

HCS HB 2319 -- TAX CREDITS

SPONSOR: Owen

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Government Efficiency and Downsizing by a vote of 9 to 0 and 1 present. Voted to "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 6 to 1 with 1 present.

The following is a summary of the House Committee Substitute for HB 2319.

This bill modifies the status of certain existing tax credits. The modifications include:

(1) Removing certain tax credits that are currently administered by the Department of Revenue (DOR), and placing those tax credits in a different agency. Such tax credits include:

(a) Surviving Spouses of Public Safety Officers Tax Credit, moved from DOR to the Department of Public Safety , this transfer to occur on August 28, 2024;

(b) Adoption Tax Credit, moved from DOR to the Department of Social Services (DSS) this transfer to occur on August 28, 2024;

(c) Champion for Children Tax Credit, moved from DOR to DSS this transfer to occur on August 28, 2024;

(d) ADA Access, Expenditures by Small Businesses Tax Credit, moved from DOR to the Department of Economic Development (DED) this transfer to occur on August 28, 2024;

(e) Residential Renovations for Disability Tax Credit, moved from DOR to DED this transfer to occur on August 28, 2024;

(f) Donated Food Tax Credit, moved from DOR to DSS this transfer to occur on August 28, 2024;

(g) High Ethanol Blend Seller Tax Credit, moved from DOR to the Department of Agriculture (MDA) this transfer to occur on August 28, 2024;

(h) Biodiesel Blend Seller Tax Credit, moved from DOR to MDA this transfer to occur on August 28, 2024; and

(i) Biodiesel Blend Producer Tax Credit, moved from DOR to MDA this transfer to occur on August 28, 2024.

(2) Applying a sunset provision to those tax credits that currently lack such provision. Such tax credits include:

- (a) Neighborhood Assistance Tax Credit;
- (b) Affordable Housing Tax Credit;
- (c) Missouri Development Finance Board Tax Credit changes the sunset;
- (d) Missouri Development Finance Board (revenue bonds or notes) Tax Credit;
- (e) Business Use Incentives for Large-Scale Development Tax Credit;
- (f) Adoption Tax Credit;
- (g) Investments in Missouri Small Businesses Tax Credit;
- (h) Youth Opportunities and Violence Prevention Tax Credit;
- (i) Rehabilitation and Construction of Residences in Distressed Communities and Census Blocks Tax Credit;
- (j) ADA Access, Expenditures by Small Businesses Tax Credit;
- (k) Community-Based Faculty Preceptor Tax Credit;
- (l) Missouri Empowerment Scholarship Accounts Program Tax Credit;
- (m) Residential Treatment Agency Tax Credit;
- (n) Developmental Disability Care Provider Tax Credit;
- (o) Missouri Working Family Tax Credit;
- (p) S Corp Banks, Associations, and Credit Institutions Tax Credit;
- (q) Shared Care Giver Tax Credit;
- (r) Family Development Account Tax Credit;
- (s) Family Farm Breeding Tax Credit; and the
- (t) Brownfield Redevelopment Program Tax Credit).

(3) Placing a maximum cap on those tax credits that currently lack such a provision. Such tax credits include:

- (a) Surviving Spouses of Public Safety Officers Tax Credit;
- (b) New or Expanded Business Facility Tax Credit;
- (c) ADA Access, Expenditures by Small Businesses Tax Credit;
- (d) Grape and Wine Producers Tax Credit;
- (e) Residential Treatment Agency Tax Credit;
- (f) Developmental Disability Care Provider Tax Credit;
- (g) Self-Employed Health Insurance Tax Credit;
- (h) Missouri Working Family Tax Credit;
- (i) S Corp Banks, Associations, and Credit Institutions Tax Credit;
- (j) Shared Care Giver Tax Credit; and the
- (k) Brownfield Redevelopment Program Tax Credit.

(4) Repealing tax credits that have already expired:

- (a) Distressed Areas Land Assemblage Tax Credit;
- (b) Charcoal Producers Tax Credit;
- (c) Certified Capital Company Tax Credit;
- (d) Investing in the Transportation Development of a Distressed Community Tax Credit;
- (e) Qualified Equity Investment Tax Credit;
- (f) Grape & Wine Producers Tax Credit;
- (g) Alternate Fuel Vehicle Refueling Property and EV Recharging Property Tax Credit;
- (h) Small Business Guaranty Fees Tax Credit;
- (i) Higher Education Scholarship Program Tax Credit;

- (j) Dry Fire Hydrant Tax Credit;
- (k) Contributions to Innovation Centers Tax Credit;
- (l) New Enterprise Creation Tax Credit; and the
- (m) Innovation Campus Tax Credit.

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPOSERS: Supporters say that this bill removes needless tax credits. We have nine tax credits that have no checks and balances; the same agency that is administering the tax credit is also reviewing it. This bill address that issue. There are 24 tax credits that have no caps; this bill caps them at 20%. There are 34 tax credits with eternal life; these tax credits now sunset at six years.

Testifying in person for the bill was Representative Owen.

OPPOSERS: There was no opposition voiced to the committee.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.