

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 466
103RD GENERAL ASSEMBLY

1443H.06C

JOSEPH ENGLER, Chief Clerk

AN ACT

To repeal sections 135.305, 135.686, 135.772, 135.775, 135.778, 135.1610, 137.1018, 143.121, 143.511, 348.436, 348.491, and 348.493, RSMo, and to enact in lieu thereof thirteen new sections relating to income tax.

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

Section A. Sections 135.305, 135.686, 135.772, 135.775, 135.778, 135.1610, 137.1018, 143.121, 143.511, 348.436, 348.491, and 348.493, RSMo, are repealed and thirteen new sections enacted in lieu thereof, to be known as sections 135.305, 135.686, 135.772, 135.775, 135.778, 135.1210, 135.1610, 137.1018, 143.121, 143.511, 143.512, 348.491, and 348.493, to read as follows:

135.305. A Missouri wood energy producer shall be eligible for a tax credit on taxes otherwise due under chapter 143, except sections 143.191 to 143.261, as a production incentive to produce processed wood products in a qualified wood-producing facility using Missouri forest product residue. The tax credit to the wood energy producer shall be five dollars per ton of processed material. The credit may be claimed for a period of five years and is to be a tax credit against the tax otherwise due. ~~[No new tax credits, provided for under sections 135.300 to 135.311, shall be authorized after June 30, 2028.]~~ In no event shall the aggregate amount of all tax credits allowed under sections 135.300 to 135.311 exceed six million dollars in any given fiscal year. There shall be no tax credits authorized under sections 135.300 to 135.311 unless an appropriation is made for such tax credits.

135.686. 1. This section shall be known and may be cited as the "Meat Processing Facility Investment Tax Credit Act".

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.

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

4 (1) "Authority", the agricultural and small business development authority
5 established in chapter 348;

6 (2) "Meat processing facility", any commercial plant, as defined under section
7 265.300, at which livestock are slaughtered or at which meat or meat products are processed
8 for sale commercially and for human consumption;

9 (3) "Meat processing modernization or expansion", constructing, improving, or
10 acquiring buildings or facilities, or acquiring equipment for meat processing including the
11 following, if used exclusively for meat processing and if acquired and placed in service in this
12 state during tax years beginning on or after January 1, 2017~~], but ending on or before~~
13 ~~December 31, 2028]~~:

14 (a) Building construction including livestock handling, product intake, storage, and
15 warehouse facilities;

16 (b) Building additions;

17 (c) Upgrades to utilities including water, electric, heat, refrigeration, freezing, and
18 waste facilities;

19 (d) Livestock intake and storage equipment;

20 (e) Processing and manufacturing equipment including cutting equipment, mixers,
21 grinders, sausage stuffers, meat smokers, curing equipment, cooking equipment, pipes,
22 motors, pumps, and valves;

23 (f) Packaging and handling equipment including sealing, bagging, boxing, labeling,
24 conveying, and product movement equipment;

25 (g) Warehouse equipment including storage and curing racks;

26 (h) Waste treatment and waste management equipment including tanks, blowers,
27 separators, dryers, digesters, and equipment that uses waste to produce energy, fuel, or
28 industrial products;

29 (i) Computer software and hardware used for managing the claimant's meat
30 processing operation including software and hardware related to logistics, inventory
31 management, production plant controls, and temperature monitoring controls; and

32 (j) Construction or expansion of retail facilities or the purchase or upgrade of retail
33 equipment for the commercial sale of meat products if the retail facility is located at the same
34 location as the meat processing facility;

35 (4) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding
36 withholding tax imposed under sections 143.191 to 143.265, or otherwise due under ~~[chapter]~~
37 **chapter 147 or 148**;

38 (5) "Taxpayer", any individual or entity who:

39 (a) Is subject to the tax imposed under chapter 143, excluding withholding tax
40 imposed under sections 143.191 to 143.265, or the tax imposed under ~~[chapter]~~ **chapter** 147
41 **or 148**;

42 (b) In the case of an individual, is a resident of this state as verified by a 911 address
43 or, in the absence of a 911 system, a physical address; and

44 (c) Owns a meat processing facility located in this state and employs a combined total
45 of fewer than five hundred individuals in all meat processing facilities owned by the
46 individual or entity in this country;

47 (6) "Used exclusively", used to the exclusion of all other uses except for use not
48 exceeding five percent of total use.

49 3. For all tax years beginning on or after January 1, 2017, ~~[but ending on or before~~
50 ~~December 31, 2028,]~~ a taxpayer shall be allowed a tax credit for meat processing
51 modernization or expansion related to the taxpayer's meat processing facility. The tax credit
52 amount shall be equal to twenty-five percent of the amount the taxpayer paid in the tax year
53 for meat processing modernization or expansion.

54 4. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's
55 state tax liability for the tax year for which the credit is claimed. No tax credit claimed under
56 this section shall be refundable. The tax credit shall be claimed in the tax year in which the
57 meat processing modernization or expansion expenses were paid, but any amount of credit
58 that the taxpayer is prohibited by this section from claiming in a tax year may be carried
59 forward to any of the taxpayer's four subsequent tax years. The total amount of tax credits
60 that any taxpayer may claim shall not exceed seventy-five thousand dollars per year. If two or
61 more persons own and operate the meat processing facility, each person may claim a credit
62 under this section in proportion to such person's ownership interest; except that, the aggregate
63 amount of the credits claimed by all persons who own and operate the meat processing
64 facility shall not exceed seventy-five thousand dollars per year. The amount of tax credits
65 authorized in this section in a calendar year shall not exceed two million dollars. Tax credits
66 shall be issued on an as-received application basis until the calendar year limit is reached.
67 Any credits not issued in any calendar year shall expire and shall not be issued in any
68 subsequent year.

69 5. To claim the tax credit allowed under this section, the taxpayer shall submit to the
70 authority an application for the tax credit on a form provided by the authority and any
71 application fee imposed by the authority. The application shall be filed with the authority at
72 the end of each calendar year in which a meat processing modernization or expansion project
73 was completed and for which a tax credit is claimed under this section. The application shall
74 include any certified documentation, proof of meat processing modernization or expansion,
75 and any other information required by the authority. All required information obtained by the

76 authority shall be confidential and not disclosed except by court order, subpoena, or as
77 otherwise provided by law. If the taxpayer and the meat processing modernization or
78 expansion meet all criteria required by this section and approval is granted by the authority,
79 the authority shall issue a tax credit certificate in the appropriate amount. Tax credit
80 certificates issued under this section may be assigned, transferred, sold, or otherwise
81 conveyed, and the new owner of the tax credit certificate shall have the same rights in the tax
82 credit as the original taxpayer. If a tax credit certificate is assigned, transferred, sold, or
83 otherwise conveyed, a notarized endorsement shall be filed with the authority specifying the
84 name and address of the new owner of the tax credit certificate and the value of the tax credit.

85 6. Any information provided under this section shall be confidential information, to
86 be shared with no one except state and federal animal health officials, except as provided in
87 subsection 5 of this section.

88 7. The authority shall promulgate rules establishing a process for verifying that a
89 facility's modernization or expansion for which tax credits were allowed under this section
90 has in fact expanded the facility's production within three years of the issuance of the tax
91 credit and if not, the authority shall promulgate through rulemaking a process by which the
92 taxpayer shall repay the authority an amount equal to that of the tax credit allowed.

93 8. The authority shall, at least annually, submit a report to the Missouri general
94 assembly reviewing the costs and benefits of the program established under this section.

95 9. The authority may promulgate rules to implement the provisions of this section.
96 Any rule or portion of a rule, as that term is defined in section 536.010, that is created under
97 the authority delegated in this section shall become effective only if it complies with and is
98 subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section
99 and chapter 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 a
101 rule are subsequently held unconstitutional, then the grant of rulemaking authority and any
102 rule proposed or adopted after August 28, 2016, shall be invalid and void.

103 10. This section shall not be subject to the Missouri sunset act, sections 23.250 to
104 23.298.

135.772. 1. For the purposes of this section, the following terms shall mean:

- 2 (1) "Department", the Missouri department of revenue;
- 3 (2) "Distributor", a person, firm, or corporation doing business in this state that:
 - 4 (a) Produces, refines, blends, compounds, or manufactures motor fuel;
 - 5 (b) Imports motor fuel into the state; or
 - 6 (c) Is engaged in distribution of motor fuel;

7 (3) "Higher ethanol blend", a fuel capable of being dispensed directly into motor
8 vehicle fuel tanks for consumption that is comprised of at least fifteen percent but not more
9 than eighty-five percent ethanol;

10 (4) "Retail dealer", a person, firm, or corporation doing business in this state that
11 owns or operates a retail service station in this state;

12 (5) "Retail service station", a location in this state from which higher ethanol blend is
13 sold to the general public and is dispensed directly into motor vehicle fuel tanks for
14 consumption.

15 2. For all tax years beginning on or after January 1, 2023, a retail dealer that sells
16 higher ethanol blend at such retail dealer's retail service station or a distributor that sells
17 higher ethanol blend directly to the final user located in this state shall be allowed a tax credit
18 to be taken against the retail dealer's or distributor's state income tax liability. The amount of
19 the credit shall equal five cents per gallon of higher ethanol blend sold by the retail dealer and
20 dispensed through metered pumps at the retail dealer's retail service station or by a distributor
21 directly to the final user located in this state during the tax year for which the tax credit is
22 claimed. For any retail dealer or distributor with a tax year beginning prior to January 1,
23 2023, but ending during the 2023 calendar year, such retail dealer or distributor shall be
24 allowed a tax credit for the amount of higher ethanol blend sold during the portion of such tax
25 year that occurs during the 2023 calendar year. Tax credits authorized pursuant to this section
26 shall not be transferred, sold, or assigned. If the amount of the tax credit exceeds the
27 taxpayer's state tax liability, the difference shall not be refundable but may be carried forward
28 to any of the five subsequent tax years. The total amount of tax credits issued pursuant to this
29 section for any given fiscal year shall not exceed five million dollars.

30 3. In the event the total amount of tax credits claimed under this section exceeds the
31 amount of available tax credits, the tax credits shall be apportioned among all eligible retail
32 dealers and distributors claiming a tax credit by April fifteenth, or as directed by section
33 143.851, of the fiscal year in which the tax credit is claimed.

34 4. The tax credit allowed by this section shall be claimed by such taxpayer at the time
35 such taxpayer files a return and shall be applied against the income tax liability imposed by
36 chapter 143, excluding the withholding tax imposed by sections 143.191 to 143.265, after
37 reduction for all other credits allowed thereon. The department may require any
38 documentation it deems necessary to implement the provisions of this section.

39 5. The department shall promulgate rules to implement the provisions of this section.
40 Any rule or portion of a rule, as that term is defined in section 536.010, that is created under
41 the authority delegated in this section shall become effective only if it complies with and is
42 subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section
43 and chapter 536 are nonseverable and if any of the powers vested with the general assembly

44 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a
45 rule are subsequently held unconstitutional, then the grant of rulemaking authority and any
46 rule proposed or adopted after January 2, 2023, shall be invalid and void.

47 ~~[6. Under section 23.253 of the Missouri sunset act:~~

48 ~~(1) The provisions of this section shall automatically sunset on December 31, 2028,~~
49 ~~unless reauthorized by an act of the general assembly; and~~

50 ~~(2) If such program is reauthorized, the program authorized under this section shall~~
51 ~~automatically sunset twelve years after the effective date of the reauthorization of this section;~~
52 ~~and~~

53 ~~(3) This section shall terminate on September first of the calendar year immediately~~
54 ~~following the calendar year in which the program authorized under this section is sunset.]~~

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

2 (1) "Biodiesel blend", a blend of diesel fuel and biodiesel fuel of at least five percent
3 and not more than twenty percent for on-road ~~[and]~~ or off-road diesel-fueled vehicle use;

4 (2) "Biodiesel fuel", a renewable, biodegradable, mono alkyl ester combustible liquid
5 fuel that is derived from agricultural and other plant oils or animal fats and that meets the
6 most recent version of the ASTM International D6751 Standard Specification for Biodiesel
7 Fuel Blend Stock. A fuel shall be deemed to be biodiesel fuel if the fuel consists of a pure
8 B100 or B99 ratio. Biodiesel produced from palm oil is not biodiesel fuel for the purposes of
9 this section unless the palm oil is contained within waste oil and grease collected within the
10 United States;

11 (3) "B99", a blend of ninety-nine percent biodiesel fuel that meets the most recent
12 version of the ASTM International D6751 Standard Specification for Biodiesel Fuel Blend
13 Stock with a minimum of one-tenth of one percent and maximum of one percent diesel fuel
14 that meets the most recent version of the ASTM International D975 Standard Specification
15 for Diesel Fuel;

16 (4) "Department", the Missouri department of revenue;

17 (5) "Distributor", a person, firm, or corporation doing business in this state that:

18 (a) Produces, refines, blends, compounds, or manufactures motor fuel;

19 (b) Imports motor fuel into the state; or

20 (c) Is engaged in distribution of motor fuel;

21 (6) "Retail dealer", a person, firm, or corporation doing business in this state that
22 owns or operates a retail service station in this state;

23 (7) "Retail service station", a location in this state from which biodiesel blend is sold
24 to the general public and is dispensed directly into motor vehicle fuel tanks for consumption
25 at retail.

26 2. For all tax years beginning on or after January 1, 2023, a retail dealer that sells a
27 biodiesel blend at a retail service station or a distributor that sells a biodiesel blend directly to
28 the final user located in this state shall be allowed a tax credit to be taken against the retail
29 dealer or distributor's state income tax liability. For any retail dealer or distributor with a tax
30 year beginning prior to January 1, 2023, but ending during the 2023 calendar year, such retail
31 dealer or distributor shall be allowed a tax credit for the amount of biodiesel blend sold during
32 the portion of such tax year that occurs during the 2023 calendar year. The amount of the
33 credit shall be equal to:

34 (1) Two cents per gallon of biodiesel blend of at least five percent but not more than
35 ten percent sold by the retail dealer at a retail service station or by a distributor directly to the
36 final user located in this state during the tax year for which the tax credit is claimed; and

37 (2) Five cents per gallon of biodiesel blend in excess of ten percent but not more than
38 twenty percent sold by the retail dealer at a retail service station or by a distributor directly to
39 the final user located in this state during the tax year for which the tax credit is claimed.

40 3. Tax credits authorized under this section shall not be transferred, sold, or assigned.
41 If the amount of the tax credit exceeds the taxpayer's state tax liability, the difference shall be
42 refundable. The total amount of tax credits issued under this section for any given fiscal year
43 shall not exceed sixteen million dollars.

44 4. In the event the total amount of tax credits claimed under this section exceeds the
45 amount of available tax credits, the tax credits shall be apportioned among all eligible retail
46 dealers and distributors claiming a tax credit by April fifteenth, or as directed by section
47 143.851, of the fiscal year in which the tax credit is claimed.

48 5. The tax credit allowed by this section shall be claimed by such taxpayer at the time
49 such taxpayer files a return and shall be applied against the income tax liability imposed by
50 chapter 143, excluding the withholding tax imposed by sections 143.191 to 143.265, after
51 reduction for all other credits allowed thereon. The department may require any
52 documentation it deems necessary to administer the provisions of this section.

53 6. Notwithstanding the provisions of section 32.057 to the contrary, the department
54 may work with the division of weights and measures within the department of agriculture to
55 validate that the biodiesel blend a retail dealer or distributor claims for the tax credit
56 authorized under this section contains a sufficient percentage of biodiesel fuel.

57 7. **In the event a taxpayer is denied part or all of a tax credit to which the**
58 **taxpayer is qualified pursuant to any provision of law due to lack of available funds, and**
59 **such denial causes a balance-due notice to be generated by the department of revenue or**
60 **any other redeeming agency, such taxpayer shall not be held liable for any penalty or**
61 **interest on such balance due, provided the balance is paid or approved payment**
62 **arrangements have been made within sixty days from the notice of denial. Any**

63 **payments not timely made pursuant to this section shall be subject to penalty and**
64 **interest pursuant to this chapter.**

65 **8.** The department shall promulgate rules to implement and administer the provisions
66 of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is
67 created pursuant to the authority delegated in this section shall become effective only if it
68 complies with and is subject to all of the provisions of chapter 536 and, if applicable, section
69 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with
70 the general assembly pursuant to chapter 536 to review, to delay the effective date, or to
71 disapprove and annul a rule are subsequently held unconstitutional, then the grant of
72 rulemaking authority and any rule proposed or adopted after January 2, 2023, shall be invalid
73 and void.

74 ~~[8. Under section 23.253 of the Missouri sunset act:~~

75 ~~(1) The provisions of the new program authorized under this section shall~~
76 ~~automatically sunset on December 31, 2028, unless reauthorized by an act of the general~~
77 ~~assembly;~~

78 ~~(2) If such program is reauthorized, the program authorized under this section shall~~
79 ~~automatically sunset twelve years after the effective date of the reauthorization of this section;~~
80 ~~and~~

81 ~~(3) This section shall terminate on September first of the calendar year immediately~~
82 ~~following the calendar year in which the program authorized under this section is sunset. The~~
83 ~~termination of the program as described in this subsection shall not be construed to preclude~~
84 ~~any qualified taxpayer who claims any benefit under any program that is sunset under this~~
85 ~~subsection from claiming such benefit for all allowable activities related to such claim that~~
86 ~~were completed before the program was sunset or to eliminate any responsibility of the~~
87 ~~department to verify the continued eligibility of qualified individuals receiving tax credits and~~
88 ~~to enforce other requirements of law that applied before the program was sunset.]~~

135.778. 1. For the purposes of this section, the following terms shall mean:

2 (1) "Biodiesel fuel", a renewable, biodegradable, mono alkyl ester combustible liquid
3 fuel that is derived from agricultural and other plant oils or animal fats and that meets the
4 most recent version of the ASTM International D6751 Standard Specification for Biodiesel
5 Fuel Blend Stock. A fuel shall be deemed to be biodiesel fuel if the fuel consists of a pure
6 B100 or B99 ratio. Biodiesel produced from palm oil is not biodiesel fuel for the purposes of
7 this section unless the palm oil is contained within waste oil and grease collected within the
8 United States;

9 (2) "B99", a blend of ninety-nine percent biodiesel fuel that meets the most recent
10 version of the ASTM International D6751 Standard Specification for Biodiesel Fuel Blend
11 Stock with a minimum of one-tenth of one percent and maximum of one percent diesel fuel

12 that meets the most recent version of the ASTM International D975 Standard Specification
13 for Diesel Fuel;

14 (3) "Department", the Missouri department of revenue;

15 (4) "Missouri biodiesel producer", a person, firm, or corporation doing business in
16 this state that produces biodiesel fuel in this state, is registered with the United States
17 Environmental Protection Agency according to the requirements of 40 CFR Part 79, and has
18 begun construction on such facility or has been selling biodiesel fuel produced at such facility
19 on or before January 2, 2023.

20 2. For all tax years beginning on or after January 1, 2023, a Missouri biodiesel
21 producer shall be allowed a tax credit to be taken against the producer's state income tax
22 liability. For any Missouri biodiesel producer with a tax year beginning prior to January 1,
23 2023, but ending during the 2023 calendar year, such Missouri biodiesel producer shall be
24 allowed a tax credit for the amount of biodiesel fuel produced during the portion of such tax
25 year that occurs during the 2023 calendar year. The amount of the tax credit shall be two
26 cents per gallon of biodiesel fuel produced by the Missouri biodiesel producer during the tax
27 year for which the tax credit is claimed.

28 3. Tax credits authorized under this section shall not be transferred, sold, or assigned.
29 If the amount of the tax credit exceeds the taxpayer's state tax liability, the difference shall be
30 refundable. The total amount of tax credits issued under this section for any given fiscal year
31 shall not exceed five million five hundred thousand dollars, which shall be authorized on a
32 first-come, first-served basis.

33 4. The tax credit authorized under this section shall be claimed by such taxpayer at
34 the time such taxpayer files a return and shall be applied against the income tax liability
35 imposed by chapter 143, excluding the withholding tax imposed by sections 143.191 to
36 143.265, after reduction for all other credits allowed thereon. The department may require
37 any documentation it deems necessary to administer the provisions of this section.

38 5. The department shall promulgate rules to implement and administer the provisions
39 of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is
40 created pursuant to the authority delegated in this section shall become effective only if it
41 complies with and is subject to all of the provisions of chapter 536 and, if applicable, section
42 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with
43 the general assembly pursuant to chapter 536 to review, to delay the effective date, or to
44 disapprove and annul a rule are subsequently held unconstitutional, then the grant of
45 rulemaking authority and any rule proposed or adopted after January 2, 2023, shall be invalid
46 and void.

47 ~~[6. Under section 23.253 of the Missouri sunset act:~~

48 ~~(1) The provisions of the new program authorized under this section shall~~
49 ~~automatically sunset on December 31, 2028, unless reauthorized by an act of the general~~
50 ~~assembly;~~

51 ~~(2) If such program is reauthorized, the program authorized under this section shall~~
52 ~~automatically sunset twelve years after the effective date of the reauthorization of this section;~~
53 ~~and~~

54 ~~(3) This section shall terminate on September first of the calendar year immediately~~
55 ~~following the calendar year in which the program authorized under this section is sunset. The~~
56 ~~termination of the program as described in this subsection shall not be construed to preclude~~
57 ~~any qualified taxpayer who claims any benefit under any program that is sunset under this~~
58 ~~subsection from claiming such benefit for all allowable activities related to such claim that~~
59 ~~were completed before the program was sunset, or to eliminate any responsibility of the~~
60 ~~department to verify the continued eligibility of qualified individuals receiving tax credits and~~
61 ~~to enforce other requirements of law that applied before the program was sunset.]~~

135.1210. 1. As used in this section, the following terms mean:

2 **(1) "Eligible taxpayer":**

3 **(a) Any short line railroad company located wholly or partly in the state of**
4 **Missouri that is classified by the United States Surface Transportation board as a Class**
5 **II or Class III railroad and subject to the tax imposed under chapter 143 or 148 who**
6 **made qualified railroad expenditures in Missouri or qualified new rail infrastructure**
7 **expenditures in Missouri during the tax year for which a credit is claimed under this**
8 **section;**

9 **(b) Any owner or lessee of a rail siding, industrial spur, or industry track located**
10 **on or adjacent to any railroad in the state of Missouri and subject to the tax imposed**
11 **under chapter 143 or 148 who made qualified railroad expenditures in Missouri or**
12 **qualified new rail infrastructure expenditures in Missouri during the tax year for which**
13 **a credit is claimed under this section; or**

14 **(c) Any port authority existing under chapter 68 or any city-owned railroad that**
15 **is not subject to the tax imposed under chapter 143 or 148 who made qualified railroad**
16 **expenditures in Missouri or qualified new rail infrastructure expenditures in Missouri**
17 **during the tax year for which a credit is claimed under this section;**

18 **(2) "Qualified amount", for any eligible taxpayer in a given tax year, an amount**
19 **equal to fifty percent of an eligible taxpayer's qualified railroad track expenditures or**
20 **qualified new rail infrastructure expenditures, provided that:**

21 **(a) For qualified railroad track expenditures, the amount of tax credit shall not**
22 **exceed an amount equal to the product of five thousand dollars multiplied by the**

23 number of miles of railroad track owned or leased in the state by a Class II or Class III
24 railroad as of the close of the tax year; and

25 (b) For qualified new rail infrastructure expenditures, the amount of tax credit
26 shall not exceed one million dollars for each new rail-served customer project of an
27 eligible taxpayer;

28 (3) "Qualified new rail infrastructure expenditures", gross expenditures for new
29 rail infrastructure by an eligible taxpayer, which includes the construction of new track
30 infrastructure such as industrial leads, switches, spurs, sidings, rail loading docks, and
31 transloading structures involved with servicing new or existing customer locations or
32 expansions by any railroad located in Missouri;

33 (4) "Qualified railroad expenditures", gross expenditures for maintenance,
34 reconstruction, or replacement of railroad infrastructure, including track, roadbed,
35 bridges, industrial leads and sidings, and track-related structures owned or leased by a
36 Class II or Class III railroad located in Missouri. "Qualified railroad expenditures"
37 does not include expenditures used to generate a federal tax credit or expenditures
38 funded by a state or federal grant;

39 (5) "Tax credit", a credit against the tax otherwise due under chapter 143 or 148,
40 excluding withholding tax imposed under sections 143.191 to 143.265.

41 2. For all tax years beginning on or after January 1, 2026, an eligible taxpayer
42 shall be allowed to claim a nonrefundable tax credit for qualified railroad track
43 expenditures in Missouri or for qualified new rail infrastructure expenditures in
44 Missouri against the taxpayer's state tax liability in an amount equal to the taxpayer's
45 qualified amount.

46 3. An eligible taxpayer who seeks to claim a tax credit under this section shall
47 submit a certificate of eligibility to the Missouri department of economic development
48 after completion of the qualified railroad expenditures or qualified new rail
49 infrastructure expenditures. The certificate shall include the number of miles of
50 railroad track owned or leased in this state and a description of the amount of qualified
51 railroad expenditures or qualified new rail infrastructure expenditures completed. The
52 certificate shall be made on forms and in the manner prescribed by the department and
53 considered in the order received.

54 4. If the department of economic development determines that the taxpayer
55 meets the requirements to claim a tax credit under this section, the department may
56 issue a certificate of eligibility to the eligible taxpayer. The certificate shall be numbered
57 for identification and declare its date of issuance and the amount of the tax credit
58 allowed under this section.

59 **5. (1) The cumulative amount of tax credits under this section authorized for**
60 **qualified railroad expenditures in this state shall not exceed four million five hundred**
61 **thousand dollars per calendar year. If the amount of tax credits claimed in a calendar**
62 **year under this section for qualified railroad expenditures exceeds four million five**
63 **hundred thousand dollars, tax credits shall be allowed based on the order in which they**
64 **are claimed.**

65 **(2) The cumulative amount of tax credits under this section authorized for**
66 **qualified new rail infrastructure expenditures in this state shall not exceed ten million**
67 **dollars per calendar year. If the amount of tax credits claimed in a calendar year under**
68 **this section for qualified new rail infrastructure expenditures exceeds ten million**
69 **dollars, tax credits shall be allowed based on the order in which they are claimed.**

70 **6. Any unused portion of a tax credit allowed under this section may be carried**
71 **forward for up to five subsequent tax years immediately following the tax year the**
72 **credit was allowed.**

73 **7. (1) Subject to the requirements of this subsection, an eligible taxpayer who**
74 **earns and is entitled to the credit or to an unused portion of the credit allowed by this**
75 **section may transfer all or a portion of the unused credit by written agreement to any**
76 **taxpayer subject to tax imposed under chapter 143, 147, or 148, at any time during the**
77 **year in which the credit is earned and the five years following the year of the qualified**
78 **expenditures. The taxpayer originally allowed the tax credit and the subsequent**
79 **transferee shall jointly file a copy of the written credit transfer agreement with the**
80 **department of revenue. The agreement shall include the name, address, and taxpayer**
81 **identification number of the parties to the transfer; the amount of the credit being**
82 **transferred; the year the credit was originally allowed to the transferring taxpayer; and**
83 **the tax year or years for which the credit may be claimed. In the event of such a**
84 **transfer, the transferee may claim the credit on the transferee's income tax return**
85 **originally due during the calendar year in which the transfer takes place only for tax**
86 **years that begin on or after January 1, 2026, and in the case of carryover of the credit,**
87 **on the transferee's returns for the number of years of carryover available to the**
88 **transferor at the time of the transfer unless earlier exhausted.**

89 **(2) In the event that after the transfer the department of revenue determines**
90 **that the amount of credit properly available under this section is less than the amount**
91 **claimed by the transferor of the credit or that the credit is subject to recapture, the**
92 **department shall assess the amount of overstated or recaptured credit as taxes due from**
93 **the transferor and not the transferee. The assessment shall be made in the manner**
94 **provided for a deficiency in taxes under state law.**

95 **8. The department of economic development shall prepare an annual report for**
96 **the general assembly outlining the qualified railroad expenditures and qualified new rail**
97 **infrastructure expenditures for each eligible taxpayer and a statement summarizing the**
98 **investments made by the eligible taxpayer.**

99 **9. The department of economic development may promulgate rules governing**
100 **the allowance of the income tax credit provided for in this section, including provisions**
101 **for the verification of the timeliness of a claim, the process and documentation required**
102 **for the department of economic development to approve an income tax credit for**
103 **qualified railroad expenditures or qualified new rail infrastructure expenditures, and**
104 **any documentation that the department of economic development requires in order to**
105 **determine that an eligible taxpayer meets the requirements of this section. In addition**
106 **to other needed rules, the department of economic development may promulgate rules**
107 **prescribing, in the case of S corporations or partnerships, a method of attributing the**
108 **credit under this section to the shareholders or partners in proportion to their share of**
109 **the income from the S corporation or partnership. A credit issued or transferred under**
110 **this section to an estate or trust may be used by the relevant fiduciary against the**
111 **fiduciary income tax imposed under section 143.061.**

112 **10. The department of revenue and the department of economic development**
113 **shall promulgate all necessary rules and regulations for the administration of this**
114 **section including, but not limited to, rules relating to the verification of a taxpayer's**
115 **qualified amount. Any rule or portion of a rule, as that term is defined in section**
116 **536.010, that is created under the authority delegated in this section shall become**
117 **effective only if it complies with and is subject to all of the provisions of chapter 536 and,**
118 **if applicable, section 536.028. This section and chapter 536 are nonseverable and if any**
119 **of the powers vested with the general assembly pursuant to chapter 536 to review, to**
120 **delay the effective date, or to disapprove and annul a rule are subsequently held**
121 **unconstitutional, then the grant of rulemaking authority and any rule proposed or**
122 **adopted after August 28, 2025, shall be invalid and void.**

123 **11. The tax credit authorized under this section shall be considered a**
124 **redevelopment tax credit, as defined under section 135.800, and shall be subject to**
125 **the provisions of section 135.800 to 135.830.**

126 **12. Under section 23.253 of the Missouri sunset act:**

127 **(1) The provisions of the new program authorized under this section shall**
128 **automatically sunset December thirty-first six years after the effective date of this**
129 **section, unless reauthorized by an act of the general assembly;**

130 **(2) If such program is reauthorized, the program authorized under this section**
131 **shall automatically sunset December thirty-first twelve years after the effective date of**
132 **the reauthorization of this section; and**

133 **(3) This section shall terminate on September first of the calendar year**
134 **immediately following the calendar year in which the program authorized under this**
135 **section is sunset.**

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

2 (1) "Eligible expenses", expenses incurred in the construction or development of
3 establishing or improving an urban farm in an urban area. The term eligible expenses shall
4 not include any expense for labor or any expense incurred to grow medical marijuana or
5 industrial hemp;

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

8 (3) "Taxpayer", any individual, partnership, or corporation as described under section
9 143.441 or 143.471 that is subject to the tax imposed under chapter 143, excluding
10 withholding tax imposed under sections 143.191 to 143.265, or any charitable organization
11 that is exempt from federal income tax and whose Missouri unrelated business taxable
12 income, if any, would be subject to the state income tax imposed under chapter 143;

13 (4) "Urban area", an urbanized area as defined by the United States Census Bureau;

14 (5) "Urban farm", an agricultural plot or facility in an urban area that produces
15 agricultural food products used solely for distribution to the public by sale or donation.
16 Urban farm shall include community-run gardens. Urban farm shall not include personal
17 farms or residential lots for personal use.

18 2. For all tax years beginning on or after January 1, 2023, a taxpayer shall be allowed
19 to claim a tax credit against the taxpayer's state tax liability in an amount equal to fifty percent
20 of the taxpayer's eligible expenses for establishing or improving an urban farm that focuses on
21 food production.

22 3. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's
23 state tax liability in the tax year for which the credit is claimed, and the taxpayer shall not be
24 allowed to claim a tax credit under this section in excess of five thousand dollars for each
25 urban farm. The total amount of tax credits that may be authorized for all taxpayers for
26 eligible expenses incurred on any given urban farm shall not exceed twenty-five thousand
27 dollars. Any issued tax credit that cannot be claimed in the tax year in which the eligible
28 expenses were incurred may be carried over to the next three succeeding tax years until the
29 full credit is claimed.

30 4. The total amount of tax credits that may be authorized under this section shall not
31 exceed two hundred thousand dollars in any calendar year.

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

34 6. The Missouri agricultural and small business development authority shall recapture
35 the amount of tax credits issued to any taxpayer who, after receiving such tax credit, uses the
36 urban farm for the personal benefit of the taxpayer instead of for producing agricultural food
37 products used solely for distribution to the public by sale or donation.

38 7. The Missouri agricultural and small business development authority may
39 promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as
40 that term is defined in section 536.010, that is created under the authority delegated in this
41 section shall become effective only if it complies with and is subject to all of the provisions of
42 chapter 536 and, if applicable, section 536.028. This section and chapter 536 are
43 nonseverable and if any of the powers vested with the general assembly pursuant to chapter
44 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently
45 held unconstitutional, then the grant of rulemaking authority and any rule proposed or
46 adopted after January 2, 2023, shall be invalid and void.

47 ~~[8. Under section 23.253 of the Missouri sunset act:~~

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

50 ~~(2) If such program is reauthorized, the program authorized under this section shall~~
51 ~~automatically sunset on December thirty first twelve years after the effective date of the~~
52 ~~reauthorization of this section;~~

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

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

137.1018. 1. The commission shall ascertain the statewide average rate of property
2 taxes levied the preceding year, based upon the total assessed valuation of the railroad and
3 street railway companies and the total property taxes levied upon the railroad and street
4 railway companies. It shall determine total property taxes levied from reports prescribed by
5 the commission from the railroad and street railway companies. Total taxes levied shall not
6 include revenues from the surtax on subclass three real property.

7 2. The commission shall report its determination of average property tax rate for the
8 preceding year, together with the taxable distributable assessed valuation of each freight line
9 company for the current year to the director no later than October first of each year.

10 3. Taxes on property of such freight line companies shall be collected at the state level
11 by the director on behalf of the counties and other local public taxing entities and shall be
12 distributed in accordance with sections 137.1021 and 137.1024. The director shall tax such

13 property based upon the distributable assessed valuation attributable to Missouri of each
14 freight line company, using the average tax rate for the preceding year of the railroad and
15 street railway companies certified by the commission. Such tax shall be due and payable on
16 or before December thirty-first of the year levied and, if it becomes delinquent, shall be
17 subject to a penalty equal to that specified in section 140.100.

18 4. (1) As used in this subsection, the following terms mean:

19 (a) "Eligible expenses", expenses incurred in this state to manufacture, maintain, or
20 improve a freight line company's qualified rolling stock;

21 (b) "Qualified rolling stock", any freight, stock, refrigerator, or other railcars subject
22 to the tax levied under this section.

23 (2) For all taxable years beginning on or after January 1, 2009, a freight line company
24 shall, subject to appropriation, be allowed a credit against the tax levied under this section for
25 the applicable tax year. The tax credit amount shall be equal to the amount of eligible
26 expenses incurred during the calendar year immediately preceding the tax year for which the
27 credit under this section is claimed. The amount of the tax credit issued shall not exceed the
28 freight line company's liability for the tax levied under this section for the tax year for which
29 the credit is claimed.

30 (3) A freight line company may apply for the credit by submitting to the commission
31 an application in the form prescribed by the state tax commission.

32 (4) Subject to appropriation, the state shall reimburse, on an annual basis, any
33 political subdivision of this state for any decrease in revenue due to the provisions of this
34 subsection.

35 ~~[5. Pursuant to section 23.253 of the Missouri sunset act:~~

36 ~~(1) The program authorized under subsection 4 of this section shall expire on August~~
37 ~~28, 2028; and~~

38 ~~(2) Subsection 4 of this section shall terminate on September 1, 2029.]~~

143.121. 1. The Missouri adjusted gross income of a resident individual shall be the
2 taxpayer's federal adjusted gross income subject to the modifications in this section.

3 2. There shall be added to the taxpayer's federal adjusted gross income:

4 (1) The amount of any federal income tax refund received for a prior year which
5 resulted in a Missouri income tax benefit. The amount added pursuant to this subdivision
6 shall not include any amount of a federal income tax refund attributable to a tax credit
7 reducing a taxpayer's federal tax liability pursuant to Public Law 116-136 or 116-260, enacted
8 by the 116th United States Congress, for the tax year beginning on or after January 1, 2020,
9 and ending on or before December 31, 2020, and deducted from Missouri adjusted gross
10 income pursuant to section 143.171. The amount added under this subdivision shall also not
11 include any amount of a federal income tax refund attributable to a tax credit reducing a

12 taxpayer's federal tax liability under any other federal law that provides direct economic
13 impact payments to taxpayers to mitigate financial challenges related to the COVID-19
14 pandemic, and deducted from Missouri adjusted gross income under section 143.171;

15 (2) Interest on certain governmental obligations excluded from federal gross income
16 by 26 U.S.C. Section 103 of the Internal Revenue Code, as amended. The previous sentence
17 shall not apply to interest on obligations of the state of Missouri or any of its political
18 subdivisions or authorities and shall not apply to the interest described in subdivision (1) of
19 subsection 3 of this section. The amount added pursuant to this subdivision shall be reduced
20 by the amounts applicable to such interest that would have been deductible in computing the
21 taxable income of the taxpayer except only for the application of 26 U.S.C. Section 265 of the
22 Internal Revenue Code, as amended. The reduction shall only be made if it is at least five
23 hundred dollars;

24 (3) The amount of any deduction that is included in the computation of federal
25 taxable income pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as amended
26 by the Job Creation and Worker Assistance Act of 2002 to the extent the amount deducted
27 relates to property purchased on or after July 1, 2002, but before July 1, 2003, and to the
28 extent the amount deducted exceeds the amount that would have been deductible pursuant to
29 26 U.S.C. Section 168 of the Internal Revenue Code of 1986 as in effect on January 1, 2002;

30 (4) The amount of any deduction that is included in the computation of federal
31 taxable income for net operating loss allowed by 26 U.S.C. Section 172 of the Internal
32 Revenue Code of 1986, as amended, other than the deduction allowed by 26 U.S.C. Section
33 172(b)(1)(G) and 26 U.S.C. Section 172(i) of the Internal Revenue Code of 1986, as
34 amended, for a net operating loss the taxpayer claims in the tax year in which the net
35 operating loss occurred or carries forward for a period of more than twenty years and carries
36 backward for more than two years. Any amount of net operating loss taken against federal
37 taxable income but disallowed for Missouri income tax purposes pursuant to this subdivision
38 after June 18, 2002, may be carried forward and taken against any income on the Missouri
39 income tax return for a period of not more than twenty years from the year of the initial loss;
40 and

41 (5) For nonresident individuals in all taxable years ending on or after December 31,
42 2006, the amount of any property taxes paid to another state or a political subdivision of
43 another state for which a deduction was allowed on such nonresident's federal return in the
44 taxable year unless such state, political subdivision of a state, or the District of Columbia
45 allows a subtraction from income for property taxes paid to this state for purposes of
46 calculating income for the income tax for such state, political subdivision of a state, or the
47 District of Columbia;

48 (6) For all tax years beginning on or after January 1, 2018, any interest expense paid
49 or accrued in a previous taxable year, but allowed as a deduction under 26 U.S.C. Section
50 163, as amended, in the current taxable year by reason of the carryforward of disallowed
51 business interest provisions of 26 U.S.C. Section 163(j), as amended. For the purposes of this
52 subdivision, an interest expense is considered paid or accrued only in the first taxable year the
53 deduction would have been allowable under 26 U.S.C. Section 163, as amended, if the
54 limitation under 26 U.S.C. Section 163(j), as amended, did not exist.

55 3. There shall be subtracted from the taxpayer's federal adjusted gross income the
56 following amounts to the extent included in federal adjusted gross income:

57 (1) Interest received on deposits held at a federal reserve bank or interest or dividends
58 on obligations of the United States and its territories and possessions or of any authority,
59 commission or instrumentality of the United States to the extent exempt from Missouri
60 income taxes pursuant to the laws of the United States. The amount subtracted pursuant to
61 this subdivision shall be reduced by any interest on indebtedness incurred to carry the
62 described obligations or securities and by any expenses incurred in the production of interest
63 or dividend income described in this subdivision. The reduction in the previous sentence
64 shall only apply to the extent that such expenses including amortizable bond premiums are
65 deducted in determining the taxpayer's federal adjusted gross income or included in the
66 taxpayer's Missouri itemized deduction. The reduction shall only be made if the expenses
67 total at least five hundred dollars;

68 (2) The portion of any gain, from the sale or other disposition of property having a
69 higher adjusted basis to the taxpayer for Missouri income tax purposes than for federal
70 income tax purposes on December 31, 1972, that does not exceed such difference in basis. If
71 a gain is considered a long-term capital gain for federal income tax purposes, the modification
72 shall be limited to one-half of such portion of the gain;

73 (3) The amount necessary to prevent the taxation pursuant to this chapter of any
74 annuity or other amount of income or gain which was properly included in income or gain and
75 was taxed pursuant to the laws of Missouri for a taxable year prior to January 1, 1973, to the
76 taxpayer, or to a decedent by reason of whose death the taxpayer acquired the right to receive
77 the income or gain, or to a trust or estate from which the taxpayer received the income or
78 gain;

79 (4) Accumulation distributions received by a taxpayer as a beneficiary of a trust to the
80 extent that the same are included in federal adjusted gross income;

81 (5) The amount of any state income tax refund for a prior year which was included in
82 the federal adjusted gross income;

83 (6) The portion of capital gain specified in section 135.357 that would otherwise be
84 included in federal adjusted gross income;

85 (7) The amount that would have been deducted in the computation of federal taxable
86 income pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as in effect on
87 January 1, 2002, to the extent that amount relates to property purchased on or after July 1,
88 2002, but before July 1, 2003, and to the extent that amount exceeds the amount actually
89 deducted pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as amended by the
90 Job Creation and Worker Assistance Act of 2002;

91 (8) For all tax years beginning on or after January 1, 2005, the amount of any income
92 received for military service while the taxpayer serves in a combat zone which is included in
93 federal adjusted gross income and not otherwise excluded therefrom. As used in this section,
94 "combat zone" means any area which the President of the United States by Executive Order
95 designates as an area in which Armed Forces of the United States are or have engaged in
96 combat. Service is performed in a combat zone only if performed on or after the date
97 designated by the President by Executive Order as the date of the commencing of combat
98 activities in such zone, and on or before the date designated by the President by Executive
99 Order as the date of the termination of combatant activities in such zone;

100 (9) For all tax years ending on or after July 1, 2002, with respect to qualified property
101 that is sold or otherwise disposed of during a taxable year by a taxpayer and for which an
102 additional modification was made under subdivision (3) of subsection 2 of this section, the
103 amount by which additional modification made under subdivision (3) of subsection 2 of this
104 section on qualified property has not been recovered through the additional subtractions
105 provided in subdivision (7) of this subsection;

106 (10) For all tax years beginning on or after January 1, 2014, the amount of any
107 income received as payment from any program which provides compensation to agricultural
108 producers who have suffered a loss as the result of a disaster or emergency, including the:

- 109 (a) Livestock Forage Disaster Program;
- 110 (b) Livestock Indemnity Program;
- 111 (c) Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish;
- 112 (d) Emergency Conservation Program;
- 113 (e) Noninsured Crop Disaster Assistance Program;
- 114 (f) Pasture, Rangeland, Forage Pilot Insurance Program;
- 115 (g) Annual Forage Pilot Program;
- 116 (h) Livestock Risk Protection Insurance Plan;
- 117 (i) Livestock Gross Margin Insurance Plan;

118 (11) For all tax years beginning on or after January 1, 2018, any interest expense paid
119 or accrued in the current taxable year, but not deducted as a result of the limitation imposed
120 under 26 U.S.C. Section 163(j), as amended. For the purposes of this subdivision, an interest
121 expense is considered paid or accrued only in the first taxable year the deduction would have

122 been allowable under 26 U.S.C. Section 163, as amended, if the limitation under 26 U.S.C.
123 Section 163(j), as amended, did not exist;

124 (12) One hundred percent of any retirement benefits received by any taxpayer as a
125 result of the taxpayer's service in the Armed Forces of the United States, including reserve
126 components and the National Guard of this state, as defined in 32 U.S.C. Sections 101(3) and
127 109, and any other military force organized under the laws of this state; and

128 (13) For all tax years beginning on or after January 1, 2022, one hundred percent of
129 any federal, state, or local grant moneys received by the taxpayer if the grant money was
130 disbursed for the express purpose of providing or expanding access to broadband internet to
131 areas of the state deemed to be lacking such access.

132 4. There shall be added to or subtracted from the taxpayer's federal adjusted gross
133 income the taxpayer's share of the Missouri fiduciary adjustment provided in section 143.351.

134 5. There shall be added to or subtracted from the taxpayer's federal adjusted gross
135 income the modifications provided in section 143.411.

136 6. In addition to the modifications to a taxpayer's federal adjusted gross income in this
137 section, to calculate Missouri adjusted gross income there shall be subtracted from the
138 taxpayer's federal adjusted gross income any gain recognized pursuant to 26 U.S.C. Section
139 1033 of the Internal Revenue Code of 1986, as amended, arising from compulsory or
140 involuntary conversion of property as a result of condemnation or the imminence thereof.

141 7. (1) As used in this subsection, "qualified health insurance premium" means the
142 amount paid during the tax year by such taxpayer for any insurance policy primarily
143 providing health care coverage for the taxpayer, the taxpayer's spouse, or the taxpayer's
144 dependents.

145 (2) In addition to the subtractions in subsection 3 of this section, one hundred percent
146 of the amount of qualified health insurance premiums shall be subtracted from the taxpayer's
147 federal adjusted gross income to the extent the amount paid for such premiums is included in
148 federal taxable income. The taxpayer shall provide the department of revenue with proof of
149 the amount of qualified health insurance premiums paid.

150 8. (1) Beginning January 1, 2014, in addition to the subtractions provided in this
151 section, one hundred percent of the cost incurred by a taxpayer for a home energy audit
152 conducted by an entity certified by the department of natural resources under section 640.153
153 or the implementation of any energy efficiency recommendations made in such an audit shall
154 be subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid
155 for any such activity is included in federal taxable income. The taxpayer shall provide the
156 department of revenue with a summary of any recommendations made in a qualified home
157 energy audit, the name and certification number of the qualified home energy auditor who
158 conducted the audit, and proof of the amount paid for any activities under this subsection for

159 which a deduction is claimed. The taxpayer shall also provide a copy of the summary of any
160 recommendations made in a qualified home energy audit to the department of natural
161 resources.

162 (2) At no time shall a deduction claimed under this subsection by an individual
163 taxpayer or taxpayers filing combined returns exceed one thousand dollars per year for
164 individual taxpayers or cumulatively exceed two thousand dollars per year for taxpayers
165 filing combined returns.

166 (3) Any deduction claimed under this subsection shall be claimed for the tax year in
167 which the qualified home energy audit was conducted or in which the implementation of the
168 energy efficiency recommendations occurred. If implementation of the energy efficiency
169 recommendations occurred during more than one year, the deduction may be claimed in more
170 than one year, subject to the limitations provided under subdivision (2) of this subsection.

171 (4) A deduction shall not be claimed for any otherwise eligible activity under this
172 subsection if such activity qualified for and received any rebate or other incentive through a
173 state-sponsored energy program or through an electric corporation, gas corporation, electric
174 cooperative, or municipally owned utility.

175 9. The provisions of subsection 8 of this section shall expire on December 31, 2020.

176 10. (1) As used in this subsection, the following terms mean:

177 (a) "Beginning farmer", a taxpayer who:

178 a. Has filed at least one but not more than ten Internal Revenue Service Schedule F
179 (Form 1040) Profit or Loss From Farming forms since turning eighteen years of age;

180 b. Is approved for a beginning farmer loan through the USDA Farm Service Agency
181 Beginning Farmer direct or guaranteed loan program;

182 c. Has a farming operation that is determined by the department of agriculture to be
183 new production agriculture but is the principal operator of a farm and has substantial farming
184 knowledge; or

185 d. Has been determined by the department of agriculture to be a qualified family
186 member;

187 (b) "Farm owner", ~~an individual~~ a taxpayer who owns farmland and disposes of or
188 relinquishes use of all or some portion of such farmland as follows:

189 a. A sale to a beginning farmer;

190 b. A lease or rental agreement not exceeding ten years with a beginning farmer; or

191 c. A crop-share arrangement not exceeding ten years with a beginning farmer;

192 (c) "Qualified family member", an individual who is related to a farm owner within
193 the fourth degree by blood, marriage, or adoption and who is purchasing or leasing or is in a
194 crop-share arrangement for land from all or a portion of such farm owner's farming operation;

195 **(d) "Taxpayer", any individual, trust, firm, partner in a firm, corporation,**
196 **partnership, shareholder in an S corporation, or member of a limited liability company**
197 **subject to the income tax imposed under this chapter, excluding withholding tax**
198 **imposed under sections 143.191 to 143.265.**

199 (2) (a) In addition to all other subtractions authorized in this section, a taxpayer who
200 is a farm owner who sells all or a portion of such farmland to a beginning farmer may subtract
201 from such taxpayer's Missouri adjusted gross income an amount to the extent included in
202 federal adjusted gross income as provided in this subdivision.

203 (b) Subject to the limitations in paragraph (c) of this subdivision, the amount that may
204 be subtracted shall be equal to the portion of capital gains received from the sale of such
205 farmland that such taxpayer receives in the tax year for which such taxpayer subtracts such
206 capital gain.

207 (c) A taxpayer may subtract the following amounts and percentages per tax year in
208 total capital gains received from the sale of such farmland under this subdivision:

- 209 a. For the first two million dollars received, one hundred percent;
- 210 b. For the next one million dollars received, eighty percent;
- 211 c. For the next one million dollars received, sixty percent;
- 212 d. For the next one million dollars received, forty percent; and
- 213 e. For the next one million dollars received, twenty percent.

214 (d) The department of revenue shall prepare an annual report reviewing the costs and
215 benefits and containing statistical information regarding the subtraction of capital gains
216 authorized under this subdivision for the previous tax year including, but not limited to, the
217 total amount of all capital gains subtracted and the number of taxpayers subtracting such
218 capital gains. Such report shall be submitted before February first of each year to the
219 committee on agriculture policy of the Missouri house of representatives and the committee
220 on agriculture, food production and outdoor resources of the Missouri senate, or the successor
221 committees.

222 (3) (a) In addition to all other subtractions authorized in this section, a taxpayer who
223 is a farm owner who enters a lease or rental agreement for all or a portion of such farmland
224 with a beginning farmer may subtract from such taxpayer's Missouri adjusted gross income an
225 amount to the extent included in federal adjusted gross income as provided in this
226 subdivision.

227 (b) Subject to the limitation in paragraph (c) of this subdivision, the amount that may
228 be subtracted shall be equal to the portion of cash rent income received from the lease or
229 rental of such farmland that such taxpayer receives in the tax year for which such taxpayer
230 subtracts such income.

231 (c) No taxpayer shall subtract more than twenty-five thousand dollars per tax year in
232 total cash rent income received from the lease or rental of such farmland under this
233 subdivision.

234 (4) (a) In addition to all other subtractions authorized in this section, a taxpayer who
235 is a farm owner who enters a crop-share arrangement on all or a portion of such farmland with
236 a beginning farmer may subtract from such taxpayer's Missouri adjusted gross income an
237 amount to the extent included in federal adjusted gross income as provided in this
238 subdivision.

239 (b) Subject to the limitation in paragraph (c) of this subdivision, the amount that may
240 be subtracted shall be equal to the portion of income received from the crop-share
241 arrangement on such farmland that such taxpayer receives in the tax year for which such
242 taxpayer subtracts such income.

243 (c) No taxpayer shall subtract more than twenty-five thousand dollars per tax year in
244 total income received from the lease or rental of such farmland under this subdivision.

245 (5) The department of agriculture shall, by rule, establish a process to verify that a
246 taxpayer is a beginning farmer for purposes of this section and shall provide verification to
247 the beginning farmer and farm seller of such farmer's and seller's certification and
248 qualification for the exemption provided in this subsection.

143.511. Income tax returns required by [~~sections 143.011 to 143.996~~] **this chapter**
2 shall be filed on or before the [~~fifteenth day of the fourth month following the close of the~~
3 ~~taxpayer's taxable year except where the taxpayer is an exempt organization. Exempt~~
4 ~~organizations shall have the same due date as set by the Internal Revenue Code of 1986, as~~
5 ~~amended~~] **date prescribed by 26 U.S.C. 6072 for the filing of returns for federal tax**
6 **purposes. If such date is modified for any reason, the date for filing income tax returns**
7 **required by this chapter shall also be changed to such date.** A person required to make
8 and file a return under [~~sections 143.011 to 143.996~~] **this chapter** shall, without assessment,
9 notice, or demand, pay any tax due thereon to the director of revenue on or before the date
10 fixed for filing such return (determined without regard to any extension of time for filing the
11 return). The director of revenue shall prescribe by regulation the place for filing any return,
12 declaration, statement, or other document required pursuant to this chapter and for the
13 payment of any tax.

143.512. In the event a taxpayer is denied part or all of a tax credit to which the
2 **taxpayer has qualified pursuant to any provision of law due to lack of available funds,**
3 **and such denial causes a balance-due notice to be generated by the department of**
4 **revenue or any other redeeming agency, a taxpayer shall not be held liable for any**
5 **penalty or interest on such balance due, provided the balance is paid or approved**
6 **payment arrangements have been made within sixty days from the notice of denial. Any**

7 **payments not timely made pursuant to this section shall be subject to penalty and**
8 **interest pursuant to this chapter.**

348.491. 1. This section shall be known and may be cited as the "Specialty
2 Agricultural Crops Act".

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

4 (1) "Authority", the Missouri agricultural and small business development authority
5 created in section 348.020;

6 (2) "Family farmer", a farmer who is a Missouri resident and who has less than one
7 hundred thousand dollars in agricultural sales per year;

8 (3) "Lender", the same definition as in section 348.015;

9 (4) "Specialty crop", fruits and vegetables, tree nuts, dried fruits, and horticulture and
10 nursery crops including, but not limited to, floriculture. Specialty crop shall not include
11 medical marijuana or industrial hemp.

12 3. The authority shall establish a specialty agricultural crops loan program for family
13 farmers for the purchase of specialty crop seeds, seedlings, or trees; soil amendments
14 including compost; irrigation equipment; fencing; row covers; trellising; season extension
15 equipment; refrigeration equipment; and equipment for planting and harvesting.

16 4. To participate in the loan program, a family farmer shall first obtain approval for a
17 specialty agricultural crops loan from a lender. Each family farmer shall be eligible for only
18 one specialty agricultural crops loan per family.

19 5. The maximum amount of the specialty agricultural crops loan for specialty crop
20 producers shall be thirty-five thousand dollars.

21 6. Eligible borrowers under the program:

22 (1) Shall use the proceeds of the specialty agricultural crops loan to acquire the
23 farming resources described in subsection 3 of this section;

24 (2) Shall not finance more than ninety percent of the anticipated cost of the purchase
25 of such farming resources through the specialty agricultural crops loan; and

26 (3) Shall not be charged interest by the lender for the first year of the qualified
27 specialty agricultural crops loan.

28 7. Upon approval of the specialty agricultural crops loan by a lender under subsection
29 4 of this section, the loan shall be submitted for approval by the authority. The authority shall
30 promulgate rules establishing eligibility under this section, taking into consideration:

31 (1) The eligible borrower's ability to repay the specialty agricultural crops loan;

32 (2) The general economic conditions of the area in which the farm is located;

33 (3) The prospect of a financial return for the family farmer for the type of farming
34 resource for which the specialty agricultural crops loan is sought; and

35 (4) Such other factors as the authority may establish.

36 8. For eligible borrowers participating in the program, the authority shall be
37 responsible for reviewing the purchase price of any farming resources to be purchased by an
38 eligible borrower under the program to determine whether the price to be paid is appropriate
39 for the type of farming resources purchased. The authority may impose a one-time loan
40 review fee of one percent, which shall be collected by the lender at the time of the loan and
41 paid to the authority.

42 9. Nothing in this section shall be construed to preclude a family farmer from
43 participating in any other agricultural program.

44 10. Any rule or portion of a rule, as that term is defined in section 536.010, that is
45 created under the authority delegated in this section shall become effective only if it complies
46 with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028.
47 This section and chapter 536 are nonseverable and if any of the powers vested with the
48 general assembly pursuant to chapter 536 to review, to delay the effective date, or to
49 disapprove and annul a rule are subsequently held unconstitutional, then the grant of
50 rulemaking authority and any rule proposed or adopted after January 2, 2023, shall be invalid
51 and void.

52 ~~[11. Under section 23.253 of the Missouri sunset act:~~

53 ~~(1) The provisions of the new program authorized under this section shall~~
54 ~~automatically sunset on December 31, 2028, unless reauthorized by an act of the general~~
55 ~~assembly; and~~

56 ~~(2) If such program is reauthorized, the program authorized under this section shall~~
57 ~~automatically sunset twelve years after the effective date of the reauthorization of this section;~~
58 ~~and~~

59 ~~(3) This section shall terminate on September first of the calendar year immediately~~
60 ~~following the calendar year in which the program authorized under this section is sunset.]~~

348.493. 1. As used in this section, "state tax liability" means any state tax liability
2 incurred by a taxpayer under the provisions of chapter 143, 147, or 148, exclusive of the
3 provisions relating to the withholding of tax as provided for in sections 143.191 to 143.265
4 and related provisions.

5 2. Any eligible lender under the specialty agricultural crops loan program under
6 section 348.491 shall be entitled to receive a tax credit equal to one hundred percent of the
7 amount of interest waived by the lender under section 348.491 on a qualifying loan for the
8 first year of the loan only. The tax credit shall be evidenced by a certificate of tax credit
9 issued by the Missouri agricultural and small business development authority and may be
10 used to satisfy the state tax liability of the owner of such certificate that becomes due in the
11 tax year in which the interest on a qualified loan is waived by the lender under section
12 348.491. No lender shall receive a tax credit under this section unless such lender presents a

13 certificate of tax credit to the department of revenue for payment of such state tax liability.
14 The amount of the tax credits that may be issued to all eligible lenders claiming tax credits
15 authorized in this section in a fiscal year shall not exceed three hundred thousand dollars.

16 3. The Missouri agricultural and small business development authority shall be
17 responsible for the administration and issuance of the certificate of tax credits authorized by
18 this section. The authority shall issue a certificate of tax credit at the request of any lender.
19 Each request shall include a true copy of the loan documents, the name of the lender who is to
20 receive a certificate of tax credit, the type of state tax liability against which the tax credit is to
21 be used, and the amount of the certificate of tax credit to be issued to the lender based on the
22 interest waived by the lender under section 348.491 on the loan for the first year.

23 4. The department of revenue shall accept a certificate of tax credit in lieu of other
24 payment in such amount as is equal to the lesser of the amount of the tax or the remaining
25 unused amount of the credit as indicated on the certificate of tax credit and shall indicate on
26 the certificate of tax credit the amount of tax thereby paid and the date of such payment.

27 5. The following provisions shall apply to tax credits authorized under this section:

28 (1) Tax credits claimed in a tax year may be claimed on a quarterly basis and applied
29 to the estimated quarterly tax of the lender;

30 (2) Any amount of tax credit that exceeds the tax due, including any estimated
31 quarterly taxes paid by the lender under subdivision (1) of this subsection that result in an
32 overpayment of taxes for a tax year, shall not be refunded but may be carried over to any
33 subsequent tax year, not to exceed a total of three years for which a tax credit may be taken
34 for a qualified specialty agricultural crops loan;

35 (3) Notwithstanding any provision of law to the contrary, a lender may assign,
36 transfer, sell, or otherwise convey tax credits authorized under this section, with the new
37 owner of the tax credit receiving the same rights in the tax credit as the lender. For any tax
38 credits assigned, transferred, sold, or otherwise conveyed, a notarized endorsement shall be
39 filed by the lender with the authority specifying the name and address of the new owner of the
40 tax credit and the value of such tax credit; and

41 (4) Notwithstanding any other provision of this section to the contrary, any
42 commercial bank may use tax credits created under this section as provided in section
43 148.064 and receive a net tax credit against taxes actually paid in the amount of the first year's
44 interest on loans made under this section. If such first year tax credits reduce taxes due as
45 provided in section 148.064 to zero, the remaining tax credits may be carried over as
46 otherwise provided in this section and used as provided in section 148.064 in subsequent
47 years.

48 ~~[6. Under section 23.253 of the Missouri sunset act:~~

49 ~~(1) The provisions of the new program authorized under this section shall~~
50 ~~automatically sunset on December 31, 2028, unless reauthorized by an act of the general~~
51 ~~assembly; and~~

52 ~~(2) If such program is reauthorized, the program authorized under this section shall~~
53 ~~automatically sunset twelve years after the effective date of the reauthorization of this section;~~
54 ~~and~~

55 ~~(3) This section shall terminate on September first of the calendar year immediately~~
56 ~~following the calendar year in which the program authorized under this section is sunset.]~~

2 ~~[348.436. The provisions of sections 348.430 to 348.436 shall expire~~
 ~~December 31, 2028.]~~

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