

SECOND REGULAR SESSION

# HOUSE BILL NO. 2654

## 103RD GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE KNIGHT.

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JOSEPH ENGLER, Chief Clerk

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### AN ACT

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

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*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:**

**5 (1) The department makes, and the qualified company accepts, a proposal for 6 benefits that includes tax credits authorized by this section; and**

**7 (2) The qualified company will expend at least fifty million dollars in new capital 8 investment for the project no later than two years after the date of the notice of intent.**

**9 2. Notwithstanding the provisions of subdivision (29) of subsection 1 of section 10 620.2005 to the contrary, a data storage center as defined in subdivision (4) of subsection 11 1 of section 144.810 shall not be eligible to be a qualified company for the purposes of 12 the tax credits authorized under this section.**

**13 3. A qualified company that intends to seek the benefits authorized under this 14 section shall submit to the department a notice of intent. Notwithstanding the 15 provisions of subsection 1 of section 620.2020 to the contrary, a notice of intent from a 16 qualified company that did not receive and accept a proposal of benefits for tax credits 17 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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