SS SB 913 -- TAX CREDITS

SPONSOR: Gregory (21)

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Agriculture by a vote of 16 to 3. Voted "Do Pass" by the Standing Committee on Rules-Administrative by a vote of 8 to 1.

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, 2032.

PROPONENTS: 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 extending the sunsets on the tax credits, the bill will provide those in the agriculture industry with certainty in the investment. 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 Senator Gregory; Cotton Producers of Missouri; Missouri Chamber of Commerce & Industry; Missouri Soybean Association; Missouri Pork Producers; Missouri Railroad Association; Missouri Bankers Association; Missouri Dairy Association; Missouri Agribusiness Association; Missouri Corn Growers Association; Missouri Farm Bureau; Missouri Cattlemen's Association; Missouri Forest Products Association; Railway Supply Institute; and Missouri Renewable Fuels Association.

OPPONENTS: Those who oppose the bill say that Missouri is one of the states with the most tax credits and incentives. As the state is facing a budget shortfall, the tax credits remove

revenue from the tax base that funds essential programs for the state.

Testifying in person against the bill were Arnie C. Dienoff.

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.