

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6238H.01I
Bill No.: HB 3329
Subject: Tax Credits; Taxation and Revenue - Income; Taxation and Revenue - General;
Department of Revenue
Type: Original
Date: March 19, 2026

Bill Summary: This proposal modifies provisions relating to tax credits.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§99.1205 - 620.2020 - Modifies provisions relating to tax credits

Officials from the **Department of Revenue (DOR)** note:

Section 100.260 Industrial Development Reserve Fund

This proposal modifies the section references in this provision. This will not have a fiscal impact on DOR.

Section 100.270 Certified Capital Company

This proposal modifies the definition of certified capital company and qualified Missouri business. DOR defers to DED for the impact of this provision.

Section 100.293 Jobs Now Act

This proposal modifies the sectional references in this program. DOR defers to DED for fiscal impact.

Section 135.800 Tax Credit Accountability Act

This provision updates the name of the tax credit programs and removes the tax credits that are being repealed from the TCAA. This will not have a fiscal impact on DOR.

Section 137.123 Property Tax Assessment

This section updates sectional references in regard to property tax assessment. DOR assumes this would not have a fiscal impact.

Section 148.330

This section removes old repealed statutory references. This will not fiscally impact DOR.

Section 148.350

This section is removing language from statutes. DOR will defer to the Department of Commerce and Insurance for impact on this wording.

Section 190.465 - 911 Districts

This section is removing language from statutes. DOR will defer to the Department of Economic Development for impact on this wording.

Section 320.092

This provision removes old statutory references. This will not fiscally impact DOR.

Section 620.1910 Manufacturing Jobs Act

This proposal is modifying definitions in the Manufacturing Jobs Act tax credit program. It should be noted that this program sunset on October 12, 2016, and therefore, changing these definitions will not result in any additional impact to the state.

Section 620.2010 Missouri Works program

This section modifies definitions in the MO Works program. DOR defers to DED for impact of this modification.

Section 620.2020 MO Works Tax Credit program

This section repeals language from the statute referencing obsolete tax credits that are repealed in this proposal. This will not have any fiscal impact on DOR.

Section 99.1205 - Distressed Area Land Assemblage Tax Credit

This provision is the Distressed Area Land Assemblage tax credit program that awarded credits to a developer in St. Louis. It had a cumulative cap of \$20 million and expired as of August 28, 2013. It had a six year carry forward that has expired. Repealing this would not have a fiscal impact on DOR.

Section 135.313 - Charcoal Producers Tax Credit

This provision is the Charcoal Producers tax credit program that gave a tax credit for control technology equipment connected with the production of charcoal. The credit was to be claimed in 1998 and could be carried forward to the next eight years. The carry forward period has expired. Repealing this would not have a fiscal impact on DOR.

Section 135.500, 135.503, 135.505, 135.508, 135.516, 135.517, 135.520, 135.523, 135.526, 135.529 – Missouri Certified Capital Company Law & Tax Credit

This program has expired. Repealing this program would not have a fiscal impact on DOR.

Section 135.535 Rebuilding Communities Tax Credit

This provision is the Rebuilding Communities tax credit that gave a credit for businesses locating to a distressed community. The program ended on August 28, 2013, when it was replaced with the MO Works program. Repealing this would not have a fiscal impact on DOR.

Section 135.545 & 135.546 – Transportation Development Tax Credit

This is the Transportation Development tax credit program that had a \$10 million cap. It had a 10 year carry forward which has expired. Repealing this would not have a fiscal impact on DOR.

Section 135.679 Qualified Beef Tax Credit

This is the qualified beef tax credit program that gave farmers a credit based on the weight of cattle. This program sunset on December 31, 2021. Repealing this would not have a fiscal impact on DOR.

Section 135.680 & 135.682 - New Markets Tax Credit

This is the New Markets tax credit program that stopped in 2010. It had a 5 year carry forward that has expired. Repealing this would not have a fiscal impact on DOR.

Section 135.700 - Wine and Grape Tax Credit

This is the Wine and Grape tax credit program that provides a company with tax credits for the purchase price of new equipment and materials used to increase production of wine in this state. The Missouri House of Representatives has voted each year since FY 2019 to not allow any credits to be authorized. Repealing this would not have a fiscal impact on DOR.

Section 135.710 - Alternative Fuel Tax Credit

This is the Alternative Fuel tax credit program that provided reimbursement of expenses for installing alternative fuel pumps at a gas station. This proposal stopped in 2018, and the 2-year carry forward has expired. Repealing this would not have a fiscal impact on DOR.

Section 135.766 – Guarantee Fee Tax Credit

This is the Guarantee Fee tax credit program that provided a tax credit for 30 days after the effective date of the bill which was August 28, 1999. This program has expired. Repealing this would not have a fiscal impact on DOR.

Section 135.950, 135.953, 135.957, 135.960, 135.963, 135.967, 135.968, 135.970 & 135.973
Enhanced Enterprise Zone Tax Credit

This provision is the Enhanced Enterprise Zone tax credit that gave a credit for expanding a business in an enhanced enterprise zone. The program ended on August 28, 2013, when it was replaced with the MO Works program. Repealing this would not have a fiscal impact on DOR.

Section 135.1125 Unmet Health Need Tax Credit

This provision is the unmet health need tax credit program. This program was not implemented as no organizations came forward wanting to participate. This program had no authorizations, issuances or redemptions. Repealing this would not have a fiscal impact on DOR.

Section 173.196 – Higher Education Scholarship Program Tax Credit

This is the Higher Education tax credit that provided a credit for contributions to a scholarship program. This program expired in 2005. Repealing this would not have a fiscal impact on DOR.

Section 320.093 - Dry Fire Hydrant Tax Credit

This is the Dry Fire Hydrant tax credit program that provided a credit for businesses that implemented fire protection controls. This program expired in 2010. Repealing this would not have a fiscal impact on DOR.

Sections 348.300, 348.302, 348.304, 348.306, 348.308, 348.310, 348.312, 348.316, 348.318,
620.641 & 620.644 - Seed Capitol Tax Credit

This is the Seed Capitol tax credit program that expired in 1996. Repealing this would not have a fiscal impact on DOR.

Sections 620.635, 620.638, 620.647, 620.650, 620.653 - New Enterprise Creation Act Tax Credit

This is the New Enterprise Creation tax credit program that expired in 1999. Repealing this would not have a fiscal impact on DOR.

Sections 620.1875, 620.1878, 620.1881, 620.1884, 620.1887, & 620.1890 MO Quality Jobs

This is the MO Quality Jobs program that expired on August 28, 2013. It was replaced by the MO Works program. Repealing this would not have a fiscal impact on DOR.

Section 620.2600 - Innovation Campus Tax Credit Act

This is the Innovation Campus tax credit program that sunset in 2020. It appears it was never implemented. Repealing this would not have a fiscal impact on DOR.

Oversight notes that this legislation allows for the expiration, replacement, or modification of certain definitions that will not impact general revenue or other state funds. Therefore, Oversight will reflect a zero fiscal impact from the repeal of these tax credits.

Responses regarding the proposed legislation as a whole

Officials from the **Department of Commerce and Insurance (DCI)** assume no additional fiscal impact, but the \$379,562 that was issued but not yet redeemed under §135.500 - §135.529 RSMo could still be redeemed.

Officials from the **Department of Economic Development, Office of Administration – Budget & Planning, Department of Social Services, Missouri Department of Agriculture, Office of the State Treasurer, Joint Committee on Administrative Rules, and the City of Kansas City** each assume the proposal will have no fiscal impact on their organization.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

The **Oversight Division** is responsible for providing a Sunset Report pursuant to Section 23.253 RSMo; however, Oversight can absorb the cost with the current budget authority.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

No direct fiscal impact on small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill repeals the following tax credits that have already expired:

- (1) Distressed Areas Land Assemblage Tax Credit;
- (2) Charcoal Producers Tax Credit;
- (3) Missouri Certified Capital Company Law;
- (4) Tax credit for relocating business to distressed communities;
- (5) Tax credit for investing in the transportation development of distressed communities;
- (6) Qualified Beef Tax Credit;
- (7) Qualified Equity Investment Tax Credit;
- (8) Grape and Wine Producers Tax Credit;
- (9) Alternative Fuel Vehicle Refueling Property and Electric Vehicle Recharging Property Tax Credit;
- (10) Small Business Guaranty Fees Tax Credit;
- (11) Enhanced Enterprise Zones Program;
- (12) Unmet Health, Hunger, and Hygiene Needs of Children in School Tax Credit
- (13) Higher Education Scholarship Donation Program;
- (14) Tax Credit for purchasing dry fire hydrants or providing water storage for dry fire hydrants;
- (15) Contributions to Innovation Centers Tax Credit;
- (16) Missouri New Enterprise Creation Act;
- (17) Missouri Quality Jobs Act; and the
- (18) Innovation Campus Tax Credit.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Department of Commerce and Insurance
Department of Economic Development
Missouri Department of Agriculture
Department of Social Services
Office of the State Treasurer
Joint Committee on Administrative Rules
Oversight
City of Kansas City



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