

HB 596 -- TAX CREDIT IN FOOD DESERT

SPONSOR: Mackey

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

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

If a taxpayer fails to fully operate the reestablished full-service grocery store at the same location for at least five consecutive years, the taxpayer must repay the credits in an amount equal to the full value of the tax credit received, less 20% of the full value received for each full year in which the grocery store was fully operational.

These provisions sunset on December 21, 2028.

This bill is the same as HB 2110 (2020).