

HCS HB 849 -- HISTORIC BUILDINGS

SPONSOR: Griffith

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Ways and Means by a vote of 11 to 0. Vote "Do Pass" by the Standing Committee on Rules- Administrative Oversight by a vote of 14 to 0.

The following is a summary of the House Committee Substitute for HB 849.

This bill creates the "Capitol Complex Tax Credit Act" and the "Capitol Complex Fund". The Capitol Complex Fund is authorized to receive any eligible monetary donation, as defined in the bill, and will be segregated into two accounts consisting of a rehabilitation and renovation account and a maintenance account. Of the revenues deposited into the Fund, 90% will be placed in the rehabilitation and renovation account and 7.5% of revenues deposited in the Fund will be placed in the maintenance account. The remaining 2.5% 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, will be made by the Commissioner of Administration. No moneys will 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, 2021, any qualified donor, as defined in the bill, will 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 50% 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.

For all taxable years beginning on or after January 1, 2021, a qualified donor will 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 30% of the value of the eligible artifact donation, as defined in the bill. Any amount of tax credit that exceeds the donor's tax liability will not be refunded for artifacts, but the credit may be carried forward for four subsequent years.

The Department of Economic Development will 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 will 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 bill are not subject to any fee. Tax credits issued under this bill may be assigned, transferred, sold, or otherwise conveyed.

This bill will sunset six years from the effective date.

This bill allows the Department to charge a fee in an amount not to exceed 1% of any tax credit issued to a recipient for the rehabilitation of historic structures under Chapter 253, RSMo. Any revenues generated by such a fee will be deposited in the Capitol Complex Fund.

This bill is similar to HB 1713 (2020).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPONENTS: Supporters say that there are projects that need to be completed within the Capitol Complex. Some of these projects include mold removal and making buildings in the Capitol Complex accessible to handicapped individuals.

These projects could cost anywhere between \$250 million and \$300 million. Current funding for these projects are provided by bonds. With this bill, the state would possibly reduce the cost of projects within the Capitol Complex by 50% since that amount could come from donors.

Testifying for the bill were Representative Griffith; Dana Rademan Miller, Missouri State Capitol Commission; and Randy Scherr.

OPPONENTS: Those who oppose the bill submitted online written testimony.

Testifying against the bill was Arnie Dienoff.

Written testimony has been submitted for this bill. The full written testimony can be found under Testimony on the bill page on the House website.