

House _____ Amendment NO. _____

Offered By

1 AMEND Senate Substitute for Senate Bill No. 802, Page 1, Section A, Line 4, by inserting after all
2 of said section and line the following:

3
4 "135.800. 1. The provisions of sections 135.800 to 135.830 shall be known and may be
5 cited as the "Tax Credit Accountability Act of 2004".

6 2. As used in sections 135.800 to 135.830, the following terms mean:

7 (1) "Administering agency", the state agency or department charged with administering a
8 particular tax credit program, as set forth by the program's enacting statute; where no department or
9 agency is set forth, the department of revenue;

10 (2) "Agricultural tax credits", the agricultural product utilization contributor tax credit
11 created pursuant to section 348.430, the new generation cooperative incentive tax credit created
12 pursuant to section 348.432, the family farm breeding livestock loan tax credit created under section
13 348.505, the qualified beef tax credit created under section 135.679, and the wine and grape
14 production tax credit created pursuant to section 135.700;

15 (3) "Business recruitment tax credits", the business facility tax credit created pursuant to
16 sections 135.110 to 135.150 and section 135.258, the enterprise zone tax benefits created pursuant to
17 sections 135.200 to 135.270, the business use incentives for large-scale development programs
18 created pursuant to sections 100.700 to 100.850, the development tax credits created pursuant to
19 sections 32.100 to 32.125, the rebuilding communities tax credit created pursuant to section
20 135.535, the film production tax credit created pursuant to section 135.750, the enhanced enterprise
21 zone created pursuant to sections 135.950 to 135.970, ~~and~~ the Missouri quality jobs program
22 created pursuant to sections 620.1875 to 620.1900, and the Missouri advanced manufacturing
23 recruitment act tax credit created pursuant to section 620.1920;

24 (4) "Community development tax credits", the neighborhood assistance tax credit created
25 pursuant to sections 32.100 to 32.125, the family development account tax credit created pursuant to
26 sections 208.750 to 208.775, the dry fire hydrant tax credit created pursuant to section 320.093, and
27 the transportation development tax credit created pursuant to section 135.545;

28 (5) "Domestic and social tax credits", the youth opportunities tax credit created pursuant to
29 section 135.460 and sections 620.1100 to 620.1103, the shelter for victims of domestic violence
30 created pursuant to section 135.550, the senior citizen or disabled person property tax credit created

Action Taken _____ Date _____

1 pursuant to sections 135.010 to 135.035, the adoption tax credit created pursuant to sections 135.325
2 to 135.339, the champion for children tax credit created pursuant to section 135.341, the maternity
3 home tax credit created pursuant to section 135.600, the surviving spouse tax credit created pursuant
4 to section 135.090, the residential treatment agency tax credit created pursuant to section 135.1150,
5 the pregnancy resource center tax credit created pursuant to section 135.630, the food pantry tax
6 credit created pursuant to section 135.647, the residential dwelling access tax credit created pursuant
7 to section 135.562, the developmental disability care provider tax credit created under section
8 135.1180, the shared care tax credit created pursuant to section 192.2015, the health, hunger, and
9 hygiene tax credit created pursuant to section 135.1125, and the diaper bank tax credit created
10 pursuant to section 135.621;

11 (6) "Entrepreneurial tax credits", the capital tax credit created pursuant to sections 135.400
12 to 135.429, the certified capital company tax credit created pursuant to sections 135.500 to 135.529,
13 the seed capital tax credit created pursuant to sections 348.300 to 348.318, the new enterprise
14 creation tax credit created pursuant to sections 620.635 to 620.653, the research tax credit created
15 pursuant to section 620.1039, the small business incubator tax credit created pursuant to section
16 620.495, the guarantee fee tax credit created pursuant to section 135.766, and the new generation
17 cooperative tax credit created pursuant to sections 32.105 to 32.125;

18 (7) "Environmental tax credits", the charcoal producer tax credit created pursuant to section
19 135.313, the wood energy tax credit created pursuant to sections 135.300 to 135.311, and the
20 alternative fuel stations tax credit created pursuant to section 135.710;

21 (8) "Financial and insurance tax credits", the bank franchise tax credit created pursuant to
22 section 148.030, the bank tax credit for S corporations created pursuant to section 143.471, the exam
23 fee tax credit created pursuant to section 148.400, the health insurance pool tax credit created
24 pursuant to section 376.975, the life and health insurance guaranty tax credit created pursuant to
25 section 376.745, the property and casualty guaranty tax credit created pursuant to section 375.774,
26 and the self-employed health insurance tax credit created pursuant to section 143.119;

27 (9) "Housing tax credits", the neighborhood preservation tax credit created pursuant to
28 sections 135.475 to 135.487, the low-income housing tax credit created pursuant to sections 135.350
29 to 135.363, and the affordable housing tax credit created pursuant to sections 32.105 to 32.125;

30 (10) "Recipient", the individual or entity who both:

31 (a) Is the original applicant for a tax credit; and

32 (b) Who directly receives a tax credit or the right to transfer a tax credit under a tax credit
33 program, regardless as to whether the tax credit has been used or redeemed; a recipient shall not
34 include the transferee of a transferable tax credit;

35 (11) "Redevelopment tax credits", the historic preservation tax credit created pursuant to
36 sections 253.545 to 253.559, the brownfield redevelopment program tax credit created pursuant to
37 sections 447.700 to 447.718, the community development corporations tax credit created pursuant to
38 sections 135.400 to 135.430, the infrastructure tax credit created pursuant to subsection 6 of section
39 100.286, the bond guarantee tax credit created pursuant to section 100.297, the disabled access tax

1 credit created pursuant to section 135.490, the new markets tax credit created pursuant to section
2 135.680, and the distressed areas land assemblage tax credit created pursuant to section 99.1205;

3 (12) "Tax credit program", any of the tax credit programs included in the definitions of
4 agricultural tax credits, business recruitment tax credits, community development tax credits,
5 domestic and social tax credits, entrepreneurial tax credits, environmental tax credits, housing tax
6 credits, redevelopment tax credits, and training and educational tax credits;

7 (13) "Training and educational tax credits", the Missouri works new jobs tax credit and
8 Missouri works retained jobs credit created pursuant to sections 620.800 to 620.809.

9 620.1920. 1. This section shall be known and may be cited as the "Missouri Advanced
10 Manufacturing Recruitment Act".

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

12 (1) "Base employment", the number of qualified full-time Missouri taxpayers employed by
13 the qualified manufacturing company for the twelve-month period prior to the date of notice of
14 intent;

15 (2) "Department", the Missouri department of economic development;

16 (3) "NAICS" or "NAICS industry classification", the classification provided by the most
17 recent edition of the North American Industry Classification System as prepared by the Executive
18 Office of the President, Office of Management and Budget;

19 (4) "New job", the number of qualified full-time Missouri taxpayers employed by the
20 qualified manufacturing company less the project facility's base employment;

21 (5) "Notice of intent", a form developed by the department and available online, completed
22 by the qualified company, and submitted to the department stating the qualified company's intent to
23 request benefits under this program;

24 (6) "Program", the Missouri advanced manufacturing recruitment program;

25 (7) "Project facility", the building or buildings used by a qualified manufacturing company
26 at which new or retained jobs and any new qualified manufacturing capital investment are or will be
27 located or by a qualified manufacturing company at which a qualified manufacturing capital
28 investment is or will be located. A project facility may include separate buildings such that their
29 purpose and operations are interrelated. Upon approval by the department, a subsequent project
30 facility may be designated if the qualified manufacturing company demonstrates a need to relocate
31 to the subsequent project facility at any time during the project period;

32 (8) "Project period", the time period within which benefits are awarded to a qualified
33 manufacturing company or within which the qualified manufacturing company is obligated to
34 perform under an agreement with the department, whichever is greater;

35 (9) "Qualified manufacturing capital investment", an expenditure on property in this state,
36 depreciable under Internal Revenue Code, 26 U.S.C. Section 168, that has been verified by the
37 department;

38 (10) "Qualified manufacturing company", a firm, partnership, joint venture, association,
39 private or public corporation whether organized for profit or not for profit, registered to do business

1 in Missouri that is the owner or operator of a project facility company that is classified by the
2 manufacturing NAICS codes 31-33;

3 (11) "Qualified full-time Missouri taxpayer", any individual employed by the qualified
4 manufacturing company that is scheduled to work an average of at least thirty-five hours per week
5 for a twelve-month period and whose total annual wage from the company is equal to or above the
6 county average wage and whose wages are subject to the taxes imposed by chapter 143;

7 (12) "Tax credit", tax credits issued by the department to offset the state taxes imposed by
8 chapters 143 and 148, excluding withholding tax under sections 143.191 to 143.265, or that may be
9 sold as provided for in this program.

10 3. For all tax years beginning on or after January 1, 2025, a qualified manufacturing
11 company may, for a period of five years, be allowed a tax credit of up to twenty percent of a
12 qualified manufacturing capital investment if the qualified manufacturing company:

13 (1) Makes at least one billion dollars of a qualified manufacturing capital investment; and

14 (2) Creates five hundred or more new jobs, one hundred fifty of which shall be reserved for
15 full-time residents of Missouri at the time of hiring.

16 4. The total amount of tax credits issued annually under this section shall not exceed two
17 hundred million dollars per fiscal year.

18 5. The department shall award tax credits to a qualified manufacturing company that
19 satisfies the qualified manufacturing capital investment requirement in four separate installments of
20 equal value, equivalent to one-fourth of the total agreed-upon value of awarded incentive:

21 (1) At twenty-five percent of the agreed-upon qualified manufacturing capital investment;

22 (2) At fifty percent of the agreed-upon qualified manufacturing capital investment;

23 (3) At seventy-five percent of the agreed-upon qualified manufacturing capital investment;

24 and

25 (4) At one hundred percent of the agreed-upon qualified manufacturing capital investment.

26 6. To be eligible for consideration for the tax credit under this section, a qualified
27 manufacturing company shall submit an application and documentation to the department, as
28 required by the department, outlining a qualified manufacturing capital investment plan totaling no
29 less than one billion dollars.

30 7. In order to receive benefits under this section, a qualified manufacturing company shall
31 enter into written agreement with the department containing detailed performance requirements and
32 repayment penalties in the event of nonperformance. Upon approval of a notice of intent to request
33 benefits under this section, the department and the qualified manufacturing company shall enter into
34 a written agreement covering the applicable period. The agreement shall specify, at a minimum:

35 (1) The committed number of retained jobs, payroll, and new qualified manufacturing
36 capital investment for each year during the project period;

37 (2) Clawback provisions, as may be required by the department; and

38 (3) Any other provisions the department may require.

1 8. The amount of tax credits awarded to a qualified manufacturing company under this
2 section shall not exceed the minimal amount necessary to obtain the qualified manufacturing
3 company's commitment to initiate the project. In determining the amount of tax credits to award to
4 a qualified company, the department shall consider the following factors:

5 (1) The significance of the qualified manufacturing company's need for program benefits;

6 (2) The amount of projected economic impact to the state of the project and the period in
7 which the state would realize such net fiscal benefit;

8 (3) The overall size and quality of the proposed project, including the number of new jobs,
9 new qualified manufacturing capital investment, proposed wages, growth potential of the qualified
10 manufacturing company, the potential multiplier effect of the project, and similar factors;

11 (4) The financial stability and creditworthiness of the qualified manufacturing company;

12 (5) The level of economic distress in the area; and

13 (6) An evaluation of the competitiveness of alternative locations for the project facility, as
14 applicable.

15 9. Once the company and department agree on tax credits, the qualified manufacturing
16 company has three years from the date of department approval to meet twenty-five percent of a
17 qualified manufacturing capital investment. Once the twenty-five percent threshold of the qualified
18 manufacturing capital investment is met, a qualified manufacturing company has five years to
19 receive the full agreed-upon tax credits. If a qualified manufacturing company does not meet the
20 twenty-five percent threshold by year three after the agreement, the agreement shall be deemed
21 void. A qualified manufacturing company may reapply at any time. A qualified manufacturing
22 company shall not be entitled to the full agreed-upon tax credits unless the agreed qualified
23 manufacturing capital investment threshold is met in the time period defined in this section. A
24 qualified manufacturing company that does not meet the full agreed-upon qualified manufacturing
25 capital investment threshold may apply for the program again if the qualified manufacturing
26 company meets the requirements of this section.

27 10. A qualified manufacturing company receiving benefits under this program shall provide
28 an annual report of the number of jobs and such other information as may be required by the
29 department to document the basis for program benefits available no later than ninety days prior to
30 the end of the qualified manufacturing company's tax year immediately following the tax year for
31 which the benefits provided under the program are attributed.

32 11. Tax credits provided under this program may be claimed against taxes otherwise
33 imposed by chapters 143 and 148 but shall be claimed within one year of the close of the tax year
34 for which they were issued. Tax credits provided under this program may be transferred, sold, or
35 assigned by filing a notarized endorsement thereof with the department that names the transferee,
36 the amount of tax credit transferred, and the value received for the credit, as well as any other
37 information reasonably requested by the department. For a qualified manufacturing company with
38 flow-through tax treatment to its members, partners, or shareholders, the tax credit shall be allowed

1 to members, partners, or shareholders in proportion to their share of ownership on the last day of the
2 qualified company's tax period for which the tax credits were issued.

3 12. Prior to the issuance of tax credits, the department shall verify through the department of
4 revenue, and any other applicable state department, that the tax credit applicant does not owe any
5 delinquent income, sales, or use tax or interest or penalties on such taxes, or any delinquent fees or
6 assessments levied by any state department and through the department of commerce and insurance
7 that the applicant does not owe any delinquent insurance taxes or other fees. Such delinquency shall
8 not affect the approval, except that any tax credits issued shall be first applied to the delinquency
9 and any amount issued shall be reduced by the applicant's tax delinquency. If the department of
10 revenue, the department of commerce and insurance, or any other state department concludes that a
11 taxpayer is delinquent after June fifteenth but before July first of any year and the application of tax
12 credits to such delinquency causes a tax deficiency on behalf of the taxpayer to arise, the taxpayer
13 shall be granted thirty days to satisfy the deficiency in which interest, penalties, and additions to the
14 tax shall be tolled. After applying all available credits toward a tax delinquency, the administering
15 agency shall notify the appropriate department and that department shall update the amount of
16 outstanding delinquent tax owed by the applicant. If any credits remain after satisfying all
17 insurance, income, sales, and use tax delinquencies, the remaining credits shall be issued to the
18 applicant, subject to the restrictions of other provisions of law. Notwithstanding section 32.057, and
19 any state tax confidentiality law to the contrary, the department of revenue and any other applicable
20 state department may disclose any tax information to the department concerning a qualified
21 manufacturing company that is applying for this tax credit for purposes of administering this tax
22 credit.

23 13. The director of revenue shall issue a refund to the qualified manufacturing company to
24 the extent that the amount of tax credits allowed under this program exceeds the amount of the
25 qualified company's tax liability, if any, under both chapter 143 and 148.

26 14. Any qualified manufacturing company approved for benefits under this program shall
27 provide to the department, upon request, any and all information and records reasonably required to
28 monitor compliance with program requirements.

29 15. Before January 1, 2026, and the first day of each calendar quarter thereafter, the
30 department shall present a quarterly report to the general assembly detailing the benefits authorized
31 under this program during the immediately preceding calendar quarter to the extent such
32 information may be disclosed under state and federal law. The report shall include, but not be
33 limited to:

34 (1) A list of all approved and disapproved applicants for each tax credit;

35 (2) A list of the aggregate amount of new or retained jobs that are directly attributable to the
36 tax credits authorized;

37 (3) A statement of the aggregate amount of new capital investment directly attributable to
38 the tax credits authorized;

1 (4) Documentation of the estimated economic impact for each authorized project and, to the
2 extent available, the actual benefit realized upon completion of such project or activity; and

3 (5) The department's response time for each request for a proposed benefit award under this
4 program.

5 16. This program shall be considered a business recruitment tax credit under subdivision (2)
6 of subsection 2 of section 135.800, and any qualified manufacturing company approved for benefits
7 under this program shall be subject to the provisions of sections 135.800 to 135.830.

8 17. For qualified manufacturing companies owned by entities domiciled in the United States
9 that are relocating or reshoring manufacturing capacity from the People's Republic of China or any
10 country designated as a foreign adversary in 15 CFR. 7.4 to a project facility in Missouri, the
11 department shall establish an expedited approval process. Applications from such companies shall
12 be given priority in the review process over applications from otherwise qualified manufacturing
13 companies. The department shall make a determination on applications from qualified
14 manufacturing companies owned by entities domiciled in the United States that are relocating or
15 reshoring manufacturing capacity from the People's Republic of China or a designated foreign
16 adversary within sixty days of receiving a complete application. The director of the department
17 shall establish policies and procedures to implement the expedited approval process and ensure
18 priority consideration for applications from such companies.

19 18. The department of economic development may promulgate all necessary rules and
20 regulations for the administration of this section. Any rule or portion of a rule, as that term is
21 defined in section 536.010, that is created under the authority delegated in this section shall become
22 effective only if it complies with and is subject to all of the provisions of chapter 536 and, if
23 applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers
24 vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to
25 disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking
26 authority and any rule proposed or adopted after August 28, 2024, shall be invalid and void.

27 19. Under section 23.253 of the Missouri sunset act:

28 (1) The provisions of the new program authorized under this section shall automatically
29 sunset on December thirty-first, ten years after the effective date of this section, unless reauthorized
30 by an act of the general assembly;

31 (2) If such program is reauthorized, the program authorized under this section shall
32 automatically sunset on December thirty-first, ten years after the effective date of the
33 reauthorization of this section;

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

36 (4) Nothing in this subsection shall prevent a taxpayer from claiming a tax credit properly
37 issued before this program was sunset in a tax year after the program is sunset."; and

38
39 Further amend said bill by amending the title, enacting clause, and intersectional references
40 accordingly.