

FIRST REGULAR SESSION

HOUSE BILL NO. 1298

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE MCMULLEN.

2529H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 620, RSMo, by adding thereto one new section relating to incentives for converting a business to produce certain chemicals, gases, metals, and minerals.

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

Section A. Chapter 620, RSMo, is amended by adding thereto one new section, to be
2 known as section 620.1641, to read as follows:

**620.1641. 1. This section shall be known and may be cited as the "Missouri
2 Defense and Energy Independence Act".**

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

4 **(1) "Department", the Missouri department of economic development;**

5 **(2) "Qualified amount", for a qualified company in a given tax year, a portion of
6 such qualified company's qualified conversion costs, subject to the limitations provided
7 in this section;**

8 **(3) "Qualified company", a firm, partnership, joint venture, association, private
9 or public corporation regardless of whether organized for profit, or headquarters of
10 such entity registered to do business in Missouri, that is a nontraditional defense
11 contractor, as such term is defined in 10 U.S.C. Section 3014, as amended, and that
12 incurs qualified conversion costs;**

13 **(4) "Qualified conversion costs", costs a qualified company incurs in converting
14 such company to produce chemicals, metals, gases, or rare earth minerals that will be
15 used for projects designed to decrease or eliminate reliance on foreign-produced
16 chemicals, metals, gases, or rare earth minerals used in the production of energy
17 projects or Department of Defense projects;**

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.

18 **(5) "Tax credit", tax credits issued by the department to offset the state taxes**
19 **imposed by chapters 143 and 148, excluding the withholding tax imposed under sections**
20 **143.191 to 143.265.**

21 **3. (1) For all tax years beginning on or after January 1, 2024, a qualified**
22 **company shall be allowed to claim a tax credit against the qualified company's state tax**
23 **liability in an amount equal to the qualified company's qualified amount, subject to the**
24 **limitations provided in this subsection.**

25 **(2) The total qualified amount a qualified company shall be allowed to claim**
26 **under this section shall not exceed fifteen percent of the cumulative amount of tax**
27 **credits allowed under subsection 4 of this section. One-fourth of such total qualified**
28 **amount a qualified company is eligible to receive shall be issued in each of the four tax**
29 **years immediately following the tax year for which the qualified company claimed the**
30 **tax credit.**

31 **4. The cumulative amount of tax credits allowed to all taxpayers under this**
32 **section shall not exceed forty million dollars per tax year. If the amount of tax credits**
33 **claimed in a tax year under this section exceeds forty million dollars, tax credits shall be**
34 **allowed based on the order in which they are claimed.**

35 **5. (1) Tax credits issued under the provisions of this section shall not be**
36 **refundable.**

37 **(2) No tax credit claimed under this section shall be carried forward to any**
38 **subsequent tax year.**

39 **(3) No tax credit claimed under this section shall be assigned, transferred, sold,**
40 **or otherwise conveyed.**

41 **6. (1) There is hereby created in the state treasury the "Grants for**
42 **Independence from Foreign Influence Fund", which shall consist of at least ten**
43 **million dollars appropriated by the general assembly and any gifts, contributions,**
44 **grants, or bequests received from federal, private, or other sources. The state treasurer**
45 **shall be custodian of the fund. In accordance with sections 30.170 and 30.180, the state**
46 **treasurer may approve disbursements. The fund shall be a dedicated fund and, upon**
47 **appropriation, moneys in the fund shall be used solely as provided in this subsection 7 of**
48 **this section.**

49 **(2) Notwithstanding the provisions of section 33.080 to the contrary, any moneys**
50 **remaining in the fund at the end of the biennium shall not revert to the credit of the**
51 **general revenue fund.**

52 **(3) The state treasurer shall invest moneys in the fund in the same manner as**
53 **other funds are invested. Any interest and moneys earned on such investments shall be**
54 **credited to the fund.**

55 7. (1) The department shall develop and implement grants for independence
56 from foreign influence as provided in this subsection.

57 (2) The department shall establish procedures for the solicitation, evaluation,
58 and approval of grant applications received from a qualified company. A qualified
59 company may submit a grant application for the award of moneys for qualified
60 conversion costs incurred by the qualified company as provided in this subsection.

61 (3) The department shall evaluate each application and approve or reject such
62 application. Subject to appropriations, upon approval of an application, the
63 department shall administer a grant award of moneys from the grants for
64 independence from foreign influence fund in an amount not to exceed five hundred
65 thousand dollars per grant application.

66 (4) Moneys granted to a qualified company under this section shall be used solely
67 for qualified conversion costs incurred before the completion of the conversion of the
68 qualified company.

69 8. The department shall promulgate all necessary rules and regulations for the
70 administration of this section including, but not limited to, rules relating to the
71 verification of a qualified company's qualified amount and qualified conversion costs.
72 Any rule or portion of a rule, as that term is defined in section 536.010, that is created
73 under the authority delegated in this section shall become effective only if it complies
74 with and is subject to all of the provisions of chapter 536 and, if applicable, section
75 536.028. This section and chapter 536 are nonseverable and if any of the powers vested
76 with the general assembly pursuant to chapter 536 to review, to delay the effective date,
77 or to disapprove and annul a rule are subsequently held unconstitutional, then the grant
78 of rulemaking authority and any rule proposed or adopted after August 28, 2023, shall
79 be invalid and void.

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

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

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

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