

SECOND REGULAR SESSION

HOUSE BILL NO. 2654

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE KNIGHT.

6081H.01I

JOSEPH ENGLER, Chief Clerk

AN ACT

To amend chapter 620, RSMo, by adding thereto one new section relating to a tax credit for certain capital investments.

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

Section A. Chapter 620, RSMo, is amended by adding thereto one new section, to be known as section 620.2012, to read as follows:

620.2012. 1. In exchange for the consideration provided by the new tax revenues and other economic stimuli that will be generated by the creation or retention of jobs and the making of new capital investment in this state, a qualified company may be eligible to receive the tax credits described in this section if:

(1) The department makes, and the qualified company accepts, a proposal for benefits that includes tax credits authorized by this section; and

(2) The qualified company will expend at least fifty million dollars in new capital investment for the project no later than two years after the date of the notice of intent.

2. Notwithstanding the provisions of subdivision (29) of subsection 1 of section 620.2005 to the contrary, a data storage center as defined in subdivision (4) of subsection 1 of section 144.810 shall not be eligible to be a qualified company for the purposes of the tax credits authorized under this section.

3. A qualified company that intends to seek the benefits authorized under this section shall submit to the department a notice of intent. Notwithstanding the provisions of subsection 1 of section 620.2020 to the contrary, a notice of intent from a qualified company that did not receive and accept a proposal of benefits for tax credits under this section shall be ineligible for the tax credits under this section. The

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.

18 department shall respond within thirty days to a notice of intent with an approval or a
19 rejection, provided that the department may withhold approval or provide a contingent
20 approval until it is satisfied that proper documentation of eligibility has been provided.
21 A failure of the department to respond within thirty days shall not result in the notice of
22 intent being deemed approved.

23 4. The tax credits authorized by this section shall not exceed two and one-half
24 percent of the new capital investment made at the project facility during the three-year
25 period beginning upon the date of the notice of intent. No new capital investment
26 incurred prior to the date of the notice of intent shall be eligible for tax credits under
27 this section.

28 5. Tax credits authorized by this section shall be included in and subject to the
29 limitations on the maximum amount of tax credits that may be authorized in a fiscal
30 year as provided in subdivision (1) of subsection 7 of section 620.2020. The provisions of
31 subsection 9 of section 620.2020 shall also apply to tax credits authorized pursuant to
32 this section, except that any authorization of tax credits under this section shall expire if,
33 within two years from the date of the notice of intent for the project, the qualified
34 company has failed to meet the minimum required new capital investment as required
35 in subdivision (2) of subsection 1 of this section.

36 6. The amount of tax credits proposed and awarded to a qualified company
37 under this section shall not exceed the least amount necessary to obtain the qualified
38 company's commitment to initiate the project. In determining the amount of tax credits
39 to include in a proposal for benefits to a qualified company under this section, the
40 department shall consider the following factors:

41 (1) The significance of the qualified company's need for program benefits;

42 (2) The overall size and quality of the proposed project, including the number of
43 jobs created or retained, new capital investment, proposed wages for such jobs, growth
44 potential of the qualified company, and similar factors;

45 (3) The financial stability and creditworthiness of the qualified company;

46 (4) The level of economic distress in the area;

47 (5) An evaluation of the competitiveness of alternative locations for the project
48 facility, as applicable; and

49 (6) The percent of local incentives committed.

50 7. Notwithstanding the provisions of subsection 3 of section 620.2020 to the
51 contrary, a qualified company receiving benefits under this section shall provide an
52 annual report of the number of jobs created or retained, and wage information for such
53 jobs, new capital investment, and such other information as may be required by the
54 department to document the basis for program benefits no later than ninety days prior

55 to the end of the qualified company's tax year immediately following the tax year for
56 which the benefits provided under this section are attributed. Failure to timely file the
57 annual report required under this section may result in the forfeiture of tax credits
58 attributable to the year for which the reporting was required.

59 8. Upon approval of a notice of intent to receive tax credits under subsection 3 of
60 this section, the department and the qualified company shall enter into a written
61 agreement covering the applicable project period. The agreement shall specify, at a
62 minimum:

63 (1) The committed number of jobs created or retained, wages for such jobs, and
64 new capital investment for each year during the project period;

65 (2) The terms and conditions upon the issuance of tax credits, which,
66 notwithstanding subsection 4 of section 620.2020 to the contrary, shall be issued no
67 sooner than when the qualified company files its first annual report required under
68 subsection 3 of section 620.2020 after making the minimum required new capital
69 investment as set forth in subdivision (2) of subsection 1 of this section;

70 (3) Clawback provisions, as may be required by the department; and

71 (4) Any other provisions the department may require.

72 9. Notwithstanding any other provision of law to the contrary, any qualified
73 company that is awarded tax credits under this section shall not simultaneously receive
74 benefits under sections 135.100 to 135.155, 620.2010, or 620.2015 for the same jobs,
75 wages, or new capital investment that qualified for tax credits under this section.

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