

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1317
103RD GENERAL ASSEMBLY

2725H.03C

JOSEPH ENGLER, Chief Clerk

AN ACT

To repeal sections 135.305, 135.686, 135.772, 135.775, 135.778, 135.1610, 137.1018, 348.436, 348.491, and 348.493, RSMo, and to enact in lieu thereof nine new sections relating to agricultural tax credits.

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A. Sections 135.305, 135.686, 135.772, 135.775, 135.778, 135.1610, 137.1018, 348.436, 348.491, and 348.493, RSMo, are repealed and nine new sections enacted in lieu thereof, to be known as sections 135.305, 135.686, 135.772, 135.775, 135.778, 135.1610, 137.1018, 348.491, and 348.493,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".

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

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

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.

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 **147 or chapter 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 147 **or chapter**
41 **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, a 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.]~~

135.1610. 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.]~~

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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