

HCS HB 2713 -- TAX CREDITS

SPONSOR: Diehl

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Agriculture by a vote of 17 to 4.

The following is a summary of the House Committee Substitute for HB 2713.

This bill extends the sunset or expiration from 2028 to 2033 for the:

- (1) Wood Energy Tax Credit;
- (2) Meat Processing Facilities Investment Tax Credit;
- (3) Higher Ethanol Fuel Tax Credit;
- (4) Biodiesel Retail Sale Tax Credit;
- (5) Biodiesel Production Tax Credit;
- (6) Urban Farms Tax Credit;
- (7) Rolling Stock Tax Credit;
- (8) Agricultural Production Tax Credit; and
- (9) Specialty Agricultural Crops Act.

The bill provides that, as it relates to biodiesel retail sale tax credit, a taxpayer must not be liable for penalties or interest on an income tax balance due if such taxpayer is denied part or all of the tax credit to which the taxpayer has qualified due to lack of available funds, and such denial causes a balance-due notice to be generated by the Department of Revenue or any other redeeming agency. Such taxpayer must pay the balance due within 60 days or be subject to penalties and interest pursuant to current law.

This bill establishes the Railroad Infrastructure Tax Credit. For all tax years beginning on or after January 1, 2027, this bill authorizes a tax credit in the amount of 50% of an eligible taxpayer's qualified railroad expenditures and qualified new rail infrastructure expenditures.

A tax credit for qualified railroad expenditures must not exceed \$5,000 multiplied by the number of miles of railroad track owned or leased in the state by a railroad, and the total amount of tax credits for qualified railroad expenditures authorized in a calendar year must not exceed \$4.5 million. A tax credit for qualified new rail infrastructure expenditures must not exceed \$1 million for each new rail-served customer project, and the total amount of tax credits for qualified new rail infrastructure expenditures authorized in a calendar year must not exceed \$5 million.

An eligible taxpayer must submit a certificate of eligibility to the Department of Economic Development after the completion of the qualified railroad expenditures or qualified new rail infrastructure expenditures.

Tax credits authorized in these provisions must not be refundable, but can be carried forward for up to five subsequent tax years. Tax credits can be transferred as described in the bill.

This tax credit sunsets on December 31, 2033.

This bill is similar to SB 913 (2026).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPOSERS: Supporters say that the tax credits affected by this bill have helped spur growth in agricultural products throughout the State and support job creation and retention in the industry. By removing the sunsets on the tax credits, the bill will provide those in the agriculture industry with certainty that when they invest in certain programs the tax incentives will still be in place. In addition the Railroad Infrastructure Tax Credit will help shortline railroad companies revive and maintain track throughout the state. These rail lines help move agricultural products across the state.

Testifying in person for the bill were Representative Diehl; Associated Industries of Missouri; Poet Biofuels; Missouri Farm Bureau; Missouri Corn Growers Association; Missouri Cattle Association; Mo Forest Products Association; Railway Supply Institute; Missouri Soybean Association; Biodiesel Coalition Of Missouri; Alfred Brandt, Missouri Dairy; Tony Benz, Missouri

Agribusiness Association; Missouri Pork Association; Missouri Bankers Association; Jeff Van Schinick, Jaguar Transport; Missouri Economic Development Council; and Missouri Railroad Association.

OPPONENTS: These was no opposition voiced to the committee.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.