

FIRST REGULAR SESSION

HOUSE BILL NO. 240

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE SHARPE (4).

0195H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 620, RSMo, by adding thereto four new sections relating to workforce housing tax incentives, with penalty provisions.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 620, RSMo, is amended by adding thereto four new sections, to
2 be known as sections 620.2022, 620.2024, 620.2026, and 620.2028, to read as follows:

3 **620.2022. 1. Sections 620.2022 to 620.2028 shall be known and may be cited as**
4 **the "Workforce Housing Tax Incentives Program".**

5 **2. As used in sections 620.2022 to 620.2028, the following terms mean:**

6 **(1) "Brownfield site", an abandoned, idled, or underutilized property where**
7 **expansion or redevelopment is complicated by real or perceived environmental**
8 **contamination. A "brownfield site" includes property contiguous with the site on**
9 **which the property is located. A "brownfield site" does not include property that has**
10 **been placed, or is proposed for placement, on the national priorities list established**
11 **under the federal Comprehensive Environmental Response, Compensation, and**
12 **Liability Act, 42 U.S.C. Section 9601 et seq.;**

13 **(2) "Community", a small city, urban area, or county;**

14 **(3) "Department", the Missouri department of economic development;**

15 **(4) "Disaster recovery housing project", a qualified housing project located in a**
16 **county that is a declared state disaster as defined under section 190.275 or disaster area**
as defined under section 184.805 and is eligible for Federal Emergency Management
Agency (FEMA) Individual Assistance program;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in bold-face type in the above bill is proposed language.

17 (5) "Governing body", the board, the body, or the persons in whom the powers
18 of a political subdivision as a body corporate, or otherwise, are vested;

19 (6) "Grayfield site", a property meeting the following requirements:

20 (a) The property has been developed and has infrastructure in place but the
21 property's current use is outdated or prevents a better or more efficient use of the
22 property. Such property includes vacant, blighted, obsolete, or otherwise underutilized
23 property; and

24 (b) The property's improvements and infrastructure are at least twenty-five
25 years old and one or more of the following conditions exist:

26 a. Thirty percent or more of a building located on the property that is available
27 for occupancy has been vacant or unoccupied for twelve months or more;

28 b. The assessed value of the improvements on the property has decreased by
29 twenty-five percent or more;

30 c. The property is currently being used as a parking lot; or

31 d. The improvements on the property no longer exist;

32 (7) "Greenfield site", a site that does not meet the definition of a brownfield site
33 or grayfield site. A project proposed at a site located on previously undeveloped land or
34 agricultural land shall be presumed to be a greenfield site;

35 (8) "Housing business", a business that is a housing developer, housing
36 contractor, or nonprofit organization that completes a housing project in the state;

37 (9) "Housing project", a project located in this state meeting the requirements of
38 section 620.2024;

39 (10) "Multi-use building", a building whose street-level ground story is used for
40 a purpose other than residential, and whose upper story or stories are currently used
41 primarily for a residential purpose, or will be used primarily for a residential purpose
42 after completion of the housing project associated with the building;

43 (11) "Program", the workforce housing tax incentives program administered
44 under sections 620.2022 to 620.2028;

45 (12) "Qualified rehabilitation project", a project for the rehabilitation of
46 property in this state that meets the following criteria:

47 (a) The property is at least one of the following:

48 a. Property listed on the National Register of Historic Places or eligible for such
49 listing;

50 b. Property designated as of historic significance to a district listed in the
51 National Register of Historic Places or eligible for such designation;

52 c. Property or district designated a local landmark by a city or county
53 ordinance; or

54 d. A barn constructed prior to 1937;

55 (b) The property meets the physical criteria and standards for rehabilitation
56 established by the department by rule. To the extent applicable, the physical standards
57 and criteria shall be consistent with the United States Secretary of the Interior's
58 Standards for Rehabilitation; and

59 (c) The project has qualified rehabilitation expenditures that meet or exceed the
60 following:

61 a. In the case of commercial property, expenditures totaling at least fifty
62 thousand dollars or fifty percent of the assessed value of the property, excluding the
63 land, prior to rehabilitation, whichever is less; or

64 b. In the case of property other than commercial property including, but not
65 limited to, barns constructed prior to 1937, expenditures totaling at least twenty-five
66 thousand dollars or twenty-five percent of the assessed value, excluding the land, prior
67 to rehabilitation, whichever is less;

68 (13) "Qualifying new investment", costs that are directly related to the
69 acquisition, repair, rehabilitation, or redevelopment of a housing project in this state. A
70 "qualifying new investment" includes costs that are directly related to new construction
71 of dwelling units if the new construction occurs in a distressed workforce housing
72 community. The amount of costs that may be used to compute "qualifying new
73 investment" shall not exceed the costs used for the first one hundred fifty thousand
74 dollars of value for each dwelling unit that is part of a housing project. A "qualifying
75 new investment" does not include the following:

76 (a) The portion of the total cost of a housing project that is financed by federal,
77 state, or local government tax credits, grants, forgivable loans, or other forms of
78 financial assistance that do not require repayment, excluding the tax incentives provided
79 under sections 620.2022 to 620.2028; or

80 (b) If a housing project includes the rehabilitation, repair, or redevelopment of
81 an existing multi-use building, the portion of the total acquisition costs of the multi-use
82 building, including a proportionate share of the total acquisition costs of the land upon
83 which the multi-use building is situated, that are attributable to the street-level ground
84 story that is used for a purpose that is other than residential;

85 (14) "Small city", a city or village that:

86 (a) Is not located wholly within one of the eight most populous counties in the
87 state as determined by the most recent decennial census; or

88 (b) If located wholly within one of the eight most populous counties as
89 determined by the most recent decennial census, meets both of the following:

90 a. Has two thousand five hundred or fewer inhabitants; and

91 **b. Experienced less than thirty percentage points of population growth when**
92 **comparing the most recent decennial census to the decennial census immediately**
93 **preceding the most recent decennial census.**

94

95 **The term “small city” shall not include any city with more than four hundred thousand**
96 **inhabitants and located in more than one county;**

97 **(15) "Tax credit" or "tax credits", a credit or credits issued by the department**
98 **against the tax otherwise due under chapter 143 or 148, excluding withholding tax**
99 **imposed under sections 143.191 to 143.265;**

100 **(16) "Tax incentive", a state measure that is intended to encourage individuals**
101 **and businesses to spend moneys or save moneys by reducing the amount of tax that they**
102 **have to pay including, but not limited to, tax credits and refunds of sales and use tax**
103 **issued under this program;**

104 **(17) "Urban area":**

105 **(a) Any city or municipality, except for a small city, that is wholly located within**
106 **one of the eight most populous counties in the state as determined by the most recent**
107 **decennial census; or**

108 **(b) Any city with more than four hundred thousand inhabitants and located in**
109 **more than one county.**

620.2024. 1. To receive workforce housing tax incentives under sections
2 **620.2022 to 620.2028, a proposed housing project shall meet the following requirements:**

3 **(1) The housing project includes at least one of the following:**

4 **(a) Four or more single-family dwelling units, except for a housing project**
5 **located in a small city, then two or more single-family dwelling units;**

6 **(b) One or more multiple dwelling unit buildings, each containing three or more**
7 **individual dwelling units; or**

8 **(c) Two or more dwelling units located in the upper story of an existing multi-use**
9 **building;**

10 **(2) The housing project consists of any of the following:**

11 **(a) Rehabilitation, repair, or redevelopment at a brownfield or grayfield site that**
12 **results in new dwelling units;**

13 **(b) The rehabilitation, repair, or redevelopment of dilapidated dwelling units;**

14 **(c) The rehabilitation, repair, or redevelopment of dwelling units located in the**
15 **upper story of an existing multi-use building;**

16 **(d) For a housing project located in a small city that meets program**
17 **requirements under paragraph (a) of subdivision (1) of this subsection, development**
18 **at a greenfield site; or**

19 (e) For a disaster recovery housing project as defined under section 620.2022,
20 development at a greenfield site;

21 (3) (a) Except as provided in paragraph (b) of this subdivision, the average
22 dwelling unit cost shall not exceed the maximum amount established by the department
23 for each fiscal year for the applicable project type and project location. The department
24 shall establish the maximum average dwelling unit cost for a housing project that
25 includes single-family dwelling units that are located in a small city and for a housing
26 project that includes single-family dwelling units that are located in an urban area. The
27 department shall establish the maximum average dwelling unit cost for a housing
28 project that includes multiple dwelling unit buildings and is located in a small city and
29 for a housing project that includes multiple dwelling unit buildings and is located in an
30 urban area. In establishing each maximum average dwelling unit cost, the department
31 shall primarily consider the most recent annual United States Census Bureau Building
32 Permits Survey and historical program data;

33 (b) If the housing project involves the rehabilitation, repair, redevelopment, or
34 preservation of property described in subdivision (12) of subsection 2 of section
35 620.2022, the average dwelling unit cost shall not exceed one hundred twenty-five
36 percent of the maximum average dwelling unit cost established by the department for
37 the applicable housing project type and housing project location as provided in
38 paragraph (a) of this subdivision; and

39 (4) The dwelling units, when completed and made available for occupancy, meet
40 the United States Department of Housing and Urban Development's housing quality
41 standards as set forth in 24 CFR 982 and all applicable local safety standards.

620.2026. 1. (1) A housing business seeking workforce housing tax incentives
2 provided under section 620.2028 shall apply to the department in the manner prescribed
3 by the department's rules. The department may accept applications during one or more
4 annual application periods to be determined by the department by rule.

5 (2) The application shall include the following:

6 (a) Information establishing local participation in the housing project, including:

7 a. A resolution in support of the housing project by the governing body of the
8 community where the housing project will be located; and

9 b. Documentation of local matching funds pledged for the housing project in an
10 amount equal to at least one thousand dollars per dwelling unit including, but not
11 limited to, a funding agreement between the housing business and the governing body of
12 the community where the housing project will be located. For purposes of this
13 subparagraph, local matching funds shall be in the form of cash or cash equivalents or
14 in the form of a local property tax exemption, rebate, refund, or reimbursement;

15 **(b) Information evidencing an agreement between the business and the**
16 **department specifying the requirements that will be met to confirm eligibility and the**
17 **requirements shall be maintained throughout the period of the agreement in order to**
18 **retain the incentives or financial assistance received. The department shall consult with**
19 **the governing body of the community during negotiations relating to the agreement.**
20 **The agreement shall contain a report submitted to the department by a business,**
21 **together with its application, describing all violations of environmental law or worker**
22 **safety law within the last five years. If, upon review of the application, the department**
23 **finds that the business has a record of violations of the law, statutes, rules, or regulations**
24 **that tend to show a consistent pattern, the department shall not provide incentives or**
25 **assistance to the business unless the department finds either that the violations did not**
26 **seriously affect public health, public safety, or the environment, or if such violations did**
27 **seriously affect public health, public safety, or the environment, that mitigating**
28 **circumstances were present;**

29 **(c) Information showing the total costs and funding sources of the housing**
30 **project sufficient to allow the department to adequately determine the financing that**
31 **will be utilized for the housing project, the actual cost of the dwelling units, and the**
32 **amount of the qualifying new investment; and**

33 **(d) Any other information deemed necessary by the department to evaluate the**
34 **eligibility and financial need of the housing project under the program.**

35

36 **In addition to complying with the applicable requirements under this subdivision, a**
37 **housing business applying for disaster recovery housing project tax incentives shall also**
38 **submit a certification that the applicant's housing project meets the definition of a**
39 **disaster recovery housing project, if applicable. The housing business shall also submit**
40 **documentation that provides evidence that the qualified disaster recovery housing**
41 **project is needed due to the impact of the disaster that is the subject of the major**
42 **disaster declaration.**

43 **2. (1) All completed applications shall be reviewed and scored on a competitive**
44 **basis by the department under rules adopted by the department.**

45 **(2) Upon review and scoring of all applications received during an application**
46 **period, the department may make a tax incentive award to a housing project, which tax**
47 **incentive award shall represent the maximum amount of tax incentives the housing**
48 **project may qualify for under the program. In determining a tax incentive award, the**
49 **department shall not use an amount of housing project costs that exceeds the amount**
50 **included in the application of the housing business. Tax incentive awards shall be**
51 **approved by the director of the department.**

52 **(3) After making a tax incentive award, the department shall notify the housing**
53 **business of its tax incentive award. The notification shall include the amount of tax**
54 **incentives awarded under section 620.2028 and a statement that the housing business**
55 **has no right to receive a tax incentive certificate or claim a tax incentive until all**
56 **requirements of the program, including all requirements imposed by the agreement**
57 **entered into under subsection 3 of this section, are satisfied. The amount of tax credits**
58 **included on a tax credit certificate issued under this section, or a claim for refund of**
59 **sales and use taxes, shall be contingent upon completion of the requirements under**
60 **subsection 3 of this section.**

61 **(4) An applicant that does not receive a tax incentive award during an**
62 **application period may make additional applications during subsequent application**
63 **periods. Such applicant shall be required to submit a new application, which shall be**
64 **competitively reviewed and scored in the same manner as other applications in that**
65 **application period.**

66 **3. (1) Upon receipt of a tax incentive award for the housing project, the housing**
67 **business shall enter into an agreement with the department for the successful**
68 **completion of all requirements of the program. The agreement shall identify the tax**
69 **incentive award amount, the tax incentive award date, the housing project completion**
70 **deadline, and the total costs of the housing project.**

71 **(2) The following compliance cost fees shall apply to all agreements entered into**
72 **under this program and shall be collected in a manner determined by the department:**

73 **(a) The imposition of a one-time compliance cost fee of five hundred dollars to be**
74 **collected by the authority prior to the issuance of a tax incentive certificate or the**
75 **disbursement of financial assistance; and**

76 **(b) The imposition of a compliance cost fee equal to one-half of one percent of**
77 **the value of tax incentives claimed under an agreement that has an aggregate tax**
78 **incentive value of one hundred thousand dollars or greater. The department shall**
79 **collect the fee from the business after the tax incentive is claimed by the business from**
80 **the department of revenue.**

81 **(3) (a) Except as provided in paragraph (b) of this subdivision, a housing**
82 **business shall complete its housing project within three years from the date the housing**
83 **project is registered by the department.**

84 **(b) The department may, for good cause within its discretion, extend a housing**
85 **project's completion deadline by up to twelve months upon application by the housing**
86 **business. Such application shall be made prior to the expiration of the three-year**
87 **completion deadline in paragraph (a) of this subdivision. The department may approve**
88 **a second extension of up to twelve months if prior to the expiration of the first twelve-**

89 month extension the housing business applies and substantiates to the satisfaction of the
90 department that the second extension is warranted due to extenuating circumstances
91 outside the control of the housing business. The department may determine what
92 qualifies as "good cause" and establish by rule the extenuating circumstances that will
93 qualify for approval and any additional information that the department may require
94 for approval of such extension. Applications by a housing business shall be made in the
95 manner and form prescribed by the department by rule.

96 (4) Upon completion of a housing project, a housing business shall submit the
97 following to the department:

98 (a) An examination of the housing project in accordance with the American
99 Institute of Certified Public Accountants' Statements on Standards for Attestation
100 Engagements, completed by a certified public accountant authorized to practice in this
101 state;

102 (b) A statement of the final amount of the qualifying new investment for the
103 housing project; and

104 (c) Any information the department deems necessary to ensure compliance with
105 the agreement signed by the housing business under paragraph (a), the requirements of
106 this program, and rules the department and the department of revenue adopt under
107 subsection 4 of section 620.2028.

108 (5) (a) Upon review of the examination, verification of the amount of the
109 qualifying new investment, and review of any other information submitted under
110 paragraph (c) of subdivision (4) of this subsection, the department shall notify the
111 housing business of the amount that the housing business may claim as a refund of the
112 sales and use tax under subsection 2 of section 620.2028 and shall issue a tax credit
113 certificate to the housing business stating the amount of workforce housing investment
114 tax credits under subsection 3 of section 620.2028 the eligible housing business may
115 claim. The sum of the amount that the housing business may claim as a refund of the
116 sales and use tax and the amount of the tax credit certificate shall not exceed the total
117 amount of the tax incentive award.

118 (b) If upon review of the examination in paragraph (a) of subdivision (4) of this
119 subsection the department determines that a housing project has incurred project costs
120 in excess of the amount submitted in the application made under subsection 1 of this
121 section and identified in the agreement, the department shall do one of the following:

122 a. If the housing project costs do not cause the housing project's average
123 dwelling unit cost to exceed the applicable maximum amount authorized under
124 subdivision (3) of subsection 1 of section 620.2024, the department shall consider the
125 agreement fulfilled and shall issue a tax credit certificate;

126 **b. If the housing project costs cause the housing project's average dwelling unit**
127 **cost to exceed the applicable maximum amount authorized under subdivision (3) of**
128 **subsection 1 of section 620.2024 but do not cause the average dwelling unit cost to**
129 **exceed one hundred fifty percent of such applicable maximum amount, the department**
130 **shall consider the agreement fulfilled and shall issue a tax credit certificate. In such**
131 **case, the department shall reduce the tax incentive award and the corresponding**
132 **amount of tax incentives the eligible housing project shall claim under subsections 2 and**
133 **3 of section 620.2028 by the same percentage that the housing project's average dwelling**
134 **unit cost exceeds the applicable maximum amount under subdivision (3) of subsection 1**
135 **of section 620.2024, and such tax incentive reduction shall be reflected on the tax credit**
136 **certificate. If the department issues a certificate under this subparagraph, the**
137 **department of revenue shall accept the certificate notwithstanding that the housing**
138 **project's average dwelling unit costs exceed the maximum amount specified in**
139 **subdivision (3) of subsection 1 of section 620.2024; or**

140 **c. If the housing project costs cause the housing project's average dwelling unit**
141 **cost to exceed one hundred fifty percent of the applicable maximum amount authorized**
142 **under subdivision (3) of subsection 1 of section 620.2024, the department shall**
143 **determine the eligible housing business to be in default under the agreement, shall**
144 **revoke the tax incentive award, and shall not issue a tax credit certificate. The housing**
145 **business shall not be allowed a refund of sales and use tax under subsection 2 of section**
146 **620.2028.**

147 **(6) The maximum aggregate amount of tax incentives that may be awarded and**
148 **issued under section 620.2028 to a housing business for a housing project shall not**
149 **exceed one million dollars.**

150 **(7) If a housing business qualifies for a higher amount of tax incentives under**
151 **section 620.2028 than is allowed by the limitation imposed under subdivision (4) of**
152 **subsection 3 of this section, the department and the housing business may negotiate an**
153 **apportionment of the reduction in tax incentives between the sales tax refund provided**
154 **in subsection 2 of section 620.2028 and the workforce housing investment tax credits**
155 **provided in subsection 3 of section 620.2028, provided the total aggregate amount of tax**
156 **incentives after the apportioned reduction does not exceed the amount under**
157 **subdivision (4) of subsection 3 of this section.**

158 **(8) The department shall issue tax incentives under the program on a first-come,**
159 **first-served basis until the maximum amount of tax incentives allocated under**
160 **subdivision (4) of subsection 5 of this section is reached. The department shall**
161 **maintain a list of housing projects registered prior to January 1, 2026, and of housing**
162 **projects awarded tax incentives on or after January 1, 2026, so that if the maximum**

163 aggregate amount of tax incentives is reached in a given fiscal year, such registered
164 housing projects that were completed but for which tax incentives were not issued, and
165 such housing projects that were completed and are awarded tax incentives but for which
166 tax incentives have not been issued, shall be placed on a wait list in the order the housing
167 projects were registered or awarded tax incentives and shall be given priority for
168 receiving tax incentives in succeeding fiscal years.

169 4. (1) The failure by a housing business in completing a housing project to
170 comply with any requirement of this program or any of the terms and obligations of an
171 agreement entered into under this section may result in the revocation, reduction,
172 termination, or rescission of the tax incentive award or the approved tax incentives and
173 may subject the housing business to the repayment or recapture of tax incentives
174 claimed under section 620.2028.

175 (2) The repayment or recapture of tax incentives under this section shall be
176 accomplished, provided that the repayment of incentives or financial assistance by the
177 business if the business does not meet any of the requirements of this part or the
178 resulting agreement. The repayment of incentives under this subsection shall be
179 considered a tax payment due and payable to the department of revenue by any
180 taxpayer who has claimed such incentives, and the failure to make such a repayment
181 may be treated by the department of revenue in the same manner as a failure to pay the
182 tax shown due or required to be shown due with the filing of a return or deposit form.
183 In addition, the county shall have the authority to take action to recover the value of
184 property taxes not collected as a result of the exemption provided to the business under
185 this program.

186 5. (1) Notwithstanding subsection 1 of this section, the department may establish
187 a disaster recovery housing project application period following the declaration of a
188 major disaster for a disaster area in Missouri.

189 (2) Upon review and scoring of all applications received during a disaster
190 recovery application period, the department may make a tax incentive award to a
191 disaster recovery housing project. The tax incentive award shall represent the
192 maximum amount of tax incentives that the disaster recovery housing project may
193 qualify for under the program. In determining a tax incentive award, the department
194 shall not use an amount of housing project costs that exceeds the amount included in the
195 application of the housing business. Tax incentive awards shall be approved by the
196 director of the department.

197 (3) The department shall issue tax incentives under the program for disaster
198 recovery housing projects on a first-come, first-served basis until the maximum amount
199 of tax incentives is allocated. The aggregate cap for all tax incentives issued for disaster

200 recovery housing projects under this program shall be thirty-five million dollars. Of the
201 moneys allocated to disaster recovery housing projects, seventeen million five hundred
202 thousand dollars shall be reserved for allocation to qualified housing projects in small
203 cities.

204 (4) All other housing projects under this program that are not disaster recovery
205 housing projects shall be subject to a thirty-five million dollar cap.

620.2028. 1. A housing business that has entered into an agreement under
2 section 620.2026 is eligible to receive the tax incentives described in subsections 2 and 3
3 of this section.

4 2. (1) A housing business may claim a refund of the sales and use taxes paid
5 under chapter 144 prior to the completion of the housing project that are directly
6 related to a housing project and specified in the agreement.

7 (2) To receive a refund, a claim shall be filed by the housing business with the
8 department of revenue as follows:

9 (a) The contractor or subcontractor shall state under oath, on forms provided by
10 the department of revenue, the amount of sales and use taxes paid under chapter 144
11 prior to the completion of the housing project that are directly related to a housing
12 project and specified in the agreement;

13 (b) The contractor or subcontractor shall file the forms with the housing
14 business before final settlement is made; and

15 (c) a. The housing business shall, after the agreement completion date, apply to
16 the department of revenue for any refund of the amount of sales and use taxes paid
17 under chapter 144 prior to the completion of the housing project that were directly
18 related to a housing project and specified in the agreement. The application shall be
19 made in the manner and upon forms to be provided by the department of revenue. The
20 department of revenue shall audit the claim and, if approved, issue a refund to the
21 housing business. The application shall be made within one year after the agreement
22 completion date. A claim filed by the housing business in accordance with this
23 subsection shall not be denied by reason of a limitation provision set forth in chapter 143
24 or 144;

25 b. For purposes of this paragraph, "agreement completion date" means the date
26 on which the department notifies the department of revenue that all applicable
27 requirements of the agreement entered into under subdivision (1) of subsection 3 of
28 section 620.2026, and all applicable requirements of this program, including the rules
29 the department and the department of revenue adopt under subsection 4 of section
30 620.2028, are satisfied.

31

32 A contractor or subcontractor who willfully makes a false claim under oath in violation
33 of the provisions of this subsection shall be guilty of a misdemeanor, and in addition to
34 any other penalty, the contractor or subcontractor shall be liable for the payment of the
35 tax and any applicable penalty and interest.

36 3. (1) For all tax years beginning on or after January 1, 2026, a housing business
37 may claim a tax credit in an amount not to exceed the following:

38 (a) For a housing project located in an urban area, ten percent of the qualifying
39 new investment of a housing project specified in the agreement;

40 (b) For a housing project located in a small city, twenty percent of the qualifying
41 new investment of a housing project specified in the agreement; and

42 (c) For a disaster recovery housing project, twenty percent of the qualifying new
43 investment of a housing project specified in the agreement.

44 (2) An individual who is part of the housing business may claim a tax credit
45 under this subsection from a partnership, limited liability company, S corporation,
46 estate, or trust electing to have income taxed directly to the individual. The amount
47 claimed by the individual shall be based upon the pro rata share of the individual's
48 earnings from the partnership, limited liability company, S corporation, estate, or trust.

49 (3) Any tax credit in excess of the housing business or individual taxpayer's
50 liability for the tax year is not refundable but may be credited to the tax liability for the
51 following five years or until depleted, whichever is earlier.

52 (4) (a) To claim a tax credit under this subsection, a taxpayer shall include one
53 or more tax credit certificates with the taxpayer's tax return.

54 (b) The tax credit certificate shall contain the taxpayer's name, address, tax
55 identification number, the amount of the credit, the name of the eligible housing
56 business, any other information required by the department of revenue, and a place for
57 the name and tax identification number of a transferee and the amount of the tax credit
58 being transferred, if applicable.

59 (c) The tax credit certificate, unless rescinded by the department, shall be
60 accepted by the department of revenue as payment for taxes for all tax years beginning
61 on or after January 1, 2026, subject to any conditions or restrictions placed by the
62 department upon the face of the tax credit certificate and subject to the limitations of
63 this program.

64 (d) Tax credit certificates issued under subdivision (5) of subsection 3 of section
65 620.2026 may be transferred to any person. Within ninety days of transfer, the
66 transferee shall submit the transferred tax credit certificate to the department of
67 revenue along with a statement containing the transferee's name, tax identification
68 number, and address; the denomination that each replacement tax credit certificate is to

69 carry; and any other information required by the department of revenue. However, tax
70 credit certificate amounts of less than the minimum amount established by rule of the
71 department shall not be transferable.

72 (e) Within thirty days of receiving the transferred tax credit certificate and the
73 transferee's statement, the department of revenue shall issue one or more replacement
74 tax credit certificates to the transferee. Each replacement tax credit certificate shall
75 contain the information required for the original tax credit certificate and shall have the
76 same expiration date that appeared on the transferred tax credit certificate.

77 (f) A tax credit shall not be claimed by a transferee under this section until a
78 replacement tax credit certificate identifying the transferee as the proper holder has
79 been issued. The transferee may use the amount of the tax credit transferred against the
80 transferee taxpayer's state tax liability for all tax years beginning on or after January 1,
81 2026, under the same terms and conditions that the transferor was allowed. Any
82 consideration received for the transfer of the tax credit shall not be included as income
83 under chapter 143. Any consideration paid for the transfer of the tax credit shall not be
84 deducted from income under chapter 143.

85 (5) For purposes of the individual and corporate income taxes and the franchise
86 tax, the increase in the basis of the property that would otherwise result from the
87 qualifying new investment shall be reduced by the amount of the tax credit computed
88 under this subsection.

89 (6) Notwithstanding any provision of section 105.1500 to the contrary, any
90 requirement to provide information, documents, or records under this section, and any
91 requirement established by the department to provide information, documents, or
92 records for the purpose of administering and enforcing this section, shall be exempt
93 from section 105.1500.

94 4. The department of economic development and the department of revenue may
95 promulgate all necessary rules and regulations for the administration of sections
96 620.2022 to 620.2028. Any rule or portion of a rule, as that term is defined in section
97 536.010, shall become effective only if it complies with and is subject to all of the
98 provisions of chapter 536 and, if applicable, section 536.028. This section and chapter
99 536 are nonseverable and if any of the powers vested with the general assembly
100 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul
101 a rule are subsequently held unconstitutional, then the grant of rulemaking authority
102 and any rule proposed or adopted after August 28, 2025, shall be invalid and void.

103 5. Under section 23.253 of the Missouri sunset act:

104 (1) The provisions of the new program authorized under sections 620.2022 to
105 620.2028 shall automatically sunset on December thirty-first, six years after the effective

106 **date of sections 620.2022 to 620.2028 unless reauthorized by an act of the general**
107 **assembly;**

108 **(2) If such program is reauthorized, the program authorized under sections**
109 **620.2022 to 620.2028 shall automatically sunset on December thirty-first, six years after**
110 **the effective date of the reauthorization of sections 620.2022 to 620.2028;**

111 **(3) Sections 620.2022 to 620.2028 shall terminate on September first of the**
112 **calendar year immediately following the calendar year in which the program authorized**
113 **under sections 620.2022 to 620.2028 is sunset; and**

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

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