

House _____ Amendment NO. _____

Offered By

1 AMEND Senate Substitute for Senate Bill No. 802, Page 1, Section A, Line 4, by inserting after all of said
2 section and line the following:
3

4 "32.115. 1. The department of revenue shall grant a tax credit, to be applied in the following order
5 until used, against:

6 (1) The annual tax on gross premium receipts of insurance companies in chapter 148;

7 (2) The tax on banks determined pursuant to subdivision (2) of subsection 2 of section 148.030;

8 (3) The tax on banks determined in subdivision (1) of subsection 2 of section 148.030;

9 (4) The tax on other financial institutions in chapter 148;

10 (5) The corporation franchise tax in chapter 147;

11 (6) The state income tax in chapter 143; and

12 (7) The annual tax on gross receipts of express companies in chapter 153.

13 2. For proposals approved pursuant to section 32.110:

14 (1) The amount of the tax credit shall not exceed ~~[fifty]~~ seventy percent of the total amount
15 contributed during the taxable year by the business firm or, in the case of a financial institution, where
16 applicable, during the relevant income period in programs approved pursuant to section 32.110;

17 (2) Except as provided in subsection 2 or 5 of this section, a tax credit of up to seventy percent may
18 be allowed for contributions to programs where activities fall within the scope of special program priorities as
19 defined with the approval of the governor in regulations promulgated by the director of the department of
20 economic development;

21 (3) Except as provided in subsection 2 or 5 of this section, the tax credit allowed for contributions to
22 programs located in any community shall be equal to seventy percent of the total amount contributed where
23 such community is a city, town or village which has fifteen thousand or less inhabitants as of the last
24 decennial census and is located in a county which is either located in:

25 (a) An area that is not part of a standard metropolitan statistical area;

26 (b) A standard metropolitan statistical area but such county has only one city, town or village which
27 has more than fifteen thousand inhabitants; or

28 (c) A standard metropolitan statistical area and a substantial number of persons in such county derive
29 their income from agriculture.

Action Taken _____ Date _____

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2 Such community may also be in an unincorporated area in such county as provided in subdivision (1), (2) or
3 (3) of this subsection. Except in no case shall the total economic benefit of the combined federal and state tax
4 savings to the taxpayer exceed the amount contributed by the taxpayer during the tax year;

5 (4) Such tax credit allocation, equal to seventy percent of the total amount contributed, shall not
6 exceed four million dollars in fiscal year 1999 and six million dollars in fiscal year 2000 and any subsequent
7 fiscal year. When the maximum dollar limit on the seventy percent tax credit allocation is committed, the tax
8 credit allocation for such programs shall then be equal to fifty percent credit of the total amount contributed.
9 Regulations establishing special program priorities are to be promulgated during the first month of each fiscal
10 year and at such times during the year as the public interest dictates. Such credit shall not exceed two
11 hundred and fifty thousand dollars annually except as provided in subdivision (5) of this subsection. No tax
12 credit shall be approved for any bank, bank and trust company, insurance company, trust company, national
13 bank, savings association, or building and loan association for activities that are a part of its normal course of
14 business. Any tax credit not used in the period the contribution was made may be carried over the next five
15 succeeding calendar or fiscal years until the full credit has been claimed. Except as otherwise provided for
16 proposals approved pursuant to section 32.111, 32.112 or 32.117, in no event shall the total amount of all
17 other tax credits allowed pursuant to sections 32.100 to 32.125 exceed thirty-two million dollars in any one
18 fiscal year, of which six million shall be credits allowed pursuant to section 135.460. If six million dollars in
19 credits are not approved, then the remaining credits may be used for programs approved pursuant to sections
20 32.100 to 32.125;

21 (5) The credit may exceed two hundred fifty thousand dollars annually and shall not be limited if
22 community services, crime prevention, education, job training, physical revitalization or economic
23 development, as defined by section 32.105, is rendered in an area defined by federal or state law as an
24 impoverished, economically distressed, or blighted area or as a neighborhood experiencing problems
25 endangering its existence as a viable and stable neighborhood, or if the community services, crime
26 prevention, education, job training, physical revitalization or economic development is limited to
27 impoverished persons.

28 3. For proposals approved pursuant to section 32.111:

29 (1) The amount of the tax credit shall not exceed fifty-five percent of the total amount invested in
30 affordable housing assistance activities or market rate housing in distressed communities as defined in section
31 135.530 by a business firm. Whenever such investment is made in the form of an equity investment or a
32 loan, as opposed to a donation alone, tax credits may be claimed only where the loan or equity investment is
33 accompanied by a donation which is eligible for federal income tax charitable deduction, and where the total
34 value of the tax credits herein plus the value of the federal income tax charitable deduction is less than or
35 equal to the value of the donation. Any tax credit not used in the period for which the credit was approved
36 may be carried over the next ten succeeding calendar or fiscal years until the full credit has been allowed. If
37 the affordable housing units or market rate housing units in distressed communities for which a tax is claimed
38 are within a larger structure, parts of which are not the subject of a tax credit claim, then expenditures
39 applicable to the entire structure shall be reduced on a prorated basis in proportion to the ratio of the number

1 of square feet devoted to the affordable housing units or market rate housing units in distressed communities,
2 for purposes of determining the amount of the tax credit. The total amount of tax credit granted for programs
3 approved pursuant to section 32.111 for the fiscal year beginning July 1, 1991, shall not exceed two million
4 dollars, to be increased by no more than two million dollars each succeeding fiscal year, until the total tax
5 credits that may be approved reaches ten million dollars in any fiscal year;

6 (2) For any year during the compliance period indicated in the land use restriction agreement, the
7 owner of the affordable housing rental units for which a credit is being claimed shall certify to the
8 commission that all tenants renting claimed units are income eligible for affordable housing units and that the
9 rentals for each claimed unit are in compliance with the provisions of sections 32.100 to 32.125. The
10 commission is authorized, in its discretion, to audit the records and accounts of the owner to verify such
11 certification;

12 (3) In the case of owner-occupied affordable housing units, the qualifying owner occupant shall,
13 before the end of the first year in which credits are claimed, certify to the commission that the occupant is
14 income eligible during the preceding two years, and at the time of the initial purchase contract, but not
15 thereafter. The qualifying owner occupant shall further certify to the commission, before the end of the first
16 year in which credits are claimed, that during the compliance period indicated in the land use restriction
17 agreement, the cost of the affordable housing unit to the occupant for the claimed unit can reasonably be
18 projected to be in compliance with the provisions of sections 32.100 to 32.125. Any succeeding owner
19 occupant acquiring the affordable housing unit during the compliance period indicated in the land use
20 restriction agreement shall make the same certification;

21 (4) If at any time during the compliance period the commission determines a project for which a
22 proposal has been approved is not in compliance with the applicable provisions of sections 32.100 to 32.125
23 or rules promulgated therefor, the commission may within one hundred fifty days of notice to the owner
24 either seek injunctive enforcement action against the owner, or seek legal damages against the owner
25 representing the value of the tax credits, or foreclose on the lien in the land use restriction agreement, selling
26 the project at a public sale, and paying to the owner the proceeds of the sale, less the costs of the sale and less
27 the value of all tax credits allowed herein. The commission shall remit to the director of revenue the portion
28 of the legal damages collected or the sale proceeds representing the value of the tax credits. However, except
29 in the event of intentional fraud by the taxpayer, the proposal's certificate of eligibility for tax credits shall not
30 be revoked.

31 4. For proposals approved pursuant to section 32.112, the amount of the tax credit shall not exceed
32 fifty-five percent of the total amount contributed to a neighborhood organization by business firms. Any tax
33 credit not used in the period for which the credit was approved may be carried over the next ten succeeding
34 calendar or fiscal years until the full credit has been allowed. The total amount of tax credit granted for
35 programs approved pursuant to section 32.112 shall not exceed one million dollars for each fiscal year.

36 5. The total amount of tax credits used for market rate housing in distressed communities pursuant to
37 sections 32.100 to 32.125 shall not exceed thirty percent of the total amount of all tax credits authorized
38 pursuant to sections 32.111 and 32.112.

1 135.460. 1. This section and sections 620.1100 and 620.1103 shall be known and may be cited as
2 the "Youth Opportunities and Violence Prevention Act".

3 2. As used in this section, the term "taxpayer" shall include corporations as defined in section
4 143.441 or 143.471, any charitable organization which is exempt from federal income tax and whose
5 Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under
6 chapter 143, and individuals, individual proprietorships and partnerships.

7 3. A taxpayer shall be allowed a tax credit against the tax otherwise due pursuant to chapter 143,
8 excluding withholding tax imposed by sections 143.191 to 143.265, chapter 147, chapter 148, or chapter 153
9 in an amount equal to thirty percent for property contributions and ~~[fifty]~~ seventy percent for monetary
10 contributions of the amount such taxpayer contributed to the programs described in subsection 5 of this
11 section, not to exceed two hundred thousand dollars per taxable year, per taxpayer; except as otherwise
12 provided in subdivision (5) of subsection 5 of this section. The department of economic development shall
13 prescribe the method for claiming the tax credits allowed in this section. No rule or portion of a rule
14 promulgated under the authority of this section shall become effective unless it has been promulgated
15 pursuant to the provisions of chapter 536. All rulemaking authority delegated prior to June 27, 1997, is of no
16 force and effect and repealed; however, nothing in this section shall be interpreted to repeal or affect the
17 validity of any rule filed or adopted prior to June 27, 1997, if such rule complied with the provisions of
18 chapter 536. The provisions of this section and chapter 536 are nonseverable and if any of the powers vested
19 with the general assembly pursuant to chapter 536, including the ability to review, to delay the effective date,
20 or to disapprove and annul a rule or portion of a rule, are subsequently held unconstitutional, then the
21 purported grant of rulemaking authority and any rule so proposed and contained in the order of rulemaking
22 shall be invalid and void.

23 4. The tax credits allowed by this section shall be claimed by the taxpayer to offset the taxes that
24 become due in the taxpayer's tax period in which the contribution was made. Any tax credit not used in such
25 tax period may be carried over the next five succeeding tax periods.

26 5. The tax credit allowed by this section may only be claimed for monetary or property contributions
27 to public or private programs authorized to participate pursuant to this section by the department of economic
28 development and may be claimed for the development, establishment, implementation, operation, and
29 expansion of the following activities and programs:

30 (1) An adopt-a-school program. Components of the adopt-a-school program shall include donations
31 for school activities, seminars, and functions; school-business employment programs; and the donation of
32 property and equipment of the corporation to the school;

33 (2) Expansion of programs to encourage school dropouts to reenter and complete high school or to
34 complete a graduate equivalency degree program;

35 (3) Employment programs. Such programs shall initially, but not exclusively, target unemployed
36 youth living in poverty and youth living in areas with a high incidence of crime;

37 (4) New or existing youth clubs or associations;

38 (5) Employment/internship/apprenticeship programs in business or trades for persons less than
39 twenty years of age, in which case the tax credit claimed pursuant to this section shall be equal to one-half of

1 the amount paid to the intern or apprentice in that tax year, except that such credit shall not exceed ten
2 thousand dollars per person;

3 (6) Mentor and role model programs;

4 (7) Drug and alcohol abuse prevention training programs for youth;

5 (8) Donation of property or equipment of the taxpayer to schools, including schools which primarily
6 educate children who have been expelled from other schools, or donation of the same to municipalities, or
7 not-for-profit corporations or other not-for-profit organizations which offer programs dedicated to youth
8 violence prevention as authorized by the department;

9 (9) Not-for-profit, private or public youth activity centers;

10 (10) Nonviolent conflict resolution and mediation programs;

11 (11) Youth outreach and counseling programs.

12 6. Any program authorized in subsection 5 of this section shall, at least annually, submit a report to
13 the department of economic development outlining the purpose and objectives of such program, the number
14 of youth served, the specific activities provided pursuant to such program, the duration of such program and
15 recorded youth attendance where applicable.

16 7. The department of economic development shall, at least annually submit a report to the Missouri
17 general assembly listing the organizations participating, services offered and the number of youth served as
18 the result of the implementation of this section.

19 8. The tax credit allowed by this section shall apply to all taxable years beginning after December
20 31, 1995.

21 9. For the purposes of the credits described in this section, in the case of a corporation described in
22 section 143.471, partnership, limited liability company described in section 347.015, cooperative, marketing
23 enterprise, or partnership, in computing Missouri's tax liability, such credits shall be allowed to the following:

24 (1) The shareholders of the corporation described in section 143.471;

25 (2) The partners of the partnership;

26 (3) The members of the limited liability company; and

27 (4) Individual members of the cooperative or marketing enterprise.

28
29 Such credits shall be apportioned to the entities described in subdivisions (1) and (2) of this subsection in
30 proportion to their share of ownership on the last day of the taxpayer's tax period."; and

31
32 Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.