

House _____ Amendment NO. _____

Offered By _____

1 AMEND Senate Bill No. 652, Page 1, Section A, Line 3, by inserting after all of said section and
2 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] 2028. In no event shall the aggregate amount of all tax
11 credits allowed under sections 135.300 to 135.311 exceed six million dollars in any given fiscal
12 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.

14 135.686. 1. This section shall be known and may be cited as the "Meat Processing Facility
15 Investment Tax Credit Act".

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

17 (1) "Authority", the agricultural and small business development authority established in
18 chapter 348;

19 (2) "Meat processing facility", any commercial plant, as defined under section 265.300, at
20 which livestock are slaughtered or at which meat or meat products are processed for sale
21 commercially and for human consumption;

22 (3) "Meat processing modernization or expansion", constructing, improving, or acquiring
23 buildings or facilities, or acquiring equipment for meat processing including the following, if used
24 exclusively for meat processing and if acquired and placed in service in this state during tax years
25 beginning on or after January 1, 2017, but ending on or before December 31, [2024] 2028:

26 (a) Building construction including livestock handling, product intake, storage, and
27 warehouse facilities;

28 (b) Building additions;

29 (c) Upgrades to utilities including water, electric, heat, refrigeration, freezing, and waste
30 facilities;

31 (d) Livestock intake and storage equipment;

32 (e) Processing and manufacturing equipment including cutting equipment, mixers, grinders,
33 sausage stuffers, meat smokers, curing equipment, cooking equipment, pipes, motors, pumps, and
34 valves;

35 (f) Packaging and handling equipment including sealing, bagging, boxing, labeling,
36 conveying, and product movement equipment;

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- 1 (g) Warehouse equipment including storage and curing racks;
- 2 (h) Waste treatment and waste management equipment including tanks, blowers, separators,
- 3 dryers, digesters, and equipment that uses waste to produce energy, fuel, or industrial products;
- 4 (i) Computer software and hardware used for managing the claimant's meat processing
- 5 operation including software and hardware related to logistics, inventory management, production
- 6 plant controls, and temperature monitoring controls; and
- 7 (j) Construction or expansion of retail facilities or the purchase or upgrade of retail
- 8 equipment for the commercial sale of meat products if the retail facility is located at the same
- 9 location as the meat processing facility;
- 10 (4) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding
- 11 withholding tax imposed under sections 143.191 to 143.265, or otherwise due under chapter 147;
- 12 (5) "Taxpayer", any individual or entity who:
- 13 (a) Is subject to the tax imposed under chapter 143, excluding withholding tax imposed
- 14 under sections 143.191 to 143.265, or the tax imposed under chapter 147;
- 15 (b) In the case of an individual, is a resident of this state as verified by a 911 address or, in
- 16 the absence of a 911 system, a physical address; and
- 17 (c) Owns a meat processing facility located in this state and employs a combined total of
- 18 fewer than five hundred individuals in all meat processing facilities owned by the individual or
- 19 entity in this country;
- 20 (6) "Used exclusively", used to the exclusion of all other uses except for use not exceeding
- 21 five percent of total use.

22 3. For all tax years beginning on or after January 1, 2017, but ending on or before December

23 31, ~~[2024]~~ 2028, a taxpayer shall be allowed a tax credit for meat processing modernization or

24 expansion related to the taxpayer's meat processing facility. The tax credit amount shall be equal to

25 twenty-five percent of the amount the taxpayer paid in the tax year for meat processing

26 modernization or expansion.

27 4. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state

28 tax liability for the tax year for which the credit is claimed. No tax credit claimed under this section

29 shall be refundable. The tax credit shall be claimed in the tax year in which the meat processing

30 modernization or expansion expenses were paid, but any amount of credit that the taxpayer is

31 prohibited by this section from claiming in a tax year may be carried forward to any of the

32 taxpayer's four subsequent tax years. The total amount of tax credits that any taxpayer may claim

33 shall not exceed seventy-five thousand dollars per year. If two or more persons own and operate the

34 meat processing facility, each person may claim a credit under this section in proportion to ~~[his or~~

35 ~~her]~~ such person's ownership interest; except that, the aggregate amount of the credits claimed by all

36 persons who own and operate the meat processing facility shall not exceed seventy-five thousand

37 dollars per year. The amount of tax credits authorized in this section ~~[and section 135.679]~~ in a

38 calendar year shall not exceed two million dollars. Tax credits shall be issued on an as-received

39 application basis until the calendar year limit is reached. Any credits not issued in any calendar year

40 shall expire and shall not be issued in any subsequent year.

41 5. To claim the tax credit allowed under this section, the taxpayer shall submit to the

42 authority an application for the tax credit on a form provided by the authority and any application

43 fee imposed by the authority. The application shall be filed with the authority at the end of each

44 calendar year in which a meat processing modernization or expansion project was completed and for

45 which a tax credit is claimed under this section. The application shall include any certified

46 documentation, proof of meat processing modernization or expansion, and any other information

47 required by the authority. All required information obtained by the authority shall be confidential

48 and not disclosed except by court order, subpoena, or as otherwise provided by law. If the taxpayer

49 and the meat processing modernization or expansion meet all criteria required by this section and

1 approval is granted by the authority, the authority shall issue a tax credit certificate in the
 2 appropriate amount. Tax credit certificates issued under this section may be assigned, transferred,
 3 sold, or otherwise conveyed, and the new owner of the tax credit certificate shall have the same
 4 rights in the tax credit as the original taxpayer. If a tax credit certificate is assigned, transferred,
 5 sold, or otherwise conveyed, a notarized endorsement shall be filed with the authority specifying the
 6 name and address of the new owner of the tax credit certificate and the value of the tax credit.

7 6. Any information provided under this section shall be confidential information, to be
 8 shared with no one except state and federal animal health officials, except as provided in subsection
 9 5 of this section.

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

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

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

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

26 135.755. 1. For the purposes of this section, the following terms shall mean:

27 (1) "Department", the Missouri department of revenue;

28 (2) "Distributor", a person, firm, or corporation doing business in this state that:

29 (a) Produces, refines, blends, compounds, or manufactures motor fuel;

30 (b) Imports motor fuel into the state; or

31 (c) Is engaged in distribution of motor fuel;

32 (3) "Higher ethanol blend", a fuel capable of being dispensed directly into motor vehicle
 33 fuel tanks for consumption that is comprised of at least fifteen percent but not more than eighty-five
 34 percent ethanol;

35 (4) "Retail dealer", a person, firm, or corporation doing business in this state that owns or
 36 operates a retail service station in this state;

37 (5) "Retail service station", a location in this state from which higher ethanol blend is sold to
 38 the general public and is dispensed directly into motor vehicle fuel tanks for consumption.

39 2. For all tax years beginning on or after January 1, 2023, a retail dealer that sells higher
 40 ethanol blend at such retail dealer's retail service station or a distributor that sells higher ethanol
 41 blend directly to the final user located in this state shall be allowed a tax credit to be taken against
 42 the retail dealer's or distributor's state income tax liability. The amount of the credit shall equal five
 43 cents per gallon of higher ethanol blend sold by the retail dealer and dispensed through metered
 44 pumps at the retail dealer's retail service station or by a distributor directly to the final user located
 45 in this state during the tax year in which the tax credit is claimed. Tax credits authorized pursuant to
 46 this section shall not be transferred, sold, or assigned. If the amount of the tax credit exceeds the
 47 taxpayer's state tax liability, the difference shall not be refundable but may be carried forward to any
 48 of the five subsequent tax years. The total amount of tax credits authorized pursuant to this section
 49 for any given fiscal year shall not exceed five million dollars.

3. In the event the total amount of tax credits claimed under this section exceeds the amount of available tax credits, the tax credits shall be apportioned among all eligible retail dealers and distributors claiming a tax credit by April fifteenth, or as directed by section 143.851, of the fiscal year in which the tax credit is claimed.

4. The tax credit allowed by this section shall be claimed by such taxpayer at the time such taxpayer files a return and shall be applied against the income tax liability imposed by chapter 143, excluding the withholding tax imposed by sections 143.191 to 143.265, after reduction for all other credits allowed thereon. The department may require any documentation it deems necessary to implement the provisions of this section.

5. The department shall promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable, and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2022, shall be invalid and void.

6. Under section 23.253 of the Missouri sunset act:

(1) The provisions of this section shall automatically sunset on December 31, 2028, unless reauthorized by an act of the general assembly; and

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

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset.

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

(1) "Biodiesel blend", a blend of diesel fuel and biodiesel fuel of at least five percent and not more than twenty percent for on-road and off-road diesel-fueled vehicle use;

(2) "Biodiesel fuel", a renewable, biodegradable, mono alkyl ester combustible liquid fuel that is derived from agricultural and other plant oils or animal fats and that meets the most recent version of the ASTM International D6751 Standard Specification for Biodiesel Fuel Blend Stock. A fuel shall be deemed to be biodiesel fuel if the fuel consists of a pure B100 or B99 ratio. Biodiesel produced from palm oil is not biodiesel fuel for the purposes of this section unless the palm oil is contained within waste oil and grease collected within the United States;

(3) "B99", a blend of ninety-nine percent biodiesel fuel that meets the most recent version of the ASTM International D6751 Standard Specification for Biodiesel Fuel Blend Stock with a minimum of one-tenth of one percent and maximum of one percent diesel fuel that meets the most recent version of the ASTM International D975 Standard Specification for Diesel Fuel;

(4) "Department", the Missouri department of revenue;

(5) "Distributor", a person, firm, or corporation doing business in this state that:

(a) Produces, refines, blends, compounds, or manufactures motor fuel;

(b) Imports motor fuel into the state; or

(c) Is engaged in distribution of motor fuel;

(6) "Retail dealer", a person, firm, or corporation doing business in this state that owns or operates a retail service station in this state;

(7) "Retail service station", a location in this state from which biodiesel blend is sold to the general public and is dispensed directly into motor vehicle fuel tanks for consumption at retail.

2. For all tax years beginning on or after January 1, 2023, a retail dealer that sells a biodiesel blend at a retail service station or a distributor that sells a biodiesel blend directly to the final user located in this state shall be allowed a tax credit to be taken against the retail dealer or distributor's

1 state income tax liability. The amount of the credit shall be equal to:

2 (1) Two cents per gallon of biodiesel blend of at least five percent but not more than ten
 3 percent sold by the retail dealer at a retail service station or by a distributor directly to the final user
 4 located in this state during the tax year in which the tax credit is claimed; and

5 (2) Five cents per gallon of biodiesel blend in excess of ten percent but not more than
 6 twenty percent sold by the retail dealer at a retail service station or by a distributor directly to the
 7 final user located in this state during the tax year in which the tax credit is claimed.

8 3. Tax credits authorized under this section shall not be transferred, sold, or assigned. If the
 9 amount of the tax credit exceeds the taxpayer's state tax liability, the difference shall be refundable.
 10 The total amount of tax credits authorized under this section for any given fiscal year shall not
 11 exceed sixteen million dollars.

12 4. In the event the total amount of tax credits claimed under this section exceeds the amount
 13 of available tax credits, the tax credits shall be apportioned among all eligible retail dealers and
 14 distributors claiming a tax credit by April fifteenth, or as directed by section 143.851, of the fiscal
 15 year in which the tax credit is claimed.

16 5. The tax credit allowed by this section shall be claimed by such taxpayer at the time such
 17 taxpayer files a return and shall be applied against the income tax liability imposed by chapter 143,
 18 excluding the withholding tax imposed by sections 143.191 to 143.265, after reduction for all other
 19 credits allowed thereon. The department may require any documentation it deems necessary to
 20 administer the provisions of this section.

21 6. Notwithstanding any other provision of law to contrary, if the tax credit cap in this section
 22 is not met, the remaining amount of tax credits available to claim shall be applied to the tax credit in
 23 section 135.778 if the tax credit cap in section 135.778 has been met.

24 7. Notwithstanding the provisions of section 32.057 to the contrary, the department may
 25 work with the division of weights and measures within the department of agriculture to validate that
 26 the biodiesel blend a retail dealer or distributor claims for the tax credit authorized under this section
 27 contains a sufficient percentage of biodiesel fuel.

28 8. The department shall promulgate rules to implement and administer the provisions of this
 29 section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created
 30 pursuant to the authority delegated in this section shall become effective only if it complies with and
 31 is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and
 32 chapter 536 are nonseverable, and if any of the powers vested with the general assembly pursuant to
 33 chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently
 34 held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after
 35 August 28, 2022, shall be invalid and void.

36 9. Under section 23.253 of the Missouri sunset act:

37 (1) The provisions of the new program authorized under this section shall automatically
 38 sunset on December 31, 2028, unless reauthorized by an act of the general assembly;

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

41 (3) This section shall terminate on September first of the calendar year immediately
 42 following the calendar year in which the program authorized under this section is sunset. The
 43 termination of the program as described in this subsection shall not be construed to preclude any
 44 qualified taxpayer who claims any benefit under any program that is sunset under this subsection
 45 from claiming such benefit for all allowable activities related to such claim that were completed
 46 before the program was sunset or to eliminate any responsibility of the department to verify the
 47 continued eligibility of qualified individuals receiving tax credits and to enforce other requirements
 48 of law that applied before the program was sunset.

49 135.778. 1. For the purposes of this section, the following terms shall mean:

(1) "Biodiesel fuel", a renewable, biodegradable, mono alkyl ester combustible liquid fuel that is derived from agricultural and other plant oils or animal fats and that meets the most recent version of the ASTM International D6751 Standard Specification for Biodiesel Fuel Blend Stock. A fuel shall be deemed to be biodiesel fuel if the fuel consists of a pure B100 or B99 ratio. Biodiesel produced from palm oil is not biodiesel fuel for the purposes of this section unless the palm oil is contained within waste oil and grease collected within the United States;

(2) "B99", a blend of ninety-nine percent biodiesel fuel that meets the most recent version of the ASTM International D6751 Standard Specification for Biodiesel Fuel Blend Stock with a minimum of one-tenth of one percent and maximum of one percent diesel fuel that meets the most recent version of the ASTM International D975 Standard Specification for Diesel Fuel;

(3) "Department", the Missouri department of revenue;

(4) "Missouri biodiesel producer", a person, firm, or corporation doing business in this state that produces biodiesel fuel in this state, is registered with the United States Environmental Protection Agency according to the requirements of 40 CFR Part 79, and has begun construction on such facility or has been selling biodiesel fuel produced at such facility on or before August 28, 2022.

2. For all tax years beginning on or after January 1, 2023, a Missouri biodiesel producer shall be allowed a tax credit to be taken against the producer's state income tax liability. The amount of the tax credit shall be two cents per gallon of biodiesel fuel produced by the Missouri biodiesel producer.

3. Tax credits authorized under this section shall not be transferred, sold, or assigned. If the amount of the tax credit exceeds the taxpayer's state tax liability, the difference shall be refundable. The total amount of tax credits authorized under this section for any given fiscal year shall not exceed four million dollars.

4. In the event the total amount of tax credits claimed under this section exceeds the amount of available tax credits, the tax credits shall be apportioned among all eligible Missouri biodiesel producers claiming the credit by April fifteenth, or as directed by section 143.851, of the fiscal year in which the tax credit is claimed.

5. The tax credit authorized under this section shall be claimed by such taxpayer at the time such taxpayer files a return and shall be applied against the income tax liability imposed by chapter 143 after reduction for all other credits allowed thereon. The department may require any documentation it deems necessary to administer the provisions of this section.

6. Notwithstanding any other provision of law to contrary, if the tax credit cap in this section is not met, the remaining amount of tax credits available to claim shall be applied to the tax credit in section 135.775 if the tax credit cap in section 135.775 has been met.

7. The department shall promulgate rules to implement and administer the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created pursuant to the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable, and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2022, shall be invalid and void.

8. Under section 23.253 of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset on December 31, 2028, unless reauthorized by an act of the general assembly;

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

(3) This section shall terminate on September first of the calendar year immediately

1 following the calendar year in which the program authorized under this section is sunset. The
 2 termination of the program as described in this subsection shall not be construed to preclude any
 3 qualified taxpayer who claims any benefit under any program that is sunset under this subsection
 4 from claiming such benefit for all allowable activities related to such claim that were completed
 5 before the program was sunset, or to eliminate any responsibility of the department to verify the
 6 continued eligibility of qualified individuals receiving tax credits and to enforce other requirements
 7 of law that applied before the program was sunset.

8 135.1610. 1. As used in this section, the following terms mean:

9 (1) "Eligible expenses", expenses incurred in the construction or development of
 10 establishing or improving an urban farm in an urban area. The term "eligible expenses" shall not
 11 include any expense for labor or any expense incurred to grow medical marijuana or industrial
 12 hemp;

13 (2) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding
 14 withholding tax imposed under sections 143.191 to 143.265;

15 (3) "Taxpayer", any individual, partnership, or corporation as described under section
 16 143.441 or 143.471 that is subject to the tax imposed under chapter 143, excluding withholding tax
 17 imposed under sections 143.191 to 143.265, or any charitable organization that is exempt from
 18 federal income tax and whose Missouri unrelated business taxable income, if any, would be subject
 19 to the state income tax imposed under chapter 143;

20 (4) "Urban area", an urbanized area as defined by the United States Census Bureau;

21 (5) "Urban farm", an agricultural plot or facility in an urban area that produces agricultural
 22 food products used solely for distribution to the public by sale or donation. "Urban farm" shall
 23 include community-run gardens. "Urban farm" shall not include personal farms or residential lots
 24 for personal use.

25 2. For all tax years beginning on or after January 1, 2023, a taxpayer shall be allowed to
 26 claim a tax credit against the taxpayer's state tax liability in an amount equal to fifty percent of the
 27 taxpayer's eligible expenses for establishing or improving an urban farm that focuses on food
 28 production.

29 3. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state
 30 tax liability in the tax year for which the credit is claimed, and the taxpayer shall not be allowed to
 31 claim a tax credit under this section in excess of five thousand dollars for each urban farm. The
 32 total amount of tax credits that may be authorized for all taxpayers for eligible expenses incurred on
 33 any given urban farm shall not exceed twenty-five thousand dollars. Any tax credit that cannot be
 34 claimed in the tax year the contribution was made may be carried over to the next three succeeding
 35 tax years until the full credit is claimed.

36 4. The total amount of tax credits that may be authorized under this section shall not exceed
 37 two hundred thousand dollars in any calendar year.

38 5. Tax credits issued under the provisions of this section shall not be transferred, sold, or
 39 assigned.

40 6. The Missouri agriculture and small business authority shall recapture the amount of tax
 41 credits issued to any taxpayer who, after receiving such tax credit, uses the urban farm for the
 42 personal benefit of the taxpayer instead of for producing agricultural food products used solely for
 43 distribution to the public by sale or donation.

44 7. The Missouri agriculture and small business development authority may promulgate rules
 45 to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in
 46 section 536.010, that is created under the authority delegated in this section shall become effective
 47 only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable,
 48 section 536.028. This section and chapter 536 are nonseverable, and if any of the powers vested
 49 with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to

1 disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking
 2 authority and any rule proposed or adopted after August 28, 2022, shall be invalid and void.

3 8. Under section 23.253 of the Missouri sunset act:

4 (1) The program authorized under this section shall automatically sunset on December
 5 thirty-first, six years after the effective date of this section unless reauthorized by an act of the
 6 general assembly;

7 (2) If such program is reauthorized, the program authorized under this section shall
 8 automatically sunset on December thirty-first, twelve years after the effective date of the
 9 reauthorization of this section;

10 (3) This section shall terminate on September first of the calendar year immediately
 11 following the calendar year in which the program authorized under this section is sunset; and

12 (4) Nothing in this subsection shall prevent a taxpayer from claiming a tax credit properly
 13 issued before the program was sunset in a tax year after the program is sunset.

14 137.1018. 1. The commission shall ascertain the statewide average rate of property taxes
 15 levied the preceding year, based upon the total assessed valuation of the railroad and street railway
 16 companies and the total property taxes levied upon the railroad and street railway companies. It
 17 shall determine total property taxes levied from reports prescribed by the commission from the
 18 railroad and street railway companies. Total taxes levied shall not include revenues from the surtax
 19 on subclass three real property.

20 2. The commission shall report its determination of average property tax rate for the
 21 preceding year, together with the taxable distributable assessed valuation of each freight line
 22 company for the current year to the director no later than October first of each year.

23 3. Taxes on property of such freight line companies shall be collected at the state level by
 24 the director on behalf of the counties and other local public taxing entities and shall be distributed in
 25 accordance with sections 137.1021 and 137.1024. The director shall tax such property based upon
 26 the distributable assessed valuation attributable to Missouri of each freight line company, using the
 27 average tax rate for the preceding year of the railroad and street railway companies certified by the
 28 commission. Such tax shall be due and payable on or before December thirty-first of the year levied
 29 and, if it becomes delinquent, shall be subject to a penalty equal to that specified in section 140.100.

30 4. (1) As used in this subsection, the following terms mean:

31 (a) "Eligible expenses", expenses incurred in this state to manufacture, maintain, or improve
 32 a freight line company's qualified rolling stock;

33 (b) "Qualified rolling stock", any freight, stock, refrigerator, or other railcars subject to the
 34 tax levied under this section.

35 (2) For all taxable years beginning on or after January 1, 2009, a freight line company shall,
 36 subject to appropriation, be allowed a credit against the tax levied under this section for the
 37 applicable tax year. The tax credit amount shall be equal to the amount of eligible expenses
 38 incurred during the calendar year immediately preceding the tax year for which the credit under this
 39 section is claimed. The amount of the tax credit issued shall not exceed the freight line company's
 40 liability for the tax levied under this section for the tax year for which the credit is claimed.

41 (3) A freight line company may apply for the credit by submitting to the commission an
 42 application in the form prescribed by the state tax commission.

43 (4) Subject to appropriation, the state shall reimburse, on an annual basis, any political
 44 subdivision of this state for any decrease in revenue due to the provisions of this subsection.

45 5. Pursuant to section 23.253 of the Missouri sunset act:

46 (1) The program authorized under subsection 4 of this section shall expire on August 28,
 47 [2020] 2028; and

48 (2) Subsection 4 of this section shall terminate on September 1, [2021] 2029.

49 144.030. 1. There is hereby specifically exempted from the provisions of sections 144.010

1 to 144.525 and from the computation of the tax levied, assessed or payable pursuant to sections
2 144.010 to 144.525 such retail sales as may be made in commerce between this state and any other
3 state of the United States, or between this state and any foreign country, and any retail sale which
4 the state of Missouri is prohibited from taxing pursuant to the Constitution or laws of the United
5 States of America, and such retail sales of tangible personal property which the general assembly of
6 the state of Missouri is prohibited from taxing or further taxing by the constitution of this state.

7 2. There are also specifically exempted from the provisions of the local sales tax law as
8 defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to 144.761
9 and from the computation of the tax levied, assessed or payable pursuant to the local sales tax law as
10 defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to
11 144.745:

12 (1) Motor fuel or special fuel subject to an excise tax of this state, unless all or part of such
13 excise tax is refunded pursuant to section 142.824; or upon the sale at retail of fuel to be consumed
14 in manufacturing or creating gas, power, steam, electrical current or in furnishing water to be sold
15 ultimately at retail; or feed for livestock or poultry; or grain to be converted into foodstuffs which
16 are to be sold ultimately in processed form at retail; or seed, limestone or fertilizer which is to be
17 used for seeding, liming or fertilizing crops which when harvested will be sold at retail or will be
18 fed to livestock or poultry to be sold ultimately in processed form at retail; economic poisons
19 registered pursuant to the provisions of the Missouri pesticide registration law, sections 281.220 to
20 281.310, which are to be used in connection with the growth or production of crops, fruit trees or
21 orchards applied before, during, or after planting, the crop of which when harvested will be sold at
22 retail or will be converted into foodstuffs which are to be sold ultimately in processed form at retail;

23 (2) Materials, manufactured goods, machinery and parts which when used in manufacturing,
24 processing, compounding, mining, producing or fabricating become a component part or ingredient
25 of the new personal property resulting from such manufacturing, processing, compounding, mining,
26 producing or fabricating and which new personal property is intended to be sold ultimately for final
27 use or consumption; and materials, including without limitation, gases and manufactured goods,
28 including without limitation slagging materials and firebrick, which are ultimately consumed in the
29 manufacturing process by blending, reacting or interacting with or by becoming, in whole or in part,
30 component parts or ingredients of steel products intended to be sold ultimately for final use or
31 consumption;

32 (3) Materials, replacement parts and equipment purchased for use directly upon, and for the
33 repair and maintenance or manufacture of, motor vehicles, watercraft, railroad rolling stock or
34 aircraft engaged as common carriers of persons or property;

35 (4) Replacement machinery, equipment, and parts and the materials and supplies solely
36 required for the installation or construction of such replacement machinery, equipment, and parts,
37 used directly in manufacturing, mining, fabricating or producing a product which is intended to be
38 sold ultimately for final use or consumption; and machinery and equipment, and the materials and
39 supplies required solely for the operation, installation or construction of such machinery and
40 equipment, purchased and used to establish new, or to replace or expand existing, material recovery
41 processing plants in this state. For the purposes of this subdivision, a "material recovery processing
42 plant" means a facility that has as its primary purpose the recovery of materials into a usable product
43 or a different form which is used in producing a new product and shall include a facility or
44 equipment which are used exclusively for the collection of recovered materials for delivery to a
45 material recovery processing plant but shall not include motor vehicles used on highways. For
46 purposes of this section, the terms motor vehicle and highway shall have the same meaning pursuant
47 to section 301.010. For the purposes of this subdivision, subdivision (5) of this subsection, and
48 section 144.054, as well as the definition in subdivision (9) of subsection 1 of section 144.010, the
49 term "product" includes telecommunications services and the term "manufacturing" shall include the

production, or production and transmission, of telecommunications services. The preceding sentence does not make a substantive change in the law and is intended to clarify that the term "manufacturing" has included and continues to include the production and transmission of "telecommunications services", as enacted in this subdivision and subdivision (5) of this subsection, as well as the definition in subdivision (9) of subsection 1 of section 144.010. The preceding two sentences reaffirm legislative intent consistent with the interpretation of this subdivision and subdivision (5) of this subsection in *Southwestern Bell Tel. Co. v. Director of Revenue*, 78 S.W.3d 763 (Mo. banc 2002) and *Southwestern Bell Tel. Co. v. Director of Revenue*, 182 S.W.3d 226 (Mo. banc 2005), and accordingly abrogates the Missouri supreme court's interpretation of those exemptions in *IBM Corporation v. Director of Revenue*, 491 S.W.3d 535 (Mo. banc 2016) to the extent inconsistent with this section and *Southwestern Bell Tel. Co. v. Director of Revenue*, 78 S.W.3d 763 (Mo. banc 2002) and *Southwestern Bell Tel. Co. v. Director of Revenue*, 182 S.W.3d 226 (Mo. banc 2005). The construction and application of this subdivision as expressed by the Missouri supreme court in *DST Systems, Inc. v. Director of Revenue*, 43 S.W.3d 799 (Mo. banc 2001); *Southwestern Bell Tel. Co. v. Director of Revenue*, 78 S.W.3d 763 (Mo. banc 2002); and *Southwestern Bell Tel. Co. v. Director of Revenue*, 182 S.W.3d 226 (Mo. banc 2005), is hereby affirmed. Material recovery is not the reuse of materials within a manufacturing process or the use of a product previously recovered. The material recovery processing plant shall qualify under the provisions of this section regardless of ownership of the material being recovered;

(5) Machinery and equipment, and parts and the materials and supplies solely required for the installation or construction of such machinery and equipment, purchased and used to establish new or to expand existing manufacturing, mining or fabricating plants in the state if such machinery and equipment is used directly in manufacturing, mining or fabricating a product which is intended to be sold ultimately for final use or consumption. The construction and application of this subdivision as expressed by the Missouri supreme court in *DST Systems, Inc. v. Director of Revenue*, 43 S.W.3d 799 (Mo. banc 2001); *Southwestern Bell Tel. Co. v. Director of Revenue*, 78 S.W.3d 763 (Mo. banc 2002); and *Southwestern Bell Tel. Co. v. Director of Revenue*, 182 S.W.3d 226 (Mo. banc 2005), is hereby affirmed;

(6) Tangible personal property which is used exclusively in the manufacturing, processing, modification or assembling of products sold to the United States government or to any agency of the United States government;

(7) Animals or poultry used for breeding or feeding purposes, or captive wildlife;

(8) Newsprint, ink, computers, photosensitive paper and film, toner, printing plates and other machinery, equipment, replacement parts and supplies used in producing newspapers published for dissemination of news to the general public;

(9) The rentals of films, records or any type of sound or picture transcriptions for public commercial display;

(10) Pumping machinery and equipment used to propel products delivered by pipelines engaged as common carriers;

(11) Railroad rolling stock for use in transporting persons or property in interstate commerce and motor vehicles licensed for a gross weight of twenty-four thousand pounds or more or trailers used by common carriers, as defined in section 390.020, in the transportation of persons or property;

(12) Electrical energy used in the actual primary manufacture, processing, compounding, mining or producing of a product, or electrical energy used in the actual secondary processing or fabricating of the product, or a material recovery processing plant as defined in subdivision (4) of this subsection, in facilities owned or leased by the taxpayer, if the total cost of electrical energy so used exceeds ten percent of the total cost of production, either primary or secondary, exclusive of the cost of electrical energy so used or if the raw materials used in such processing contain at least

1 twenty-five percent recovered materials as defined in section 260.200. There shall be a rebuttable
2 presumption that the raw materials used in the primary manufacture of automobiles contain at least
3 twenty-five percent recovered materials. For purposes of this subdivision, "processing" means any
4 mode of treatment, act or series of acts performed upon materials to transform and reduce them to a
5 different state or thing, including treatment necessary to maintain or preserve such processing by the
6 producer at the production facility;

7 (13) Anodes which are used or consumed in manufacturing, processing, compounding,
8 mining, producing or fabricating and which have a useful life of less than one year;

9 (14) Machinery, equipment, appliances and devices purchased or leased and used solely for
10 the purpose of preventing, abating or monitoring air pollution, and materials and supplies solely
11 required for the installation, construction or reconstruction of such machinery, equipment,
12 appliances and devices;

13 (15) Machinery, equipment, appliances and devices purchased or leased and used solely for
14 the purpose of preventing, abating or monitoring water pollution, and materials and supplies solely
15 required for the installation, construction or reconstruction of such machinery, equipment,
16 appliances and devices;

17 (16) Tangible personal property purchased by a rural water district;

18 (17) All amounts paid or charged for admission or participation or other fees paid by or
19 other charges to individuals in or for any place of amusement, entertainment or recreation, games or
20 athletic events, including museums, fairs, zoos and planetariums, owned or operated by a
21 municipality or other political subdivision where all the proceeds derived therefrom benefit the
22 municipality or other political subdivision and do not inure to any private person, firm, or
23 corporation, provided, however, that a municipality or other political subdivision may enter into
24 revenue-sharing agreements with private persons, firms, or corporations providing goods or
25 services, including management services, in or for the place of amusement, entertainment or
26 recreation, games or athletic events, and provided further that nothing in this subdivision shall
27 exempt from tax any amounts retained by any private person, firm, or corporation under such
28 revenue-sharing agreement;

29 (18) All sales of insulin, and all sales, rentals, repairs, and parts of durable medical
30 equipment, prosthetic devices, and orthopedic devices as defined on January 1, 1980, by the federal
31 Medicare program pursuant to Title XVIII of the Social Security Act of 1965, including the items
32 specified in Section 1862(a)(12) of that act, and also specifically including hearing aids and hearing
33 aid supplies and all sales of drugs which may be legally dispensed by a licensed pharmacist only
34 upon a lawful prescription of a practitioner licensed to administer those items, including samples
35 and materials used to manufacture samples which may be dispensed by a practitioner authorized to
36 dispense such samples and all sales or rental of medical oxygen, home respiratory equipment and
37 accessories including parts, and hospital beds and accessories and ambulatory aids including parts,
38 and all sales or rental of manual and powered wheelchairs including parts, and stairway lifts, Braille
39 writers, electronic Braille equipment and, if purchased or rented by or on behalf of a person with
40 one or more physical or mental disabilities to enable them to function more independently, all sales
41 or rental of scooters including parts, and reading machines, electronic print enlargers and
42 magnifiers, electronic alternative and augmentative communication devices, and items used solely
43 to modify motor vehicles to permit the use of such motor vehicles by individuals with disabilities or
44 sales of over-the-counter or nonprescription drugs to individuals with disabilities, and drugs
45 required by the Food and Drug Administration to meet the over-the-counter drug product labeling
46 requirements in 21 CFR 201.66, or its successor, as prescribed by a health care practitioner licensed
47 to prescribe;

48 (19) All sales made by or to religious and charitable organizations and institutions in their
49 religious, charitable or educational functions and activities and all sales made by or to all elementary

1 and secondary schools operated at public expense in their educational functions and activities;

2 (20) All sales of aircraft to common carriers for storage or for use in interstate commerce
3 and all sales made by or to not-for-profit civic, social, service or fraternal organizations, including
4 fraternal organizations which have been declared tax-exempt organizations pursuant to Section
5 501(c)(8) or (10) of the 1986 Internal Revenue Code, as amended, in their civic or charitable
6 functions and activities and all sales made to eleemosynary and penal institutions and industries of
7 the state, and all sales made to any private not-for-profit institution of higher education not
8 otherwise excluded pursuant to subdivision (19) of this subsection or any institution of higher
9 education supported by public funds, and all sales made to a state relief agency in the exercise of
10 relief functions and activities;

11 (21) All ticket sales made by benevolent, scientific and educational associations which are
12 formed to foster, encourage, and promote progress and improvement in the science of agriculture
13 and in the raising and breeding of animals, and by nonprofit summer theater organizations if such
14 organizations are exempt from federal tax pursuant to the provisions of the Internal Revenue Code
15 and all admission charges and entry fees to the Missouri state fair or any fair conducted by a county
16 agricultural and mechanical society organized and operated pursuant to sections 262.290 to 262.530;

17 (22) All sales made to any private not-for-profit elementary or secondary school, all sales of
18 feed additives, medications or vaccines administered to livestock or poultry in the production of
19 food or fiber, all sales of pesticides used in the production of crops, livestock or poultry for food or
20 fiber, all sales of bedding used in the production of livestock or poultry for food or fiber, all sales of
21 propane or natural gas, electricity or diesel fuel used exclusively for drying agricultural crops,
22 natural gas used in the primary manufacture or processing of fuel ethanol as defined in section
23 142.028, natural gas, propane, and electricity used by an eligible new generation cooperative or an
24 eligible new generation processing entity as defined in section 348.432, and all sales of farm
25 machinery and equipment, other than airplanes, motor vehicles and trailers, and any freight charges
26 on any exempt item. As used in this subdivision, the term "feed additives" means tangible personal
27 property which, when mixed with feed for livestock or poultry, is to be used in the feeding of
28 livestock or poultry. As used in this subdivision, the term "pesticides" includes adjuvants such as
29 crop oils, surfactants, wetting agents and other assorted pesticide carriers used to improve or
30 enhance the effect of a pesticide and the foam used to mark the application of pesticides and
31 herbicides for the production of crops, livestock or poultry. As used in this subdivision, the term
32 "farm machinery and equipment" ~~[means]~~ shall mean:

33 (a) New or used farm tractors and such other new or used farm machinery and equipment,
34 including utility vehicles used for any agricultural use, and repair or replacement parts thereon and
35 any accessories for and upgrades to such farm machinery and equipment~~[-]~~ and rotary mowers used
36 ~~[exclusively]~~ for any agricultural purposes~~[-and]~~;

37 (b) Supplies and lubricants used exclusively, solely, and directly for producing crops, raising
38 and feeding livestock, fish, poultry, pheasants, chukar, quail, or for producing milk for ultimate sale
39 at retail, including field drain tile~~[-]~~; and

40 (c) One-half of each purchaser's purchase of diesel fuel therefor which is:

41 ~~[(a)]~~ a. Used exclusively for agricultural purposes;

42 ~~[(b)]~~ b. Used on land owned or leased for the purpose of producing farm products; and

43 ~~[(c)]~~ c. Used directly in producing farm products to be sold ultimately in processed form or
44 otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold
45 ultimately in processed form at retail;

46 For the purposes of this subdivision, "utility vehicle" shall mean any motorized vehicle
47 manufactured and used exclusively for off-highway use which is more than fifty inches but no more
48 than eighty inches in width, measured from outside of tire rim to outside of tire rim, with an unladen
49 dry weight of three thousand five hundred pounds or less, traveling on four or six wheels.

1 (23) Except as otherwise provided in section 144.032, all sales of metered water service,
2 electricity, electrical current, natural, artificial or propane gas, wood, coal or home heating oil for
3 domestic use and in any city not within a county, all sales of metered or unmetered water service for
4 domestic use:

5 (a) "Domestic use" means that portion of metered water service, electricity, electrical
6 current, natural, artificial or propane gas, wood, coal or home heating oil, and in any city not within
7 a county, metered or unmetered water service, which an individual occupant of a residential
8 premises uses for nonbusiness, noncommercial or nonindustrial purposes. Utility service through a
9 single or master meter for residential apartments or condominiums, including service for common
10 areas and facilities and vacant units, shall be deemed to be for domestic use. Each seller shall
11 establish and maintain a system whereby individual purchases are determined as exempt or
12 nonexempt;

13 (b) Regulated utility sellers shall determine whether individual purchases are exempt or
14 nonexempt based upon the seller's utility service rate classifications as contained in tariffs on file
15 with and approved by the Missouri public service commission. Sales and purchases made pursuant
16 to the rate classification "residential" and sales to and purchases made by or on behalf of the
17 occupants of residential apartments or condominiums through a single or master meter, including
18 service for common areas and facilities and vacant units, shall be considered as sales made for
19 domestic use and such sales shall be exempt from sales tax. Sellers shall charge sales tax upon the
20 entire amount of purchases classified as nondomestic use. The seller's utility service rate
21 classification and the provision of service thereunder shall be conclusive as to whether or not the
22 utility must charge sales tax;

23 (c) Each person making domestic use purchases of services or property and who uses any
24 portion of the services or property so purchased for a nondomestic use shall, by the fifteenth day of
25 the fourth month following the year of purchase, and without assessment, notice or demand, file a
26 return and pay sales tax on that portion of nondomestic purchases. Each person making
27 nondomestic purchases of services or property and who uses any portion of the services or property
28 so purchased for domestic use, and each person making domestic purchases on behalf of occupants
29 of residential apartments or condominiums through a single or master meter, including service for
30 common areas and facilities and vacant units, under a nonresidential utility service rate
31 classification may, between the first day of the first month and the fifteenth day of the fourth month
32 following the year of purchase, apply for credit or refund to the director of revenue and the director
33 shall give credit or make refund for taxes paid on the domestic use portion of the purchase. The
34 person making such purchases on behalf of occupants of residential apartments or condominiums
35 shall have standing to apply to the director of revenue for such credit or refund;

36 (24) All sales of handicraft items made by the seller or the seller's spouse if the seller or the
37 seller's spouse is at least sixty-five years of age, and if the total gross proceeds from such sales do
38 not constitute a majority of the annual gross income of the seller;

39 (25) Excise taxes, collected on sales at retail, imposed by Sections 4041, 4071, 4081, 4091,
40 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code. The director of revenue shall
41 promulgate rules pursuant to chapter 536 to eliminate all state and local sales taxes on such excise
42 taxes;

43 (26) Sales of fuel consumed or used in the operation of ships, barges, or waterborne vessels
44 which are used primarily in or for the transportation of property or cargo, or the conveyance of
45 persons for hire, on navigable rivers bordering on or located in part in this state, if such fuel is
46 delivered by the seller to the purchaser's barge, ship, or waterborne vessel while it is afloat upon
47 such river;

48 (27) All sales made to an interstate compact agency created pursuant to sections 70.370 to
49 70.441 or sections 238.010 to 238.100 in the exercise of the functions and activities of such agency

1 as provided pursuant to the compact;

2 (28) Computers, computer software and computer security systems purchased for use by
3 architectural or engineering firms headquartered in this state. For the purposes of this subdivision,
4 "headquartered in this state" means the office for the administrative management of at least four
5 integrated facilities operated by the taxpayer is located in the state of Missouri;

6 (29) All livestock sales when either the seller is engaged in the growing, producing or
7 feeding of such livestock, or the seller is engaged in the business of buying and selling, bartering or
8 leasing of such livestock;

9 (30) All sales of barges which are to be used primarily in the transportation of property or
10 cargo on interstate waterways;

11 (31) Electrical energy or gas, whether natural, artificial or propane, water, or other utilities
12 which are ultimately consumed in connection with the manufacturing of cellular glass products or in
13 any material recovery processing plant as defined in subdivision (4) of this subsection;

14 (32) Notwithstanding other provisions of law to the contrary, all sales of pesticides or
15 herbicides used in the production of crops, aquaculture, livestock or poultry;

16 (33) Tangible personal property and utilities purchased for use or consumption directly or
17 exclusively in the research and development of agricultural/biotechnology and plant genomics
18 products and prescription pharmaceuticals consumed by humans or animals;

19 (34) All sales of grain bins for storage of grain for resale;

20 (35) All sales of feed which are developed for and used in the feeding of pets owned by a
21 commercial breeder when such sales are made to a commercial breeder, as defined in section
22 273.325, and licensed pursuant to sections 273.325 to 273.357;

23 (36) All purchases by a contractor on behalf of an entity located in another state, provided
24 that the entity is authorized to issue a certificate of exemption for purchases to a contractor under the
25 provisions of that state's laws. For purposes of this subdivision, the term "certificate of exemption"
26 shall mean any document evidencing that the entity is exempt from sales and use taxes on purchases
27 pursuant to the laws of the state in which the entity is located. Any contractor making purchases on
28 behalf of such entity shall maintain a copy of the entity's exemption certificate as evidence of the
29 exemption. If the exemption certificate issued by the exempt entity to the contractor is later
30 determined by the director of revenue to be invalid for any reason and the contractor has accepted
31 the certificate in good faith, neither the contractor or the exempt entity shall be liable for the
32 payment of any taxes, interest and penalty due as the result of use of the invalid exemption
33 certificate. Materials shall be exempt from all state and local sales and use taxes when purchased by
34 a contractor for the purpose of fabricating tangible personal property which is used in fulfilling a
35 contract for the purpose of constructing, repairing or remodeling facilities for the following:

36 (a) An exempt entity located in this state, if the entity is one of those entities able to issue
37 project exemption certificates in accordance with the provisions of section 144.062; or

38 (b) An exempt entity located outside the state if the exempt entity is authorized to issue an
39 exemption certificate to contractors in accordance with the provisions of that state's law and the
40 applicable provisions of this section;

41 (37) All sales or other transfers of tangible personal property to a lessor who leases the
42 property under a lease of one year or longer executed or in effect at the time of the sale or other
43 transfer to an interstate compact agency created pursuant to sections 70.370 to 70.441 or sections
44 238.010 to 238.100;

45 (38) Sales of tickets to any collegiate athletic championship event that is held in a facility
46 owned or operated by a governmental authority or commission, a quasi-governmental agency, a
47 state university or college or by the state or any political subdivision thereof, including a
48 municipality, and that is played on a neutral site and may reasonably be played at a site located
49 outside the state of Missouri. For purposes of this subdivision, "neutral site" means any site that is

1 not located on the campus of a conference member institution participating in the event;

2 (39) All purchases by a sports complex authority created under section 64.920, and all sales
3 of utilities by such authority at the authority's cost that are consumed in connection with the
4 operation of a sports complex leased to a professional sports team;

5 (40) All materials, replacement parts, and equipment purchased for use directly upon, and
6 for the modification, replacement, repair, and maintenance of aircraft, aircraft power plants, and
7 aircraft accessories;

8 (41) Sales of sporting clays, wobble, skeet, and trap targets to any shooting range or similar
9 places of business for use in the normal course of business and money received by a shooting range
10 or similar places of business from patrons and held by a shooting range or similar place of business
11 for redistribution to patrons at the conclusion of a shooting event;

12 (42) All sales of motor fuel, as defined in section 142.800, used in any watercraft, as defined
13 in section 306.010;

14 (43) Any new or used aircraft sold or delivered in this state to a person who is not a resident
15 of this state or a corporation that is not incorporated in this state, and such aircraft is not to be based
16 in this state and shall not remain in this state more than ten business days subsequent to the last to
17 occur of:

18 (a) The transfer of title to the aircraft to a person who is not a resident of this state or a
19 corporation that is not incorporated in this state; or

20 (b) The date of the return to service of the aircraft in accordance with 14 CFR 91.407 for
21 any maintenance, preventive maintenance, rebuilding, alterations, repairs, or installations that are
22 completed contemporaneously with the transfer of title to the aircraft to a person who is not a
23 resident of this state or a corporation that is not incorporated in this state;

24 (44) Motor vehicles registered in excess of fifty-four thousand pounds, and the trailers
25 pulled by such motor vehicles, that are actually used in the normal course of business to haul
26 property on the public highways of the state, and that are capable of hauling loads commensurate
27 with the motor vehicle's registered weight; and the materials, replacement parts, and equipment
28 purchased for use directly upon, and for the repair and maintenance or manufacture of such vehicles.
29 For purposes of this subdivision, "motor vehicle" and "public highway" shall have the meaning as
30 ascribed in section 390.020;

31 (45) All internet access or the use of internet access regardless of whether the tax is imposed
32 on a provider of internet access or a buyer of internet access. For purposes of this subdivision, the
33 following terms shall mean:

34 (a) "Direct costs", costs incurred by a governmental authority solely because of an internet
35 service provider's use of the public right-of-way. The term shall not include costs that the
36 governmental authority would have incurred if the internet service provider did not make such use
37 of the public right-of-way. Direct costs shall be determined in a manner consistent with generally
38 accepted accounting principles;

39 (b) "Internet", computer and telecommunications facilities, including equipment and
40 operating software, that comprises the interconnected worldwide network that employ the
41 transmission control protocol or internet protocol, or any predecessor or successor protocols to that
42 protocol, to communicate information of all kinds by wire or radio;

43 (c) "Internet access", a service that enables users to connect to the internet to access content,
44 information, or other services without regard to whether the service is referred to as
45 telecommunications, communications, transmission, or similar services, and without regard to
46 whether a provider of the service is subject to regulation by the Federal Communications
47 Commission as a common carrier under 47 U.S.C. Section 201, et seq. For purposes of this
48 subdivision, internet access also includes: the purchase, use, or sale of communications services,
49 including telecommunications services as defined in section 144.010, to the extent the

communications services are purchased, used, or sold to provide the service described in this subdivision or to otherwise enable users to access content, information, or other services offered over the internet; services that are incidental to the provision of a service described in this subdivision, when furnished to users as part of such service, including a home page, electronic mail, and instant messaging, including voice-capable and video-capable electronic mail and instant messaging, video clips, and personal electronic storage capacity; a home page electronic mail and instant messaging, including voice-capable and video-capable electronic mail and instant messaging, video clips, and personal electronic storage capacity that are provided independently or that are not packed with internet access. As used in this subdivision, internet access does not include voice, audio, and video programming or other products and services, except services described in this paragraph or this subdivision, that use internet protocol or any successor protocol and for which there is a charge, regardless of whether the charge is separately stated or aggregated with the charge for services described in this paragraph or this subdivision;

(d) "Tax", any charge imposed by the state or a political subdivision of the state for the purpose of generating revenues for governmental purposes and that is not a fee imposed for a specific privilege, service, or benefit conferred, except as described as otherwise under this subdivision, or any obligation imposed on a seller to collect and to remit to the state or a political subdivision of the state any gross retail tax, sales tax, or use tax imposed on a buyer by such a governmental entity. The term tax shall not include any franchise fee or similar fee imposed or authorized under section 67.1830 or 67.2689; Section 622 or 653 of the Communications Act of 1934, 47 U.S.C. Section 542 and 47 U.S.C. Section 573; or any other fee related to obligations of telecommunications carriers under the Communications Act of 1934, 47 U.S.C. Section 151, et seq., except to the extent that:

a. The fee is not imposed for the purpose of recovering direct costs incurred by the franchising or other governmental authority from providing the specific privilege, service, or benefit conferred to the payer of the fee; or

b. The fee is imposed for the use of a public right-of-way based on a percentage of the service revenue, and the fee exceeds the incremental direct costs incurred by the governmental authority associated with the provision of that right-of-way to the provider of internet access service. Nothing in this subdivision shall be interpreted as an exemption from taxes due on goods or services that were subject to tax on January 1, 2016.

3. Any ruling, agreement, or contract, whether written or oral, express or implied, between a person and this state's executive branch, or any other state agency or department, stating, agreeing, or ruling that such person is not required to collect sales and use tax in this state despite the presence of a warehouse, distribution center, or fulfillment center in this state that is owned or operated by the person or an affiliated person shall be null and void unless it is specifically approved by a majority vote of each of the houses of the general assembly. For purposes of this subsection, an "affiliated person" means any person that is a member of the same controlled group of corporations as defined in Section 1563(a) of the Internal Revenue Code of 1986, as amended, as the vendor or any other entity that, notwithstanding its form of organization, bears the same ownership relationship to the vendor as a corporation that is a member of the same controlled group of corporations as defined in Section 1563(a) of the Internal Revenue Code, as amended."; and

Further amend said bill and page, Section 144.051, Line 11, by inserting after all of said section and line the following:

"348.436. The provisions of sections 348.430 to 348.436 shall expire December 31, [2021] 2028.

348.491. 1. This section shall be known and may be cited as the "Specialty Agricultural

1 Crops Act".

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

3 (1) "Authority", the Missouri agricultural and small business development authority created
4 in section 348.020;

5 (2) "Family farmer", a farmer who is a Missouri resident and who has less than one hundred
6 thousand dollars in agricultural sales per year;

7 (3) "Lender", the same definition as in section 348.015;

8 (4) "Specialty crop", fruits and vegetables, tree nuts, dried fruits, and horticulture and
9 nursery crops including, but not limited to, floriculture. "Specialty crop" shall not include medical
10 marijuana or industrial hemp.

11 3. The authority shall establish a specialty agricultural crops loan program for family
12 farmers for the purchase of specialty crop seeds, seedlings, or trees; soil amendments including
13 compost; irrigation equipment; fencing; row covers; trellising; season extension equipment;
14 refrigeration equipment; and equipment for planting and harvesting.

15 4. To participate in the loan program, a family farmer shall first obtain approval for a
16 specialty agricultural crops loan from a lender. Each family farmer shall be eligible for only one
17 specialty agricultural crops loan per family.

18 5. The maximum amount of the specialty agricultural crops loan for specialty crop
19 producers shall be thirty-five thousand dollars.

20 6. Eligible borrowers under the program:

21 (1) Shall use the proceeds of the specialty agricultural crops loan to acquire the farming
22 resources described in subsection 3 of this section;

23 (2) Shall not finance more than ninety percent of the anticipated cost of the purchase of such
24 farming resources through the specialty agricultural crops loan; and

25 (3) Shall not be charged interest by the lender for the first year of the qualified specialty
26 agricultural crops loan.

27 7. Upon approval of the specialty agricultural crops loan by a lender under subsection 4 of
28 this section, the loan shall be submitted for approval by the authority. The authority shall
29 promulgate rules establishing eligibility under this section, taking into consideration:

30 (1) The eligible borrower's ability to repay the specialty agricultural crops loan;

31 (2) The general economic conditions of the area in which the farm is located;

32 (3) The prospect of a financial return for the family farmer for the type of farming resource
33 for which the specialty agricultural crops loan is sought; and

34 (4) Such other factors as the authority may establish.

35 8. For eligible borrowers participating in the program, the authority shall be responsible for
36 reviewing the purchase price of any farming resources to be purchased by an eligible borrower
37 under the program to determine whether the price to be paid is appropriate for the type of farming
38 resources purchased. The authority may impose a one-time loan review fee of one percent, which
39 shall be collected by the lender at the time of the loan and paid to the authority.

40 9. Nothing in this section shall be construed to preclude a family farmer from participating
41 in any other agricultural program.

42 10. Any rule or portion of a rule, as that term is defined in section 536.010, that is created
43 under the authority delegated in this section shall become effective only if it complies with and is
44 subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and
45 chapter 536 are nonseverable, and if any of the powers vested with the general assembly pursuant to
46 chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently
47 held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after
48 August 28, 2022, shall be invalid and void.

49 11. Under section 23.253 of the Missouri sunset act:

1 (1) The provisions of the new program authorized under this section shall automatically
 2 sunset six years after the effective date of this section unless reauthorized by an act of the general
 3 assembly; and

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

6 (3) This section shall terminate on September first of the calendar year immediately
 7 following the calendar year in which the program authorized under this section is sunset.

8 348.493. 1. As used in this section, "state tax liability" means any state tax liability incurred
 9 by a taxpayer under the provisions of chapters 143, 147, and 148, exclusive of the provisions
 10 relating to the withholding of tax as provided for in sections 143.191 to 143.265 and related
 11 provisions.

12 2. Any eligible lender under the specialty agricultural crops loan program under section
 13 348.491 shall be entitled to receive a tax credit equal to one hundred percent of the amount of
 14 interest waived by the lender under section 348.491 on a qualifying loan for the first year of the loan
 15 only. The tax credit shall be evidenced by a tax credit certificate issued by the Missouri agricultural
 16 and small business development authority and may be used to satisfy the state tax liability of the
 17 owner of such certificate that becomes due in the tax year in which the interest on a qualified loan is
 18 waived by the lender under section 348.491. No lender shall receive a tax credit under this section
 19 unless such lender presents a tax credit certificate to the department of revenue for payment of such
 20 state tax liability. The amount of the tax credits that may be issued to all eligible lenders claiming
 21 tax credits authorized in this section in a fiscal year shall not exceed three hundred thousand dollars.

22 3. The Missouri agricultural and small business development authority shall be responsible
 23 for the administration and issuance of the certificate of tax credits authorized by this section. The
 24 authority shall issue a certificate of tax credit at the request of any lender. Each request shall include
 25 a true copy of the loan documents, the name of the lender who is to receive a certificate of tax
 26 credit, the type of state tax liability against which the tax credit is to be used, and the amount of the
 27 certificate of tax credit to be issued to the lender based on the interest waived by the lender under
 28 section 348.491 on the loan for the first year.

29 4. The department of revenue shall accept a certificate of tax credit in lieu of other payment
 30 in such amount as is equal to the lesser of the amount of the tax or the remaining unused amount of
 31 the credit as indicated on the certificate of tax credit and shall indicate on the certificate of tax credit
 32 the amount of tax thereby paid and the date of such payment.

33 5. The following provisions shall apply to tax credits authorized under this section:

34 (1) Tax credits claimed in a tax year may be claimed on a quarterly basis and applied to the
 35 estimated quarterly tax of the lender;

36 (2) Any amount of tax credit that exceeds the tax due, including any estimated quarterly
 37 taxes paid by the lender under subdivision (1) of this subsection that results in an overpayment of
 38 taxes for a tax year, shall not be refunded but may be carried over to any subsequent tax year, not to
 39 exceed a total of three years for which a tax credit may be taken for a qualified specialty agricultural
 40 crops loan;

41 (3) Notwithstanding any provision of law to the contrary, a lender may assign, transfer, sell,
 42 or otherwise convey tax credits authorized under this section, with the new owner of the tax credit
 43 receiving the same rights in the tax credit as the lender. For any tax credits assigned, transferred,
 44 sold, or otherwise conveyed, a notarized endorsement shall be filed by the lender with the authority
 45 specifying the name and address of the new owner of the tax credit and the value of such tax credit;
 46 and

47 (4) Notwithstanding any other provision of this section to the contrary, any commercial
 48 bank may use tax credits created under this section as provided in section 148.064 and receive a net
 49 tax credit against taxes actually paid in the amount of the first year's interest on loans made under

1 this section. If such first year tax credits reduce taxes due as provided in section 148.064 to zero,
 2 the remaining tax credits may be carried over as otherwise provided in this section and used as
 3 provided in section 148.064 in subsequent years.

4 6. Under section 23.253 of the Missouri sunset act:

5 (1) The provisions of the new program authorized under this section shall automatically
 6 sunset six years after the effective date of this section unless reauthorized by an act of the general
 7 assembly; and

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

10 (3) This section shall terminate on September first of the calendar year immediately
 11 following the calendar year in which the program authorized under this section is sunset.

12 348.500. 1. This section shall be known and may be cited as the "Family Farms Act".

13 2. As used in this section, "small farmer" means a farmer who is a Missouri resident and
 14 who has less than ~~[two hundred fifty]~~ five hundred thousand dollars in gross sales per year.

15 3. The agricultural and small business development authority shall establish a family farm
 16 breeding livestock loan program for small farmers for the purchase of beef cattle, dairy cattle, sheep
 17 and goats, and swine only.

18 4. To participate in the loan program, a small farmer shall first obtain approval for a family
 19 farm livestock loan from a lender as defined in section 348.015. ~~[Each small farmer shall be eligible~~
 20 ~~for only one family farm livestock loan per family and for only one type of livestock.]~~

21 5. The maximum amount of the family farm livestock loan for each type of livestock shall
 22 be as follows:

23 (1) ~~[Seventy-five]~~ One hundred fifty thousand dollars for beef cattle;

24 (2) ~~[Seventy-five]~~ One hundred fifty thousand dollars for dairy cattle;

25 (3) ~~[Thirty-five]~~ Seventy thousand dollars for swine; and

26 (4) ~~[Thirty]~~ Sixty thousand dollars for sheep and goats.

27 6. Eligible borrowers under the program:

28 (1) Shall use the proceeds of the family farm loan to acquire breeding livestock;

29 (2) Shall not finance more than ninety percent of the anticipated cost of the purchase of such
 30 livestock through the family farm livestock loan; and

31 (3) Shall not be charged interest by the lender, as defined in section 348.015, for the first
 32 year of the qualified family farm livestock loan.

33 7. Upon approval of the family farm livestock loan by a lender under subsection 4 of this
 34 section, the loan shall be submitted for approval by the agricultural and small business development
 35 authority. The authority shall promulgate rules establishing eligibility under this section, taking into
 36 consideration:

37 (1) The eligible borrower's ability to repay the family farm livestock loan;

38 (2) The general economic conditions of the area in which the farm is located;

39 (3) The prospect of a financial return for the small farmer for the type of livestock for which
 40 the family farm livestock loan is sought; and

41 (4) Such other factors as the authority may establish.

42 8. For eligible borrowers participating in the program, the authority shall be responsible for
 43 reviewing the purchase price of any livestock to be purchased by an eligible borrower under the
 44 program to determine whether the price to be paid is appropriate for the type of livestock purchased.
 45 The authority may impose a one-time loan review fee of one percent which shall be collected by the
 46 lender at the time of the loan and paid to the authority.

47 9. Nothing in this section shall preclude a small farmer from participating in any other
 48 agricultural program.

49 10. Any rule or portion of a rule, as that term is defined in section 536.010, that is created

1 under the authority delegated in this section shall become effective only if it complies with and is
2 subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and
3 chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to
4 chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently
5 held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after
6 August 28, 2006, shall be invalid and void.

7 Section B. Because immediate action is necessary to promote agricultural economic
8 opportunities in this state, the repeal and reenactment of sections 135.305, 135.686, 348.436, and
9 348.500, and the enactment of sections 135.755, 135.775, 135.778, and 135.1610 of this act are
10 deemed necessary for the immediate preservation of the public health, welfare, peace, and safety,
11 and is hereby declared to be an emergency act within the meaning of the constitution, and the repeal
12 and reenactment of sections 135.305, 135.686, 348.436, and 348.500, and the enactment of sections
13 135.755, 135.775, 135.778, and 135.1610 of this act shall be in full force and effect upon its passage
14 and approval."; and

15
16 Further amend said bill by amending the title, enacting clause, and intersectional references
17 accordingly.