HB 900 -- REVITALIZING MISSOURI DOWNTOWNS AND MAIN STREETS ACT

SPONSOR: Murray

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

For all tax years beginning on or after January 1, 2026, this bill authorizes a taxpayer to claim a tax credit equal to 25% of qualified conversion expenditures, as defined in the bill, or 30% of qualified conversion expenditures with respect to upper floor housing, as described in the bill, incurred for converting nonresidential real property from office use to residential, retail, or other commercial use. Tax credits authorized by the bill are not refundable, but may be carried back three years or carried forward 10 years. Tax credits may also be transferred, sold, or assigned, as specified in the bill.

The total amount of tax credits authorized under this bill must not exceed $50 million in any fiscal year. Twenty-five percent of the maximum amount of tax credits available to be authorized must be authorized solely for projects located in a qualified Missouri main street district, as defined in the bill. If the total amount of the reserved tax credits have been authorized, projects located in a qualified Missouri main street district may receive tax credits from the remaining unreserved amount of tax credits. If the maximum amount of allowable tax credits is authorized in any given fiscal year, the maximum allowable amount will be adjusted by the percentage increase in the Consumer Price Index as provided in the bill. Tax credits authorized for qualified converted buildings of more than 750,000 square feet do 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 under this bill. The application must include the following:

(1) Proof of ownership or site control;,

(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, the anticipated total costs of the project, the actual basis of the property, as shown by proof of actual acquisition costs, the anticipated total labor costs, the

estimated project start date, and the estimated project completion date;

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

(5) A copy of all land use and building approvals reasonably necessary for the commencement of the project; and

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

Only the property address provided in the application will be reviewed for approval and only one property per taxpayer can be reviewed at a time. If an application is disapproved it will be removed from the review process and the Department must notify the taxpayer. A disapproved application may be resubmitted and will be treated as an new application. If the Department determines a taxpayer failed to comply with the requirements of this provision, the applicant has 30 days from the date of the notice of failure to submit additional evidence.

All taxpayers with applications receiving approval must submit, within 60 days following the award of credits, evidence of the capacity of the applicant to finance the costs and expenses for the conversion of the eligible property. All taxpayers with applications receiving approval, excluding projects of more than 750,000 square feet, must start the conversion within nine months of the date of issuance of the letter from the Department granting the approval for tax credits.

To claim a tax credit authorized by this bill, a taxpayer must apply for final approval and issuance of tax credits from the Department, which must determine the final amount of qualified conversion expenditures and whether the completed rehabilitation meets the requirements of the bill. The final application must demonstrate that the taxpayer has substantially converted a qualified converted building; satisfactory evidence of any qualified conversion expenditures for the structure, as determined by the Department; and any other information reasonably requested by the Department.

The Department must determine, on an annual basis, the overall economic impact to the State from the rehabilitation of eligible property under this bill. A taxpayer will not be issued tax credits for qualified conversion expenditures on a qualified converted building within 27 years of a previous issuance of tax credits under this bill on the qualified converted building.

This bill is the same as SB 35 (2025).