

FIRST REGULAR SESSION

[PERFECTED]

HOUSE BILL NO. 948

101ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE FRANCIS.

2107H.01P

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 135.305, 135.686, and 348.436, RSMo, and to enact in lieu thereof three new sections relating to tax credits for agricultural purposes.

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

Section A. Sections 135.305, 135.686, and 348.436, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 135.305, 135.686, and 348.436, to read as follows:

135.305. A Missouri wood energy producer shall be eligible for a tax credit on taxes otherwise due under chapter 143, except sections 143.191 to 143.261, as a production incentive to produce processed wood products in a qualified wood-producing facility using Missouri forest product residue. The tax credit to the wood energy producer shall be five dollars per ton of processed material. The credit may be claimed for a period of five years and is to be a tax credit against the tax otherwise due. No new tax credits, provided for under sections 135.300 to 135.311, shall be authorized after June 30, ~~2020~~ **2027**. In no event shall the aggregate amount of all tax credits allowed under sections 135.300 to 135.311 exceed six million dollars in any given fiscal year. There shall be no tax credits authorized under sections 135.300 to 135.311 unless an appropriation is made for such tax credits.

135.686. 1. This section shall be known and may be cited as the "Meat Processing Facility Investment Tax Credit Act".

2. As used in this section, the following terms mean:

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

- 4 (1) "Authority", the agricultural and small business development authority established
5 in chapter 348;
- 6 (2) "Meat processing facility", any commercial plant, as defined under section 265.300,
7 at which livestock are slaughtered or at which meat or meat products are processed for sale
8 commercially and for human consumption;
- 9 (3) "Meat processing modernization or expansion", constructing, improving, or acquiring
10 buildings or facilities, or acquiring equipment for meat processing including the following, if
11 used exclusively for meat processing and if acquired and placed in service in this state during tax
12 years beginning on or after January 1, 2017, but ending on or before December 31, [~~2021~~] **2027**:
- 13 (a) Building construction including livestock handling, product intake, storage, and
14 warehouse facilities;
- 15 (b) Building additions;
- 16 (c) Upgrades to utilities including water, electric, heat, refrigeration, freezing, and waste
17 facilities;
- 18 (d) Livestock intake and storage equipment;
- 19 (e) Processing and manufacturing equipment including cutting equipment, mixers,
20 grinders, sausage stuffers, meat smokers, curing equipment, cooking equipment, pipes, motors,
21 pumps, and valves;
- 22 (f) Packaging and handling equipment including sealing, bagging, boxing, labeling,
23 conveying, and product movement equipment;
- 24 (g) Warehouse equipment including storage and curing racks;
- 25 (h) Waste treatment and waste management equipment including tanks, blowers,
26 separators, dryers, digesters, and equipment that uses waste to produce energy, fuel, or industrial
27 products;
- 28 (i) Computer software and hardware used for managing the claimant's meat processing
29 operation including software and hardware related to logistics, inventory management,
30 production plant controls, and temperature monitoring controls; and
- 31 (j) Construction or expansion of retail facilities or the purchase or upgrade of retail
32 equipment for the commercial sale of meat products if the retail facility is located at the same
33 location as the meat processing facility;
- 34 (4) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding
35 withholding tax imposed under sections 143.191 to 143.265, or otherwise due under chapter 147;
- 36 (5) "Taxpayer", any individual or entity who:
- 37 (a) Is subject to the tax imposed under chapter 143, excluding withholding tax imposed
38 under sections 143.191 to 143.265, or the tax imposed under chapter 147;

39 (b) In the case of an individual, is a resident of this state as verified by a 911 address or,
40 in the absence of a 911 system, a physical address; and

41 (c) Owns a meat processing facility located in this state;

42 (6) "Used exclusively", used to the exclusion of all other uses except for use not
43 exceeding five percent of total use.

44 3. For all tax years beginning on or after January 1, 2017, but ending on or before
45 December 31, ~~2024~~ 2027, a taxpayer shall be allowed a tax credit for meat processing
46 modernization or expansion related to the taxpayer's meat processing facility. The tax credit
47 amount shall be equal to twenty-five percent of the amount the taxpayer paid in the tax year for
48 meat processing modernization or expansion.

49 4. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's
50 state tax liability for the tax year for which the credit is claimed. No tax credit claimed under
51 this section shall be refundable. The tax credit shall be claimed in the tax year in which the meat
52 processing modernization or expansion expenses were paid, but any amount of credit that the
53 taxpayer is prohibited by this section from claiming in a tax year may be carried forward to any
54 of the taxpayer's four subsequent tax years. The total amount of tax credits that any taxpayer
55 may claim shall not exceed seventy-five thousand dollars per year. If two or more persons own
56 and operate the meat processing facility, each person may claim a credit under this section in
57 proportion to his or her ownership interest; except that, the aggregate amount of the credits
58 claimed by all persons who own and operate the meat processing facility shall not exceed
59 seventy-five thousand dollars per year. The amount of tax credits authorized in this section and
60 section 135.679 in a calendar year shall not exceed two million dollars. Tax credits shall be
61 issued on an as-received application basis until the calendar year limit is reached. Any credits
62 not issued in any calendar year shall expire and shall not be issued in any subsequent year.

63 5. To claim the tax credit allowed under this section, the taxpayer shall submit to the
64 authority an application for the tax credit on a form provided by the authority and any application
65 fee imposed by the authority. The application shall be filed with the authority at the end of each
66 calendar year in which a meat processing modernization or expansion project was completed and
67 for which a tax credit is claimed under this section. The application shall include any certified
68 documentation, proof of meat processing modernization or expansion, and any other information
69 required by the authority. All required information obtained by the authority shall be
70 confidential and not disclosed except by court order, subpoena, or as otherwise provided by law.
71 If the taxpayer and the meat processing modernization or expansion meet all criteria required by
72 this section and approval is granted by the authority, the authority shall issue a tax credit
73 certificate in the appropriate amount. Tax credit certificates issued under this section may be
74 assigned, transferred, sold, or otherwise conveyed, and the new owner of the tax credit certificate

75 shall have the same rights in the tax credit as the original taxpayer. If a tax credit certificate is
76 assigned, transferred, sold, or otherwise conveyed, a notarized endorsement shall be filed with
77 the authority specifying the name and address of the new owner of the tax credit certificate and
78 the value of the tax credit.

79 6. Any information provided under this section shall be confidential information, to be
80 shared with no one except state and federal animal health officials, except as provided in
81 subsection 5 of this section.

82 7. The authority shall promulgate rules establishing a process for verifying that a
83 facility's modernization or expansion for which tax credits were allowed under this section has
84 in fact expanded the facility's production within three years of the issuance of the tax credit and
85 if not, the authority shall promulgate through rulemaking a process by which the taxpayer shall
86 repay the authority an amount equal to that of the tax credit allowed.

87 8. The authority shall, at least annually, submit a report to the Missouri general assembly
88 reviewing the costs and benefits of the program established under this section.

89 9. The authority may promulgate rules to implement the provisions of this section. Any
90 rule or portion of a rule, as that term is defined in section 536.010, that is created under the
91 authority delegated in this section shall become effective only if it complies with and is subject
92 to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and
93 chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant
94 to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are
95 subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed
96 or adopted after August 28, 2016, shall be invalid and void.

97 10. This section shall not be subject to the Missouri sunset act, sections 23.250 to
98 23.298.

348.436. The provisions of sections 348.430 to 348.436 shall expire December 31,
2 ~~2021~~ 2027.

✓