

HB 1834 -- BUSINESS INCENTIVES

SPONSOR: McMullen

This bill establishes the "Missouri Defense and Energy Independence Act".

Beginning January 1, 2025, a qualified company may claim a tax credit not to exceed \$6 million against costs incurred when the qualified company converts its operations to the production of chemicals, metals, gases, or rare earth minerals that will be used for projects designed to decrease or eliminate reliance on foreign-produced chemicals, metals, gases, or rare earth minerals used in the production of energy projects or Department of Defense projects.

One-fourth of the tax credit shall be issued in each of the four tax years immediately following the tax year for which the qualified company claimed the tax credit.

The cumulative amount of tax credits shall not exceed \$40 million per tax year. If the amount of tax credits exceeds \$40 million, the tax credits shall be allowed based on the order in which they are claimed. The tax credits shall not be refundable and cannot be carried forward to any subsequent tax year, assigned, transferred, sold, or otherwise conveyed.

This bill also establishes the "Grants for Independence from Foreign Influence Fund". The Fund shall consist of at least \$10 million appropriated by the General Assembly and through any gifts, contributions, grants, or bequests received from federal, private, or other sources. The Department of Economic Development shall award grants from this Fund to qualifying companies seeking to defray the cost of converting the operations of said company toward the production of materials that will be used to decrease or eliminate reliance on foreign-produced materials used in the production of energy projects or Department of Defense projects. A qualified company shall not receive more than \$500,000 from the Fund.

This bill sunsets six years after the effective date.

This bill is the same as HB 1298 (2023).