HB 610 -- REVITALIZING DOWNTOWNS AND MAIN STREETS

SPONSOR: Wilson

This bill creates the "Revitalizing Missouri Downtowns and Main Streets Act."

For all tax years beginning on or after January 1, 2026, a taxpayer may submit an application to the Department of Economic Development to claim a credit against his or her state tax liability:

(1) Equal to 25% of qualified conversion expenditures, as defined in the bill, incurred for converting nonresidential property from office use to residential, retail, or other commercial use; or

(2) Equal to 30% of qualified conversion expenditures with respect to upper floor housing, as defined in the bill, incurred for converting nonresidential property from office use to residential, retail, or other commercial use.

The tax credits will be refundable, but may be carried back three years or carried forward 10 years. The total amount of tax credits must not exceed $50 million in any fiscal year, and may also be transferred, sold, or assigned, as specified in the bill.

Of the maximum amount of available tax credits 25% must be solely for projects located in a qualified Missouri main street district, as defined in the bill. If the total amount of tax credits reserved for this purpose has already been authorized, projects located in a qualified Missouri main street district may receive tax credits from the remaining unreserved credits.

If the maximum amount of allowable tax credits is authorized in any given fiscal year, such maximum allowable amount will be increased by the percentage increase in inflation. Tax credits authorized for qualified converted buildings of more than 750,000 square feet will not count toward the maximum amount of annual tax credits, provided that no more than $50 million in tax credits are authorized for such buildings in a given fiscal year.

A taxpayer must apply to the Department of Economic Development to receive tax credits. Applications must be prioritized in order of submission, and must include the following:

(1) Proof of ownership or site control, as specified in the bill;

(2) Floor plans of the existing structure, architectural plans, and where applicable, plans of the proposed conversion of the structure, as well as proposed additions;

(3) Estimated cost of conversion;

(4) Anticipated total costs of the project;

(5) Actual basis of the property, as shown by proof of actual acquisition costs;

(6) Anticipated labor costs;

(7) Estimated project start date;

(8) Estimated project completion date;

(9) Proof that the property is an eligible property;

(10) Copy of all land use and building approvals reasonably necessary for the commencement of the project; and

(11) Any other information that the Department may reasonably require to review the project for approval.

If the Department determines that a taxpayer has failed to comply with these requirements, the taxpayer will be allowed 30 days to submit additional evidence to remedy the failure.

The Department must evaluate and weight applications according to a scoring rubric, as provided in the bill, based on the following categories:

(1) Projects located in an Opportunity Zone, Qualified Census Tract, Enhanced Enterprise Zone, or a Disadvantaged Community;

(2) Gross building square footage;

(3) Jobs created; and

(4) Project cost.

All taxpayers with approved applications must submit, within 120 days following the award of tax credits, evidence of the taxpayer's capacity to finance the costs and expenses for the conversion of the eligible property. If the Department determines that a taxpayer has failed to comply with the listed requirements, the taxpayer must be allowed 30 days to submit additional evidence to remedy the failure. Approved applications must commence conversion within 12 months of the date of approval from the Department.

To receive a tax credit, a taxpayer with an approved application must apply for final approval from the Department, which will determine the final amount of qualified conversion expenditures and whether the completed rehabilitation meets all requirements.

The final application must demonstrate that the taxpayer has:

(1) Substantially converted a qualified converted building; and

(2) Presented satisfactory evidence of any qualified conversion expenditures for the structure, as determined by the Department; and

(3) Turned over any other information reasonably requested by the Department.

On an annual basis, the Department must determine the overall economic impact resulting from the rehabilitation of eligible property.

This bill is similar to HB 1935 (2024).