

HB 3027 -- BUSINESS INCENTIVES FOR CRITICAL MATERIAL AND
PHARMACEUTICALS

SPONSOR: Knight

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on
Commerce by a vote of 8 to 0.

This bill establishes the "Missouri Defense and Energy
Independence Act".

For all tax years beginning on or after January 1, 2027, this Act
authorizes the Department of Economic Development to award tax
credits to a qualified company for qualified project costs
incurred by the qualified company on or after January 1, 2027, as
such terms are defined in the Act. No tax credit will be
authorized for any qualified company that incurs less than \$5
million in qualified project costs.

The amount of tax credits shall be equal to 20% of qualified
project costs for qualified companies that incur at least \$5
million but fewer than \$15 million in qualified project costs,
and 25% of qualified project costs for qualified companies that
incur at least \$15 million in qualified project costs.

"Qualified project costs" are those costs incurred by a qualified
company for the construction, expansion, or conversion of
facilities and the acquisition of equipment for the production of
critical materials or critical pharmaceuticals, as such terms are
defined in the Act.

Tax credits authorized by the Act will not be refundable, but may
be carried forward for 10 subsequent tax years or until the full
amount of the tax credit is redeemed, whichever occurs first.
The tax credits may also be transferred, sold, or otherwise
assigned. The cumulative amount of tax credits that may be
authorized in any fiscal year shall not exceed \$40 million.

A qualified company seeking tax credits under the Act shall
submit a notice of intent to the Department, and shall enter into
a written agreement specifying the types and amounts of critical
materials and critical pharmaceuticals that will be produced or
processed, the estimated amount of capital investment and number
of new jobs to be created at the project facility, clawback
provisions, and other provisions the Department requires.

This Act also establishes the "Grants for Independence from Foreign Influence Fund", which shall consist of at least \$10 million in appropriated moneys. The Fund must be used by the Department of Economic Development to provide grants to qualified companies in an amount not to exceed \$500,000. Grant funds must be administered by the Missouri Development Finance Board as the third-party administrator, and will be used solely for qualified project costs incurred before the completion of the project facility.

This Act sunsets on December 31, 2036.

PROPOSERS: Supporters say that this bill will give Missouri the tools and investment to mine the rich materials in Missouri which will grow the economy, create jobs, and bring business to Missouri.

Testifying in person for the bill were Representative Knight; The Doe Run Company; Missouri Chamber of Commerce & Industry; Douglas Jost, Jost Chemical Company; and Matt Thompson, API Innovation Center.

OPPOSERS: There was no opposition voiced in-person 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.