

SS#2 SCS SB 3 -- TAXATION

TAX CREDITS FOR CERTAIN SPORTING EVENTS (Sections 67.3000 and 67.3005)

Current law authorizes a tax credit for costs incurred relating to the conduct of amateur and collegiate sporting events. This bill modifies such tax credit by requiring certified sponsors to be active members of the Sports Events and Tourism Association rather than of the National Association of Sports Commissions.

The bill also removes the definition of "eligible costs" and bases the amount of the tax credit on either the number of admission tickets sold or the number of registered participants.

This bill requires an applicant to submit a ticket sales or box office statement, or a list of registered participants, rather than documentation of eligible costs.

The amount of the tax credit will be equal to either \$6 for every admission ticket sold, rather than \$5, or \$12 for every registered participant, rather than \$10. The Department of Revenue will issue a refund of the tax credit within 90 days of the applicant's submission of a valid tax credit certificate, even prior to the close of the tax year for which the tax credits are issued.

Current law limits the total annual amount of tax credits to \$3 million, with a limit of \$2.7 million for events held in Jackson County or St. Louis City. This bill increases the limits to \$6 million and \$5.5 million, respectively.

The bill extends the sunset on the tax credit from August 28, 2025, to August 28, 2032.

Current law also authorizes a tax credit in the amount of 50% of an eligible donation made to a certified sponsor or local organizing committee, with the total annual amount of the tax credits limited to \$10 million. This bill reduces the allowable annual amount of tax credits to \$500,000. This bill also extends the sunset on such tax credit from August 28, 2025, to August 28, 2032.

Certain provisions of this bill will be effective beginning July 1, 2026.

These provisions are similar to SS SCS SB 80 and SCS SB 184 (2025); SCS SB 1036 (2024), SCS HCS HB 1483 (2024) and HCS HB 1935 (2024).

SHOW-ME SPORTS INVESTMENT ACT (Section 100.240)

This bill creates the "Show-Me Sports Investment Act". The Office of Administration and the Department of Economic Development are authorized to expend funds for the purpose of aiding and cooperating in the planning, undertaking, financing, or carrying out of an athletic and entertainment facility project.

Applicants must submit an application to the Department containing all information required by the Department, including the applicant's baseline year state tax revenues, as defined in the bill. The Director of the Department and the Commissioner of Administration may enter into an agreement with the applicant, provided the agreement meets all provisions of this bill.

An annual expenditure by the state will be subject to appropriation and must not be greater than an amount equal to the baseline year state tax revenues for the applicable professional sports franchise's athletic and entertainment facility. The term of state appropriations under such an agreement must not exceed 30 years and the annual amount of appropriation for the project must not exceed an amount equal to the baseline year state tax revenues for the athletic and entertainment facility of the professional sports franchise for any fiscal year. Further, the net bond proceeds of any bond supported by annual expenditures by the state must not exceed 50% of the total costs of the project. The Director and the Commissioner must be satisfied that there is sufficient public investment made by units of local government to support infrastructure or other needs generated by the project. If the owners of the professional sports franchise relocate any of the franchise or its facilities during the term of the agreement, it will be considered a default and the owners of the franchise must repay the state the amount of funds expended by the state under the agreement and the total debt service remaining for any outstanding bond indebtedness, as provided in the bill.

The Missouri Development Finance Board may authorize any taxpayer to receive a tax credit in the amount of 50% of the amount contributed to the infrastructure development fund, provided that tax credits awarded under this bill for a project will not exceed 10% of the amount of private investment in the project or \$50 million, whichever is less. The total of the tax credits may be issued over a maximum of three calendar years. Tax credits may be carried forward up to five years, and may be transferred or sold. If the owners of the franchise default on the agreement, the amount of tax credits issued must be repaid, as provided in the bill.

This provision is similar to SS SCS SB 80 (2025).

TAX CREDIT FOR HOMESTEAD DAMAGE (Section 135.445)

For all tax years beginning on or after January 1, 2025, this bill authorizes a taxpayer to claim a tax credit in an amount not to exceed \$5,000 for the insurance deductible incurred by the taxpayer during the 2025 calendar year as a direct result of a disaster for which a request for a presidential disaster declaration has been made by the Governor.

Tax credits authorized in this bill are not refundable but may be transferred, sold, or assigned. Tax credits may be carried forward to any of the taxpayer's 29 subsequent tax years or until the full amount of the tax credit is redeemed, whichever is earlier. For the 2026 fiscal year, the Department of Revenue will not redeem tax credits in an amount that exceeds \$90 million. For all subsequent fiscal years ending with the 2055 fiscal year, the Department will not redeem tax credits authorized by this section in an amount that exceeds \$45 million in any given year. Any taxpayer that is unable to redeem a tax credit in any tax year may carry forward the tax credit to a subsequent tax year.

No new tax credits will be authorized after December 31, 2025.

PROPERTY TAX CREDIT (Section 137.1120)

This bill requires certain counties to place on the ballot by no later than the April 2026 general election a question of whether to grant a property tax credit to eligible taxpayers residing in such county. Eligible taxpayers are defined as residents who:

- (1) Are the owners of record of or have a legal or equitable interest in a homestead; and
- (2) Are liable for the payment of real property taxes on such homestead.

The amount of the property tax credit will be equal to the difference between the real property tax liability on the homestead in a given year minus the real property tax liability on the homestead in the year in which the taxpayer became an eligible taxpayer, provided that, for 5% counties, the real property tax liability on an eligible taxpayer's homestead as determined in the taxpayer's initial credit year may be increased by no more than 5% per year or the percent increase in the Consumer Price Index, whichever is greater, and, for 0% counties, the real property tax liability on an eligible taxpayer's homestead will not be increased above the liability incurred during the initial credit year.

A credit granted pursuant to this bill will be applied when calculating the eligible taxpayer's property tax liability for the

tax year. The amount of the credit must be noted on the statement of tax due sent to the eligible taxpayer by the county collector.

The amount of property tax credits authorized by a county pursuant to this bill will be considered tax revenue actually received by the county for the purposes of calculating property tax levies.

SEVERABILITY CLAUSE

This bill contains a severability clause (Section B).