluded from TIF requirements (§§99.805 - 99.848) p. 6 & 7	$0	$0 or (Unknown)	$0 or (Unknown)	$0 or (Unknown)

FISCAL IMPACT - Local Government	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
LOCAL GOVERNMENTS (continued)				
Income - City of St. Louis - Strategic Infrastructure for Economic Growth Fund - City allowed to allocate up to 10% of TIF revenues to this fund (§99.821) p. 6 & 7	$0	$0 or Unknown	$0 or Unknown	$0 or Unknown
Loss - City of St. Louis - Special Allocation Fund - City allowed to allocate up to 10% of TIF revenues to a new fund (§99.821) p. 6 & 7	$0	$0 or (Unknown)	$0 or (Unknown)	$0 or (Unknown)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	**$0 or up to $2,200,000**	**Unknown to (Unknown)**	**Unknown to (Unknown)**	**Unknown to (Unknown)**

FISCAL IMPACT - Small Business

This proposed legislation could impact small businesses, such as motels' and hotels' as they would be required to collect and remit the tax(es) to the appropriate authority (City of Springfield or Missouri Department of Revenue). (§67.1545)

This proposed legislation could potentially impact any small business that utilizes the Wood Energy Tax Credit as the small business could reduce or eliminate their state tax liability. (§135.305)

FISCAL IMPACT - Small Business (continued)

This legislation could impact any small business that qualifies and claims the Domestic Violence Tax Credit. (§135.550)

Oversight assumes there could be a fiscal impact to small businesses as a result of this proposal. (§§137.123 & 153.030)

Oversight assumes small businesses could be impacted by this proposal. (§137.1018)

This proposed legislation could positively impact any small business that makes eligible monetary donations or eligible artifact donations as they may receive a tax credit that would reduce or eliminate the small business's tax liability; increasing such small businesses net revenues. (§620.3210)

FISCAL DESCRIPTION

This bill authorizes any home rule city with more than 155,000 but fewer than 200,000 inhabitants to submit to the voters a transient guest tax not to exceed 7.5% of the charges per occupied room per night. Such tax shall be used solely for capital investments that can be demonstrated to increase the number of overnight visitors. This currently only applies to the City of Springfield. Upon voter approval, the city may adopt rules and regulations for the internal collection of the tax, or may enter into an agreement with the Department of Revenue for the collection of the tax. (§94.842)

This act modifies several provisions relating to tax increment financing.

This act modifies the definitions of "blighted area" and "conservation area", and creates new definitions for "port infrastructure projects", "retail area", and "retail infrastructure projects". (§99.805)

This act modifies local tax increment financing projects by providing that a study shall be conducted by a party other than the proponent of the redevelopment plan, which details how the area meets the definition of an area eligible to receive tax increment financing.

This act also provides that retail areas, as defined in the act, shall not receive tax increment financing unless such financing is exclusively utilized to fund retail infrastructure projects, as defined in the act, or unless such area is a blighted or conservation area. (§99.810)

FISCAL DESCRIPTION (continued)

For tax increment financing projects approved or amended after December 31, 2020, the City of St. Louis may provide for the deposit of up to 10% of the tax increment financing revenues generated by the project into a Strategic Infrastructure for Economic Growth Fund to be established by the city. Moneys deposited in such fund may be expended by the city for the purpose of funding capital investments in public infrastructure that is located in a census tract that is defined as a low-income community or is eligible to be designated as a Qualified Opportunity Zone under federal law. (§99.821)

This act prohibits new projects from being authorized in any Greenfield area. (§99.843)

This act also prohibits new projects from being authorized in an area designated as a flood plain by the Federal Emergency Management Agency unless such projects are located in 1) Jackson or Clay counties; 2) the cities of Springfield or St. Joseph, 3) in a port district, provided such financing is utilized for port infrastructure projects; or 4) in a levee or drainage district created prior to August 28, 2020. This provision shall not apply to tax increment financing projects or districts approved prior to June 30, 2021, and such projects may be modified, amended, or expanded by not more than forty percent of such projects' original projected cost. Projects in flood plains shall not be authorized in St. Charles County unless the redevelopment area actually abuts a river or major waterway, as described in the act. (§99.847)

Current law allows districts and counties imposing a property tax for the purposes of providing emergency services to be entitled to reimbursement from the special allocation fund of a portion of the district's or county's tax increment. This act modifies such provision to allow reimbursement to ambulance districts, fire protection districts, and governing bodies operating a 911 center providing dispatch services and which impose property taxes or economic activity taxes for such purposes. (§99.848)

This bill extends the tax credit for Missouri wood energy producers from June 30, 2020 to June 30, 2026. (§135.305)

The proposed legislation modifies provisions relating to taxation. (§135.550)
This bill modifies several provisions related to property that uses wind energy to generate electricity.

Beginning January 1, 2021, this bill develops a depreciation table, as described in the bill, for the purpose of assessing all real, excluding land, or tangible personal property associated with a project that uses wind energy to generate electricity (§137.123, RSMo).

FISCAL DESCRIPTION (continued)

Current law provides for a tax credit for eligible expenses incurred in the manufacture, maintenance, or improvement of a freight line company's qualified rolling stock, with such tax credit to expire on August 28, 2020. This act extends such credit until August 28, 2026. (§137.1018)

Additionally, this bill requires that any public utility company which has ownership of any real or personal property associated with a project that directly uses wind energy to generate electricity will be taxed using a standardized methodology of:

(1) Any wind energy property of such company will be assessed on the county assessor's local tax rolls; and

(2) All other real property, excluding land, or personal property related to the wind energy project will be assessed using the methodology provided under the depreciation table in this bill (§153.030).

The Capitol Complex Fund is authorized to receive any eligible monetary donation, as defined in the act, and shall be segregated into two accounts: a rehabilitation and renovation account, and a maintenance account. Ninety percent of the revenues deposited into the fund shall be placed in the rehabilitation and renovation account and seven and one-half percent of revenues deposited in the fund shall be placed in the maintenance account. The remaining two and one-half percent of the funds may be used for the purposes of fundraising, advertising, and administrative costs.

The choice of projects for which money is to be used, as well as the determination of the methods of carrying out the project and the procurement of goods and services, shall be made by the Commissioner of Administration. No moneys shall be released from the fund for any expense without the approval of the Commissioner of Administration.

For all taxable years beginning on or after January 1, 2020, any qualified donor, as defined in the act, shall be allowed a credit against any state income tax (except employer withheld taxes) or state taxes imposed on financial institutions for an amount equal to fifty percent of the monetary donation amount. Any amount of tax credit that exceeds the qualified donor's state income tax liability may be refunded or carried forward for the following four years.

FISCAL DESCRIPTION (continued)

For all taxable years beginning on or after January 1, 2020, a qualified donor shall be allowed a credit against any state income tax (except employer withheld taxes) or state taxes imposed on financial institutions for an amount equal to thirty percent of the value of the eligible artifact donation, as defined in the act. Any amount of tax credit that exceeds the donor's tax liability shall not be refunded for artifacts, but the credit may be carried forward for four subsequent years.

The Department of Economic Development shall not issue tax credits for donations to the Capitol Complex Fund in excess of $10 million per year in the aggregate. Donations received in excess of the cap shall be placed in line for tax credits the following year. Alternatively, a donor may donate without receiving the credit or may request that their donation is returned.

Tax credits issued for donations under this act are not subject to any fee. Tax credits issued under this act may be assigned, transferred, sold, or otherwise conveyed.

Additionally, this bill repeals an expired provision of law that established the "Task Force on Wind Energy" (§393.1073).

This act shall sunset six years after August 28, 2020, unless reauthorized by the General Assembly. (§620.3210)

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Attorney General's Office
Department of Commerce and Insurance
Department of Economic Development -
Business and Community Solutions Division
Missouri Development Finance Board
Department of Health and Senior Services
Department of Natural Resources
Department of Corrections
Department of Revenue
Department of Public Safety -
Missouri State Highway Patrol
Missouri National Guard
State Emergency Management Agency
Department of Social Services
Governor's Office
Joint Committee on Administrative Rules
Lieutenant Governor's Office
Missouri Department of Transportation
Missouri Office of Prosecution Services
Office of Administration -
Budget & Planning
Facilities Management, Design and Construction
Office of State Courts Administrator
Office of State Auditor
Office of Secretary of State
Office of State Public Defender
Office of State Treasurer
Missouri State Tax Commission
University of Missouri -
Economic and Policy Research Center
University of Central Missouri
State Technical College of Missouri
City of Springfield
Adair County
City of Kansas City

SOURCES OF INFORMATION (continued)

City of Springfield
City of Columbia
St. Louis County

Julie Morff
Director
May 8, 2020

Ross Strope
Assistant Director
May 8, 2020