SECOND REGULAR SESSION

HOUSE BILL NO. 2211

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE RIGGS.

3973H.02I JOSEPH ENGLER, Chief Clerk

AN ACT

To amend chapter 620, RSMo, by adding thereto five new sections relating to workforce development, with a penalty provision.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 620, RSMo, is amended by adding thereto five new sections, to be known as sections 620.541, 620.2022, 620.2024, 620.2026, and 620.2028, to read as follows:

620.541. 1. There is hereby created in the state department of economic development the "Office of Workforce Coordinator".

2. The office of workforce coordinator shall be composed of one individual who shall be the director. The office of workforce coordinator shall serve as a critical driver of workforce development in Missouri by fostering collaboration, aligning resources, and equipping individuals and businesses with the tools needed for success.

3. The director shall operate independently from the Missouri workforce development board but shall work in collaboration with board members to achieve the following:

(1) Identify programs, tools, best practices, and resources to support the success of individuals, employers, and communities in the future of work by focusing on parameters including, but not limited to:

(a) Define the key skills and mindsets that serve individuals and employers in the future of work;

(b) Ensure that Missourians are ready for work and equipped with the necessary education, training, skills, and competencies; and

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.

(c) Understand the needs of small and medium-sized businesses, underserved populations, and diverse regions in their digital transformation journey;

(2) Seamlessly integrate programs and coordinate services and make them easy for all workforce system stakeholders to access and navigate by:

(a) Ensuring customers can easily navigate and are comprehensively served across all workforce programs; and

(b) Aligning and leveraging resources available to support workforce development efforts through interagency partnerships and collaboration;

(3) Understand the future of workforce needs for target populations that are left behind in the current economy by:

(a) Acknowledging that the population in Missouri comes from diverse backgrounds and faces various obstacles to achieving success. To ensure success, the office of workforce coordinator needs to determine how to align and promote programs to better serve underserved population areas. The office of workforce coordinator shall focus on efforts to support people with disabilities and mid-career professionals seeking solutions to improve their overall growth and achieve integration and advancement in business; and

(b) Supporting all individuals including, but not limited to, people with disabilities, veterans, foster youth, adult learners, and second-chance populations to prepare them to achieve career success and close gaps in labor-force participation;

(4) Plan and encourage the application of knowledge and skills in the real-world environment to develop career and college readiness where employers can coach participants for career development activities and work-based learning opportunities including, but not limited to:

(a) Virtual job shadowing that allows an individual to observe an occupation through the use of videos;

(b) Job simulation in which an individual participates and gains experience in aspects of an occupation through simulation;

(c) Entering into written cooperative arrangements under which employers are allowed to provide instruction such as career and technical education instruction to bolster job opportunities in technical and health care fields; and

(d) Conducting outreach to and establishing partnerships for recruitment and supportive services with organizations that serve marginalized populations;

(5) Ensure that there is a process in place that gathers feedback continuously and systematically from all partners and in a variety of methods, is reviewed regularly, and is shared with partner programs in Missouri to improve experiences;

(6) Foster awareness of and provide access to workforce support among workers transitioning from declining career pathways to growing emerging jobs;

(7) Focus on quantum computing with expansion of skill sets and core competencies toward knowledge regarding circuit processors and chips, application of quantum science and technology, semiconductor retooling, new software languages, and analytical and model-building skills specific to quantum computing;

(8) Provide timely, relevant workforce solutions that enable employers to find and retain the qualified workers needed to be successful and globally competitive; and

(9) Assist workers in obtaining the skills necessary to fill critical occupations as identified by each industry.

4. The office of workforce coordinator shall focus on making employment resources available for individuals with disabilities by:

(1) Implementing a statewide strategy to facilitate economic stability for individuals with disabilities;

(2) Promoting successful economic, social, and community integration;

(3) Identifying and addressing issues related to integration into the workforce;

(4) Working toward enhanced inclusion and equitable opportunities for individuals with disabilities and addressing concerns raised by populations with disabilities;

(5) Coordinating with other entities to identify and eliminate barriers to prosperity for individuals with disabilities; and

(6) Promoting the implementation of disability support through community-based initiatives and nonprofit organizations, which promotion includes, but is not limited to, economic opportunities, increased access to resources, and state education and outreach.

5. The office of workforce coordinator shall focus on making employment resources available for formerly incarcerated individuals by:

(1) Evaluating workforce development programs for incarcerated individuals and individuals reentering the community and creating an employer toolkit as a resource;

(2) Providing information about rehabilitation and work opportunities available to incarcerated individuals and formerly incarcerated individuals to promote the individual's successful rehabilitation, reentry, and reintegration into the community; and

(3) Developing and recommending training programs in conjunction with the state department of corrections to provide incarcerated individuals with education, training, and experience to prepare for career opportunities upon release.

620.2022. 1. Sections 620.2022 to 620.2028 shall be known and may be cited as the "Workforce Housing Tax Incentives Program".

2. As used in sections 620.2022 to 620.2028, the following terms mean:

(1) "Brownfield site", an abandoned, idled, or underutilized property where expansion or redevelopment is complicated by real or perceived environmental contamination. A brownfield site includes property contiguous with the site on which the property is located. A brownfield site does not include property that has been placed, or is proposed for placement, on the national priorities list established under the federal Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq.;

(2) "Community", any of the fifteen most populous cities in this state, as determined by the most recent decennial census;

(3) "Department", the Missouri department of economic development;

(4) "Disaster recovery housing project", a qualified housing project located in a community that is a declared state disaster as defined under section 190.275 or disaster area as defined under section 184.805 and is eligible for the Federal Emergency Management Agency (FEMA) Individual Assistance program;

(5) "Governing body", the board, the body, or the persons in whom the powers of a political subdivision as a body corporate, or otherwise, are vested;

(6) "Grayfield site", a property meeting the following requirements:

(a) The property has been developed and has infrastructure in place but the property's current use is outdated or prevents a better or more efficient use of the property. Such property includes vacant, blighted, obsolete, or otherwise underutilized property; and

(b) The property's improvements and infrastructure are at least twenty-five years old and one or more of the following conditions exist:

a. Thirty percent or more of a building located on the property that is available for occupancy has been vacant or unoccupied for twelve months or more;

b. The assessed value of the improvements on the property has decreased by twenty-five percent or more;

c. The property is currently being used as a parking lot; or

d. The improvements on the property no longer exist;

(7) "Greenfield site", a site that does not meet the definition of a brownfield site or grayfield site. A project proposed at a site located on previously undeveloped land or agricultural land shall be presumed to be a greenfield site;

(8) "Housing business", a business that is a housing developer, housing contractor, or nonprofit organization that completes a housing project in the state;

(9) "Housing project", a project located in this state meeting the requirements of section 620.2024;

(10) "Multi-use building", a building whose street-level ground story is used for a purpose other than residential, and whose upper story or stories are currently used primarily for a residential purpose or will be used primarily for a residential purpose after completion of the housing project associated with the building;

(11) "Program", the workforce housing tax incentives program administered under sections 620.2022 to 620.2028;

(12) "Qualified rehabilitation project", a project for the rehabilitation of property in this state that meets the following criteria:

(a) The property is at least one of the following:

a. Property listed on the National Register of Historic Places or eligible for such listing;

b. Property designated as of historic significance to a district listed in the National Register of Historic Places or eligible for such designation;

c. Property or district designated a local landmark by a community ordinance; or

d. A barn constructed prior to 1937;

(b) The property meets the physical criteria and standards for rehabilitation established by the department by rule. To the extent applicable, the physical standards and criteria shall be consistent with the United States Secretary of the Interior's Standards for Rehabilitation; and

(c) The project has qualified rehabilitation expenditures that meet or exceed the following:

a. In the case of commercial property, expenditures totaling at least fifty thousand dollars or fifty percent of the assessed value of the property, excluding the land, prior to rehabilitation, whichever is less; or

b. In the case of property other than commercial property including, but not limited to, barns constructed prior to 1937, expenditures totaling at least twenty-five thousand dollars or twenty-five percent of the assessed value, excluding the land, prior to rehabilitation, whichever is less;

(13) "Qualifying new investment", costs that are directly related to the acquisition, repair, rehabilitation, or redevelopment of a housing project in this state. A qualifying new investment includes costs that are directly related to new construction of dwelling units if the new construction occurs in a distressed workforce housing community. The amount of costs that may be used to compute qualifying new investment shall not exceed the costs used for the first one hundred fifty thousand

dollars of value for each dwelling unit that is part of a housing project. A qualifying new investment does not include the following:

(a) The portion of the total cost of a housing project that is financed by federal, state, or local government tax credits, grants, forgivable loans, or other forms of financial assistance that do not require repayment, excluding the tax incentives provided under sections 620.2022 to 620.2028; or

(b) If a housing project includes the rehabilitation, repair, or redevelopment of an existing multi-use building, the portion of the total acquisition costs of the multi-use building, including a proportionate share of the total acquisition costs of the land upon which the multi-use building is situated, that are attributable to the street-level ground story that is used for a purpose that is other than residential;

(14) "Tax credit" or "tax credits", a credit or credits issued by the department against the tax otherwise due under chapter 143 or 148, excluding withholding tax imposed under sections 143.191 to 143.265;

(15) "Tax incentive", a state measure that is intended to encourage individuals and businesses to spend moneys or save moneys by reducing the amount of tax that they have to pay including, but not limited to, tax credits and refunds of sales and use tax issued under this program.

620.2024. To receive workforce housing tax incentives under sections 620.2022 to 620.2028, a proposed housing project shall meet the following requirements:

(1) The housing project includes at least one of the following:

(a) Four or more single-family dwelling units;

(b) One or more multiple dwelling unit buildings, each containing three or more individual dwelling units; or

(c) Two or more dwelling units located in the upper story of an existing multi-use building;

(2) The housing project consists of any of the following:

(a) Rehabilitation, repair, or redevelopment at a brownfield or grayfield site that results in new dwelling units;

(b) The rehabilitation, repair, or redevelopment of dilapidated dwelling units;

(c) The rehabilitation, repair, or redevelopment of dwelling units located in the upper story of an existing multi-use building;

(d) For a housing project located in a community that meets program requirements under paragraph (a) of subdivision (1) of this subsection, development at a greenfield site; or

(e) For a disaster recovery housing project as defined under section 620.2022, development at a greenfield site;

(3) (a) Except as provided in paragraph (b) of this subdivision, the average dwelling unit cost shall not exceed the maximum amount established by the department for each fiscal year for the applicable project type and project location. The department shall establish the maximum average dwelling unit cost for a housing project that includes single-family dwelling units or multiple dwelling unit buildings, or both. In establishing each maximum average dwelling unit cost, the department shall primarily consider the most recent annual United States Census Bureau Building Permits Survey and historical program data; and

(b) If the housing project involves the rehabilitation, repair, redevelopment, or preservation of property described in subdivision (12) of subsection 2 of section 620.2022, the average dwelling unit cost shall not exceed one hundred twenty-five percent of the maximum average dwelling unit cost established by the department for the applicable housing project type and housing project location as provided in paragraph (a) of this subdivision; and

(4) The dwelling units, when completed and made available for occupancy, meet the United States Department of Housing and Urban Development's housing quality standards as set forth in 24 CFR 982 and all applicable local safety standards.

620.2026. 1. (1) A housing business seeking workforce housing tax incentives provided under section 620.2028 shall apply to the department in the manner prescribed by the department's rules. The department may accept applications during one or more annual application periods to be determined by the department by rule.

(2) The application shall include the following:

(a) Information establishing local participation in the housing project, including:

a. A resolution in support of the housing project by the governing body of the community where the housing project will be located; and

b. Documentation of local matching funds pledged for the housing project in an amount equal to at least one thousand dollars per dwelling unit including, but not limited to, a funding agreement between the housing business and the governing body of the community where the housing project will be located. For purposes of this subparagraph, local matching funds shall be in the form of cash or cash equivalents or in the form of a local property tax exemption, rebate, refund, or reimbursement;

(b) Information evidencing an agreement between the business and the department specifying the requirements that will be met to confirm eligibility and the requirements shall be maintained throughout the period of the agreement in order to retain the incentives or financial assistance received. The department shall consult with the governing body of the community during negotiations relating to the agreement. The agreement shall contain a report submitted to the department by a business,

together with its application, describing all violations of environmental law or worker safety law within the last five years. If, upon review of the application, the department finds that the business has a record of violations of the law, statutes, rules, or regulations that tend to show a consistent pattern, the department shall not provide incentives or assistance to the business unless the department finds either that the violations did not seriously affect public health, public safety, or the environment, or if such violations did seriously affect public health, public safety, or the environment, that mitigating circumstances were present;

(c) Information showing the total costs and funding sources of the housing project sufficient to allow the department to adequately determine the financing that will be utilized for the housing project, the actual cost of the dwelling units, and the amount of the qualifying new investment; and

(d) Any other information deemed necessary by the department to evaluate the eligibility and financial need of the housing project under the program.

In addition to complying with the applicable requirements under this subdivision, a housing business applying for disaster recovery housing project tax incentives shall also submit a certification that the applicant's housing project meets the definition of a disaster recovery housing project, if applicable. The housing business shall also submit documentation that provides evidence that the qualified disaster recovery housing project is needed due to the impact of the disaster that is the subject of the major disaster declaration.

2. (1) All completed applications shall be reviewed and scored on a competitive basis by the department under rules adopted by the department.

(2) Upon review and scoring of all applications received during an application period, the department may make a tax incentive award to a housing project, which tax incentive award shall represent the maximum amount of tax incentives the housing project may qualify for under the program. In determining a tax incentive award, the department shall not use an amount of housing project costs that exceeds the amount included in the application of the housing business. Tax incentive awards shall be approved by the director of the department.

(3) After making a tax incentive award, the department shall notify the housing business of its tax incentive award. The notification shall include the amount of tax incentives awarded under section 620.2028 and a statement that the housing business has no right to receive a tax incentive certificate or claim a tax incentive until all requirements of the program, including all requirements imposed by the agreement entered into under subsection 3 of this section, are satisfied. The amount of tax credits

included on a tax credit certificate issued under this section, or a claim for refund of sales and use taxes, shall be contingent upon completion of the requirements under subsection 3 of this section.

(4) An applicant that does not receive a tax incentive award during an application period may make additional applications during subsequent application periods. Such applicant shall be required to submit a new application, which shall be competitively reviewed and scored in the same manner as other applications in that application period.

3. (1) Upon receipt of a tax incentive award for the housing project, the housing business shall enter into an agreement with the department for the successful completion of all requirements of the program. The agreement shall identify the tax incentive award amount, the tax incentive award date, the housing project completion deadline, and the total costs of the housing project.

(2) The following compliance cost fees shall apply to all agreements entered into under this program and shall be collected in a manner determined by the department:

(a) The imposition of a one-time compliance cost fee of five hundred dollars to be collected by the authority prior to the issuance of a tax incentive certificate or the disbursement of financial assistance; and

(b) The imposition of a compliance cost fee equal to one-half of one percent of the value of tax incentives claimed under an agreement that has an aggregate tax incentive value of one hundred thousand dollars or greater. The department shall collect the fee from the business after the tax incentive is claimed by the business from the department of revenue.

(3) (a) Except as provided in paragraph (b) of this subdivision, a housing business shall complete its housing project within three years from the date the housing project is registered by the department.

(b) The department may, for good cause within its discretion, extend a housing project's completion deadline by up to twelve months upon application by the housing business. Such application shall be made prior to the expiration of the three-year completion deadline in paragraph (a) of this subdivision. The department may approve a second extension of up to twelve months if prior to the expiration of the first twelve-month extension the housing business applies and substantiates to the satisfaction of the department that the second extension is warranted due to extenuating circumstances outside the control of the housing business. The department may determine what qualifies as good cause and establish by rule the extenuating circumstances that will qualify for approval and any additional information that the department may require

for approval of such extension. Applications by a housing business shall be made in the manner and form prescribed by the department by rule.

(4) Upon completion of a housing project, a housing business shall submit the following to the department:

(a) An examination of the housing project in accordance with the American Institute of Certified Public Accountants' Statements on Standards for Attestation Engagements, completed by a certified public accountant authorized to practice in this state;

(b) A statement of the final amount of the qualifying new investment for the housing project; and

(c) Any information the department deems necessary to ensure compliance with the agreement signed by the housing business under paragraph (a), the requirements of this program, and rules the department and the department of revenue adopt under subsection 4 of section 620.2028.

(5) (a) Upon review of the examination, verification of the amount of the qualifying new investment, and review of any other information submitted under paragraph (c) of subdivision (4) of this subsection, the department shall notify the housing business of the amount that the housing business may claim as a refund of the sales and use tax under subsection 2 of section 620.2028 and shall issue a tax credit certificate to the housing business stating the amount of workforce housing investment tax credits under subsection 3 of section 620.2028 the eligible housing business may claim. The sum of the amount that the housing business may claim as a refund of the sales and use tax and the amount of the tax credit certificate shall not exceed the total amount of the tax incentive award.

(b) If upon review of the examination in paragraph (a) of subdivision (4) of this subsection the department determines that a housing project has incurred project costs in excess of the amount submitted in the application made under subsection 1 of this section and identified in the agreement, the department shall do one of the following:

a. If the housing project costs do not cause the housing project's average dwelling unit cost to exceed the applicable maximum amount authorized under subdivision (3) of section 620.2024, the department shall consider the agreement fulfilled and shall issue a tax credit certificate;

b. If the housing project costs cause the housing project's average dwelling unit cost to exceed the applicable maximum amount authorized under subdivision (3) of section 620.2024 but do not cause the average dwelling unit cost to exceed one hundred fifty percent of such applicable maximum amount, the department shall consider the agreement fulfilled and shall issue a tax credit certificate. In such case, the department

shall reduce the tax incentive award and the corresponding amount of tax incentives the eligible housing project shall claim under subsections 2 and 3 of section 620.2028 by the same percentage that the housing project's average dwelling unit cost exceeds the applicable maximum amount under subdivision (3) of section 620.2024, and such tax incentive reduction shall be reflected on the tax credit certificate. If the department issues a certificate under this subparagraph, the department of revenue shall accept the certificate notwithstanding that the housing project's average dwelling unit costs exceed the maximum amount specified in subdivision (3) of section 620.2024; or

c. If the housing project costs cause the housing project's average dwelling unit cost to exceed one hundred fifty percent of the applicable maximum amount authorized under subdivision (3) of section 620.2024, the department shall determine the eligible housing business to be in default under the agreement, shall revoke the tax incentive award, and shall not issue a tax credit certificate. The housing business shall not be allowed a refund of sales and use tax under subsection 2 of section 620.2028.

(6) The maximum aggregate amount of tax incentives that may be awarded and issued under section 620.2028 to a housing business for a housing project shall not exceed one million dollars.

(7) If a housing business qualifies for a higher amount of tax incentives under section 620.2028 than is allowed by the limitation imposed under subdivision (4) of this subsection, the department and the housing business may negotiate an apportionment of the reduction in tax incentives between the sales tax refund provided in subsection 2 of section 620.2028 and the workforce housing investment tax credits provided in subsection 3 of section 620.2028, provided the total aggregate amount of tax incentives after the apportioned reduction does not exceed the amount under subdivision (4) of this subsection.

(8) The department shall issue tax incentives under the program on a first-come, first-served basis until the maximum amount of tax incentives allocated under subdivision (4) of subsection 5 of this section is reached. The department shall maintain a list of housing projects registered prior to January 1, 2027, and of housing projects awarded tax incentives on or after January 1, 2027, so that if the maximum aggregate amount of tax incentives is reached in a given fiscal year, such registered housing projects that were completed but for which tax incentives were not issued, and such housing projects that were completed and are awarded tax incentives but for which tax incentives have not been issued, shall be placed on a waitlist in the order the housing projects were registered or awarded tax incentives and shall be given priority for receiving tax incentives in succeeding fiscal years.

4. (1) The failure by a housing business in completing a housing project to comply with any requirement of this program or any of the terms and obligations of an agreement entered into under this section may result in the revocation, reduction, termination, or rescission of the tax incentive award or the approved tax incentives and may subject the housing business to the repayment or recapture of tax incentives claimed under section 620.2028.

(2) If the housing business does not meet any of the requirements of this subsection or the resulting agreement, the tax incentives provided under this section shall be repaid or recaptured. The repayment of incentives under this subsection shall be considered a tax payment due and payable to the department of revenue by any taxpayer who has claimed such incentives, and the failure to make such a repayment may be treated by the department of revenue in the same manner as a failure to pay the tax shown due or required to be shown due with the filing of a return or deposit form. In addition, the community shall have the authority to take action to recover the value of property taxes not collected as a result of the exemption provided to the business under this program.

5. (1) Notwithstanding subsection 1 of this section, the department may establish a disaster recovery housing project application period following the declaration of a major disaster for a disaster area in Missouri.

(2) Upon review and scoring of all applications received during a disaster recovery application period, the department may make a tax incentive award to a disaster recovery housing project. The tax incentive award shall represent the maximum amount of tax incentives that the disaster recovery housing project may qualify for under the program. In determining a tax incentive award, the department shall not use an amount of housing project costs that exceeds the amount included in the application of the housing business. Tax incentive awards shall be approved by the director of the department.

(3) The department shall issue tax incentives under the program for disaster recovery housing projects on a first-come, first-served basis until the maximum amount of tax incentives is allocated. The aggregate cap for all tax incentives issued for disaster recovery housing projects under this program shall be thirty-five million dollars. Of the moneys allocated to disaster recovery housing projects, seventeen million five hundred thousand dollars shall be reserved for allocation to qualified housing projects in small cities.

(4) All other housing projects under this program that are not disaster recovery housing projects shall be subject to a thirty-five million dollar cap.

620.2028. 1. A housing business that has entered into an agreement under section 620.2026 is eligible to receive the tax incentives described in subsections 2 and 3 of this section.

2. (1) A housing business may claim a refund of the sales and use taxes paid under chapter 144 prior to the completion of the housing project that are directly related to a housing project and specified in the agreement.

(2) To receive a refund, a claim shall be filed by the housing business with the department of revenue as follows:

(a) The contractor or subcontractor shall state under oath, on forms provided by the department of revenue, the amount of sales and use taxes paid under chapter 144 prior to the completion of the housing project that are directly related to a housing project and specified in the agreement;

(b) The contractor or subcontractor shall file the forms with the housing business before final settlement is made; and

(c) a. The housing business shall, after the agreement completion date, apply to the department of revenue for any refund of the amount of sales and use taxes paid under chapter 144 prior to the completion of the housing project that were directly related to a housing project and specified in the agreement. The application shall be made in the manner and upon forms to be provided by the department of revenue. The department of revenue shall audit the claim and, if approved, issue a refund to the housing business. The application shall be made within one year after the agreement completion date. A claim filed by the housing business in accordance with this subsection shall not be denied by reason of a limitation provision set forth in chapter 143 or 144; and

b. For purposes of this paragraph, "agreement completion date" means the date on which the department notifies the department of revenue that all applicable requirements of the agreement entered into under subdivision (1) of subsection 3 of section 620.2026, and all applicable requirements of this program, including the rules the department and the department of revenue adopt under subsection 4 of this section, are satisfied.

A contractor or subcontractor who willfully makes a false claim under oath in violation of the provisions of this subsection shall be guilty of a misdemeanor, and, in addition to any other penalty, the contractor or subcontractor shall be liable for the payment of the tax and any applicable penalty and interest.

3. (1) For all tax years beginning on or after January 1, 2027, a housing business may claim a tax credit for a housing project located in a community or a disaster

recovery housing project located in a community in an amount not to exceed twenty percent of the qualifying new investment of a housing project specified in the agreement.

(2) An individual who is part of the housing business may claim a tax credit under this subsection from a partnership, limited liability company, S corporation, estate, or trust electing to have income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings from the partnership, limited liability company, S corporation, estate, or trust.

(3) Any tax credit in excess of the housing business or individual taxpayer's liability for the tax year is not refundable but may be credited to the tax liability for the following five years or until depleted, whichever is earlier.

(4) (a) To claim a tax credit under this subsection, a taxpayer shall include one or more tax credit certificates with the taxpayer's tax return.

(b) The tax credit certificate shall contain the taxpayer's name, address, tax identification number, the amount of the credit, the name of the eligible housing business, any other information required by the department of revenue, and a place for the name and tax identification number of a transferee and the amount of the tax credit being transferred, if applicable.

(c) The tax credit certificate, unless rescinded by the department, shall be accepted by the department of revenue as payment for taxes for all tax years beginning on or after January 1, 2027, subject to any conditions or restrictions placed by the department upon the face of the tax credit certificate and subject to the limitations of this program.

(d) Tax credit certificates issued under subdivision (5) of subsection 3 of section 620.2026 may be transferred to any person. Within ninety days of transfer, the transferee shall submit the transferred tax credit certificate to the department of revenue along with a statement containing the transferee's name, tax identification number, and address; the denomination that each replacement tax credit certificate is to carry; and any other information required by the department of revenue. However, tax credit certificate amounts of less than the minimum amount established by rule of the department shall not be transferable.

(e) Within thirty days of receiving the transferred tax credit certificate and the transferee's statement, the department of revenue shall issue one or more replacement tax credit certificates to the transferee. Each replacement tax credit certificate shall contain the information required for the original tax credit certificate and shall have the same expiration date that appeared on the transferred tax credit certificate.

(f) A tax credit shall not be claimed by a transferee under this section until a replacement tax credit certificate identifying the transferee as the proper holder has

been issued. The transferee may use the amount of the tax credit transferred against the transferee taxpayer's state tax liability for all tax years beginning on or after January 1, 2027, under the same terms and conditions that the transferor was allowed. Any consideration received for the transfer of the tax credit shall not be included as income under chapter 143. Any consideration paid for the transfer of the tax credit shall not be deducted from income under chapter 143.

(5) For purposes of the individual and corporate income taxes and the franchise tax, the increase in the basis of the property that would otherwise result from the qualifying new investment shall be reduced by the amount of the tax credit computed under this subsection.

(6) Notwithstanding any provision of section 105.1500 to the contrary, any requirement to provide information, documents, or records under this section, and any requirement established by the department to provide information, documents, or records for the purpose of administering and enforcing this section, shall be exempt from section 105.1500.

4. The department of economic development and the department of revenue may promulgate all necessary rules and regulations for the administration of sections 620.2022 to 620.2028. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2026, shall be invalid and void.

5. Under section 23.253 of the Missouri sunset act:

(1) The provisions of the new program authorized under sections 620.2022 to 620.2028 shall automatically sunset on December thirty-first, six years after the effective date of sections 620.2022 to 620.2028 unless reauthorized by an act of the general assembly;

(2) Sections 620.2022 to 620.2028 shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under sections 620.2022 to 620.2028 is sunset; and

(3) Nothing in this subsection shall prevent a taxpayer from claiming a tax credit properly issued before this program was sunset in a tax year after the program is sunset.

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