

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

5 (1) "Eligible expenses", expenses incurred in the construction or development of
6 establishing or improving an urban farm in an urban area or a small-scale specialty crop farm in a
7 food desert. The term eligible expenses shall not include any expense for labor or any expense
8 incurred to grow medical marijuana or industrial hemp;

9 (2) "Food desert", a census tract that has a poverty rate of at least twenty percent or a
10 median family income of less than eighty percent of the statewide average and where at least five
11 hundred people or thirty-three percent of the population is located at least one-half mile away from a
12 full-service grocery store in an urban area or at least ten miles away from a full-service grocery store
13 in a rural area;

14 (3) "Rural area", a rural place as designated by the United States Census Bureau;

15 (4) "Small-scale specialty crop farm", a farm no larger than thirty acres and growing three or
16 more types of specialty crops at any given time on at least half of its total acreage;

17 (5) "Specialty crop", fruits and vegetables, tree nuts, dried fruits, and horticulture and
18 nursery crops including, but not limited to, floriculture;

19 (6) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding
20 withholding tax imposed under sections 143.191 to 143.265;

21 ~~[(3)]~~ (7) "Taxpayer", any individual, partnership, or corporation as described under section
22 143.441 or 143.471 that is subject to the tax imposed under chapter 143, excluding withholding tax
23 imposed under sections 143.191 to 143.265, or any charitable organization that is exempt from
24 federal income tax and whose Missouri unrelated business taxable income, if any, would be subject
25 to the state income tax imposed under chapter 143;

26 ~~[(4)]~~ (8) "Urban area", an urbanized area as defined by the United States Census Bureau;

27 ~~[(5)]~~ (9) "Urban farm", an agricultural plot or facility in an urban area that produces
28 agricultural food products ~~[used solely]~~ predominantly for [distribution to] the public by sale or
29 donation. Urban farm shall include community-run gardens. Urban farm shall not include
30 ~~[personal]~~ farms or residential lots growing food predominantly for personal [use] consumption.

Action Taken _____ Date _____

1 2. For all tax years beginning on or after January 1, 2023, a taxpayer shall be allowed to
2 claim a tax credit against the taxpayer's state tax liability in an amount equal to fifty percent of the
3 taxpayer's eligible expenses in the tax year for establishing or improving an urban farm not to
4 exceed five thousand dollars per urban farm or for establishing or improving a small-scale specialty
5 crop farm in a food desert that focuses on food production not to exceed twenty thousand dollars per
6 small-scale specialty crop farm in a food desert.

7 3. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state
8 tax liability in the tax year for which the credit is claimed, and the taxpayer shall not be allowed to
9 claim a tax credit under this section in excess of five thousand dollars for each urban farm or small-
10 scale specialty crop farm. The total amount of tax credits that may be authorized for all taxpayers
11 for eligible expenses incurred on any given urban farm or small-scale specialty crop farm shall not
12 exceed twenty-five thousand dollars. Any issued tax credit that cannot be claimed in the tax year in
13 which the eligible expenses were incurred may be carried over to the next three succeeding tax years
14 until the full credit is claimed.

15 4. The total amount of tax credits that may be authorized under this section shall not exceed
16 ~~[two hundred thousand]~~ three million dollars in any calendar year.

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

19 6. The Missouri agricultural and small business development authority shall recapture the
20 amount of tax credits issued to any taxpayer who, after receiving such tax credit, uses more than
21 fifty percent of the urban farm land for the production of agricultural food products for personal
22 ~~[benefit of]~~ consumption by the taxpayer instead of for producing agricultural food products used
23 ~~[solely]~~ predominantly for distribution to the public by sale or donation.

24 7. The Missouri agricultural and small business development authority may promulgate
25 rules to implement the provisions of this section. Any rule or portion of a rule, as that term is
26 defined in section 536.010, that is created under the authority delegated in this section shall become
27 effective only if it complies with and is subject to all of the provisions of chapter 536 and, if
28 applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers
29 vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to
30 disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking
31 authority and any rule proposed or adopted after January 2, 2023, shall be invalid and void.

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

33 (1) The program authorized under this section shall automatically sunset on December 31,
34 2028, unless reauthorized by an act of the general assembly;

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

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

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

3 135.1620. 1. As used in this section, the following terms mean:

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

5 (2) "Eligible expenses", expenses incurred in the construction or development of real
6 property for the purpose of establishing a full-service grocery store in a food desert;

7 (3) "Food desert", a census tract that has a poverty rate of at least twenty percent or a
8 median family income of less than eighty percent of the statewide average and where at least five
9 hundred people or thirty-three percent of the population are located at least one-half mile away from
10 a full-service grocery store in urbanized areas or at least ten miles away in rural areas;

11 (4) "Full-service grocery store", a grocery store that provides a full complement of healthful
12 fruits, vegetables, grains, meat, and dairy products along with household items. Fresh fruits and
13 vegetables shall be available for sale in quantities that are substantially similar to industry standards
14 for facilities of similar size. A lack of availability of fresh fruits and vegetables in sufficient
15 quantities due to a supply shortage, as determined by the department, shall not disqualify an entity
16 from being a full-service grocery store otherwise eligible for tax credits pursuant to this section;

17 (5) "New location", a full-service grocery store facility located on a tract of real property
18 within a food desert acquired by or leased to a taxpayer on or after January 1, 2025. A location shall
19 be deemed to have been acquired by or leased to a taxpayer on or after January 1, 2025, if the
20 transfer of title to the taxpayer, the transfer of possession under a binding contract to transfer title to
21 the taxpayer, or the commencement of the term of the lease to the taxpayer occurs on or after
22 January 1, 2025, or if the commencement of the construction or installation of the facility by or on
23 behalf of a taxpayer occurs on or after January 1, 2025;

24 (6) "Rural area", a town or community within the state that is not within a metropolitan
25 statistical area and has a population of six thousand or fewer inhabitants as determined by the last
26 preceding federal decennial census or any unincorporated area not within a metropolitan statistical
27 area;

28 (7) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding
29 withholding tax imposed under sections 143.191 to 143.265;

30 (8) "Taxpayer", any individual, partnership, or corporation as described under section
31 143.441 or 143.471 that is subject to the tax imposed under chapter 143, excluding withholding tax
32 imposed under sections 143.191 to 143.265, or any charitable organization that is exempt from
33 federal income tax and whose Missouri unrelated business taxable income, if any, would be subject
34 to the state income tax imposed under chapter 143;

35 (9) "Urbanized area", an urbanized area as designated by the United States Census Bureau.

36 2. For all tax years beginning on or after January 1, 2025, a taxpayer shall be allowed to
37 claim a tax credit against the taxpayer's state tax liability in an amount equal to fifty percent of the
38 taxpayer's eligible expenses that are in excess of initial eligible expenses of:

1 (1) One million dollars if the full-service grocery store is established in a charter county, a
2 county of the first classification, or a city not within a county; or

3 (2) Five hundred thousand dollars if the full-service grocery store is established in any other
4 county.

5 3. (1) In order to claim a tax credit pursuant to this section, a taxpayer shall submit an
6 application to the department, which shall include:

7 (a) All eligible expenses incurred by the taxpayer;

8 (b) The date of the commencement of construction of the full-service grocery store;

9 (c) The anticipated date of the commencement of operations of the full-service grocery
10 store; and

11 (d) Any other information required by the department to implement the provisions of this
12 section.

13 (2) The amount of the tax credit shall not exceed the amount of the taxpayer's state tax
14 liability in the tax year for which the credit is claimed, and such taxpayer shall not be allowed to
15 claim a tax credit in excess of two million five hundred thousand dollars per tax year. However, any
16 tax credit that cannot be claimed in the tax year the eligible expenses were incurred may be carried
17 over to the next three succeeding tax years until the full credit is claimed.

18 4. The total amount of tax credits that may be authorized under this section shall not exceed
19 twenty-two million dollars in any calendar year, which shall be authorized on a first-come, first-
20 served basis.

21 5. Tax credits issued under the provisions of this section may be transferred, sold, or
22 assigned.

23 6. (1) The issuance of tax credits authorized under this section shall cease and the
24 department shall recoup from the taxpayer and deposit in the general revenue fund an amount equal
25 to all credits previously issued to the taxpayer under this section, less any amounts previously
26 repaid, increased by the amount of interest that would have been earned on the amount of such tax
27 credits, in the event that the taxpayer:

28 (a) Fails to complete construction of a full-service grocery store within five years of the
29 commencement of the project; or

30 (b) Fails to operate a full-service grocery store at the same new location for at least ten
31 consecutive years.

32 (2) A taxpayer shall annually submit a report to the department, on a form to be developed
33 by the department, indicating that the taxpayer is in compliance with the provisions of this section.

34 7. The department may promulgate rules to implement the provisions of this section. Any
35 rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority
36 delegated in this section shall become effective only if it complies with and is subject to all of the
37 provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are
38 nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to
39 review, to delay the effective date, or to disapprove and annul a rule are subsequently held

1 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after
2 August 28, 2024, 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."; and

14
15 Further amend said bill by amending the title, enacting clause, and intersectional references
16 accordingly.