

FIRST EXTRAORDINARY SESSION

HOUSE BILL NO. 26

92ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE CUNNINGHAM (86).

Read 1st time June 2, 2003, and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

2293L.011

AN ACT

To repeal sections 32.100, 32.105, 32.110, 32.115, 32.117, 32.120, 100.105, 100.710, 100.840, 100.850, 135.220, 135.225, 135.230, 135.235, 135.240, 135.245, 135.247, 135.250, 135.258, 135.313, 135.350, 135.352, 135.355, 135.361, 135.362, 135.363, 135.460, 135.545, 135.750, 163.036, 253.550, 348.256, 348.261, 620.017, 620.1039, 620.1100, 620.1103, 620.1400, 620.1410, 620.1420, 620.1430, 620.1440, 620.1450, 620.1460, 620.1560, section 32.125 as enacted by house substitute for senate bill no. 374, eighty-eighth general assembly, first regular session, section 135.200 as enacted by conference committee substitute for senate substitute for senate committee substitute for house substitute for house committee substitute for house bill no. 701, ninetieth general assembly, first regular session, section 135.200 as enacted by conference committee substitute for house committee substitute for senate bill no. 1, eighty-ninth general assembly, second extraordinary session, section 135.200 as enacted by senate substitute for senate committee substitute for house substitute for house committee substitute for house bill no. 1656, eighty-ninth general assembly, second regular session, section 135.535 as enacted by conference committee substitute for senate substitute for senate committee substitute for house substitute for house committee substitute for house bill no. 701 of the ninetieth general assembly, first regular session, section 135.535 as enacted by conference committee substitute no. 2 for house substitute for house committee substitute for senate bill no. 20 of the ninetieth general assembly, first regular session and section 135.766 as repealed by conference committee substitute for house substitute for house committee substitute for senate committee substitute for senate bill no. 894, ninetieth general assembly, second regular session, RSMo, section 100.105 as Truly Agreed To and Finally Passed by the first regular session of the ninety-second general assembly in conference committee substitute for senate substitute for senate

EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law. Matter in boldface type in the above law is proposed language.

committee substitute for house committee substitute for house bill no. 289, section 100.710 as Truly Agreed To and Finally Passed by the first regular session of the ninety-second general assembly in conference committee substitute for senate substitute for senate committee substitute for house committee substitute for house bill no. 289 and as Truly Agreed To and Finally Passed by the first regular session of the ninety-second general assembly in senate committee substitute for senate bill no. 620, section 100.840 as Truly Agreed To and Finally Passed by the first regular session of the ninety-second general assembly in conference committee substitute for senate substitute for senate committee substitute for house committee substitute for house bill no. 289 and as Truly Agreed To and Finally Passed by the first regular session of the ninety-second general assembly in senate committee substitute for senate bill no. 620, and section 100.850 as Truly Agreed To and Finally Passed by the first regular session of the ninety-second general assembly in conference committee substitute for senate substitute for senate committee substitute for house committee substitute for house bill no. 289 and as Truly Agreed To and Finally Passed by the first regular session of the ninety-second general assembly in senate committee substitute for senate bill no. 620, and to enact in lieu thereof forty-four new sections relating to tax incentives, with effective dates.

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

Section A. Sections 32.100, 32.105, 32.110, 32.115, 32.117, 32.120, 100.105, 100.710,
 2 100.840, 100.850, 135.220, 135.225, 135.230, 135.235, 135.240, 135.245, 135.247, 135.250,
 3 135.258, 135.313, 135.350, 135.352, 135.355, 135.361, 135.362, 135.363, 135.460, 135.545,
 4 135.750, 163.036, 253.550, 348.256, 348.261, 620.017, 620.1039, 620.1100, 620.1103,
 5 620.1400, 620.1410, 620.1420, 620.1430, 620.1440, 620.1450, 620.1460, 620.1560, section
 6 32.125 as enacted by house substitute for senate bill no. 374, eighty-eighth general assembly,
 7 first regular session, section 135.200 as enacted by conference committee substitute for senate
 8 substitute for senate committee substitute for house substitute for house committee substitute for
 9 house bill no. 701, ninetieth general assembly, first regular session, section 135.200 as enacted
 10 by conference committee substitute for house committee substitute for senate bill no. 1,
 11 eighty-ninth general assembly, second extraordinary session, section 135.200 as enacted by
 12 senate substitute for senate committee substitute for house substitute for house committee
 13 substitute for house bill no. 1656, eighty-ninth general assembly, second regular session, section
 14 135.535 as enacted by conference committee substitute for senate substitute for senate committee
 15 substitute for house substitute for house committee substitute for house bill no. 701 of the
 16 ninetieth general assembly, first regular session, section 135.535 as enacted by conference

17 committee substitute no. 2 for house substitute for house committee substitute for senate bill no.
18 20 of the ninetieth general assembly, first regular session, and section 135.766 as repealed by
19 conference committee substitute for house substitute for house committee substitute for senate
20 committee substitute for senate bill no. 894, ninetieth general assembly, second regular session,
21 RSMo, section 100.105 as Truly Agreed To and Finally Passed by the first regular session of the
22 ninety-second general assembly in conference committee substitute for senate substitute for
23 senate committee substitute for house committee substitute for house bill no. 289, section
24 100.710 as Truly Agreed To and Finally Passed by the first regular session of the ninety-second
25 general assembly in conference committee substitute for senate substitute for senate committee
26 substitute for house committee substitute for house bill no. 289 and as Truly Agreed To and
27 Finally Passed by the first regular session of the ninety-second general assembly in senate
28 committee substitute for senate bill no. 620, section 100.840 as Truly Agreed To and Finally
29 Passed by the first regular session of the ninety-second general assembly in conference
30 committee substitute for senate substitute for senate committee substitute for house committee
31 substitute for house bill no. 289 and as Truly Agreed To and Finally Passed by the first regular
32 session of the ninety-second general assembly in senate committee substitute for senate bill no.
33 620, and section 100.850 as Truly Agreed To and Finally Passed by the first regular session of
34 the ninety-second general assembly in conference committee substitute for senate substitute for
35 senate committee substitute for house committee substitute for house bill no. 289 and as Truly
36 Agreed To and Finally Passed by the first regular session of the ninety-second general assembly
37 in senate committee substitute for senate bill no. 620, are repealed and forty-four new sections
38 enacted in lieu thereof, to be known as sections 32.100, 32.105, 32.115, 100.105, 100.710,
39 100.840, 100.850, 135.155, 135.200, 135.220, 135.225, 135.230, 135.235, 135.240, 135.245,
40 135.247, 135.250, 135.258, 135.313, 135.350, 135.352, 135.355, 135.361, 135.362, 135.363,
41 135.800, 135.805, 135.810, 135.815, 135.818, 135.820, 135.827, 135.875, 135.880, 135.885,
42 135.890, 135.895, 163.036, 253.550, 348.254, 348.256, 348.261, 620.017, and 620.1039, to read
43 as follows:

32.100. Sections 32.100 to 32.125 shall be known and may be cited as the
2 "[Neighborhood] **Affordable Housing** Assistance Act".

32.105. As used in sections 32.100 to 32.125, the following terms mean:

2 (1) "Affordable housing assistance activities", money, real or personal property, or
3 professional services expended or devoted to the construction, or rehabilitation of affordable
4 housing units;

5 (2) "Affordable housing unit", a residential unit generally occupied by persons and
6 families with incomes at or below the levels described in this subdivision and bearing a cost to
7 the occupant no greater than thirty percent of the maximum eligible household income for the

8 affordable housing unit. In the case of owner-occupied units, the cost to the occupant shall be
 9 considered the amount of the gross monthly mortgage payment, including casualty insurance,
 10 mortgage insurance, and taxes. In the case of rental units, the cost to the occupant shall be
 11 considered the amount of the gross rent. The cost to the occupant shall include the cost of any
 12 utilities, other than telephone. If any utilities are paid directly by the occupant, the maximum
 13 cost that may be paid by the occupant is to be reduced by a utility allowance prescribed by the
 14 commission. Persons or families are eligible occupants of affordable housing units if the
 15 household combined, adjusted gross income as defined by the commission is equal to or less than
 16 the following percentages of the median family income for the geographic area in which the
 17 residential unit is located, or the median family income for the state of Missouri, whichever is
 18 larger; ("geographic area" means the metropolitan area or county designated as an area by the
 19 federal Department of Housing and Urban Development under Section 8 of the United States
 20 Housing Act of 1937, as amended, for purposes of determining fair market rental rates):

	Percent of State or Geographic Area Family	
Size of Household		Median Income
24 One Person		35%
25 Two Persons		40%
26 Three Persons		45%
27 Four Persons		50%
28 Five Persons		54%
29 Six Persons		58%
30 Seven Persons		62%
31 Eight Persons		66%

32 (3) "Business firm", person, firm, a partner in a firm, corporation or a shareholder in an
 33 S corporation doing business in the state of Missouri and subject to the state income tax imposed
 34 by the provisions of chapter 143, RSMo, or a corporation subject to the annual corporation
 35 franchise tax imposed by the provisions of chapter 147, RSMo, or an insurance company paying
 36 an annual tax on its gross premium receipts in this state, or other financial institution paying
 37 taxes to the state of Missouri or any political subdivision of this state pursuant to the provisions
 38 of chapter 148, RSMo, or an express company which pays an annual tax on its gross receipts in
 39 this state;

40 (4) "Commission", the Missouri housing development commission;

41 (5) "Community services", any type of counseling and advice, emergency assistance or
 42 medical care furnished to individuals or groups in the state of Missouri or transportation services
 43 at below-cost rates as provided in sections 208.250 to 208.275, RSMo;

44 (6) ["Crime prevention", any activity which aids in the reduction of crime in the state of
45 Missouri;

46 (7) "Defense industry contractor", a person, corporation or other entity which will be or
47 has been negatively impacted as a result of its status as a prime contractor of the Department of
48 Defense or as a second or third tier contractor. A "second tier contractor" means a person,
49 corporation or other entity which contracts to perform manufacturing, maintenance or repair
50 services for a prime contractor of the Department of Defense, and a "third tier contractor" means
51 a person, corporation or other entity which contracts with a person, corporation or other entity
52 which contracts with a prime contractor of the Department of Defense;

53 (8)] "Doing business", among other methods of doing business in the state of Missouri,
54 a partner in a firm or a shareholder in an S corporation shall be deemed to be doing business in
55 the state of Missouri if such firm or S corporation, as the case may be, is doing business in the
56 state of Missouri;

57 [(9) "Economic development", the acquisition, renovation, improvement, or the
58 furnishing or equipping of existing buildings and real estate in distressed or blighted areas of the
59 state when such acquisition, renovation, improvement, or the furnishing or equipping of the
60 business development projects will result in the creation or retention of jobs within the state; or,
61 until June 30, 1996, a defense conversion pilot project located in a standard metropolitan
62 statistical area which contains a city with a population of at least three hundred fifty thousand
63 inhabitants, which will assist Missouri-based defense industry contractors in their conversion
64 from predominately defense-related contracting to nondefense-oriented manufacturing. Only
65 neighborhood organizations, as defined in subdivision (15) of this section, may apply to conduct
66 economic development projects. Prior to the approval of an economic development project, the
67 neighborhood organization shall enter into a contractual agreement with the department of
68 economic development. Credits approved for economic development projects may not exceed
69 four million dollars from within any one fiscal year's allocation. Neighborhood assistance
70 program tax credits for economic development projects and affordable housing assistance as
71 defined in section 32.111, may be transferred, sold or assigned by a notarized endorsement
72 thereof naming the transferee;

73 (10) "Education", any type of scholastic instruction or scholarship assistance to an
74 individual who resides in the state of Missouri that enables the individual to prepare himself or
75 herself for better opportunities or community awareness activities rendered by a statewide
76 organization established for the purpose of archeological education and preservation;

77 (11) "Eligible farmers' market", a group of farmers, each of whom farms agricultural land
78 located within this state which he or she rents or owns, and who have formed a group for the
79 purpose of allowing each member farmer to sell his or her products derived from his or her

80 farming activities to the public at a common structure or building when at least fifty percent of
81 the costs of such structure or building are paid for by such group of farmers;

82 (12) "Eligible new generation cooperative", as defined in section 348.340, RSMo;

83 (13) "Homeless assistance pilot project", the program established pursuant to section
84 32.117;

85 (14) "Job training", any type of instruction to an individual who resides in the state of
86 Missouri that enables the individual to acquire vocational skills so that the individual can
87 become employable or be able to seek a higher grade of employment;

88 (15)] (7) "Neighborhood organization", any organization performing community services
89 or economic development activities in the state of Missouri and:

90 (a) Holding a ruling from the Internal Revenue Service of the United States Department
91 of the Treasury that the organization is exempt from income taxation pursuant to the provisions
92 of the Internal Revenue Code; or

93 (b) Incorporated in the state of Missouri as a not-for-profit corporation pursuant to the
94 provisions of chapter 355, RSMo; or

95 (c) Designated as a community development corporation by the United States
96 government pursuant to the provisions of Title VII of the Economic Opportunity Act of 1964;
97 or

98 (d) Contributing funds to help finance a building or structure or purchase equipment
99 located within this state and used to sell agricultural food products or to add value to food
100 products produced in this state by members of an eligible new generation cooperative; or
101 contributing funds to help finance a building or structure or purchase equipment owned by a not-
102 for-profit organization located within this state and used to sell agricultural food products or to
103 add value to food products produced by family farms as defined in subdivision (4) of section
104 350.010, RSMo, or family farm corporations as defined in subdivision (5) of section 350.010,
105 RSMo;

106 [(16) "Physical revitalization", furnishing financial assistance, labor, material, or
107 technical advice to aid in the physical improvement or rehabilitation of any part or all of a
108 neighborhood area;

109 (17)] (8) "S corporation", a corporation described in Section 1361(a)(1) of the United
110 States Internal Revenue Code and not subject to the taxes imposed by section 143.071, RSMo,
111 by reason of section 143.471, RSMo];

112 (18) "Workfare renovation project", any project initiated pursuant to sections 215.340
113 to 215.355, RSMo].

32.115. 1. The [department of revenue] **commission** shall grant a tax credit, to be
2 applied in the following order until used, against:

3 (1) The annual tax on gross premium receipts of insurance companies in chapter 148,
4 RSMo;

5 (2) The tax on banks determined pursuant to subdivision (2) of subsection 2 of section
6 148.030, RSMo;

7 (3) The tax on banks determined in subdivision (1) of subsection 2 of section 148.030,
8 RSMo;

9 (4) The tax on other financial institutions in chapter 148, RSMo;

10 (5) The corporation franchise tax in chapter 147, RSMo;

11 (6) The state income tax in chapter 143, RSMo; and

12 (7) The annual tax on gross receipts of express companies in chapter 153, RSMo.

13 2. [For proposals approved pursuant to section 32.110:

14 (1) The amount of the tax credit shall not exceed fifty percent of the total amount
15 contributed during the taxable year by the business firm or, in the case of a financial institution,
16 where applicable, during the relevant income period in programs approved pursuant to section
17 32.110;

18 (2) Except as provided in subsection 2 or 5 of this section, a tax credit of up to seventy
19 percent may be allowed for contributions to programs where activities fall within the scope of
20 special program priorities as defined with the approval of the governor in regulations
21 promulgated by the director of the department of economic development;

22 (3) Except as provided in subsection 2 or 5 of this section, the tax credit allowed for
23 contributions to programs located in any community shall be equal to seventy percent of the total
24 amount contributed where such community is a city, town or village which has fifteen thousand
25 or less inhabitants as of the last decennial census and is located in a county which is either
26 located in:

27 (a) An area that is not part of a standard metropolitan statistical area;

28 (b) A standard metropolitan statistical area but such county has only one city, town or
29 village which has more than fifteen thousand inhabitants; or

30 (c) A standard metropolitan statistical area and a substantial number of persons in such
31 county derive their income from agriculture.

32

33 Such community may also be in an unincorporated area in such county as provided in
34 subdivision (1), (2) or (3) of this subsection. Except in no case shall the total economic benefit
35 of the combined federal and state tax savings to the taxpayer exceed the amount contributed by
36 the taxpayer during the tax year;

37 (4) Such tax credit allocation, equal to seventy percent of the total amount contributed,
38 shall not exceed four million dollars in fiscal year 1999 and six million dollars in fiscal year 2000

39 and any subsequent fiscal year. When the maximum dollar limit on the seventy percent tax credit
40 allocation is committed, the tax credit allocation for such programs shall then be equal to fifty
41 percent credit of the total amount contributed. Regulations establishing special program
42 priorities are to be promulgated during the first month of each fiscal year and at such times
43 during the year as the public interest dictates. Such credit shall not exceed two hundred and fifty
44 thousand dollars annually except as provided in subdivision (5) of this subsection. No tax credit
45 shall be approved for any bank, bank and trust company, insurance company, trust company,
46 national bank, savings association, or building and loan association for activities that are a part
47 of its normal course of business. Any tax credit not used in the period the contribution was made
48 may be carried over the next five succeeding calendar or fiscal years until the full credit has been
49 claimed. Except as otherwise provided for proposals approved pursuant to section 32.111,
50 32.112 or 32.117, in no event shall the total amount of all other tax credits allowed pursuant to
51 sections 32.100 to 32.125 exceed thirty-two million dollars in any one fiscal year, of which six
52 million shall be credits allowed pursuant to section 135.460, RSMo. If six million dollars in
53 credits are not approved, then the remaining credits may be used for programs approved pursuant
54 to sections 32.100 to 32.125;

55 (5) The credit may exceed two hundred fifty thousand dollars annually and shall not be
56 limited if community services, crime prevention, education, job training, physical revitalization
57 or economic development, as defined by section 32.105, is rendered in an area defined by federal
58 or state law as an impoverished, economically distressed, or blighted area or as a neighborhood
59 experiencing problems endangering its existence as a viable and stable neighborhood, or if the
60 community services, crime prevention, education, job training, physical revitalization or
61 economic development is limited to impoverished persons.

62 3.] For proposals approved pursuant to section 32.111:

63 (1) The amount of the tax credit shall not exceed fifty-five percent of the total amount
64 invested in affordable housing assistance activities or market rate housing in distressed
65 communities as defined in section 135.530, RSMo, by a business firm. Whenever such
66 investment is made in the form of an equity investment or a loan, as opposed to a donation alone,
67 tax credits may be claimed only where the loan or equity investment is accompanied by a
68 donation which is eligible for federal income tax charitable deduction, and where the total value
69 of the tax credits herein plus the value of the federal income tax charitable deduction is less than
70 or equal to the value of the donation. Any tax credit not used in the period for which the credit
71 was approved may be carried over the next ten succeeding calendar or fiscal years until the full
72 credit has been allowed. If the affordable housing units or market rate housing units in distressed
73 communities for which a tax is claimed are within a larger structure, parts of which are not the
74 subject of a tax credit claim, then expenditures applicable to the entire structure shall be reduced

75 on a prorated basis in proportion to the ratio of the number of square feet devoted to the
76 affordable housing units or market rate housing units in distressed communities, for purposes of
77 determining the amount of the tax credit. The total amount of tax credit granted for programs
78 approved pursuant to section 32.111 [for the fiscal year beginning July 1, 1991,] shall not exceed
79 [two million dollars, to be increased by no more than two million dollars each succeeding fiscal
80 year, until the total tax credits that may be approved reaches] ten million dollars in any fiscal
81 year;

82 (2) For any year during the compliance period indicated in the land use restriction
83 agreement, the owner of the affordable housing rental units for which a credit is being claimed
84 shall certify to the commission that all tenants renting claimed units are income eligible for
85 affordable housing units and that the rentals for each claimed unit are in compliance with the
86 provisions of sections 32.100 to 32.125. The commission is authorized, in its discretion, to audit
87 the records and accounts of the owner to verify such certification;

88 (3) In the case of owner-occupied affordable housing units, the qualifying owner
89 occupant shall, before the end of the first year in which credits are claimed, certify to the
90 commission that the occupant is income eligible during the preceding two years, and at the time
91 of the initial purchase contract, but not thereafter. The qualifying owner occupant shall further
92 certify to the commission, before the end of the first year in which credits are claimed, that
93 during the compliance period indicated in the land use restriction agreement, the cost of the
94 affordable housing unit to the occupant for the claimed unit can reasonably be projected to be
95 in compliance with the provisions of sections 32.100 to 32.125. Any succeeding owner occupant
96 acquiring the affordable housing unit during the compliance period indicated in the land use
97 restriction agreement shall make the same certification;

98 (4) If at any time during the compliance period the commission determines a project for
99 which a proposal has been approved is not in compliance with the applicable provisions of
100 sections 32.100 to 32.125 or rules promulgated therefor, the commission may within one
101 hundred fifty days of notice to the owner either seek injunctive enforcement action against the
102 owner, or seek legal damages against the owner representing the value of the tax credits, or
103 foreclose on the lien in the land use restriction agreement, selling the project at a public sale, and
104 paying to the owner the proceeds of the sale, less the costs of the sale and less the value of all tax
105 credits allowed herein. The commission shall remit to the director of revenue the portion of the
106 legal damages collected or the sale proceeds representing the value of the tax credits. However,
107 except in the event of intentional fraud by the taxpayer, the proposal's certificate of eligibility for
108 tax credits shall not be revoked.

109 [4.] 3. For proposals approved pursuant to section 32.112, the amount of the tax credit
110 shall not exceed fifty-five percent of the total amount contributed to a neighborhood organization

111 by business firms. Any tax credit not used in the period for which the credit was approved may
 112 be carried over the next ten succeeding calendar or fiscal years until the full credit has been
 113 allowed. The total amount of tax credit granted for programs approved pursuant to section
 114 32.112 shall not exceed one million dollars for each fiscal year.

115 [5.] 4. The total amount of tax credits used for market rate housing in distressed
 116 communities pursuant to sections 32.100 to 32.125 shall not exceed thirty percent of the total
 117 amount of all tax credits authorized pursuant to sections 32.111 and 32.112.

118 **5. Certificates of tax credit authorized by sections 32.111 and 32.112 may be**
 119 **transferred, sold, or assigned by filing a notarized endorsement thereof with the**
 120 **commission which names the transferee and the amount of tax credit transferred, as well**
 121 **as any other information reasonably requested by the commission.**

100.105. No later than January thirty-first of each year, the municipality shall file a
 2 report with the department of economic development on the previous year's revenue bond
 3 issuances and general obligation bond issuances, which report shall contain only the following
 4 information:

- 5 (1) The name, address, spokesperson, and telephone number of the issuing entity;
- 6 (2) The name, address, age, and type of business of the beneficiary firm;
- 7 (3) The amount, term, interest rate or rates, and date of issuance of the bonds issued;
- 8 (4) The name and address of the underwriter, if any, of such bonds;
- 9 (5) The name and address of the guarantor, if any;
- 10 (6) The size, by assets and previous year's sales, and the current number of employees,
 11 of the beneficiary firm;
- 12 (7) A copy of the preliminary official statement used when offering the bonds for sale;
- 13 (8) The estimated number of new jobs to be generated by the proposed project;
- 14 (9) A list of the use of bond proceeds, including whether the purpose of the project and
 15 the funds generated by the issuance of such bonds is to open a new business, build a branch
 16 plant, expand an existing facility, or acquire an existing business;
- 17 (10) **The amount of any state sales taxes that were not paid on the project due to**
 18 **the tax-exempt status of the purchaser or owner of goods purchased for the project that**
 19 **are otherwise subject to sales tax;**
- 20 (11) The estimated total cost of the project.

[100.105. No later than January thirty-first of each year, the municipality
 2 shall file a report with the department of economic development on the previous
 3 year's revenue bond issuances and general obligation bond issuances, which report
 4 shall contain only the following information:

- 5 (1) The name, address, spokesperson, and telephone number of the issuing
 6 entity;

- 7 (2) The name, address, age, and type of business of the beneficiary firm;
 8 (3) The amount, term, interest rate or rates, and date of issuance of the bonds
 9 issued;
 10 (4) The name and address of the underwriter, if any, of such bonds;
 11 (5) The name and address of the guarantor, if any;
 12 (6) The size, by assets and previous year's sales, and the current number of
 13 employees, of the beneficiary firm;
 14 (7) A copy of the preliminary official statement used when offering the bonds
 15 for sale;
 16 (8) The estimated number of new jobs to be generated by the proposed
 17 project;
 18 (9) A list of the use of bond proceeds, including whether the purpose of the
 19 project and the funds generated by the issuance of such bonds is to open a new
 20 business, build a branch plant, expand an existing facility, or acquire an existing
 21 business[;] **together with a general description of the real property or personal**
 22 **property purchased by or on behalf of the municipality with such proceeds; and**
 23 (10) The estimated total cost of the project.]

100.710. As used in sections 100.700 to 100.850, the following terms mean:

- 2 (1) "Assessment", an amount of up to five percent of the gross wages paid in one year
 3 by an eligible industry to all eligible employees in new jobs, or up to ten percent if the economic
 4 development project is located within a distressed community as defined in section 135.530,
 5 RSMo;
 6 (2) "Board", the Missouri development finance board as created by section 100.265;
 7 (3) "Certificates", the revenue bonds or notes authorized to be issued by the board
 8 pursuant to section 100.840;
 9 (4) "Credit", the amount agreed to between the board and an eligible industry, but not
 10 to exceed the assessment attributable to the eligible industry's project;
 11 (5) "Department", the Missouri department of economic development;
 12 (6) "Director", the director of the department of economic development;
 13 (7) "Economic development project":
 14 (a) The acquisition of any real property by the board, the eligible industry, or its affiliate;
 15 or
 16 (b) The fee ownership of real property by the eligible industry or its affiliate; and
 17 (c) For both paragraphs (a) and (b) of subdivision (7) of this section, "economic
 18 development project" shall also include the development of the real property including
 19 construction, installation, or equipping of a project, including fixtures and equipment, and
 20 facilities necessary or desirable for improvement of the real property, including surveys; site tests
 21 and inspections; subsurface site work; excavation; removal of structures, roadways, cemeteries
 22 and other surface obstructions; filling, grading and provision of drainage, storm water retention,

23 installation of utilities such as water, sewer, sewage treatment, gas, electricity, communications
24 and similar facilities; off-site construction of utility extensions to the boundaries of the real
25 property; and the acquisition, installation, or equipping of facilities on the real property, for use
26 and occupancy by the eligible industry or its affiliates;

27 (8) "Eligible employee", a person employed on a full-time basis in a new job at the
28 economic development project averaging at least thirty-five hours per week who was not
29 employed by the eligible industry or a related taxpayer in this state at any time during the
30 twelve-month period immediately prior to being employed at the economic development project;

31 (9) "Eligible industry", a business located within the state of Missouri which is engaged
32 in interstate or intrastate commerce for the purpose of manufacturing, processing or assembling
33 products, conducting research and development, or providing services in interstate commerce,
34 office industries, or agricultural processing, but excluding retail[, health or professional] services.
35 "Eligible industry" does not include a business which closes or substantially reduces its operation
36 at one location in the state and relocates substantially the same operation to another location in
37 the state. This does not prohibit a business from expanding its operations at another location in
38 the state provided that existing operations of a similar nature located within the state are not
39 closed or substantially reduced. This also does not prohibit a business from moving its
40 operations from one location in the state to another location in the state for the purpose of
41 expanding such operation provided that the board determines that such expansion cannot
42 reasonably be accommodated within the municipality in which such business is located, or in the
43 case of a business located in an incorporated area of the county, within the county in which such
44 business is located, after conferring with the chief elected official of such municipality or county
45 and taking into consideration any evidence offered by such municipality or county regarding the
46 ability to accommodate such expansion within such municipality or county. An eligible industry
47 must:

48 (a) Invest a minimum of [fifteen] **seven** million dollars, or ten million dollars for an
49 office industry, in an economic development project; and

50 (b) Create a minimum of [one hundred] **fifty** new jobs for eligible employees at the
51 economic development project or a minimum of five hundred jobs if the economic development
52 project is an office industry or a minimum of two hundred new jobs if the economic development
53 project is an office industry located within a distressed community as defined in section 135.530,
54 RSMo;

55 (10) "New job", a job in a new or expanding eligible industry not including jobs of
56 recalled workers, replacement jobs or jobs that formerly existed in the eligible industry in the
57 state;

58 (11) "Office industry", a regional, national or international headquarters, a

59 telecommunications operation, a computer operation, an insurance company, or a credit card
60 billing and processing center;

61 (12) "Program costs", all necessary and incidental costs of providing program services
62 including payment of the principal of premium, if any, and interest on certificates, including
63 capitalized interest, issued to finance a project, and funding and maintenance of a debt service
64 reserve fund to secure such certificates. Program costs shall include:

65 (a) Obligations incurred for labor and obligations incurred to contractors, subcontractors,
66 builders and materialmen in connection with the acquisition, construction, installation or
67 equipping of an economic development project;

68 (b) The cost of acquiring land or rights in land and any cost incidental thereto, including
69 recording fees;

70 (c) The cost of contract bonds and of insurance of all kinds that may be required or
71 necessary during the course of acquisition, construction, installation or equipping of an economic
72 development project which is not paid by the contractor or contractors or otherwise provided for;

73 (d) All costs of architectural and engineering services, including test borings, surveys,
74 estimates, plans and specifications, preliminary investigations and supervision of construction,
75 as well as the costs for the performance of all the duties required by or consequent upon the
76 acquisition, construction, installation or equipping of an economic development project;

77 (e) All costs which are required to be paid under the terms of any contract or contracts
78 for the acquisition, construction, installation or equipping of an economic development project;
79 and

80 (f) All other costs of a nature comparable to those described in this subdivision;

81 (13) "Program services", administrative expenses of the board, including contracted
82 professional services, and the cost of issuance of certificates.

[100.710. As used in sections 100.700 to 100.850, the following terms mean:

2 (1) "Assessment", an amount of up to five percent of the gross wages paid
3 in one year by an eligible industry to all eligible employees in new jobs, or up to ten
4 percent if the economic development project is located within a distressed
5 community as defined in section 135.530, RSMo;

6 (2) "Board", the Missouri development finance board as created by section
7 100.265;

8 (3) "Certificates", the revenue bonds or notes authorized to be issued by the
9 board pursuant to section 100.840;

10 (4) "Credit", the amount agreed to between the board and an eligible industry,
11 but not to exceed the assessment attributable to the eligible industry's project;

12 (5) "Department", the Missouri department of economic development;

13 (6) "Director", the director of the department of economic development;

14 (7) "Economic development project":

15 (a) The acquisition of any real property by the board, the eligible industry,

16 or its affiliate; or

17 (b) The fee ownership of real property by the eligible industry or its affiliate;
18 and

19 (c) For both paragraphs (a) and (b) of subdivision (7) of this section,
20 "economic development project" shall also include the development of the real
21 property including construction, installation, or equipping of a project, including
22 fixtures and equipment, and facilities necessary or desirable for improvement of the
23 real property, including surveys; site tests and inspections; subsurface site work;
24 excavation; removal of structures, roadways, cemeteries and other surface
25 obstructions; filling, grading and provision of drainage, storm water retention,
26 installation of utilities such as water, sewer, sewage treatment, gas, electricity,
27 communications and similar facilities; off-site construction of utility extensions to
28 the boundaries of the real property; and the acquisition, installation, or equipping of
29 facilities on the real property, for use and occupancy by the eligible industry or its
30 affiliates;

31 (8) "Eligible employee", a person employed on a full-time basis in a new job
32 at the economic development project averaging at least thirty-five hours per week
33 who was not employed by the eligible industry or a related taxpayer in this state at
34 any time during the twelve-month period immediately prior to being employed at the
35 economic development project. **For an essential industry, a person employed on
36 a full-time basis in an existing job at the economic development project
37 averaging at least thirty-five hours per week may be considered an eligible
38 employee for the purposes of the program authorized by sections 100.700 to
39 100.850;**

40 (9) "Eligible industry", a business located within the state of Missouri which
41 is engaged in interstate or intrastate commerce for the purpose of manufacturing,
42 processing or assembling products, conducting research and development, or
43 providing services in interstate commerce, office industries, or agricultural
44 processing, but excluding retail, health or professional services. "Eligible industry"
45 does not include a business which closes or substantially reduces its operation at one
46 location in the state and relocates substantially the same operation to another location
47 in the state. This does not prohibit a business from expanding its operations at
48 another location in the state provided that existing operations of a similar nature
49 located within the state are not closed or substantially reduced. This also does not
50 prohibit a business from moving its operations from one location in the state to
51 another location in the state for the purpose of expanding such operation provided
52 that the board determines that such expansion cannot reasonably be accommodated
53 within the municipality in which such business is located, or in the case of a business
54 located in an incorporated area of the county, within the county in which such
55 business is located, after conferring with the chief elected official of such
56 municipality or county and taking into consideration any evidence offered by such
57 municipality or county regarding the ability to accommodate such expansion within
58 such municipality or county. An eligible industry must:

59 (a) Invest a minimum of fifteen million dollars, or ten million dollars for an
60 office industry, in an economic development project; and

61 (b) Create a minimum of one hundred new jobs for eligible employees at the
62 economic development project or a minimum of five hundred jobs if the economic
63 development project is an office industry or a minimum of two hundred new jobs if
64 the economic development project is an office industry located within a distressed
65 community as defined in section 135.530, RSMo. **An industry that meets the
66 definition of "essential industry" may be considered an eligible industry for the
67 purposes of the program authorized by sections 100.700 to 100.850;**

68 **(10) "Essential industry", a business that otherwise meets the definition
69 of eligible industry except an essential industry shall:**

70 **(a) Be a targeted industry;**

71 **(b) Be located in a home rule city with more than twenty-six thousand
72 but less than twenty-seven thousand inhabitants located in any county with a
73 charter form of government and with more than one million inhabitants;**

74 **(c) Have maintained at least two thousand jobs at the proposed
75 economic development project site each year for a period of four years
76 preceding the year in which application for the program authorized by sections
77 100.700 to 100.850 is made and during the year in which said application is
78 made;**

79 **(d) For the duration of the certificates, retain at the proposed economic
80 development project site the level of employment that existed at the site in the
81 taxable year immediately preceding the year in which application for the
82 program authorized by sections 100.700 to 100.850 is made; and**

83 **(e) Invest a minimum of five hundred million dollars in the economic
84 development project by the end of the third year after the issuance of the
85 certificates under this program;**

86 ~~[(10)]~~ **(11) "New job", a job in a new or expanding eligible industry not
87 including jobs of recalled workers, replacement jobs or jobs that formerly existed in
88 the eligible industry in the state. For an essential industry, an existing job may be
89 considered a new job for the purposes of the program authorized by sections
90 100.700 to 100.850;**

91 ~~[(11)]~~ **(12) "Office industry", a regional, national or international
92 headquarters, a telecommunications operation, a computer operation, an insurance
93 company, or a credit card billing and processing center;**

94 ~~[(12)]~~ **(13) "Program costs", all necessary and incidental costs of providing
95 program services including payment of the principal of premium, if any, and interest
96 on certificates, including capitalized interest, issued to finance a project, and funding
97 and maintenance of a debt service reserve fund to secure such certificates. Program
98 costs shall include:**

99 **(a) Obligations incurred for labor and obligations incurred to contractors,
100 subcontractors, builders and materialmen in connection with the acquisition,
101 construction, installation or equipping of an economic development project;**

102 (b) The cost of acquiring land or rights in land and any cost incidental
103 thereto, including recording fees;

104 (c) The cost of contract bonds and of insurance of all kinds that may be
105 required or necessary during the course of acquisition, construction, installation or
106 equipping of an economic development project which is not paid by the contractor
107 or contractors or otherwise provided for;

108 (d) All costs of architectural and engineering services, including test borings,
109 surveys, estimates, plans and specifications, preliminary investigations and
110 supervision of construction, as well as the costs for the performance of all the duties
111 required by or consequent upon the acquisition, construction, installation or
112 equipping of an economic development project;

113 (e) All costs which are required to be paid under the terms of any contract or
114 contracts for the acquisition, construction, installation or equipping of an economic
115 development project; and

116 (f) All other costs of a nature comparable to those described in this
117 subdivision;

118 [(13)] (14) "Program services", administrative expenses of the board,
119 including contracted professional services, and the cost of issuance of certificates;

120 (15) "Targeted industry", an industry or one of a cluster of industries
121 that is identified by the department as critical to the state's economic security
122 and growth and affirmed as such by the joint committee on economic
123 development policy and planning established in section 620.602, RSMo.]

[100.710. As used in sections 100.700 to 100.850, the following terms mean:

2 (1) "Assessment", an amount of up to five percent of the gross wages paid
3 in one year by an eligible industry to all eligible employees in new jobs, or up to ten
4 percent if the economic development project is located within a distressed
5 community as defined in section 135.530, RSMo;

6 (2) "Board", the Missouri development finance board as created by section
7 100.265;

8 (3) "Certificates", the revenue bonds or notes authorized to be issued by the
9 board pursuant to section 100.840;

10 (4) "Credit", the amount agreed to between the board and an eligible industry,
11 but not to exceed the assessment attributable to the eligible industry's project;

12 (5) "Department", the Missouri department of economic development;

13 (6) "Director", the director of the department of economic development;

14 (7) "Economic development project":

15 (a) The acquisition of any real property by the board, the eligible industry,
16 or its affiliate; or

17 (b) The fee ownership of real property by the eligible industry or its affiliate;
18 and

19 (c) For both paragraphs (a) and (b) of subdivision (7) of this section,
20 "economic development project" shall also include the development of the real
21 property including construction, installation, or equipping of a project, including

22 fixtures and equipment, and facilities necessary or desirable for improvement of the
23 real property, including surveys; site tests and inspections; subsurface site work;
24 excavation; removal of structures, roadways, cemeteries and other surface
25 obstructions; filling, grading and provision of drainage, storm water retention,
26 installation of utilities such as water, sewer, sewage treatment, gas, electricity,
27 communications and similar facilities; off-site construction of utility extensions to
28 the boundaries of the real property; and the acquisition, installation, or equipping of
29 facilities on the real property, for use and occupancy by the eligible industry or its
30 affiliates;

31 (8) "Eligible employee", a person employed on a full-time basis in a new job
32 at the economic development project averaging at least thirty-five hours per week
33 who was not employed by the eligible industry or a related taxpayer in this state at
34 any time during the twelve-month period immediately prior to being employed at the
35 economic development project. **For an essential industry, a person employed on
36 a full-time basis in an existing job at the economic development project
37 averaging at least thirty-five hours per week may be considered an eligible
38 employee for the purposes of the program authorized by sections 100.700 to
39 100.850;**

40 (9) "Eligible industry", a business located within the state of Missouri which
41 is engaged in interstate or intrastate commerce for the purpose of manufacturing,
42 processing or assembling products, conducting research and development, or
43 providing services in interstate commerce, office industries, or agricultural
44 processing, but excluding retail, health or professional services. "Eligible industry"
45 does not include a business which closes or substantially reduces its operation at one
46 location in the state and relocates substantially the same operation to another location
47 in the state. This does not prohibit a business from expanding its operations at
48 another location in the state provided that existing operations of a similar nature
49 located within the state are not closed or substantially reduced. This also does not
50 prohibit a business from moving its operations from one location in the state to
51 another location in the state for the purpose of expanding such operation provided
52 that the board determines that such expansion cannot reasonably be accommodated
53 within the municipality in which such business is located, or in the case of a business
54 located in an incorporated area of the county, within the county in which such
55 business is located, after conferring with the chief elected official of such
56 municipality or county and taking into consideration any evidence offered by such
57 municipality or county regarding the ability to accommodate such expansion within
58 such municipality or county. An eligible industry must:

59 (a) Invest a minimum of fifteen million dollars, or ten million dollars for an
60 office industry, in an economic development project; and

61 (b) Create a minimum of one hundred new jobs for eligible employees at the
62 economic development project or a minimum of five hundred jobs if the economic
63 development project is an office industry or a minimum of two hundred new jobs if
64 the economic development project is an office industry located within a distressed

65 community as defined in section 135.530, RSMo. **An industry that meets the**
66 **definition of "essential industry" may be considered an eligible industry for the**
67 **purposes of the program authorized by sections 100.700 to 100.850;**

68 **(10) "Essential industry", a business that otherwise meets the definition**
69 **of eligible industry except an essential industry shall:**

70 **(a) Be a targeted industry;**

71 **(b) Be located in a home rule city with more than twenty-six thousand**
72 **but less than twenty-seven thousand inhabitants located in any county with a**
73 **charter form of government and with more than one million inhabitants;**

74 **(c) Have maintained at least two thousand jobs at the proposed**
75 **economic development project site each year for a period of four years**
76 **preceding the year in which application for the program authorized by sections**
77 **100.700 to 100.850 is made and during the year in which said application is**
78 **made;**

79 **(d) For the duration of the certificates, retain at the proposed economic**
80 **development project site the level of employment that existed at the site in the**
81 **taxable year immediately preceding the year in which application for the**
82 **program authorized by sections 100.700 to 100.850 is made; and**

83 **(e) Invest a minimum of five hundred million dollars in the economic**
84 **development project by the end of the third year after the issuance of the**
85 **certificates under this program;**

86 ~~[(10)]~~ **(11) "New job", a job in a new or expanding eligible industry not**
87 **including jobs of recalled workers, replacement jobs or jobs that formerly existed in**
88 **the eligible industry in the state. For an essential industry, an existing job may be**
89 **considered a new job for the purposes of the program authorized by sections**
90 **100.700 to 100.850;**

91 ~~[(11)]~~ **(12) "Office industry", a regional, national or international**
92 **headquarters, a telecommunications operation, a computer operation, an insurance**
93 **company, or a credit card billing and processing center;**

94 ~~[(12)]~~ **(13) "Program costs", all necessary and incidental costs of providing**
95 **program services including payment of the principal of premium, if any, and interest**
96 **on certificates, including capitalized interest, issued to finance a project, and funding**
97 **and maintenance of a debt service reserve fund to secure such certificates. Program**
98 **costs shall include:**

99 **(a) Obligations incurred for labor and obligations incurred to contractors,**
100 **subcontractors, builders and materialmen in connection with the acquisition,**
101 **construction, installation or equipping of an economic development project;**

102 **(b) The cost of acquiring land or rights in land and any cost incidental**
103 **thereto, including recording fees;**

104 **(c) The cost of contract bonds and of insurance of all kinds that may be**
105 **required or necessary during the course of acquisition, construction, installation or**
106 **equipping of an economic development project which is not paid by the contractor**
107 **or contractors or otherwise provided for;**

108 (d) All costs of architectural and engineering services, including test borings,
 109 surveys, estimates, plans and specifications, preliminary investigations and
 110 supervision of construction, as well as the costs for the performance of all the duties
 111 required by or consequent upon the acquisition, construction, installation or
 112 equipping of an economic development project;

113 (e) All costs which are required to be paid under the terms of any contract or
 114 contracts for the acquisition, construction, installation or equipping of an economic
 115 development project; and

116 (f) All other costs of a nature comparable to those described in this
 117 subdivision;

118 [(13)] **(14)** "Program services", administrative expenses of the board,
 119 including contracted professional services, and the cost of issuance of certificates;

120 **(15) "Targeted industry", an industry or one of a cluster of industries**
 121 **that is identified by the department as critical to the state's economic security**
 122 **and growth and affirmed as such by the joint committee on economic**
 123 **development policy and planning established in section 620.602, RSMo.]**

100.840. 1. To provide funds for the present payment of the costs of economic
 2 development projects, the board may borrow money and issue and sell certificates payable from
 3 a sufficient portion of the future receipts of payments authorized by the agreement. [The total
 4 amount of outstanding certificates sold by the board shall not exceed seventy-five million
 5 dollars.] The receipts shall be pledged to the payment of principal of and interest on the
 6 certificates. Certificates may be sold at public sale or at private sale at par, premium, or discount
 7 of not less than ninety-five percent of the par value thereof, at the discretion of the board, and
 8 may bear interest at such rate or rates as the board shall determine, notwithstanding the
 9 provisions of section 108.170, RSMo, to the contrary. Certificates may be issued with respect
 10 to a single project or multiple projects and may contain terms or conditions as the board may
 11 provide by resolution authorizing the issuance of the certificates.

12 2. Certificates issued to refund other certificates may be sold at public sale or at private
 13 sale as provided in this section with the proceeds from the sale to be used for the payment of the
 14 certificates being refunded. The refunding certificates may be exchanged in payment and
 15 discharge of the certificates being refunded, in installments at different times or an entire issue
 16 or series at one time. Refunding certificates may be sold or exchanged at any time on, before,
 17 or after the maturity of the outstanding certificates to be refunded. Certificates may be issued
 18 for the purpose of refunding a like, greater or lesser principal amount of certificates and may bear
 19 a higher, lower or equivalent rate of interest than the certificates being renewed or refunded.

20 3. The board shall determine if revenues provided in the agreement are sufficient to
 21 secure the faithful performance of obligations in the agreement.

22 4. Certificates issued pursuant to this section shall not be deemed to be an indebtedness
 23 of the state or the board or of any political subdivision of the state.

2 [100.840. 1. To provide funds for the present payment of the costs of
 3 economic development projects, the board may borrow money and issue and sell
 4 certificates payable from a sufficient portion of the future receipts of payments
 5 authorized by the agreement. [The total amount of outstanding certificates sold by
 6 the board shall not exceed seventy-five million dollars.] The receipts shall be
 7 pledged to the payment of principal of and interest on the certificates. Certificates
 8 may be sold at public sale or at private sale at par, premium, or discount of not less
 9 than ninety-five percent of the par value thereof, at the discretion of the board, and
 10 may bear interest at such rate or rates as the board shall determine, notwithstanding
 11 the provisions of section 108.170, RSMo, to the contrary. Certificates may be issued
 12 with respect to a single project or multiple projects and may contain terms or
 13 conditions as the board may provide by resolution authorizing the issuance of the
 14 certificates.

15 2. Certificates issued to refund other certificates may be sold at public sale
 16 or at private sale as provided in this section with the proceeds from the sale to be
 17 used for the payment of the certificates being refunded. The refunding certificates
 18 may be exchanged in payment and discharge of the certificates being refunded, in
 19 installments at different times or an entire issue or series at one time. Refunding
 20 certificates may be sold or exchanged at any time on, before, or after the maturity of
 21 the outstanding certificates to be refunded. Certificates may be issued for the purpose
 22 of refunding a like, greater or lesser principal amount of certificates and may bear a
 23 higher, lower or equivalent rate of interest than the certificates being renewed or
 24 refunded.

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 26 sufficient to secure the faithful performance of obligations in the agreement.

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 indebtedness of the state or the board or of any political subdivision of the state.]

2 [100.840. 1. To provide funds for the present payment of the costs of
 3 economic development projects, the board may borrow money and issue and sell
 4 certificates payable from a sufficient portion of the future receipts of payments
 5 authorized by the agreement. [The total amount of outstanding certificates sold by
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 7 pledged to the payment of principal of and interest on the certificates. Certificates
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 9 than ninety-five percent of the par value thereof, at the discretion of the board, and
 10 may bear interest at such rate or rates as the board shall determine, notwithstanding
 11 the provisions of section 108.170, RSMo, to the contrary. Certificates may be issued
 12 with respect to a single project or multiple projects and may contain terms or
 13 conditions as the board may provide by resolution authorizing the issuance of the
 14 certificates.

15 2. Certificates issued to refund other certificates may be sold at public sale
 16 or at private sale as provided in this section with the proceeds from the sale to be
 used for the payment of the certificates being refunded. The refunding certificates

17 may be exchanged in payment and discharge of the certificates being refunded, in
 18 installments at different times or an entire issue or series at one time. Refunding
 19 certificates may be sold or exchanged at any time on, before, or after the maturity of
 20 the outstanding certificates to be refunded. Certificates may be issued for the purpose
 21 of refunding a like, greater or lesser principal amount of certificates and may bear a
 22 higher, lower or equivalent rate of interest than the certificates being renewed or
 23 refunded.

24 3. The board shall determine if revenues provided in the agreement are
 25 sufficient to secure the faithful performance of obligations in the agreement.

26 4. Certificates issued pursuant to this section shall not be deemed to be an
 27 indebtedness of the state or the board or of any political subdivision of the state.]

28 100.850. 1. The approved company shall remit to the board a job development
 29 assessment fee, not to exceed five percent of the gross wages of each eligible employee whose
 30 job was created as a result of the economic development project, or not to exceed ten percent if
 31 the economic development project is located within a distressed community as defined in
 32 section 135.530, RSMo, for the purpose of retiring bonds which fund the economic development
 33 project.

34 2. Any approved company remitting an assessment as provided in subsection 1 of this
 35 section shall make its payroll books and records available to the board at such reasonable times
 36 as the board shall request and shall file with the board documentation respecting the assessment
 37 as the board may require.

38 3. Any assessment remitted pursuant to subsection 1 of this section shall cease on the
 39 date the bonds are retired.

40 4. Any approved company which has paid an assessment for debt reduction shall be
 41 allowed a tax credit equal to the amount of the assessment. The tax credit may be claimed
 42 against taxes otherwise imposed by chapters 143 and 148, RSMo, except withholding taxes
 43 imposed under the provisions of sections 143.191 to 143.265, RSMo, which were incurred
 44 during the tax period in which the assessment was made.

45 5. **In no event shall the aggregate amount of tax credits authorized by subsection**
 46 **4 of this section exceed eleven million dollars annually.**

47 6. The director of revenue shall issue a refund to the approved company to the extent that
 48 the amount of credits allowed in subsection 4 of this section exceed the amount of the approved
 49 company's income tax.

2 [100.850. 1. The approved company shall remit to the board a job
 3 development assessment fee, not to exceed five percent of the gross wages of each
 4 eligible employee whose job was created as a result of the economic development
 5 project, or not to exceed ten percent if the economic development project is located
 6 within a distressed community as defined in section 135.530, RSMo, for the purpose
 of retiring bonds which fund the economic development project.

7 2. Any approved company remitting an assessment as provided in subsection
8 1 of this section shall make its payroll books and records available to the board at
9 such reasonable times as the board shall request and shall file with the board
10 documentation respecting the assessment as the board may require.

11 3. Any assessment remitted pursuant to subsection 1 of this section shall
12 cease on the date the bonds are retired.

13 4. Any approved company which has paid an assessment for debt reduction
14 shall be allowed a tax credit equal to the amount of the assessment. The tax credit
15 may be claimed against taxes otherwise imposed by chapters 143 and 148, RSMo,
16 except withholding taxes imposed under the provisions of sections 143.191 to
17 143.265, RSMo, which were incurred during the tax period in which the assessment
18 was made.

19 **5. In no event shall the aggregate amount of tax credits authorized by**
20 **subsection 4 of this section exceed eleven million dollars annually.**

21 6. The director of revenue shall issue a refund to the approved company to
22 the extent that the amount of credits allowed in subsection 4 of this section exceed
23 the amount of the approved company's income tax.]

2 [100.850. 1. The approved company shall remit to the board a job
3 development assessment fee, not to exceed five percent of the gross wages of each
4 eligible employee whose job was created as a result of the economic development
5 project, or not to exceed ten percent if the economic development project is located
6 within a distressed community as defined in section 135.530, RSMo, for the purpose
7 of retiring bonds which fund the economic development project.

8 2. Any approved company remitting an assessment as provided in subsection
9 1 of this section shall make its payroll books and records available to the board at
10 such reasonable times as the board shall request and shall file with the board
11 documentation respecting the assessment as the board may require.

12 3. Any assessment remitted pursuant to subsection 1 of this section shall
13 cease on the date the bonds are retired.

14 4. Any approved company which has paid an assessment for debt reduction
15 shall be allowed a tax credit equal to the amount of the assessment. The tax credit
16 may be claimed against taxes otherwise imposed by chapters 143 and 148, RSMo,
17 except withholding taxes imposed under the provisions of sections 143.191 to
18 143.265, RSMo, which were incurred during the tax period in which the assessment
19 was made.

20 **5. In no event shall the aggregate amount of tax credits authorized by**
21 **subsection 4 of this section exceed eleven million dollars annually.**

22 6. The director of revenue shall issue a refund to the approved company to
23 the extent that the amount of credits allowed in subsection 4 of this section exceed
the amount of the approved company's income tax.]

135.155. Notwithstanding any provision of the law to the contrary, no revenue-
2 **producing enterprise shall receive the incentives set forth in sections 135.100 to 135.150 for**
3 **facilities commencing operations on or after August 28, 2003.**

135.200. The following terms, whenever used in sections 135.200 to [135.256] **135.258**,
2 mean:
3 (1) "Department", the department of economic development;
4 (2) "Director", the director of the department of economic development;
5 (3) "Facility", any building used as a revenue-producing enterprise located within an
6 enterprise zone, including the land on which the facility is located and all machinery, equipment
7 and other real and depreciable tangible personal property acquired for use at and located at or
8 within such facility and used in connection with the operation of such facility;
9 (4) "Governing authority", the body holding primary legislative authority over a county
10 or incorporated municipality;
11 (5) "New business facility" shall have the meaning defined in section 135.100, except
12 that the term "lease" as used therein shall not include the leasing of property defined in paragraph
13 (d) of subdivision (6) of this section;
14 (6) "Revenue-producing enterprise", means:
15 (a) Manufacturing activities classified as SICs 20 through 39;
16 (b) Agricultural activities classified as SIC 025;
17 (c) Rail transportation terminal activities classified as SIC 4013;
18 (d) Renting or leasing of residential property to low- and moderate-income persons as
19 defined in federal law, 42 U.S.C. 5302(a)(20);
20 (e) Motor freight transportation terminal activities classified as SIC 4231;
21 (f) Public warehousing and storage activities classified as SICs 422 and 423 except SIC
22 4221, miniwarehouse warehousing and warehousing self-storage;
23 (g) Water transportation terminal activities classified as SIC 4491;
24 (h) Airports, flying fields, and airport terminal services classified as SIC 4581;
25 (i) Wholesale trade activities classified as SICs 50 and 51;
26 (j) Insurance carriers activities classified as SICs 631, 632 and 633;
27 (k) Research and development activities classified as SIC 873, except 8733;
28 (l) Farm implement dealer activities classified as SIC 5999;
29 (m) Employment agency activities classified as SIC 7361;
30 (n) Computer programming, data processing and other computer-related activities
31 classified as SIC 737;
32 (o) Health service activities classified as SICs 801, 802, 803, 804, 806, 807, 8092 and
33 8093;
34 (p) Interexchange telecommunications **services** as defined in subdivision [(20)] **(24) or**
35 **local exchange telecommunications services as defined in subdivision (31)** of section
36 386.020, RSMo, or training activities conducted by an interexchange telecommunications

- 37 company **or by a local exchange telecommunications company** as defined in [subdivision (19)]
 38 **subdivisions (23) and (30)** of section 386.020, RSMo;
- 39 (q) Recycling activities classified as SIC 5093;
- 40 (r) Banking activities classified as SICs 602 and 603;
- 41 (s) Office activities as defined in subdivision (8) of section 135.100, notwithstanding
 42 SIC classification;
- 43 (t) Mining activities classified as SICs 10 through 14;
- 44 (u) **Photofinishing laboratory activities classified in SIC 7384 and microfilm**
 45 **recording and developing services as contained in SIC classification 7389, provided that**
 46 **each such revenue-producing enterprise employs a minimum of one hundred employees**
 47 **at a single business facility;**
- 48 (v) The administrative management of any of the foregoing activities; [or
 49 (v)] (w) **A targeted industry;**
- 50 (x) **An industry not otherwise specified but which is considering a new business**
 51 **facility or an expansion of an existing business facility in an enterprise zone which, in the**
 52 **judgment of the director of the department of economic development, is beneficial to the**
 53 **economy of the region of the state in which it is to be located or to the economy of the state**
 54 **as a whole;**
- 55 (y) Any combination of any of the foregoing activities; **or**
- 56 (z) **A revenue-producing enterprise which is identified by a SIC classification**
 57 **number includes enterprises with the corresponding classification number in subsequent**
 58 **federal industry classification systems;**
- 59 (7) "Satellite zone", a noncontiguous addition to an existing state designated enterprise
 60 zone;
- 61 (8) "SIC", the **primary** standard industrial classification as such classifications are
 62 defined in the 1987 edition of the Standard Industrial Classification Manual as prepared by the
 63 Executive Office of the President, Office of Management and Budget. **For purposes of this**
 64 **subdivision, "primary" means at least fifty percent of the activities so classified are**
 65 **performed at the new business facility during the taxpayer's tax period in which such tax**
 66 **credits are being claimed;**
- 67 (9) "Targeted industry", **an industry or one of a cluster of industries that is**
 68 **identified by the department as critical to the state's economic security and growth and**
 69 **affirmed as such by the joint committee on economic development policy and planning**
 70 **established in section 620.602, RSMo.**

[135.200. The following terms, whenever used in sections 135.200 to
 2 135.256, mean:

- 3 (1) "Department", the department of economic development;
- 4 (2) "Director", the director of the department of economic development;
- 5 (3) "Facility", any building used as a revenue-producing enterprise located
- 6 within an enterprise zone, including the land on which the facility is located and all
- 7 machinery, equipment and other real and depreciable tangible personal property
- 8 acquired for use at and located at or within such facility and used in connection with
- 9 the operation of such facility;
- 10 (4) "Governing authority", the body holding primary legislative authority
- 11 over a county or incorporated municipality;
- 12 (5) "New business facility" shall have the meaning defined in section
- 13 135.100, except that the term "lease" as used therein shall not include the leasing of
- 14 property defined in paragraph (d) of subdivision (6) of this section;
- 15 (6) "Revenue-producing enterprise", means:
- 16 (a) Manufacturing activities classified as SICs 20 through 39;
- 17 (b) Agricultural activities classified as SIC 025;
- 18 (c) Rail transportation terminal activities classified as SIC 4013;
- 19 (d) Renting or leasing of residential property to low and moderate income
- 20 persons as defined in federal law, 42 U.S.C. 5302(a)(20);
- 21 (e) Motor freight transportation terminal activities classified as SIC 4231;
- 22 (f) Public warehousing and storage activities classified as SICs 422 and 423
- 23 except SIC 4221, miniwarehouse warehousing and warehousing self-storage;
- 24 (g) Water transportation terminal activities classified as SIC 4491;
- 25 (h) Wholesale trade activities classified as SICs 50 and 51;
- 26 (i) Insurance carriers activities classified as SICs 631, 632 and 633;
- 27 (j) Research and development activities classified as SIC 873, except 8733;
- 28 (k) Farm implement dealer activities classified as SIC 5999;
- 29 (l) Employment agency activities classified as SIC 7361;
- 30 (m) Computer programming, data processing and other computer-related
- 31 activities classified as SIC 737;
- 32 (n) Health service activities classified as SICs 801, 802, 803, 804, 806, 807,
- 33 8092 and 8093;
- 34 (o) Interexchange telecommunications as defined in subdivision (20) of
- 35 section 386.020, RSMo, or training activities conducted by an interexchange
- 36 telecommunications company as defined in subdivision (19) of section 386.020,
- 37 RSMo;
- 38 (p) Recycling activities classified as SIC 5093;
- 39 (q) Banking activities classified as SICs 602 and 603;
- 40 (r) Office activities as defined in subdivision (8) of section 135.100,
- 41 notwithstanding SIC classification;
- 42 (s) Mining activities classified as SICs 10 through 14;
- 43 (t) The administrative management of any of the foregoing activities; or
- 44 (u) Any combination of any of the foregoing activities;
- 45 (7) "Satellite zone", a noncontiguous addition to an existing state designated

46 enterprise zone;

47 (8) "SIC", the primary standard industrial classification as such
48 classifications are defined in the 1987 edition of the Standard Industrial
49 Classification Manual as prepared by the Executive Office of the President, Office
50 of Management and Budget. For the purpose of this subdivision, "primary" means
51 at least fifty percent of the activities so classified are performed at the new business
52 facility during the taxpayer's tax period in which such tax credits are being claimed.]

2 [135.200. The following terms, whenever used in sections 135.200 to
135.256, mean:

3 (1) "Department", the department of economic development;

4 (2) "Director", the director of the department of economic development;

5 (3) "Facility", any building used as a revenue-producing enterprise located
6 within an enterprise zone, including the land on which the facility is located and all
7 machinery, equipment and other real and depreciable tangible personal property
8 acquired for use at and located at or within such facility and used in connection with
9 the operation of such facility;

10 (4) "Governing authority", the body holding primary legislative authority
11 over a county or incorporated municipality;

12 (5) "New business facility" shall have the meaning defined in section
13 135.100, except that the term "lease" as used therein shall not include the leasing of
14 property defined in paragraph (d) of subdivision (6) of this section;

15 (6) "Revenue-producing enterprise" means:

16 (a) Manufacturing activities classified as SICs 20 through 39;

17 (b) Agricultural activities classified as SIC 025;

18 (c) Rail transportation terminal activities classified as SIC 4013;

19 (d) Renting or leasing of residential property to low and moderate income
20 persons as defined in federal law, 42 U.S.C. 5302(a)(20);

21 (e) Motor freight transportation terminal activities classified as SIC 4231;

22 (f) Public warehousing and storage activities classified as SICs 422 and 423
23 except SIC 4221, miniwarehouse warehousing and warehousing self- storage;

24 (g) Water transportation terminal activities classified as SIC 4491;

25 (h) Wholesale trade activities classified as SICs 50 and 51;

26 (i) Insurance carriers activities classified as SICs 631, 632 and 633;

27 (j) Research and development activities classified as SIC 873, except 8733;

28 (k) Farm implement dealer activities classified as SIC 5999;

29 (l) Employment agency activities classified as SIC 7361;

30 (m) Computer programming, data processing and other computer-related
31 activities classified as SIC 737;

32 (n) Health service activities classified as SICs 801, 802, 803, 804, 806, 807,
33 8092 and 8093;

34 (o) Interexchange telecommunications as defined in subdivision (20) of
35 section 386.020, RSMo, or training activities conducted by an interexchange
36 telecommunications company as defined in subdivision (19) of section 386.020,

37 RSMo;
 38 (p) Recycling activities classified as SIC 5093;
 39 (q) Banking activities classified as SICs 602 and 603;
 40 (r) Office activities as defined in subdivision (8) of section 135.100,
 41 notwithstanding SIC classification;
 42 (s) Mining activities classified as SICs 10 through 14;
 43 (t) Photofinishing laboratory activities classified in SIC 7384 and microfilm
 44 recording and developing services as contained in SIC classification 7389, provided
 45 that each such revenue-producing enterprise employs a minimum of one hundred
 46 employees at a single business facility;
 47 (u) The administrative management of any of the foregoing activities; or
 48 (v) Any combination of any of the foregoing activities;
 49 (7) "Satellite zone", a noncontiguous addition to an existing state designated
 50 enterprise zone;
 51 (8) "SIC", the standard industrial classification as such classifications are
 52 defined in the 1987 edition of the Standard Industrial Classification Manual as
 53 prepared by the Executive Office of the President, Office of Management and
 54 Budget.]

135.220. 1. The provisions of chapter 143, RSMo, notwithstanding, **an approved**
 2 **taxpayer shall receive an exemption from taxation pursuant to chapter 143, RSMo,**
 3 **excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, in an amount**
 4 **equal to** one-half of the Missouri taxable income attributed to a new business facility in an
 5 enterprise zone which is earned by a taxpayer establishing and operating a new business facility
 6 located within an enterprise zone [shall be exempt from taxation under chapter 143, RSMo]. [A]
 7 **An approved** taxpayer operating a revenue-producing enterprise as defined in paragraph (d) of
 8 subdivision (6) of section 135.200 may elect to exempt from taxation under chapter 143, RSMo,
 9 one-half of the Missouri taxable income attributed to a new business facility in an enterprise zone
 10 or may elect to claim a fifty-dollar credit against the tax imposed under chapter 143, RSMo,
 11 excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, for each room
 12 constructed for use as a bedroom for each qualifying residential unit. A "bedroom" is defined
 13 as a structurally separate room used primarily for sleeping, and not as a living room, dining
 14 room, kitchen or closet. That portion of income attributed to the new business facility shall be
 15 determined in a manner prescribed in paragraph (b) of subdivision (6) of section 135.100, except
 16 that compensation paid to truck drivers, or rail or barge vehicle operators shall be excluded from
 17 the fraction.

18 2. In the case of **an approved taxpayer which is** a small corporation described in
 19 section 143.471, RSMo, or a partnership, in computing the Missouri taxable income of the
 20 taxpayers described in subdivisions (1) and (2) of this subsection, a deduction apportioned in
 21 proportion to their share of ownership of the business on the last day of the taxpayer's tax period

22 for which such tax credits are being claimed, shall be allowed from their Missouri adjusted gross
23 income in the amount of one-half of the Missouri taxable income earned by the new business
24 facility, as determined by the method prescribed in subsection 1 of this section located within
25 the enterprise zone, as defined in this section, to the following:

26 (1) The shareholders of a small corporation described in section 143.471, RSMo;

27 (2) The partners in a partnership.

135.225. 1. The credits otherwise [provided] **authorized** by sections 135.100 to 135.150
2 shall upon proper application be granted to any **approved eligible** taxpayer who shall establish
3 and operate a new business facility located within an enterprise zone, except one designated
4 pursuant to subsection 5 of section 135.230, on the same terms and conditions specified in
5 [those] sections **135.100 to 135.150**, except that:

6 (1) The credit otherwise allowed for each new business facility employee employed
7 within an enterprise zone shall be four hundred dollars;

8 (2) An additional credit of four hundred dollars shall be granted for each twelve-month
9 period that a new business facility employee is a resident of an enterprise zone;

10 (3) An additional credit of four hundred dollars shall be granted for each twelve-month
11 period that the person employed as a new business facility employee is a person who, at the time
12 of such employment by the new business facility, met the criteria as set forth in section 135.240;

13 (4) The credit otherwise allowed for new business facility investment shall be equal to
14 the sum of ten percent of the first ten thousand dollars of such qualifying investment, plus five
15 percent of the next ninety thousand dollars of such qualifying investment, plus two percent of
16 all remaining qualifying investments within an enterprise zone;

17 (5) In the case of **an approved taxpayer which is** a small corporation described in
18 section 143.471, RSMo, or a partnership, the credits granted by this section shall be apportioned
19 in proportion to the share of ownership of the taxpayer on the last day of the taxpayer's tax period
20 for which such tax credits are being claimed, to the following:

21 (a) The shareholders of a small corporation described in section 143.471, RSMo;

22 (b) The partners in a partnership;

23 (6) In the case of financial institutions described pursuant to the provisions of chapter
24 148, RSMo, the credits [allowed in] **authorized by** subdivisions (1), (2), (3) and (4) of this
25 subsection and the credit [allowed in] **authorized by** section 135.235 may be used to offset the
26 tax imposed by chapter 148, RSMo, and, in the case of an insurance company exempt from the
27 thirty-percent employee requirement of section 135.230, any obligations imposed pursuant to
28 section 375.916, RSMo, subject to the same method of apportionment as prescribed for taxes
29 imposed by chapter 143, RSMo, and as provided in subdivision (6) of section 135.100 and
30 subsections [2 and] 3 **and 4** of section 135.110;

31 (7) If a facility within an enterprise zone, which does not constitute a new business
32 facility, is expanded or improved by the taxpayer within the enterprise zone, the expansion or
33 improvement shall be considered a separate facility eligible for the credits [allowed in]
34 **authorized by** this section and section 135.235, and the exemption [allowed in] **authorized by**
35 section 135.220, if:

36 (a) The new business facility investment in the expansion or improvement during the tax
37 period in which such credits and the exemption are claimed exceeds one hundred thousand
38 dollars or, if less than one hundred thousand dollars, is twenty-five percent of the investment in
39 the original facility prior to expansion or improvement; and

40 (b) The expansion or improvement otherwise constitutes a new business facility; and

41 (c) The number of new business facility employees engaged or maintained in
42 employment at the expanded or improved facility for the taxable year for which the credit is
43 claimed equals or exceeds two and the total number of employees at the facility after expansion
44 or improvement is at least two greater than the total number of employees before expansion or
45 improvement. The taxpayer's investment in the expansion or improvement and in the original
46 facility prior to expansion or improvement shall be determined in the manner provided in
47 subdivision (7) of section 135.100;

48 (8) For the purpose of sections 135.200 to [135.256] **135.258**, an office as defined in
49 subdivision (8) of section 135.100, when established, must create and maintain at least two new
50 business facility employees as defined in subdivision (5) of section 135.100;

51 (9) In the case where a person employed by the new business facility is a resident of the
52 enterprise zone for less than a twelve-month period, or in the case where a person employed as
53 a new business facility employee is a person who, at the time of such employment by the new
54 business facility, met the criteria as set forth in section 135.240, is employed for less than a
55 twelve-month period, the credits allowed by subdivisions (2) and (3) of this subsection shall be
56 determined by multiplying four hundred dollars by a fraction, the numerator of which is the
57 number of calendar days during the taxpayer's tax year for which such credits are claimed, in
58 which the person met the requirements prescribed in subdivision (2) or (3) of this subsection, and
59 the denominator of which is three hundred and sixty-five, except that such credit shall not exceed
60 four hundred dollars per employee in any one taxable year;

61 (10) The deferment of tax credit authorized in section 135.120 shall not be available to
62 taxpayers establishing a new business facility in an enterprise zone;

63 (11) The allowance for additional ten-year periods to certain new business facilities as
64 prescribed in subsection 1 of section 135.110 shall not be available to taxpayers expanding a new
65 business facility in an enterprise zone, except that any taxpayer who has been eligible to earn
66 enterprise zone tax benefits for ten tax periods, or until the expiration of the fifteen-year period

67 as prescribed in subsection 1 of section 135.230, or for the maximum period otherwise allowed
68 by law, may qualify for the tax credits [allowed in] **authorized by** section 135.110 if otherwise
69 eligible, pursuant to the same terms and conditions prescribed in sections 135.100 to 135.150;

70 (12) Taxpayers who establish a new business facility by operating a revenue-producing
71 enterprise as defined in paragraph (d) of subdivision (6) of section 135.200 shall not be required
72 to create and maintain new business facility employees.

73 2. The tax credits described in subdivisions (1), (2), (3) and (4) of subsection 1 of this
74 section, the training credit [allowed in] **authorized by** section 135.235, and the income
75 exemption [allowed in] **authorized by** section 135.220, shall be allowed to any **approved**
76 taxpayer, under the same terms and conditions specified in such sections, who establishes a new
77 business facility in an enterprise zone designated pursuant to subsection 5 of section 135.230,
78 except that all such tax benefits shall be removed not later than seven years after the enterprise
79 zone is designated as such.

80 3. Notwithstanding any provision of law to the contrary, any **approved** taxpayer who
81 establishes a new business facility in an enterprise zone, may elect to forfeit the tax credits
82 otherwise [allowed in] **authorized by** section 135.235 and this section and the exemptions
83 otherwise [allowed in] **authorized by** sections 135.215 and 135.220 and the refund otherwise
84 [allowed in] **authorized by** section 135.245, and in lieu thereof, claim the tax credits [allowed
85 in] **authorized by** section 135.110, pursuant to the same terms and conditions prescribed in
86 sections 135.100 to 135.150. To perfect the election, the taxpayer shall attach written
87 notification of such election to the taxpayer's initial application [for claiming tax credit]. The
88 election shall be irreversible once perfected.

89 4. **For all revenue-producing enterprises that commence operations before August**
90 **28, 2003, and otherwise meet the requirements of sections 135.200 to 135.258**, the right to
91 receive the income exemption described in section 135.220, the tax credits described in
92 subsection 1 of this section and the training credit [allowed in] **authorized by** section 135.235
93 shall vest in the taxpayer upon commencement of operations of the revenue-producing
94 enterprise, but such vested right shall be waived by the taxpayer for any given year in which the
95 terms and conditions of sections 135.100 to [135.268] **135.258** are not met. [Representations
96 made by the department and relied upon in good faith by the taxpayer shall be binding upon the
97 state of Missouri insofar as they are consistent with the provisions of this chapter.] The
98 provisions of this subsection shall apply to all revenue-producing enterprises which are eligible
99 for incentives pursuant to this subsection and which commenced operation on or after January
100 1, 1996, to the extent such incentives do not exceed the fifteen-year limitation pursuant to
101 subsection 1 of section 135.230 or the seven-year limitation pursuant to subsection 5 of section
102 135.230. [The provisions of this subsection shall apply to all revenue- producing enterprises

103 which are eligible for the incentives set forth in this subsection, and which began operation after
104 January 1, 1996, to the extent such incentives do not exceed the fifteen-year limitation set forth
105 in subsection 1 of section 135.230, or the seven-year limit set forth in subsection 5 of section
106 135.230.]

135.230. 1. The exemption or credit [established and allowed] **authorized** by section
2 135.220 and the credits [allowed and established] **authorized** by subdivisions (1), (2), (3) and
3 (4) of subsection 1 of section 135.225 [shall] **and section 135.235 may** be granted with respect
4 to any new business facility located within an enterprise zone for a vested period not to exceed
5 ten years following the date upon which the new business facility commences operation within
6 the enterprise zone [and such exemption shall be calculated, for each succeeding year of
7 eligibility, in accordance with the formulas applied in the initial year in which the new business
8 facility is certified as such], subject, however, to the limitation that all such credits [allowed in]
9 **authorized by** sections 135.225 and 135.235 and the exemption [allowed in] **authorized by**
10 section 135.220 shall be removed not later than fifteen years after the enterprise zone is
11 designated as such. No credits shall be allowed pursuant to subdivision (1), (2), (3) or (4) of
12 subsection 1 of section 135.225 or section 135.235 and no exemption shall be allowed pursuant
13 to section 135.220 unless the number of new business facility employees engaged or maintained
14 in employment at the new business facility for the taxable year for which the credit is claimed
15 equals or exceeds two or the new business facility is a revenue-producing enterprise as defined
16 in paragraph (d) of subdivision (6) of section 135.200. In order to qualify for either the
17 exemption pursuant to section 135.220 or the credit pursuant to subdivision (4) of subsection 1
18 of section 135.225, or both, it shall be required that at least thirty percent of new business facility
19 employees, as determined by subsection [4] **5** of section 135.110, meet the criteria established
20 in section 135.240 or are residents of an enterprise zone or some combination thereof, except
21 taxpayers who establish a new business facility by operating a revenue-producing enterprise as
22 defined in paragraph (d) of subdivision (6) of section 135.200 or any taxpayer that is an
23 insurance company that established a new business facility satisfying the requirements of
24 subdivision (8) of section 135.100 located within an enterprise zone after June 30, 1993, and
25 before December 31, 1994, and that employs in excess of three hundred fifty new business
26 facility employees at such facility each tax period for which the credits allowable pursuant to
27 subdivisions (1) to (4) of subsection 1 of section 135.225 are claimed shall not be required to
28 meet such requirement. A new business facility described as SIC 3751 shall be required to
29 employ fifteen percent of such employees instead of the required thirty percent. For the purpose
30 of satisfying the thirty-percent requirement, residents must have lived in the enterprise zone for
31 a period of at least [one full calendar month] **thirty days** and must have been employed at the
32 new business facility for at least [one full calendar month] **thirty days**, and persons qualifying

33 because they meet the requirements of section 135.240 must have satisfied such requirement at
34 the time they were employed by the new business facility and must have been employed at the
35 new business facility for at least [one full calendar month] **thirty days**. The director may
36 temporarily reduce or waive this requirement for any business in an enterprise zone with ten or
37 less full-time employees, and for businesses with eleven to twenty full-time employees this
38 requirement may be temporarily reduced. No reduction or waiver may be granted for more than
39 one tax period and shall not be renewable. The exemptions [allowed in] **authorized by** sections
40 135.215 and 135.220 and the credits [allowed in] **authorized by** sections 135.225 and 135.235
41 and the refund [established and] authorized [in] **by** section 135.245 shall not be allowed to any
42 "public utility", as such term is defined in section 386.020, RSMo. For the purposes of achieving
43 the fifteen-percent employment requirement set forth in this subsection, a new business facility
44 described as NAICS 336991 may count employees who were residents of the enterprise zone at
45 the time they were employed by the new business facility and for at least ninety days thereafter,
46 regardless of whether such employees continue to reside in the enterprise zone, so long as the
47 employees remain employed by the new business facility and residents of the state of Missouri.

48 2. Notwithstanding the provisions of subsection 1 of this section, motor carriers, barge
49 lines or railroads engaged in transporting property for hire or any interexchange
50 telecommunications company that establish a new business facility shall be eligible to qualify
51 for the exemptions [allowed in] **authorized by** sections 135.215 and 135.220, and the credits
52 [allowed in] **authorized by** sections 135.225 and 135.235 and the refund [established and]
53 authorized [in] **by** section 135.245, except that trucks, truck-trailers, truck semitrailers, rail or
54 barge vehicles or other rolling stock for hire, track, switches, bridges, barges, tunnels, rail yards
55 and spurs shall not constitute new business facility investment nor shall truck drivers or rail or
56 barge vehicle operators constitute new business facility employees.

57 3. Notwithstanding any other provision of sections 135.200 to [135.256] **135.258** to the
58 contrary, motor carriers establishing a new business facility on or after January 1, 1993, but
59 before January 1, 1995, may qualify for the tax credits available pursuant to sections 135.225 and
60 135.235 and the exemption provided in section 135.220, even if such new business facility has
61 not satisfied the employee criteria, provided that such taxpayer employs an average of at least
62 two hundred persons at such facility, exclusive of truck drivers and provided that such taxpayer
63 maintains an average investment of at least ten million dollars at such facility, exclusive of
64 rolling stock, during the tax period for which such credits and exemption are being claimed.

65 4. Any governing authority having jurisdiction of an area that has been designated an
66 enterprise zone may petition the department to expand the boundaries of such existing enterprise
67 zone. The director may approve such expansion if the director finds that:

68 (1) The area to be expanded meets the requirements prescribed in section 135.207 or

69 135.210, whichever is applicable;

70 (2) The area to be expanded is contiguous to the existing enterprise zone; and

71 (3) The number of expansions [do] **does** not exceed three after August 28, 1994.

72 5. Notwithstanding the fifteen-year limitation as prescribed in subsection 1 of this
73 section, any governing authority having jurisdiction of an area that has been designated as an
74 enterprise zone by the director, except one designated pursuant to this subsection, may file a
75 petition, as prescribed by the director, for redesignation of such area for an additional period not
76 to exceed seven years following the fifteenth anniversary of the enterprise zone's initial
77 designation date; provided:

78 (1) The petition is filed with the director within three years prior to the date the tax
79 credits authorized [in] **by** sections 135.225 and 135.235 and the exemption [allowed in]
80 **authorized by** section 135.220 are required to be removed pursuant to subsection 1 of this
81 section;

82 (2) The governing authority identifies and conforms the boundaries of the area to be
83 designated a new enterprise zone to the political boundaries established by the latest decennial
84 census, unless otherwise approved by the director;

85 (3) The area satisfies the requirements prescribed in subdivisions **(2), (3), and (4)** [and
86 **(5)]** of section 135.205 according to the latest decennial census or other appropriate source as
87 approved by the director;

88 (4) The governing authority satisfies the requirements prescribed in sections 135.210,
89 135.215 and 135.255;

90 (5) The director finds that the area is unlikely to support reasonable tax assessment or
91 to experience reasonable economic growth without such designation; and

92 (6) The director's recommendation that the area be designated as an enterprise zone is
93 approved by the joint committee on economic development policy and planning, as otherwise
94 required in subsection 3 of section 135.210.

95 6. Any **approved** taxpayer having established a new business facility in an enterprise
96 zone except one designated pursuant to subsection 5 of this section, who did not earn the tax
97 credits authorized [in] **by** sections 135.225 and 135.235 and the exemption [allowed in]
98 **authorized by** section 135.220 for the full ten-year period because of the fifteen-year limitation
99 as prescribed in subsection 1 of this section, shall be granted such benefits for ten tax years, less
100 the number of tax years the benefits were claimed or could have been claimed prior to the
101 expiration of the original fifteen-year period, except that such tax benefits shall not be earned for
102 more than seven tax periods during the ensuing seven-year period, provided the taxpayer
103 continues to operate the new business facility in an area that is designated an enterprise zone
104 pursuant to subsection 5 of this section. Any **approved** taxpayer who establishes a new business

105 facility subsequent to the commencement of the ensuing seven-year period, as authorized in
106 subsection 5 of this section, may qualify for the tax credits authorized in sections 135.225 and
107 135.235, and the exemptions authorized in sections 135.215 and 135.220, pursuant to the same
108 terms and conditions as prescribed in sections 135.100 to [135.256] **135.258**. The designation
109 of any enterprise zone pursuant to subsection 5 of this section shall not be subject to the fifty
110 enterprise zone limitation imposed in subsection 4 of section 135.210.

135.235. To the extent that expenses incurred by a new business facility in an enterprise
2 zone for the training of persons employed in the operation of the new business facility is not
3 covered by an existing federal, state or local program, [such] **an approved** new business facility
4 shall be eligible for a full tax credit equal to eighty percent of that portion of such training
5 expenses which are in excess of four hundred dollars for each trainee who is a resident of the
6 enterprise zone or who was at the time of such employment at the new business facility
7 unemployable or difficult to employ as defined in section 135.240, provided such credit shall not
8 exceed four hundred dollars for each employee trained. In the case of a small corporation
9 described in section 143.471, RSMo, or a partnership, all credits [allowed] **authorized** by this
10 section shall be apportioned in proportion to the share of ownership of the business to the
11 following:

- 12 (1) The shareholders of the corporation described in section 143.471, RSMo; or
- 13 (2) The partners in a partnership.

135.240. The provisions of subdivision (3) of section 135.225 and section 135.230 shall
2 apply to employees determined to:

- 3 (1) Be difficult to employ. For the purpose of this section, "a person difficult to employ"
4 shall mean a person who was unemployed for at least [three months] **ninety days** immediately
5 prior to being employed at the new business facility in the enterprise zone; or
- 6 (2) Be eligible for [aid to families with dependent children] **temporary assistance for**
7 **needy families, medical assistance for families**, or general relief programs.

135.245. 1. Notwithstanding any other provision of Missouri law, some portion of the
2 tax credits earned by [a] **an approved** newly established new business facility within an
3 enterprise zone through the provisions of sections 135.200 to [135.256] **135.258**, except one
4 designated pursuant to subsection 5 of section 135.230, which exceeds its total income tax
5 liability shall be considered an overpayment of the income tax and shall be refunded to the
6 taxpayer as provided by this section, except that such refund shall only apply to taxpayers subject
7 to the tax imposed pursuant to chapter 143, RSMo. The refund allowed by this section shall be
8 limited to taxpayers who establish new facilities in enterprise zones. The refund shall not be
9 allowed to a taxpayer who establishes a new business facility because it qualifies as a separate
10 facility pursuant to subsection 6 of section 135.110 or subdivision (7) of subsection 1 of section

11 135.225 or because it satisfies the requirements of paragraph (c) of subdivision (4) of section
12 135.100 or subdivision (10) of section 135.100. The provisions of this section shall have effect
13 on all initial applications filed on or after August 28, 1992. The provisions of this section shall
14 only be available to a taxpayer for the first two consecutive years during which the taxpayer is
15 eligible for the credits provided by sections 135.200 to [135.256] **135.258**, and the portion of tax
16 credit which is considered an overpayment of the income tax shall be limited to fifty percent or
17 fifty thousand dollars, whichever is less, in the first year and twenty-five percent or twenty-five
18 thousand dollars, whichever is less, in the second year in which the taxpayer is eligible. The
19 overpayment of the income tax for the first year shall not be refunded to the taxpayer until the
20 third taxable year of operation by the new business facility and the overpayment of the income
21 tax for the second year shall not be refunded to the taxpayer until the fourth taxable year of
22 operation by the new business facility.

23 2. The portion of tax credit which is considered an overpayment of the income tax by
24 any **approved** taxpayer who establishes a new business facility in an enterprise zone designated
25 pursuant to subsection 5 of section 135.230 shall be limited to twenty-five percent or twenty-five
26 thousand dollars, whichever is less, in the first year of the ensuing seven-year period. Such
27 overpayment of tax shall not be refunded to the taxpayer until the third taxable year of operation
28 by the new business facility.

29 3. Such refunds to [the] **an approved** taxpayer shall be made as otherwise provided by
30 law. In the case of a small corporation described in section 143.471, RSMo, or a partnership,
31 all refunds allowed by this section shall be apportioned in proportion to the share of ownership
32 of the business on the last day of the taxpayer's tax period for which such tax credits are being
33 claimed, to the following:

- 34 (1) The shareholders of the corporation described in section 143.471, RSMo; or
35 (2) The partners in a partnership.

135.247. 1. Notwithstanding the provisions of sections 135.205, 135.207, and 135.210
2 or any other provisions to the contrary, any area having been designated by the United States
3 Department of Housing and Urban Development as a federal empowerment zone or by the
4 United States Department of Agriculture as an enterprise community pursuant to the federal
5 Omnibus Budget Reconciliation Act of 1993, title XIII, chapter I, subchapter c, shall immediately
6 upon such federal designation become and remain a state enterprise zone until the expiration of
7 such federal designation.

8 2. The credits otherwise [provided] **authorized** by sections 135.225 and 135.235, the
9 exemption [provided] **authorized** by section 135.220, and the refund [provided] **authorized** by
10 section 135.245 shall be available to any **approved** taxpayer who establishes and operates a new
11 business facility located within a federal empowerment zone or enterprise community on the

12 same terms and conditions specified in sections 135.100 to [135.256] **135.258**. The exemption
13 provided in section 135.215 shall be available to any taxpayer who makes improvements to real
14 property after the date the area is designated as a federal empowerment zone or enterprise
15 community pursuant to the same terms and conditions specified in section 135.215.

16 3. Notwithstanding any provision of law to the contrary, **approved** retail businesses, as
17 defined by SICs 52 through 59, **approved** hotels and motels, as defined by SIC 7011, and
18 **approved** recreational facilities as defined by SIC 7999, shall be eligible for all benefits
19 [provided pursuant to the provisions of] **authorized by** sections 135.200 to [135.256] **135.258**,
20 if:

21 (1) In the case of a retail business, such business is located within a state-designated
22 enterprise zone located wholly or partially within a federal empowerment zone or enterprise
23 community; or

24 (2) Such business is located within a satellite enterprise zone, established pursuant to
25 subdivision (1) or (3) of subsection 1 of section 135.207, whether or not such satellite zone is
26 contained within a federal empowerment zone or enterprise community; and

27 (3) In the case of a hotel or motel, such business is located within an enterprise zone
28 which is located within any county of the first classification with a population of at least five
29 hundred thousand but less than seven hundred thousand inhabitants according to the last
30 decennial census, or in an enterprise zone which is located within any city of the third
31 classification which is partially located within a county of the first class with a population of one
32 hundred fifty thousand or more which is adjacent to a county of the first classification with a
33 population of at least five hundred thousand but less than seven hundred thousand according to
34 the last decennial census; and

35 (4) In the case of a recreational facility, such business is located within an area
36 designated a satellite enterprise zone pursuant to subdivision (1) of subsection 1 of section
37 135.207, by the director after January 1, 1991, and before January 1, 1992, in any city not within
38 a county, and further provided the director approves the eligibility of such recreational facility
39 to claim tax benefits otherwise [allowed in] **authorized by** sections 135.200 to [135.256]
40 **135.258**. When making such determination, the director shall consider the number and quality
41 of new jobs to be created, the amount of payroll and investment to be generated from the
42 proposed project, the extent to which such tax concessions are needed to induce the
43 development, whether the area is unlikely to support reasonable tax assessment or to experience
44 reasonable economic growth without such designation and the overall economic benefits to be
45 realized from the proposed project.

46 4. For purposes of qualifying for benefits pursuant to this section, recreational facilities,
47 as defined by SIC 7999, shall not include:

48 (1) An excursion gambling boat licensed pursuant to sections 313.800 to 313.850,
49 RSMo, and the docking facility associated with such licensed excursion gambling boat; or

50 (2) An excursion gambling boat and docking facility as proposed on an application filed
51 with the Missouri gaming commission.

135.250. 1. The director [of the department of economic development] may, subject to
2 the requirements of [section 536.021] **chapter 536**, RSMo, issue such rules and regulations as
3 he deems necessary regarding the qualifications necessary for an area to be deemed an
4 "enterprise zone" and for the continuation of such designation. [Beginning January 1, 1987,]

5 **2. For taxpayers commencing operations on or after August 28, 2003, no more than**
6 **fifty million dollars in tax credits may be authorized in any year under this program. The**
7 **director shall determine and implement appropriate procedures to ensure that the cap is**
8 **not exceeded in any year. These procedures shall be submitted to the joint committee on**
9 **economic development policy and planning pursuant to chapter 620, RSMo.**

10 **3. The department may adopt such rules, statements of policy, procedures, forms,**
11 **and guidelines as may be necessary for the implementation of this program.** The director
12 shall prescribe the method for submitting applications for [claiming] **participation in the**
13 **program authorized by sections 135.200 to 135.258 and for a taxpayer receiving tax credits**
14 **to claim** the tax credits [allowed in] **authorized by** sections 135.225 and 135.235 and the
15 exemption [allowed in] **authorized by** section 135.220 and shall, if such application is approved,
16 certify same to the director of revenue that the taxpayer claiming the credits [allowed in]
17 **authorized by** sections 135.225 and 135.235 and the exemption [allowed in] **authorized by**
18 section 135.220 has satisfied all requirements prescribed in sections 135.200 to [135.255]
19 **135.258**, and is [therefore] eligible to claim the credits and exemption. The director shall also
20 calculate and specify the amount of the credits earned by the taxpayer during the taxpayer's first
21 taxable year in which such credits are claimed and for each of the nine succeeding taxable years
22 the credits are claimed by the taxpayer and shall certify such amounts to the director of revenue.
23 The director shall certify the extent to which such earned credits and the exemption [allowed in]
24 **authorized by** section 135.220 can be claimed to the director of revenue and shall notify the
25 taxpayer in writing of such determination. [The director may prescribe such rules and
26 regulations necessary to carry out the provisions of sections 135.200 to 135.255.

27 **2.] 4.** The director of revenue shall determine the amount of the taxpayer's refund, as
28 [allowed in] **authorized by** section 135.245, if any, and shall notify the taxpayer in writing of
29 any amount to be refunded. The director of revenue may, subject to the requirements of section
30 536.021, RSMo, prescribe rules and regulations necessary to process the credits [allowed in]
31 **authorized by** sections 135.225 and 135.235 and the exemption [allowed in] **authorized by**
32 section 135.220 and the refund [allowed in] **authorized by** section 135.245 following

33 certification of eligibility by the director.

34 **5.** No rule or portion of a rule promulgated [under] **pursuant to** the authority of this
35 section shall become effective unless it has been promulgated pursuant to [the provisions of
36 section 536.024] **chapter 536**, RSMo.

37 [3.] **6.** Any taxpayer who **commences operations before August 28, 2003, or any**
38 **taxpayer who commences operations on or after August 28, 2003, and has been approved**
39 **for participation in the program and** has submitted an application for claiming tax credits as
40 [allowed in] **authorized by** sections 135.225, 135.235, or the exemption [allowed in]
41 **authorized by** section 135.220 or an application to be certified as a new business facility for the
42 purpose of claiming the refund as [allowed in] **authorized by** section 135.245, may file with the
43 director [of economic development,] a protest within sixty days (one hundred fifty days if the
44 taxpayer is outside the United States) after the date of such certification notice or the date of the
45 notice denying such certification. The protest shall be in writing and shall set forth the grounds
46 on which the protest is based.

47 [4.] **7.** If a protest is filed, the director [of economic development] shall consider the
48 taxpayer's grounds for protest and make a determination concerning such protest. The director
49 [of economic development] shall notify the taxpayer in writing of such determination within
50 thirty days following the date in which the written protest was received. Such notice shall be
51 mailed to the taxpayer by certified or registered mail and such notice shall set forth briefly the
52 [director of economic development's] **director's** findings of fact and the basis of decision.

53 [5.] **8.** The decision of the director [of economic development] on the taxpayer's protest
54 is final upon the expiration of thirty days from the date when [he] **the director** mails notice of
55 [his] **the director's** action to the taxpayer unless within this period, the taxpayer seeks review
56 of the [director of economic development's] **director's** determination by the administrative
57 hearing commission.

 135.258. 1. A taxpayer shall not be entitled to receive the tax credits, the exemption and
2 the refunds [respectively provided for in] **authorized by** sections 135.110, 135.220, 135.225,
3 **135.235**, and 135.245 solely because the taxpayer has met and maintained the new investment
4 and new job creation criteria required by sections 135.100 [through 135.256] **to 135.258**. In
5 addition to meeting these criteria, the taxpayer must **meet the following requirements:**

6 **(1) A taxpayer who commences operations on or after January 1, 1999, but before**
7 **August 28, 2003, must** be in receipt of an approved letter of intent as described in subsection
8 2 of this section **to be eligible for the tax credits, exemptions, and refunds authorized by**
9 **sections 135.100, 135.220, 135.225, 135.235, and 135.245**. The taxpayer shall make available
10 such copies of the approved letter of intent, as may be required, to the department of revenue;

11 **(2) A taxpayer must file the initial application for claiming tax credits in the**

12 **taxpayer's tax period immediately following the tax period in which commencement of**
13 **commercial operations began at the new business facility.**

14 2. [In order to be eligible for the tax credits, exemption and refunds specified in
15 subsection 1 of this section, a taxpayer must submit a letter of intent to the director of the
16 department of economic development.] The letter of intent shall be completed on a form that
17 shall be prepared by the department. It need not contain an estimate of the amounts of the tax
18 credits, exemption or refunds for which the taxpayer may become eligible. The letter of intent
19 shall be submitted to the director at least fifteen days prior to the commencement of commercial
20 operations as defined in subdivision (1) of section 135.100. The director shall approve or deny
21 the letter of intent and return such to the taxpayer within fifteen days of its receipt.

135.313. 1. Any person, firm or corporation who engages in the business of producing
2 charcoal or charcoal products in the state of Missouri shall be eligible for a tax credit on income
3 taxes otherwise due pursuant to chapter 143, RSMo, except sections 143.191 to 143.261, RSMo,
4 as an incentive to implement safe and efficient environmental controls. The tax credit shall be
5 equal to fifty percent of the purchase price of the best available control technology equipment
6 connected with the production of charcoal in the state of Missouri or, if the taxpayer
7 manufactures such equipment, fifty percent of the manufacturing cost of the equipment, to and
8 including the year the equipment is put into service. The credit may be claimed for a period of
9 eight years beginning with the 1998 calendar year and is to be a tax credit against the tax
10 otherwise due.

11 2. Any amount of credit which exceeds the tax due shall not be refunded but may be
12 carried over to any subsequent taxable year, not to exceed seven years.

13 3. The charcoal producer may elect to assign to a third party the approved tax credit.
14 Certification of assignment and other appropriate forms must be filed with the Missouri
15 department of revenue and the department of [economic development] **natural resources**.

16 4. When applying for a tax credit, the charcoal producer specified in subsection 1 of this
17 section shall make application for the credit to the division of environmental quality of the
18 department of natural resources. The application shall identify the specific best available control
19 technology equipment and the purchase price, or manufacturing cost of such equipment. The
20 director of the department of natural resources is authorized to require permits to construct prior
21 to the installation of best available control technology equipment and other information which
22 he or she deems appropriate.

23 5. The director of the department of natural resources [in conjunction with the
24 department of economic development] shall certify to the department of revenue that the best
25 available control technology equipment meets the requirements to obtain a tax credit as specified
26 in this section.

135.350. As used in [this section] **sections 135.350 to 135.363**, unless the context clearly requires otherwise, the following words and phrases shall mean:

(1) **"Certificate", a tax credit certificate issued by the commission in accordance with sections 135.350 to 135.363;**

(2) "Commission", the Missouri housing development commission, or its successor agency;

[(2) "Director", director of the department of revenue;]

(3) "Eligibility statement", a statement authorized and issued by the commission certifying that a given project qualifies for the Missouri low-income housing tax credit. [The commission shall promulgate rules establishing criteria upon which the eligibility statements will be issued.] The eligibility statement shall specify the amount of the Missouri low-income housing tax credit [allowed] **authorized**. The commission shall only authorize the tax credits to qualified projects which begin after June 18, 1991;

(4) "Federal low-income housing tax credit", the federal tax credit as provided in section 42 of the 1986 Internal Revenue Code, as amended;

(5) "Low-income project", a housing project which has restricted rents that do not exceed thirty percent of median income for at least forty percent of its units occupied by persons or families having incomes of sixty percent or less of the median income, or at least twenty percent of the units occupied by persons or families having incomes of fifty percent or less of the median income;

(6) "Median income", those incomes which are determined by the federal Department of Housing and Urban Development guidelines and adjusted for family size;

(7) "Qualified Missouri project", a qualified low-income building as that term is defined in section 42 of the 1986 Internal Revenue Code, as amended, which is located in Missouri;

(8) "Taxpayer", person, firm or corporation subject to the state income tax imposed by the provisions of chapter 143, RSMo, (except withholding imposed by sections 143.191 to 143.265, RSMo) or a corporation subject to the annual corporation franchise tax imposed by the provisions of chapter 147, RSMo, or an insurance company paying an annual tax on its gross premium receipts in this state, or other financial institution paying taxes to the state of Missouri or any political subdivision of this state under the provisions of chapter 148, RSMo, or an express company which pays an annual tax on its gross receipts in this state.

135.352. 1. A taxpayer **or other entity** owning an interest in a qualified Missouri project [shall] **may** be [allowed] **allocated** a state tax credit, [whether or not allowed] **if allocated** a federal tax credit, to be termed the Missouri low-income housing tax credit, if the commission issues an eligibility statement for that project.

2. For qualified Missouri projects placed in service after January 1, 1997, the Missouri

6 low-income housing tax credit available to a project shall be such amount as the commission
7 shall determine is necessary to ensure the feasibility of the project, up to an amount equal to the
8 federal low-income housing tax credit for a qualified Missouri project, for a federal tax period[,
9 and such amount shall be subtracted from the amount of state tax otherwise due for the same tax
10 period].

11 3. The Missouri low-income housing tax credit shall be taken against the taxes and in
12 the order specified pursuant to section 32.115, RSMo. The credit authorized by this section shall
13 not be refundable. Any amount of credit that exceeds the tax due for a taxpayer's taxable year
14 may be carried back to any of the taxpayer's three prior taxable years or carried forward to any
15 of the taxpayer's five subsequent taxable years.

16 4. All or any portion of Missouri tax credits issued in accordance with the provisions of
17 sections 135.350 to [135.362 may be allocated to parties who are eligible pursuant to the
18 provisions of subsection 1 of this section. Beginning January 1, 1995, for qualified projects
19 which began on or after January 1, 1994, an] **135.363 granted to a partnership, a limited
20 liability company taxed as a partnership, or multiple owners of property shall be passed
21 through to the partners, members, or owners respectively pro rata or pursuant to an
22 executed agreement among the partners, members, or owners documenting an alternate
23 distribution method. An** owner of a qualified Missouri project shall certify to the **commission
24 and to the** director the amount of credit allocated to each taxpayer. The owner of the project
25 shall provide to the director appropriate information so that the low-income housing tax credit
26 can be properly allocated.

27 5. [In the event that recapture of Missouri low-income housing tax credits is required
28 pursuant to subsection 2 of section 135.355, any statement submitted to the director as provided
29 in this section shall include the proportion of the state credit required to be recaptured, the
30 identity of each taxpayer subject to the recapture and the amount of credit previously allocated
31 to such taxpayer.] **Certificates of tax credit authorized by sections 135.350 to 135.363 may
32 be transferred, sold, or assigned by filing a notarized endorsement thereof with the
33 commission which names the transferee and the amount of tax credit transferred, as well
34 as any other information reasonably requested by the commission.**

35 6. The [director of the department] **commission** may promulgate rules and regulations
36 necessary to administer [the provisions of] this section. No rule or portion of a rule promulgated
37 pursuant to the authority of this section shall become effective unless it has been promulgated
38 pursuant to [the provisions of section 536.024] **chapter 536**, RSMo.

135.355. [1.] The **commission shall provide a certificate to the** owner of a qualified
2 Missouri project eligible for the Missouri low-income housing tax credit [shall submit, at the
3 time of filing the owner's return, an eligibility statement. In the case of failure to attach the

4 eligibility statement, no credit under this section shall be allowed with respect to such project for
5 that year until these copies are provided to the department of revenue.

6 2. If under Section 42 of the 1986 Internal Revenue Code, as amended, a portion of any
7 federal low-income housing credits taken on a low-income project is required to be recaptured
8 only during the first ten years after a project is placed in service, the taxpayer claiming state
9 credits with respect to such project shall also be required to recapture a portion of any state
10 credits authorized by this section. The state recapture amount shall be equal to the proportion
11 of the state credit claimed by the taxpayer that equals the proportion the federal recapture amount
12 bears to the original federal low-income housing credit amount subject to recapture], **and shall**
13 **also notify the department of revenue or department of insurance, as applicable, of the**
14 **issuance of a certificate.**

135.361. **The commission may promulgate rules necessary to carry out the**
2 **provisions of sections 135.350 to 135.363.** Any rule or portion of a rule promulgated pursuant
3 to this bill shall become effective only as provided pursuant to chapter 536, RSMo, including but
4 not limited to section 536.028, RSMo, if applicable, after August 28, 1997. All rulemaking
5 authority delegated prior to August 28, 1997, is of no force and effect and repealed. The
6 provisions of this section are nonseverable and if any of the powers vested with the general
7 assembly pursuant to section 536.028, RSMo, if applicable, to review, to delay the effective date,
8 or to disapprove and annul a rule or portion of a rule are held unconstitutional or invalid, the
9 purported grant of rulemaking authority and any rule so proposed and contained in the order of
10 rulemaking shall be invalid and void.

135.362. 1. The provisions of subdivision [(3)] **(4)** of section 135.350 shall not apply
2 to any qualified Missouri project:

3 (1) With respect to which a loan is made or insured under Title V of the U.S. Housing
4 Act of 1949; or

5 (2) In which at least ten percent of the total reasonably expected basis in such project was
6 incurred by the project owner prior to June 18, 1991, and such project is placed in service no
7 later than December 31, 1993.

8 2. Qualified Missouri projects described in subdivisions (1) and (2) of subsection 1 of
9 this section shall continue to be governed by the provisions of subdivision [(2)] **(4)** of section
10 135.350 in effect prior to June 18, 1991.

135.363. 1. All or any portion of tax credits issued in accordance with the provisions
2 of sections 135.350 to 135.363 may be transferred, sold or assigned to parties who are eligible
3 under the provisions of subsection 1 of section 135.352.

4 2. Beginning January 1, 1995, for qualified projects which began on or after January 1,
5 1994, an owner or transferee desiring to make a transfer, sale or assignment as described in

6 subsection 1 of this section shall submit to the [director of the department of revenue]
7 **commission** a statement which describes the amount of credit for which such transfer, sale or
8 assignment of credit is eligible. The owner shall provide to the [director of revenue] **commission**
9 appropriate information so that the low-income housing tax credit can be properly allocated.

10 3. [In the event that recapture of Missouri low-income housing tax credits is required
11 pursuant to subsection 2 of section 135.355, any statement submitted to the director of the
12 department of revenue as provided in this section shall include the proportion of the state credit
13 required to be recaptured, the identity of each transferee subject to recapture and the amount of
14 credit previously transferred to such transferee.

15 4.] The [director of the department of revenue] **commission** may prescribe rules and
16 regulations necessary for the administration of the provisions of this section.

135.800. 1. Sections 135.800 to 135.820 shall be known and may be cited as the
2 **"Sustainable Neighborhoods and Communities Tax Credit Act".**

3 **2. As used in sections 135.800 to 135.820, the following terms mean:**

4 **(1) "Approved project", a project approved by the director to participate in the**
5 **program established by sections 135.800 to 135.820;**

6 **(2) "Blighted area", that portion of a city within which the legislative authority of**
7 **such city determines that by reason of age, obsolescence, inadequate or outmoded design,**
8 **or physical deterioration have become economic and social liabilities, and that such**
9 **conditions are conducive to ill health, transmission of disease, crime, or inability to pay**
10 **reasonable taxes;**

11 **(3) "Business", a private for-profit entity doing business in the state of Missouri;**

12 **(4) "Capital campaign project", the raising of funds for the acquisition,**
13 **construction, rehabilitation, or permanent improvement to real property to be used by a**
14 **community-based organization for the provision of direct services or youth services;**

15 **(5) "Community bank" shall have the same meaning as prescribed in subdivision**
16 **(2) of section 135.400;**

17 **(6) "Community-based organization":**

18 **(a) A private organization that is representative of a community, or a significant**
19 **segment of a community, that:**

20 **a. Holds a ruling from the Internal Revenue Service of the United States**
21 **Department of the Treasury that the organization is exempt from income taxation**
22 **pursuant to Section 501(c)(3) of the Internal Revenue Code; or**

23 **b. Is incorporated in the state of Missouri as a not-for-profit corporation pursuant**
24 **to chapter 355, RSMo; or**

25 **(b) A community development corporation designated as such by the United States**

- 26 government pursuant to Title VII of the Economic Opportunity Act of 1964;
- 27 (7) "Community development financial institution" shall have the same meaning
28 as prescribed in Section 103 of the Riegle Community Development and Regulatory
29 Improvement Act of 1994, 12 U.S.C.A. Section 4702;
- 30 (8) "Community services", services designed to minimize the effects of poverty,
31 furnished primarily to impoverished people in the state of Missouri;
- 32 (9) "Contribution", a donation of cash, property, or services, except that donations
33 of property or services may be limited and shall be valued as provided by the department;
- 34 (10) "Department", the department of economic development;
- 35 (11) "Direct services", community services, workforce training services, and
36 workforce support services;
- 37 (12) "Director", the director of the department of economic development or a
38 person acting under the supervision of the director;
- 39 (13) "Impoverished people", people in Missouri approved as such by the
40 department. Such approval shall be made on the basis of generally recognized low-income
41 criteria used by federal and state agencies;
- 42 (14) "Person", any natural person or entity, including a corporation, general or
43 limited partnership, trust, or limited liability company;
- 44 (15) "Program", the sustainable neighborhoods and communities tax credit
45 program created by sections 135.800 to 135.820;
- 46 (16) "Revitalization project", the furnishing of financial assistance, labor, material,
47 or technical advice to aid in the physical improvement or rehabilitation of all or any part
48 of a central business district that is a blighted area pursuant to an organized
49 redevelopment effort;
- 50 (17) "Small business revolving loan project", a revolving loan program operated
51 by a community-based organization, a community bank, or a community development
52 financial institution;
- 53 (18) "Taxpayer", a person subject to the state income tax imposed by chapter 143,
54 RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, subject
55 to the annual corporation franchise tax imposed by chapter 147, RSMo, or an insurance
56 company paying an annual tax on its gross premium receipts in this state, or other
57 financial institution paying taxes to the state of Missouri or any political subdivision of this
58 state pursuant to chapter 148, RSMo;
- 59 (19) "Workforce support services", services such as transportation assistance, child
60 care assistance, and permanent housing assistance that help support an individual's ability
61 to prepare for and become employable, maintain employment, or be able to seek a higher

62 grade of employment;

63 (20) "Workforce training services", any type of instruction to an individual who
64 resides in the state of Missouri that enables the individual to acquire skills so that the
65 individual can become employable or be able to seek a higher grade of employment;

66 (21) "Youth employment project", employment, internship, or apprenticeship
67 programs in business or trades for persons no more than twenty-one years of age;

68 (22) "Youth services project", development, establishment, implementation,
69 operation, and expansion of the following activities and programs:

70 (a) Programs to encourage school dropouts to reenter and complete high school or
71 to complete a graduate equivalency degree program;

72 (b) New or existing youth clubs or associations;

73 (c) Mentor and role model programs;

74 (d) Drug and alcohol abuse prevention training programs for youth;

75 (e) Youth violence prevention;

76 (f) Youth activity centers;

77 (g) Youth outreach and counseling programs.

135.805. 1. Categories of projects that are eligible to participate in the program are
2 as follows:

3 (1) Direct services projects. A direct services project may be sponsored by either
4 a community-based organization or a business. A direct services project sponsored by a
5 business may be denied if, in the opinion of the director, the business's contribution can
6 more consistently with the purposes of this program be made through contributions to a
7 community-based organization. Tax credits will not be given to a business whose
8 contributions are for activities that are a part of its normal course of business. For direct
9 service projects, the tax credit shall be a percentage of the amount of funds expended by
10 a business in providing direct services or a percentage of contributions made to a
11 community-based organization for such project by a taxpayer;

12 (2) Capital campaign projects. For capital campaign projects, the tax credit shall
13 be a percentage of the amount of contributions made to a community-based organization
14 for the project by a taxpayer;

15 (3) Small business revolving loan program projects. For a small business revolving
16 loan program project, the tax credit shall be a percentage of a taxpayer's investment in or
17 contribution to a designated revolving loan fund of a community-based organization,
18 community bank, or community development financial institution;

19 (4) Youth employment projects. For youth employment projects, the tax credit
20 shall be a percentage of the amount paid to the intern or apprentice by a business that is

21 a taxpayer;

22 (5) Physical revitalization projects. For physical revitalization projects, the tax
23 credit shall be a percentage of contributions to a community-based organization for such
24 project;

25 (6) Youth services projects. For youth services projects, the tax credit shall be a
26 percentage of contributions made to a community-based organization for such project by
27 a taxpayer.

28 2. The department, after public hearings, shall adopt a multiyear plan determining
29 program priorities and any set-asides for the categories set forth in subsection 1 of this
30 section.

31 3. A community-based organization or business entity seeking approval of a project
32 for participation in the program shall submit an application containing information as
33 required by the department in a format determined by the department. No application
34 shall be approved which does not have the endorsement of the agency of local government
35 within the area in which the project is engaging in program activities. The time frame for
36 application submission will be announced by the department. The department shall review
37 applications on at least an annual basis.

38 4. After review of applications, the director will approve or disapprove a project
39 and establish the amount of tax credit to be granted. Projects may be approved for up to
40 two years, corresponding with the state's fiscal year. Capital campaign projects may be
41 approved for up to three years at the discretion of the director.

42 5. Approval of any project is effective as of the effective date of the contract
43 between the department and the business or community-based organization. Approved
44 project activities and the solicitation of contributions for approved project activities shall
45 begin after the effective date of the contract. Any funds expended or contributions made
46 before approval of a project for participation in the program shall be ineligible for a tax
47 credit.

48 6. Approved projects will be notified by the department of the total amount of tax
49 credits approved for the project and whether the credits are fifty percent credits or seventy
50 percent credits, as provided in section 135.810.

51 7. The department of economic development shall prescribe the method for
52 claiming the tax credits allowed in this section.

135.810. The percentage credit as set forth in subsection 1 of section 135.805 shall
2 be fifty percent except that a seventy percent credit may be awarded for projects in a city,
3 town, village, or unincorporated area that has fifteen thousand or less inhabitants as of the
4 last decennial census and is located in a county which is either located in:

- 5 **(1) An area that is not part of a standard metropolitan statistical area;**
6 **(2) A standard metropolitan statistical area but such county has only one city, town,**
7 **or village which has more than fifteen thousand inhabitants; or**
8 **(3) A standard metropolitan statistical area and a substantial number of persons**
9 **in such county derive their income from agriculture.**

135.815. 1. The tax credit authorized by sections 135.800 to 135.820 may be claimed
2 **by a taxpayer to offset the tax liability imposed by chapter 143, RSMo, excluding**
3 **withholding tax imposed by sections 143.191 to 143.265, RSMo, chapter 147, RSMo, or**
4 **chapter 148, RSMo, that becomes due in the tax year during which the investment or**
5 **contribution was made. Where the amount of the credit exceeds the tax liability for the**
6 **year in which the investment or contribution was made, the difference between the credit**
7 **and the tax liability may be carried forward for the next three succeeding taxable years or**
8 **until the full credit has been claimed, whichever first occurs.**

9 **2. Credits granted to a partnership, a limited liability company taxed as a**
10 **partnership, an S corporation or multiple owners of property shall be passed through to**
11 **the partners, members, or owners respectively pro rata.**

12 **3. The aggregate of all tax credits authorized pursuant to sections 135.800 to**
13 **135.820 shall not exceed fifteen million dollars in any year.**

14 **4. The department may revoke a tax credit certificate if any representation to the**
15 **department in connection with the application proves to have been false when made or if**
16 **the application violates any conditions established by the department and stated in the tax**
17 **credit certificate. The revocation may be in full or in part as the department may**
18 **determine. The department shall specify the amount of credit being revoked and shall send**
19 **notice of the revocation to the taxpayer and to the state department of revenue.**

135.818. The department may adopt such rules, statements of policy, procedures,
2 **forms, and guidelines as may be necessary for the implementation of this program. No rule**
3 **or portion of a rule promulgated pursuant to the authority of this section shall become**
4 **effective unless it has been promulgated pursuant to chapter 536, RSMo.**

135.820. 1. No projects may be approved by the director of the department of
2 **economic development for the neighborhood assistance program, the youth opportunities**
3 **and violence prevention program, or the development tax credit program on or after**
4 **August 28, 2003.**

5 **2. No tax credits may be issued by the department of economic development for the**
6 **neighborhood assistance program, the youth opportunities and violence prevention**
7 **program, or the development tax credit program on or after January 1, 2006.**

8 **3. This section shall expire on January 1, 2006.**

135.827. 1. As used in this section, the following terms mean:

- 2 (1) "Administrator", the administrator of the designated nonprofit oversight
3 organization;
- 4 (2) "Designated nonprofit oversight organization", a charitable organization in this
5 state that is exempt from federal taxation pursuant to the Internal Revenue Code, as
6 amended, designated to certify nonprofit educational assistance organizations, accept
7 qualifying contributions, approve applications for the tax credit allowed by this section,
8 distribute qualifying contributions to certified nonprofit educational assistance
9 organizations, and coordinate with the director in administering the tax credit allowed by
10 this section; (3) "Director", the director of the department of economic development;
- 11 (4) "Income eligible student", any elementary or secondary school student who
12 attends a school in a metropolitan or urban school district containing the greater part of
13 the population of any home rule city with more than four hundred thousand inhabitants
14 and located in more than one county or in any city not within a county whose parents' or
15 guardians' income is no more than one hundred twenty-five percent of the level that would
16 make the student eligible for a free or reduced price school lunch pursuant to the National
17 School Lunch Act;
- 18 (5) "Nonprofit educational assistance organization", a charitable organization in
19 this state that is exempt from federal taxation pursuant to the Internal Revenue Code, as
20 amended, is certified by the director through a designated nonprofit oversight
21 organization, and that allocates at least ninety percent of its annual revenue derived from
22 contributions for which a credit is claimed pursuant to this section for educational
23 assistance. The term nonprofit educational assistance organization does not include an
24 organization that only provides scholarships to students of a particular school;
- 25 (6) "Qualified school", any elementary or secondary school situated in this state
26 which a child may attend to satisfy the requirements of section 167.031, RSMo, and is not
27 in violation of the Civil Rights Act of 1964;
- 28 (7) "Qualified student", an income eligible student who in the previous school year
29 was enrolled in a state-funded school or who had received a scholarship as a qualified
30 student and is not enrolled in a state-funded public school in the year in which the
31 nonprofit educational assistance organization is providing a scholarship to that student.
32 The term shall include all income eligible kindergarten students;
- 33 (8) "Qualifying contribution", a donation of cash, stock, bonds, or other
34 marketable securities for purposes of claiming a tax credit pursuant to this section;
- 35 (9) "State tax liability", any liability incurred by a taxpayer pursuant to chapters
36 143, 147, and 153, RSMo, excluding withholding taxes pursuant to sections 143.191 to

37 143.265, RSMo, and related provisions;

38 (10) "Taxpayer", an individual subject to the state income tax imposed in chapter
39 143, RSMo, an individual, a firm, a partner in a firm, corporation, or a shareholder in an
40 S corporation doing business in this state and subject to the state income tax imposed by
41 chapter 143, RSMo, or a corporation subject to the annual corporation franchise tax
42 imposed by chapter 147, RSMo, or an express company which pays an annual tax on its
43 gross receipts in this state pursuant to chapter 153, RSMo.

44 2. For all tax years beginning on or after January 1, 2003, any taxpayer who makes
45 contributions to a nonprofit educational assistance organization may claim a credit against
46 the tax otherwise due pursuant to chapter 143, RSMo, other than taxes withheld pursuant
47 to sections 143.191 to 143.265, RSMo, and chapters 147 and 153, RSMo, in an amount
48 equal to fifty percent of the amount the taxpayer contributed during the tax year for which
49 the credit is claimed; except that, no taxpayer shall claim a credit pursuant to this section
50 for any contribution made by the taxpayer, or an agent of the taxpayer, on behalf of the
51 taxpayer's dependent, or in the case of a business taxpayer, on behalf of the business's
52 agent's dependent. Any amount of contribution subtracted from federal adjusted gross
53 income or federal taxable income shall be added back in the determination of Missouri
54 adjusted gross income or Missouri taxable income before the credit can be claimed.

55 3. The amount of the tax credit claimed shall not exceed the amount of the
56 taxpayer's state tax liability for the tax year that the credit is claimed. Any amount of
57 credit that the taxpayer is prohibited by this section from claiming in a tax year may be
58 carried forward to any of the taxpayer's four subsequent taxable years. Except for any
59 credit carried over pursuant to this section, no taxpayer shall claim a credit pursuant to
60 this section unless the amount contributed to a nonprofit educational assistance
61 organization is two hundred dollars or more.

62 4. The cumulative amount of tax credits which may be claimed by all taxpayers
63 contributing to a nonprofit educational assistance organization in any one fiscal year shall
64 not exceed five million dollars. The director, with the assistance of the administrator, shall
65 establish a procedure by which, from the beginning of the fiscal year until some point in
66 time later in the fiscal year to be determined by the director, with the assistance of the
67 administrator, the cumulative amount of tax credits are apportioned among all nonprofit
68 educational assistance organizations. To the maximum extent possible, the director, with
69 the assistance of the administrator, shall establish the procedure described in this
70 subsection in such a manner as to ensure that taxpayers can claim all the tax credits
71 possible up to the cumulative amount of tax credits available for the fiscal year. The
72 director, with the assistance of the administrator, shall certify to the organizations the

73 amount of eligible tax credits that can be taken by the organizations.

74 **5. The director, with the assistance of the administrator, shall determine, at least**
75 **annually, which organizations in this state may be classified as a nonprofit educational**
76 **assistance organization. The director, with the assistance of the administrator, may**
77 **require a charity seeking classification as a nonprofit educational assistance organization**
78 **to provide any information reasonably necessary to make such a determination. The**
79 **director, with the assistance of the administrator, shall classify an organization as a**
80 **nonprofit educational assistance organization if the organization qualifies as a nonprofit**
81 **educational assistance organization as defined in this section. To qualify as a nonprofit**
82 **educational assistance organization, the organization shall meet the following conditions:**

83 **(1) At least seventy percent of all qualifying contributions it receives during any**
84 **given state fiscal year are allocated for the purpose of providing scholarships to any**
85 **qualified student who attends a qualified school, and the organization gives priority in**
86 **awarding scholarships to those students who demonstrate the greatest need for such**
87 **scholarships, as defined by: children of inmates; children residing in a low-performing**
88 **schools area; children residing within the boundaries of schools targeted for improvement**
89 **under the No Child Left Behind Act of 2001 pursuant to public law 107-110; children**
90 **residing within the boundaries of concerned schools and academically deficient schools**
91 **pursuant to section 160.538, RSMo; children of schools in provisionally accredited**
92 **districts; children attending schools in districts that participates in federal court ordered**
93 **desegregation; or, children enrolled in classes that do not meet the Missouri school**
94 **improvement minimum standards for class size used for accreditation purposes.**
95 **Scholarship moneys may be used to cover applicable tuition, transportation, textbooks,**
96 **supplies, and other related educational or extracurricular expenses. Any qualifying**
97 **contributions not required to be allocated in accordance with this paragraph may be used**
98 **to provide scholarships for income eligible students who attend qualified schools or may**
99 **be used for the purposes set forth in subdivision (3) of this subsection;**

100 **(2) Does not provide any scholarship to any qualified student for a single school**
101 **year that exceeds three thousand four hundred dollars, which amount shall annually be**
102 **increased for inflation based on increases in the Consumer Price Index rounded to the**
103 **nearest fifty dollar increment, except that the nonprofit educational assistance organization**
104 **may award scholarships to children with disabilities who are age three or older in any**
105 **amount that is substantially comparable to the amount the state would have paid for such**
106 **child, and except that scholarships may be awarded in amounts in excess of the limitation**
107 **if the increased amount of any such scholarships is offset by a reduction in the monetary**
108 **amount of the scholarships provided by the nonprofit educational assistance organization**

109 to nonqualifying students. To qualify for a scholarship, children with disabilities are not
110 required to meet the income eligible student definition if the disabled child's parents or
111 guardians have unreimbursed medical expenses in excess of seven and one-half percent of
112 federal adjusted gross income;

113 (3) A nonprofit education assistance organization may allocate up to thirty percent
114 of any qualifying contributions it receives during any given state fiscal year that are not
115 required to be allocated pursuant to subdivisions (1) and (2) of this subsection to directly
116 assist any income eligible student who attends a public school in defraying the costs of
117 private instructional assistance, including any related private educational supplies; for
118 transportation to any public school to the extent that such transportation is not paid for
119 by a school district or the state; for offsetting fees for out-of-school programs; for
120 apprenticeship programs; for scholarship assistance for dropouts to pursue a GED or its
121 equivalent; for grants for public school academic or extracurricular programs or for
122 income eligible or qualified students to attend a qualified school;

123 (4) All interest accruing from contributions shall be used for educational assistance;

124 (5) Qualifying contributions shall be made so that the credits are claimed in the
125 year in which the scholarships are awarded; and

126 (6) All marketing and administrative expenses for the nonprofit educational
127 assistance organization shall be no more than eight percent of the qualifying contributions
128 it raises.

129 6. The director, with the assistance of the administrator, shall establish a procedure
130 by which a taxpayer can determine if an organization has been classified as a nonprofit
131 educational assistance organization, and by which taxpayers can claim the tax credit
132 pursuant to this section.

133 7. The funding authorized in this section shall be considered private, voluntary,
134 nongovernmental funding. The providing of assistance by a nonprofit educational
135 assistance organization shall not be construed to be a public appropriation, or the
136 providing of public assistance to any school.

137 8. The director shall certify and enter into a contract with a designated nonprofit
138 organization for the purpose of administering this section. A designated nonprofit
139 oversight organization may be subject to an audit by the director. To qualify for
140 designation, a nonprofit organization shall:

141 (1) Have the administrative capability to promote the success of the tax credit
142 allowed by this section by recruiting and coordinating activities with all interested
143 nonprofit educational assistance organizations in this state and certifying those nonprofit
144 educational assistance organizations that meet the certification criteria set forth in

145 subdivision (4) of subsection 1 of this section;

146 (2) Demonstrate the ability to handle large volumes of and amounts of financial
147 transactions and be able to resolve Internal Revenue Service compliance issues;

148 (3) Review the staff qualifications, evaluate fundraising capabilities, and confirm
149 exempt status of the nonprofit educational assistance organizations;

150 (4) Create a standardized application for use by nonprofit educational assistance
151 organizations;

152 (5) Produce an annual report for the general assembly;

153 (6) Complete other duties as required by the director; and

154 (7) The designated nonprofit oversight organization shall receive no more than two
155 percent of the qualifying contributions for marketing and administrative expenses.

156 9. This section is subject to the provisions of section 1.140, RSMo. The department
157 of revenue and the department of economic development may promulgate rules and
158 regulations for the administration of this section. No rule or portion of a rule promulgated
159 pursuant to the authority of this section shall become effective unless it has been
160 promulgated pursuant to chapter 536, RSMo.

161 10. Any school district not included in subdivision (4) of subsection 1 of this section
162 may opt to participate in the tax credit authorized in this section upon the adoption of a
163 resolution by the school board and submission of the resolution to the department of
164 economic development.

135.875. 1. Sections 135.875 to 135.895 shall be known and may be cited as the
2 "Competitive Communities Tax Credit Act".

3 2. As used in sections 135.875 to 135.895, the following terms mean:

4 (1) "Approved project", a project approved by the director to participate in the
5 program established by sections 135.875 to 135.895;

6 (2) "Business", a private for-profit entity doing business in the state of Missouri;

7 (3) "Department", the department of economic development;

8 (4) "Director", the director of the department of economic development or a person
9 acting under the supervision of the director;

10 (5) "Distressed community", as defined in section 135.530;

11 (6) "Economic development project", a project that will improve, develop, or
12 finance a new, existing, or expanding business, and will create, retain, or improve jobs in
13 the state;

14 (7) "Program", the competitive communities tax credit program created by sections
15 135.875 to 135.895;

16 (8) "Targeted industry", an industry or one of a cluster of industries that is

17 identified by the department as critical to the state's economic security and growth and
18 affirmed as such by the joint committee on economic development policy and planning
19 established in section 620.602, RSMo; and

20 (9) "Taxpayer", a person subject to the state income tax imposed by chapter 143,
21 RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, subject
22 to the annual corporation franchise tax imposed by chapter 147, RSMo, or an insurance
23 company paying an annual tax on its gross premium receipts in this state, or other
24 financial institution paying taxes to the state of Missouri or any political subdivision of this
25 state pursuant to chapter 148, RSMo, or an express company paying an annual tax on its
26 gross receipts in this state pursuant to chapter 153, RSMo.

135.880. 1. The department, after public hearings, shall adopt a multiyear plan
2 determining program priorities and any limitations on eligibility based upon, but not
3 limited to, the following criteria:

- 4 (1) Whether a business is a targeted industry;
- 5 (2) The potential impact of a project on the economy of Missouri;
- 6 (3) The economy of the county where a project is to occur;
- 7 (4) Whether a project is in a distressed community;
- 8 (5) The payroll attributable to a project;
- 9 (6) The investment attributable to a project;
- 10 (7) The amount of the average wage paid by a business at a project;
- 11 (8) The costs to Missouri and the affected political subdivisions with respect to a
12 project; and
- 13 (9) The financial assistance that is otherwise provided by Missouri and the affected
14 political subdivisions.

15 2. A business seeking approval of an economic development project for
16 participation in the program shall submit an application containing information as
17 required by the department in a format determined by the department.

135.885. 1. After review of an application, the director shall approve or disapprove
2 a project and establish the amount of tax credit to be granted and the terms and conditions
3 thereof.

4 2. An agreement between the business and the department regarding an approved
5 project shall contain any provisions required by section 620.017, RSMo, and may also
6 contain the following, as applicable:

- 7 (1) A detailed description of the project that is the subject of the agreement;
- 8 (2) A specific method for determining the number of persons employed in new or
9 retained jobs at the project;

10 **(3) A requirement that the business shall at least annually report to the department**
11 **the number of new or retained jobs and the total amount of salaries and wages paid to**
12 **persons in the new or retained jobs at the project;**

13 **(4) A requirement that the business shall provide written notification to the director**
14 **not more than thirty days after the business makes or receives a proposal that would**
15 **transfer the business's state tax liability obligations to a successor taxpayer;**

16 **(5) A requirement that the business shall maintain operations at the project for a**
17 **specified period of time; and**

18 **(6) Any other performance conditions that the department determines are**
19 **appropriate.**

20 **3. The department of economic development shall prescribe the method for**
21 **claiming the tax credits allowed in this section.**

135.890. 1. The tax credit authorized by sections 135.875 to 135.895 may be claimed
2 **by a taxpayer to offset the tax liability imposed by chapter 143, RSMo, excluding**
3 **withholding tax imposed by sections 143.191 to 143.265, RSMo, chapter 147, RSMo,**
4 **chapter 148, RSMo, or chapter 153, RSMo, that becomes due in the tax year during which**
5 **the investment was made or jobs were created or retained. Where the amount of the credit**
6 **exceeds the tax liability for the year in which the investment was made or the jobs created**
7 **or retained, the difference between the credit and the tax liability may be carried forward**
8 **for the next five succeeding taxable years or until the full credit has been claimed,**
9 **whichever first occurs.**

10 **2. Credits granted to a partnership, a limited liability company taxed as a**
11 **partnership, an S corporation, or multiple owners of property shall be passed through to**
12 **the partners, members, or owners respectively pro rata.**

13 **3. Certificates of tax credit issued pursuant to this section may be transferred, sold,**
14 **or assigned by filing a notarized endorsement thereof with the department which names**
15 **the transferee and the amount of tax credit transferred, as well as any other information**
16 **reasonably requested by the department.**

17 **4. The aggregate of all tax credits authorized pursuant to sections 135.875 to**
18 **135.895 shall not exceed five million dollars in any year.**

19 **5. In addition to any penalties that may be prescribed in the agreement required**
20 **by subsection 2 of section 135.885, the department may revoke a tax credit certificate if any**
21 **representation to the department in connection with the application proves to have been**
22 **false when made or if the application violates any conditions established by the department**
23 **and stated in the tax credit certificate. The revocation may be in full or in part as the**
24 **department may determine. The department shall specify the amount of credit being**

25 **revoked and shall send notice of the revocation to the taxpayer and to the state department**
26 **of revenue.**

135.895. The department may adopt such rules, statements of policy, procedures,
2 **forms, and guidelines as may be necessary for the implementation of this program. No rule**
3 **or portion of a rule promulgated pursuant to the authority of this section shall become**
4 **effective unless it has been promulgated pursuant to chapter 536, RSMo.**

163.036. 1. In computing the amount of state aid a school district is entitled to receive
2 under section 163.031, a school district may use an estimate of the number of eligible pupils for
3 the ensuing year, the number of eligible pupils for the immediately preceding year or the number
4 of eligible pupils for the second preceding school year, whichever is greater, **except that the**
5 **eligible pupil count shall be adjusted such that no school district shall receive state aid for**
6 **any pupil who is no longer enrolled in the school district as the result of using the proceeds**
7 **of an educational scholarship to transfer to another qualified school provided pursuant to**
8 **section 135.827, RSMo.** Except as otherwise provided in subsection 3 of this section, any error
9 made in the apportionment of state aid because of a difference between the actual number of
10 eligible pupils and the estimated number of eligible pupils shall be corrected as provided in
11 section 163.091, except that if the amount paid to a district estimating eligible pupils exceeds the
12 amount to which the district was actually entitled by more than five percent, interest at the rate
13 of six percent shall be charged on the excess and shall be added to the amount to be deducted
14 from the district's apportionment the next succeeding year.

15 2. Notwithstanding the provisions of subsection 1 of this section or any other provision
16 of law, the state board of education shall make an adjustment for the immediately preceding year
17 for any increase in the actual number of eligible pupils above the number on which the state aid
18 in section 163.031 was calculated. Said adjustment shall be made in the manner providing for
19 correction of errors under subsection 1 of this section.

20 3. (1) For any district which has, for at least five years immediately preceding the year
21 in which the error is discovered, adopted a calendar for the school term in which elementary
22 schools are in session for twelve months of each calendar year, any error made in the
23 apportionment of state aid to such district because of a difference between the actual number of
24 eligible pupils and the estimated number of eligible pupils shall be corrected as provided in
25 section 163.091 and subsection 1 of this section, except that if the amount paid exceeds the
26 amount to which the district was actually entitled by more than five percent and the district
27 provides written application to the state board requesting that the deductions be made pursuant
28 to subdivision (2) of this subsection, then the amounts shall be deducted pursuant to subdivision
29 (2) of this subsection.

30 (2) For deductions made pursuant to this subdivision, interest at the rate of six percent

31 shall be charged on the excess and shall be included in the amount deducted and the total amount
32 of such excess plus accrued interest shall be deducted from the district's apportionment in equal
33 monthly amounts beginning with the succeeding school year and extending for a period of
34 months specified by the district in its written request and no longer than sixty months.

35 4. For the purposes of distribution of state school aid pursuant to section 163.031, a
36 school district may elect to use the district's equalized assessed valuation for the preceding year,
37 or an estimate of the current year's assessed valuation if the current year's equalized assessed
38 valuation is estimated to be more than ten percent less than the district's equalized assessed
39 valuation for the preceding year. A district shall give prior notice to the department of its
40 intention to use the current year's assessed valuation pursuant to this subsection. Any error made
41 in the apportionment of state aid because of a difference between the actual equalized assessed
42 valuation for the current year and the estimated equalized assessed valuation for the current year
43 shall be corrected as provided in section 163.091, except that if the amount paid to a district
44 estimating current equalized assessed valuation exceeds the amount to which the district was
45 actually entitled, interest at the rate of six percent shall be charged on the excess and shall be
46 added to the amount to be deducted from the district's apportionment the next succeeding year.

47 5. For the purposes of distribution of state school aid pursuant to section 163.031, a
48 school district with ten percent or more of its assessed valuation that is owned by one person or
49 corporation as commercial or personal property who is delinquent in a property tax payment may
50 elect, after receiving notice from the county clerk on or before March fifteenth, except in the year
51 enacted, that more than ten percent of its current taxes due the preceding December thirty-first
52 by a single property owner are delinquent, to use on line 2 of the state aid formula the district's
53 equalized assessed valuation for the preceding year or the actual assessed valuation of the year
54 for which the taxes are delinquent less the assessed valuation of property for which the current
55 year's property tax is delinquent. To qualify for use of the actual assessed valuation of the year
56 for which the taxes are delinquent less the assessed valuation of property for which the current
57 year's property tax is delinquent, a district must notify the department of elementary and
58 secondary education on or before April first, except in the year enacted, of the current year
59 amount of delinquent taxes, the assessed valuation of such property for which delinquent taxes
60 are owed and the total assessed valuation of the district for the year in which the taxes were due
61 but not paid. Any district giving such notice to the department of elementary and secondary
62 education shall present verification of the accuracy of such notice obtained from the clerk of the
63 county levying delinquent taxes. When any of the delinquent taxes identified by such notice are
64 paid during a four-year period following the due date, the county clerk shall give notice to the
65 district and the department of elementary and secondary education, and state aid paid to the
66 district shall be reduced by an amount equal to the delinquent taxes received plus interest. The

67 reduction in state aid shall occur over a period not to exceed five years and the interest rate on
68 excess state aid not refunded shall be six percent annually.

69 6. If a district receives state aid based on equalized assessed valuation as determined by
70 subsection 5 of this section and if prior to such notice the district was paid state aid pursuant to
71 subdivision (2) of subsection 5 of section 163.031, the amount of state aid paid during the year
72 of such notice and the first year following shall equal the sum of state aid paid pursuant to line
73 1 minus line 10 as defined in subsections 1, 2, 3 and 6 of section 163.031 plus the difference
74 between the state aid amount being paid after such notice minus the amount of state aid the
75 district would have received pursuant to line 1 minus line 10 as defined in subsections 1, 2, 3 and
76 6 of section 163.031 before such notice. To be eligible to receive state aid based on this
77 provision the district must levy during the first year following such notice at least the maximum
78 levy permitted school districts by article X, section 11(b) of the Missouri Constitution and have
79 a voluntary rollback of its tax rate which is no greater than one cent per one hundred dollars
80 assessed valuation.

253.550. **1.** Any person, firm, partnership, trust, estate, or corporation incurring costs
2 and expenses for the rehabilitation of eligible property, which is a certified historic structure or
3 structure in a certified historic district, shall be entitled to a credit against the taxes imposed
4 pursuant to chapters 143 and 148, RSMo, except for sections 143.191 to 143.265, RSMo, on that
5 person or entity in an amount equal to twenty-five percent of the total costs and expenses of
6 rehabilitation incurred after January 1, 1998, which shall include, but not be limited to, qualified
7 rehabilitation expenditures as defined under section 47(c)(2)(A) of the Internal Revenue Code
8 of 1986, as amended, and the related regulations thereunder, provided the rehabilitation costs
9 associated with rehabilitation and the expenses exceed fifty percent of the total basis in the
10 property and the rehabilitation meets standards consistent with the standards of the Secretary of
11 the United States Department of the Interior for rehabilitation as determined by the state historic
12 preservation officer of the Missouri department of natural resources[.], **and provided the**
13 **requirements of subsections 2, 3, and 4 of this section are met.**

14 **2. Before incurring costs and expenses for the rehabilitation of eligible property,**
15 **in order to be eligible to receive the credits as set forth in subsection 1 of this section, any**
16 **person, firm, partnership, trust, estate, or corporation must file a preapplication with the**
17 **department of economic development and be in receipt of a preliminary approval by the**
18 **department of economic development for the property.**

19 **3. In order to be eligible to receive the credits as set forth in subsection 1 of this**
20 **section, a project must be placed into service no later than three years after the date of**
21 **preliminary approval by the department of economic development.**

22 **4. An application for issuance of tax credits authorized pursuant to sections 253.545**

23 to 253.561 must be received by the department of economic development no later than the
24 end of the tax year following the tax year in which the project was placed into service.
25 Applications received after such date shall be ineligible for tax credits.

26 5. The department of economic development may promulgate rules necessary to
27 carry out the provisions of sections 253.545 to 253.561. No rule or portion of a rule
28 promulgated pursuant to the authority of this section shall become effective unless it has
29 been promulgated pursuant to chapter 536, RSMo.

348.254. Records and documents submitted to the Missouri technology corporation
2 relating to financial investments in a business, or sales projections or other business plan
3 information which may endanger the competitiveness of a business, or records and
4 documents submitted to the Missouri technology corporation relating to tax credits except
5 for the amount and recipient of any tax credits that are awarded may be deemed a closed
6 record as such term is defined in section 610.010, RSMo.

348.256. The articles of incorporation and bylaws of the Missouri technology
2 corporation shall provide that:

3 (1) The purposes of the corporation are to contribute to the strengthening of the economy
4 of the state through the development of science and technology, to promote the modernization
5 of Missouri businesses by supporting the transfer of science, technology and quality
6 improvement methods to the workplace, and to enhance the productivity and modernization of
7 Missouri businesses by providing leadership in the establishment of methods of technology
8 application, technology commercialization and technology development;

9 (2) The board of directors of the corporation is composed of [fifteen] **sixteen** persons.
10 The governor shall annually appoint one of its members, who must be from the private sector,
11 as chairman. The board shall consist of the following members:

12 (a) The director of the department of economic development, or the director's designee;

13 (b) The president of the University of Missouri system, or the president's designee;

14 (c) **The commissioner of higher education;**

15 (d) A member of the state senate, appointed by the president pro tem of the senate;

16 [(d)] (e) A member of the house of representatives, appointed by the speaker of the
17 house;

18 [(e)] (f) Eleven members appointed by the governor, two of which shall be from the
19 public sector and nine members from the private sector who shall include, but shall not be
20 limited to, individuals who represent technology-based businesses and industrial interests;

21 [(f)] (g) Each of the directors of the corporation who is appointed by the governor shall
22 serve for a term of four years and until a successor is duly appointed; except that, of the directors
23 serving on the corporation as of August 28, 1995, three directors shall be designated by the

24 governor to serve a term of four years, three directors shall be designated to serve a term of three
25 years, three directors shall be designated to serve a term of two years, and two directors shall be
26 designated to serve a term of one year. Each director shall continue to serve until a successor
27 is duly appointed by the governor **unless removed by the governor. The governor may**
28 **remove any director if fully satisfied of his or her inefficiency, neglect of duty, or**
29 **misconduct in office;**

30 (3) [The corporation may receive money from any source, may borrow money, may enter
31 into contracts, and may expend money for any activities appropriate to its purpose;

32 (4) The corporation may appoint staff and do all other things necessary or incidental to
33 carrying out the functions listed in section 348.261;

34 (5) Any changes in the articles of incorporation or bylaws must be approved by the
35 governor;

36 [(6)] (4) The corporation shall submit an annual report to the governor and to the
37 Missouri general assembly. The report shall be due on the first day of November for each year
38 and shall include detailed information on the structure, operation and financial status of the
39 corporation. The corporation shall conduct an annual public hearing to receive comments from
40 interested parties regarding the report, and notice of the hearing shall be given at least fourteen
41 days prior to the hearing; and

42 [(7)] (5) The corporation is subject to an annual audit by the state auditor and that the
43 corporation shall bear the full cost of the audit.

348.261. The corporation, after being certified by the governor as provided by section
2 348.251, may:

3 (1) **Sue and be sued in its official name;**

4 (2) **Adopt and use an official seal;**

5 (3) **Apply for and accept gifts, grants, loans, or contributions from any source,**
6 **public or private;**

7 (4) **Purchase, receive, take by grant, gift, devise, bequest, or otherwise, lease, or**
8 **otherwise acquire, own, hold, improve, employ, use, and otherwise deal in and with, real**
9 **or personal property, or any interest therein, wherever situated;**

10 (5) **Sell, convey, lease, exchange, transfer, or otherwise dispose of, all or any of its**
11 **property or any interest therein, wherever situated;**

12 (6) **Employ and fix the compensation of an executive director and such other agents**
13 **or employees as it considers necessary, however, the department of economic development**
14 **may provide administrative staff support in the event the corporation is not adequately**
15 **funded for employees;**

16 (7) **Make all expenditures which are incident and necessary to carry out its**

17 **purposes and powers;**

18 **(8) Assess or charge a fee for each application it receives for financial incentives**
19 **authorized to be administered by the corporation and assess or charge other fees as the**
20 **corporation determines to be reasonable to carry out its purposes, including, but not**
21 **limited to, fees or premiums for loans;**

22 **(9) Create such other separate accounts outside of the state treasury as deemed**
23 **necessary or appropriate by the corporation to carry out the duties and purposes of**
24 **sections 348.251 to 348.266;**

25 **(10) Establish a statewide business modernization network to assist Missouri businesses**
26 **in identifying ways to enhance productivity and market competitiveness;**

27 **[(2)] (11) Identify scientific and technological problems and opportunities related to the**
28 **economy of Missouri and formulate proposals to overcome those problems or realize those**
29 **opportunities;**

30 **[(3)] (12) Identify specific areas where scientific research and technological investigation**
31 **will contribute to the improvement of productivity of Missouri manufacturers and farmers;**

32 **[(4)] (13) Determine specific areas in which financial investment in scientific and**
33 **technological research and development from private businesses located in Missouri could be**
34 **enhanced or increased if state resources were made available to assist in financing activities;**

35 **[(5)] (14) Assist in establishing cooperative associations of universities in Missouri and**
36 **of private enterprises for the purpose of coordinating research and development programs that**
37 **will, consistent with the primary educational function of the universities, aid in the creation of**
38 **new jobs in Missouri;**

39 **[(6)] (15) Assist in financing the establishment and continued development of**
40 **technology-intensive businesses in Missouri;**

41 **[(7)] (16) Advise universities of the research needs of Missouri business and improve**
42 **the exchange of scientific and technological information for the mutual benefit of universities**
43 **and private business;**

44 **[(8)] (17) Coordinate programs established by universities to provide Missouri**
45 **businesses with scientific and technological information;**

46 **[(9)] (18) Establish programs in scientific education [which] **that** will support the**
47 **accelerated development of technology-intensive businesses in Missouri;**

48 **[(10)] (19) Provide financial assistance through contracts, grants and loans to programs**
49 **of scientific and technological research and development;**

50 **[(11)] (20) Determine how public universities can increase income derived from the sale**
51 **or licensure of products or processes having commercial value that are developed as a result of**
52 **university sponsored research programs;**

53 [(12)] **(21)** Contract with innovation centers, as established in section 348.271, small
54 business development corporations, as established in sections 620.1000 to 620.1007, RSMo,
55 centers for advanced technology, as established in section 348.272, and other entities or
56 organizations for the provision of technology application, technology commercialization and
57 technology development services. Such contracting procedures shall not be subject to the
58 provisions of chapter 34, RSMo; and

59 [(13)] **(22)** Make direct seed capital or venture capital investments in Missouri business
60 investment funds or businesses which demonstrate the promise of growth and job creation.
61 Investments from the corporation may be in the form of debt or equity in the respective
62 businesses.

620.017. **1.** The department of economic development shall require that any contract or
2 agreement with any party which provides grants, loans, **tax credits**, other financial assistance
3 or services, to which a monetary value can be assigned, to such party through a program
4 administered by the department of economic development shall:

5 **(1)** Specify that such party shall use the proceeds of any such grant, loan, other financial
6 assistance or the benefits of any services solely as required by that program through which the
7 loan, grant, financial assistance or service is provided[.];

8 **(2) Describe the economic incentive, including the amount and type of economic**
9 **incentive;**

10 **(3) State why the economic incentive is needed;**

11 **(4) State the public purpose or purposes for the economic incentive;**

12 **(5) State the goal or goals for the economic incentive and the time periods by which**
13 **these goals will be met;**

14 **(6) Describe the financial obligation of the party if the requirements of the contract**
15 **or agreement are not met;**

16 **(7) State the name and address of the parent corporation of the recipient, if any;**
17 **and**

18 **(8) State all other financial assistance known by the department that was received**
19 **by the recipient for the same project.**

20 **2.** In addition, such a contract or agreement shall require that any recipient which uses
21 the proceeds or services for any other purpose or fails to comply with any requirement
22 established by the program through which the loan, grant, **tax credit**, financial assistance or
23 service is provided shall return any remaining proceeds to the department and shall also require
24 that any proceeds expended or the value of any **incentives or services to which a monetary**
25 **value can be assigned** received by the party shall be repaid to the department as required by the
26 contract.

27 **3. The contracts or agreements required by this section shall be governed by and**
28 **enforceable through the applicable provisions of contract law.**

29 **4. The department of economic development shall prepare an annual report**
30 **regarding all economic incentives administered in the previous calendar year and submit**
31 **such report to the governor, the president pro tem of the senate, and the speaker of the**
32 **house of representatives by July first of each year. The annual report shall be made**
33 **available to the public and shall include, but not be limited to, the following elements:**

34 **(1) The total amount of economic incentives awarded by region of the state;**

35 **(2) The total amount of economic incentives awarded by industry;**

36 **(3) The distribution of economic incentives by type and public purpose;**

37 **(4) The distribution of economic incentives by the size of all business recipients; and**

38 **(5) A reporting of any legal action taken by the department or the state with any**
39 **parties which have failed to comply with a contract or agreement pursuant to this section.**

620.1039. 1. As used in this section, the [term] following terms mean:

2 **(1) "Department", the Missouri department of economic development;**

3 **(2) "Director", the director of the department of economic development, or a**
4 **person acting under the supervision of the director;**

5 **(3) "Qualified research expenses", has the same meaning as prescribed in 26**
6 **U.S.C.A. Section 41, except that contract research expenses paid or incurred by the**
7 **taxpayer for research conducted at a university may be counted at one hundred percent**
8 **of such amounts;**

9 **(4) "Targeted industry", an industry or one of a cluster of industries that is**
10 **identified by the department as critical to the state's economic security and growth and**
11 **affirmed as such by the joint committee on economic development policy and planning**
12 **established in section 620.602;**

13 **(5) "Taxpayer" [means], an individual, a partnership, or a corporation as described in**
14 **section 143.441 or 143.471, RSMo, or section 148.370, RSMo, [and the term "qualified research**
15 **expenses" has the same meaning as prescribed in 26 U.S.C. 41] that is a targeted industry;**

16 **(6) "University", a public university of the state of Missouri.**

17 **2. For tax years beginning on or after January 1, 2001, but before January 1, 2004, the**
18 **director [of the department of economic development] may authorize a taxpayer to receive a tax**
19 **credit against the tax otherwise due pursuant to chapter 143, RSMo, or chapter 148, RSMo, other**
20 **than the taxes withheld pursuant to sections 143.191 to 143.265, RSMo, in an amount up to six**
21 **and one-half percent of the excess of the taxpayer's qualified research expenses, as certified by**
22 **the director [of the department of economic development], within this state during the taxable**
23 **year over the average of the taxpayer's qualified research expenses within this state over the**

24 immediately preceding three taxable years; except that, no tax credit shall be allowed on that
25 portion of the taxpayer's qualified research expenses incurred within this state during the taxable
26 year in which the credit is being claimed, to the extent such expenses exceed two hundred
27 percent of the taxpayer's average qualified research expenses incurred during the immediately
28 preceding three taxable years. **For tax years beginning on or after January 1, 2004, the**
29 **director may authorize a taxpayer to receive a tax credit against the tax otherwise due**
30 **pursuant to chapter 143, RSMo, or chapter 148, RSMo, other than the taxes withheld**
31 **pursuant to sections 143.191 to 143.265, RSMo, in an amount up to six and one-half**
32 **percent of the excess of the taxpayer's qualified research expenses, as certified by the**
33 **director, within this state during the taxable year over the average of the taxpayer's**
34 **qualified research expenses within this state over the immediately preceding three taxable**
35 **years; except that, no tax credit shall be allowed on that portion of the taxpayer's qualified**
36 **research expenses incurred within this state during the taxable year in which the credit is**
37 **being claimed, to the extent such expenses exceed two hundred percent of the taxpayer's**
38 **average qualified research expenses incurred during the immediately preceding three**
39 **taxable years, except that a taxpayer that has been in existence for three years shall be**
40 **limited to two hundred percent of the average expenses incurred during the immediately**
41 **preceding two taxable years, a taxpayer that has been in existence for two years shall be**
42 **limited to two hundred percent of the expenses incurred during the immediately preceding**
43 **taxable year, and a taxpayer that has been in existence for one year shall not be so limited.**

44 3. The director [of economic development] shall prescribe the manner in which the tax
45 credit may be applied for. The tax credit authorized by this section may be claimed by the
46 taxpayer to offset the tax liability imposed by chapter 143, RSMo, or chapter 148, RSMo, that
47 becomes due in the tax year during which such qualified research expenses were incurred.
48 Where the amount of the credit exceeds the tax liability, the difference between the credit and
49 the tax liability may only be carried forward for the next five succeeding taxable years or until
50 the full credit has been claimed, whichever first occurs. The application for tax credits
51 authorized by the director pursuant to subsection 2 of this section shall be made no later than the
52 end of the taxpayer's tax period immediately following the tax period for which the credits are
53 being claimed.

54 4. Certificates of tax credit issued pursuant to this section may be transferred, sold or
55 assigned by filing a notarized endorsement thereof with the department which names the
56 transferee and the amount of tax credit transferred. [The director of economic development may
57 allow a taxpayer to transfer, sell or assign up to forty percent of the amount of the certificates of
58 tax credit issued to and not claimed by such taxpayer pursuant to this section during any tax year
59 commencing on or after January 1, 1996, and ending not later than December 31, 1999. Such

60 taxpayer shall file, by December 31, 2001, an application with the department which names the
61 transferee, the amount of tax credit desired to be transferred, and a certification that the funds
62 received by the applicant as a result of the transfer, sale or assignment of the tax credit shall be
63 expended within three years at the state university for the sole purpose of conducting research
64 activities agreed upon by the department, the taxpayer and the state university. Failure to expend
65 such funds in the manner prescribed pursuant to this section shall cause the applicant to be
66 subject to the provisions of section 620.017.]

67 5. No rule or portion of a rule promulgated under the authority of this section shall
68 become effective unless it has been promulgated pursuant to the provisions of chapter 536,
69 RSMo. All rulemaking authority delegated prior to June 27, 1997, is of no force and effect and
70 repealed; however, nothing in this section shall be interpreted to repeal or affect the validity of
71 any rule filed or adopted prior to June 27, 1997, if such rule complied with the provisions of
72 chapter 536, RSMo. The provisions of this section and chapter 536, RSMo, are nonseverable
73 and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo,
74 including the ability to review, to delay the effective date, or to disapprove and annul a rule or
75 portion of a rule, are subsequently held unconstitutional, then the purported grant of rulemaking
76 authority and any rule so proposed and contained in the order of rulemaking shall be invalid and
77 void.

78 6. The [aggregate of all] tax credits authorized pursuant to this section shall not exceed
79 nine million seven hundred thousand dollars in any year.

2 [32.110. Any business firm which engages in the activities of providing
3 physical revitalization, economic development, job training or education for
4 individuals, community services, eligible farmers' markets or crime prevention in the
5 state of Missouri shall receive a tax credit as provided in section 32.115 if the
6 director of the department of economic development annually approves the proposal
7 of the business firm; except that, no proposal shall be approved which does not have
8 the endorsement of the agency of local government within the area in which the
9 business firm is engaging in such activities which has adopted an overall community
10 or neighborhood development plan that the proposal is consistent with such plan.
11 The proposal shall set forth the program to be conducted, the neighborhood area to
12 be served, why the program is needed, the estimated amount to be contributed to the
13 program and the plans for implementing the program. If, in the opinion of the
14 director of the department of economic development, a business firm's contribution
15 can more consistently with the purposes of sections 32.100 to 32.125 be made
16 through contributions to a neighborhood organization as defined in subdivision (15)
17 of section 32.105, tax credits may be allowed as provided in section 32.115. The
18 director of the department of economic development is hereby authorized to
19 promulgate rules and regulations for establishing criteria for evaluating such
proposals by business firms for approval or disapproval and for establishing priorities

20 for approval or disapproval of such proposals by business firms with the assistance
21 and approval of the director of the department of revenue. The total amount of tax
22 credit granted for programs approved pursuant to sections 32.100 to 32.125 shall not
23 exceed fourteen million dollars in fiscal year 1999 and twenty-six million dollars in
24 fiscal year 2000, and any subsequent fiscal year, except as otherwise provided for
25 proposals approved pursuant to section 32.111, 32.112 or 32.117. All tax credits
26 authorized pursuant to the provisions of sections 32.100 to 32.125 may be used as a
27 state match to secure additional federal funding. The total amount of tax credits
28 allowed for programs of neighborhood organizations defined pursuant to paragraph
29 (d) of subdivision (15) of section 32.105 is two and one-half million dollars per fiscal
30 year for fiscal years 2002 to 2006.]

2 [32.117. 1. Any business firm which engages in the activity of providing a
3 homeless assistance project for low-income persons in the state of Missouri shall
4 receive a tax credit as provided in section 32.115, if the division of community
5 development within the department of economic development annually approves the
6 proposal of the business firm. The proposal shall only be approved if the project is
7 located in a city with a population of four hundred thousand or more inhabitants
8 which is located in more than one county and which serves a mix of rural and urban
9 counties.

10 2. For purposes of this section "low-income persons" shall mean families or
11 persons with incomes of fifty percent or less of median income adjusted for family
12 size as allowed by the Department of Housing and Urban Development (HUD) under
13 section 8.

14 3. The purpose of a homeless assistance project shall be to serve low-income
15 families or persons who are experiencing economic crisis caused by one or more of
16 the following:

- 17 (1) Loss of employment;
- 18 (2) Medical disability or emergency;
- 19 (3) Loss or delay of some form of public assistance benefits;
- 20 (4) Natural disaster;
- 21 (5) Substantial change in household composition;
- 22 (6) Victimization by criminal activity;
- 23 (7) Illegal action by a landlord;
- 24 (8) Displacement by government or private action; or
- 25 (9) Some other condition which constitutes a hardship.

26 4. The amount of the tax credit shall not exceed fifty-five percent of the value
27 of the proposal benefits, which shall include one or more of the following types of
28 benefits to low-income persons in order to be eligible:

- 29 (1) Payment of rent or mortgage for not more than three months during any
30 twelve-month period;
- 31 (2) Payment to a landlord of a rent deposit or a security deposit for not more
32 than two months during any twelve-month period;
- (3) Case management services which shall include support services such as

33 child care, education resource assistance, job resource assistance, counseling, and
34 resource and referral;

35 (4) Outreach services to low-income persons to prevent homelessness;

36 (5) Transitional housing facilities with support services.

37 5. The homeless assistance program shall give priority to the following types
38 of low-income families or individuals:

39 (1) Families with minor children who are in imminent danger of removal
40 from the family because of a lack of suitable housing accommodation;

41 (2) Single parent household;

42 (3) Other households with children;

43 (4) Households with a disabled household member or a household member
44 who is at least sixty-five years of age;

45 (5) All other households.

46 6. The organization implementing a homeless assistance program pursuant
47 to this section shall make annual reports identifying the goal of the program, the
48 number of recipients served, the type of services rendered, and moneys expended to
49 provide the program. The program report shall be submitted to the governor, speaker
50 of the house of representatives and the president pro tem of the senate. These reports
51 shall also be available to the general public upon request.

52 7. For each of the fiscal years beginning on July 1, 1991, and July 1, 1992,
53 one million dollars in tax credits may be allowed to be used for the homeless
54 assistance pilot project, pursuant to this section.]

2 [32.120. The decision of the director of the department of economic
3 development to approve or disapprove a proposal pursuant to section 32.110 shall be
4 in writing, and if he approves the proposal, he shall state the maximum credit
5 allowable to the business firm. A copy of the decision of the director of the
6 department of economic development shall be transmitted to the director of revenue
and to the governor.]

2 [32.125. 1. No rule or portion of a rule promulgated under the authority of
3 this chapter or any provisions of any other chapter by the department of revenue shall
4 become effective until it has been approved by the joint committee on administrative
5 rules in accordance with the procedures provided herein, and the delegation of the
6 legislative authority to enact law by the adoption of such rules is dependent upon the
7 power of the joint committee on administrative rules to review and suspend rules
8 pending ratification by the senate and the house of representatives as provided herein.

9 2. Upon filing any proposed rule with the secretary of state, the department
10 of revenue shall concurrently submit such proposed rule to the committee, which may
11 hold hearings upon any proposed rule or portion thereof at any time.

12 3. A final order of rulemaking shall not be filed with the secretary of state
13 until thirty days after such final order of rulemaking has been received by the
14 committee. The committee may hold one or more hearings upon such final order of
15 rulemaking during the thirty-day period. If the committee does not disapprove such
order of rulemaking within the thirty-day period, the department of revenue may file

16 such order of rulemaking with the secretary of state and the order of rulemaking shall
17 be deemed approved.

18 4. The committee may, by majority vote of the members, suspend the order
19 of rulemaking or portion thereof by action taken prior to the filing of the final order
20 of rulemaking only for one or more of the following grounds:

21 (1) An absence of statutory authority for the proposed rule;

22 (2) An emergency relating to public health, safety or welfare;

23 (3) The proposed rule is in conflict with state law;

24 (4) A substantial change in circumstance since enactment of the law upon
25 which the proposed rule is based.

26 5. If the committee disapproves any rule or portion thereof, the department
27 of revenue shall not file such disapproved portion of any rule with the secretary of
28 state and the secretary of state shall not publish in the Missouri Register any final
29 order of rulemaking containing the disapproved portion.

30 6. If the committee disapproves any rule or portion thereof, the committee
31 shall report its findings to the senate and the house of representatives. No rule or
32 portion thereof disapproved by the committee shall take effect so long as the senate
33 and the house of representatives ratify the act of the joint committee by resolution
34 adopted in each house within thirty legislative days after such rule or portion thereof
35 has been disapproved by the joint committee.

36 7. Upon adoption of a rule as provided herein, any such rule or portion
37 thereof may be suspended or revoked by the general assembly either by bill or,
38 pursuant to section 8, article IV of the constitution, by concurrent resolution upon
39 recommendation of the joint committee on administrative rules. The committee shall
40 be authorized to hold hearings and make recommendations pursuant to the provisions
41 of section 536.037, RSMo. The secretary of state shall publish in the Missouri
42 Register, as soon as practicable, notice of the suspension or revocation.]

2 [135.460. 1. Section 135.460 and sections 620.1100 and 620.1103, RSMo,
3 shall be known and may be cited as the "Youth Opportunities and Violence
4 Prevention Act".

5 2. As used in this section, the term "taxpayer" shall include corporations as
6 defined in section 143.441 or 143.471, RSMo, and individuals, individual
7 proprietorships and partnerships.

8 3. A taxpayer shall be allowed a tax credit against the tax otherwise due
9 pursuant to chapter 143, RSMo, excluding withholding tax imposed by sections
10 143.191 to 143.265, RSMo, chapter 147, RSMo, chapter 148, RSMo, or chapter 153,
11 RSMo, in an amount equal to thirty percent for property contributions and fifty
12 percent for monetary contributions of the amount such taxpayer contributed to the
13 programs described in subsection 5 of this section, not to exceed two hundred
14 thousand dollars per taxable year, per taxpayer; except as otherwise provided in
15 subdivision (5) of subsection 5 of this section. The department of economic
16 development shall prescribe the method for claiming the tax credits allowed in this
section. No rule or portion of a rule promulgated under the authority of this section

17 shall become effective unless it has been promulgated pursuant to the provisions of
18 chapter 536, RSMo. All rulemaking authority delegated prior to June 27, 1997, is of
19 no force and effect and repealed; however, nothing in this section shall be interpreted
20 to repeal or affect the validity of any rule filed or adopted prior to June 27, 1997, if
21 such rule complied with the provisions of chapter 536, RSMo. The provisions of this
22 section and chapter 536, RSMo, are nonseverable and if any of the powers vested
23 with the general assembly pursuant to chapter 536, RSMo, including the ability to
24 review, to delay the effective date, or to disapprove and annul a rule or portion of a
25 rule, are subsequently held unconstitutional, then the purported grant of rulemaking
26 authority and any rule so proposed and contained in the order of rulemaking shall be
27 invalid and void.

28 4. The tax credits allowed by this section shall be claimed by the taxpayer to
29 offset the taxes that become due in the taxpayer's tax period in which the contribution
30 was made. Any tax credit not used in such tax period may be carried over the next
31 five succeeding tax periods.

32 5. The tax credit allowed by this section may only be claimed for monetary
33 or property contributions to public or private programs authorized to participate
34 pursuant to this section by the department of economic development and may be
35 claimed for the development, establishment, implementation, operation, and
36 expansion of the following activities and programs:

37 (1) An adopt-a-school program. Components of the adopt-a-school program
38 shall include donations for school activities, seminars, and functions; school-business
39 employment programs; and the donation of property and equipment of the
40 corporation to the school;

41 (2) Expansion of programs to encourage school dropouts to reenter and
42 complete high school or to complete a graduate equivalency degree program;

43 (3) Employment programs. Such programs shall initially, but not
44 exclusively, target unemployed youth living in poverty and youth living in areas with
45 a high incidence of crime;

46 (4) New or existing youth clubs or associations;

47 (5) Employment/internship/apprenticeship programs in business or trades for
48 persons less than twenty years of age, in which case the tax credit claimed pursuant
49 to this section shall be equal to one-half of the amount paid to the intern or apprentice
50 in that tax year, except that such credit shall not exceed ten thousand dollars per
51 person;

52 (6) Mentor and role model programs;

53 (7) Drug and alcohol abuse prevention training programs for youth;

54 (8) Donation of property or equipment of the taxpayer to schools, including
55 schools which primarily educate children who have been expelled from other
56 schools, or donation of the same to municipalities, or not-for-profit corporations or
57 other not-for-profit organizations which offer programs dedicated to youth violence
58 prevention as authorized by the department;

59 (9) Not-for-profit, private or public youth activity centers;

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- (10) Nonviolent conflict resolution and mediation programs;
- (11) Youth outreach and counseling programs.

6. Any program authorized in subsection 5 of this section shall, at least annually, submit a report to the department of economic development outlining the purpose and objectives of such program, the number of youth served, the specific activities provided pursuant to such program, the duration of such program and recorded youth attendance where applicable.

7. The department of economic development shall, at least annually submit a report to the Missouri general assembly listing the organizations participating, services offered and the number of youth served as the result of the implementation of this section.

8. The tax credit allowed by this section shall apply to all taxable years beginning after December 31, 1995.

9. For the purposes of the credits described in this section, in the case of a corporation described in section 143.471, RSMo, partnership, limited liability company described in section 347.015, RSMo, cooperative, marketing enterprise, or partnership, in computing Missouri's tax liability, such credits shall be allowed to the following:

- (1) The shareholders of the corporation described in section 143.471, RSMo;
- (2) The partners of the partnership;
- (3) The members of the limited liability company; and
- (4) Individual members of the cooperative or marketing enterprise.

Such credits shall be apportioned to the entities described in subdivisions (1) and (2) of this subsection in proportion to their share of ownership on the last day of the taxpayer's tax period.]

[135.535. 1. A corporation, limited liability corporation, partnership or sole proprietorship, which moves its operations from outside Missouri or outside a distressed community into a distressed community, or which commences operations in a distressed community on or after January 1, 1999, and in either case has more than seventy-five percent of its employees at the facility in the distressed community, and which has fewer than one hundred employees for whom payroll taxes are paid, and which is a manufacturing, biomedical, medical devices, scientific research, animal research, computer software design or development, computer programming, telecommunications or a professional firm shall receive a forty percent credit against income taxes owed pursuant to chapter 143, 147 or 148, RSMo, other than taxes withheld pursuant to sections 143.191 to 143.265, RSMo, for each of the three years after such move, if approved by the department of economic development, which shall issue a certificate of eligibility if the department determines that the taxpayer is eligible for such credit. The maximum amount of credits per taxpayer set forth in this subsection shall not exceed one hundred twenty-five thousand dollars for each of the three years for which the credit is claimed. The department of economic development, by means of rule or regulation promulgated pursuant to the provisions of chapter 536, RSMo, shall assign appropriate standard industrial classification

19 numbers to the companies which are eligible for the tax credits provided for in this
20 section. Such three-year credits shall be awarded only one time to any company
21 which moves its operations from outside of Missouri or outside of a distressed
22 community into a distressed community or to a company which commences
23 operations within a distressed community. A taxpayer shall file an application for
24 certification of the tax credits for the first year in which credits are claimed and for
25 each of the two succeeding taxable years for which credits are claimed.

26 2. Employees of such facilities physically working and earning wages for that
27 work within a distressed community whose employers have been approved for tax
28 credits pursuant to subsection 1 of this section by the department of economic
29 development for whom payroll taxes are paid shall, also be eligible to receive a tax
30 credit against individual income tax, imposed pursuant to chapter 143, RSMo, equal
31 to one and one-half percent of their gross salary paid at such facility earned for each
32 of the three years that the facility receives the tax credit provided by this section, so
33 long as they were qualified employees of such entity. The employer shall calculate
34 the amount of such credit and shall report the amount to the employee and the
35 department of revenue.

36 3. A tax credit against income taxes owed pursuant to chapter 143, 147 or
37 148, RSMo, other than the taxes withheld pursuant to sections 143.191 to 143.265,
38 RSMo, in lieu of the credit against income taxes as provided in subsection 1 of this
39 section, may be taken by such an entity in a distressed community in an amount of
40 forty percent of the amount of funds expended for computer equipment and its
41 maintenance, medical laboratories and equipment, research laboratory equipment,
42 manufacturing equipment, fiber optic equipment, high speed telecommunications,
43 wiring or software development expense up to a maximum of seventy-five thousand
44 dollars in tax credits for such equipment or expense per year per entity and for each
45 of three years after commencement in or moving operations into a distressed
46 community. A corporation, partnership or sole proprietorship, which has no more
47 than one hundred employees for whom payroll taxes are paid, and which is already
48 located in a distressed community, which expends funds for such equipment as set
49 forth in this subsection in an amount exceeding its average of the prior two years for
50 such equipment, shall be eligible to receive a twenty-five percent tax credit against
51 income taxes owed pursuant to chapters 143, 147 and 148, RSMo, up to a maximum
52 of seventy-five thousand dollars in tax credits for such additional equipment and
53 expense per such entity. Tax credits pursuant to this subsection or subsection 1 may
54 be used to satisfy the state tax liability due in the tax year the credit is certified, and
55 that was due during the previous three years, and in any of the five tax years
56 thereafter.

57 4. Tax credits shall be approved for applicants meeting the requirements of
58 this section in the order that such applications are received. Certificates of tax credits
59 issued in accordance with this section may be transferred, sold or assigned by
60 notarized endorsement which names the transferee.

61 5. The tax credits allowed pursuant to subsections 1, 2 and 3 of this section

62 shall be for an amount of no more than ten million dollars for each year beginning
63 in 1999. The total maximum credit for all entities already located in distressed
64 communities and claiming credits pursuant to subsection 3 of this section shall be
65 seven hundred and fifty thousand dollars. The department of economic development
66 in approving taxpayers for the credit as provided for in subsection 4 of this section
67 shall use information provided by the department of revenue regarding taxes paid in
68 the previous year, or projected taxes for those entities newly established in the state,
69 as the method of determining when this maximum will be reached and shall maintain
70 a record of the order of approval. Any tax credit not used in the period for which the
71 credit was approved may be carried over until the full credit has been allowed.

72 6. A Missouri employer relocating into a distressed community and having
73 employees covered by a collective bargaining agreement at the facility from which
74 it is relocating shall not be eligible for the credits in subsection 1 or 3 of this section,
75 and its employees shall not be eligible for the credit in subsection 2 of this section if
76 the relocation violates or terminates a collective bargaining agreement covering
77 employees at the facility, unless the affected collective bargaining unit concurs with
78 the move.

79 7. Notwithstanding any provision of law to the contrary, no taxpayer shall
80 earn the tax credits allowed in this section and the tax credits otherwise allowed in
81 section 135.110, or the tax credits, exemptions, and refund otherwise allowed in
82 sections 135.200, 135.220, 135.225 and 135.245, respectively, for the same business
83 for the same tax period.

84 8. An existing business located within a distressed community, that hires new
85 employees within such distressed communities may be eligible for the tax credits
86 provided in this section. In order to be eligible for such tax credits, the business
87 located within the distressed community, during one of its tax years, must employ
88 within such distressed communities at least twice as many workers as were employed
89 at the beginning of that tax year. Prior to the addition of the new employees, the
90 business shall have no more than one hundred employees. The provisions of this
91 section shall apply only to a business which is a manufacturing, biomedical, medical
92 devices, scientific research, animal research, computer software design or
93 development, computer programming, or telecommunications business or a
94 professional firm.]

2 [135.535. 1. A corporation, limited liability corporation, partnership or sole
3 proprietorship, which moves its operations from outside Missouri or outside a
4 distressed community into a distressed community, or which commences operations
5 in a distressed community on or after January 1, 1999, and in either case has more
6 than seventy-five percent of its employees at the facility in the distressed community,
7 and which has fewer than one hundred employees for whom payroll taxes are paid,
8 and which is a manufacturing, biomedical, medical devices, scientific research,
9 animal research, computer software design or development, computer programming,
10 telecommunications or a professional firm shall receive a forty percent credit against
income taxes owed pursuant to chapter 143, 147 or 148, RSMo, other than taxes

11 withheld pursuant to sections 143.191 to 143.265, RSMo, for each of the three years
12 after such move, if approved by the department of economic development, which
13 shall issue a certificate of eligibility if the department determines that the taxpayer
14 is eligible for such credit. The maximum amount of credits per taxpayer set forth in
15 this subsection shall not exceed one hundred twenty-five thousand dollars for each
16 of the three years for which the credit is claimed. The department of economic
17 development, by means of rule or regulation promulgated pursuant to the provisions
18 of chapter 536, RSMo, shall assign appropriate standard industrial classification
19 numbers to the companies which are eligible for the tax credits provided for in this
20 section. Such three-year credits shall be awarded only one time to any company
21 which moves its operations from outside of Missouri or outside of a distressed
22 community into a distressed community or to a company which commences
23 operations within a distressed community. A taxpayer shall file an application for
24 certification of the tax credits for the first year in which credits are claimed and for
25 each of the two succeeding taxable years for which credits are claimed.

26 2. Employees of such facilities physically working and earning wages for that
27 work within a distressed community whose employers have been approved for tax
28 credits pursuant to subsection 1 of this section by the department of economic
29 development for whom payroll taxes are paid shall, also be eligible to receive a tax
30 credit against individual income tax, imposed pursuant to chapter 143, RSMo, equal
31 to one and one-half percent of their gross salary paid at such facility earned for each
32 of the three years that the facility receives the tax credit provided by this section, so
33 long as they were qualified employees of such entity. The employer shall calculate
34 the amount of such credit and shall report the amount to the employee and the
35 department of revenue.

36 3. A tax credit against income taxes owed pursuant to chapter 143, 147 or
37 148, RSMo, other than the taxes withheld pursuant to sections 143.191 to 143.265,
38 RSMo, in lieu of the credit against income taxes as provided in subsection 1 of this
39 section, may be taken by such an entity in a distressed community in an amount of
40 forty percent of the amount of funds expended for computer equipment and its
41 maintenance, medical laboratories and equipment, research laboratory equipment,
42 manufacturing equipment, fiber optic equipment, high speed telecommunications,
43 wiring or software development expense up to a maximum of seventy-five thousand
44 dollars in tax credits for such equipment or expense per year per entity and for each
45 of three years after commencement in or moving operations into a distressed
46 community.

47 4. A corporation, partnership or sole partnership, which has no more than one
48 hundred employees for whom payroll taxes are paid, which is already located in a
49 distressed community and which expends funds for such equipment pursuant to
50 subsection 3 of this section in an amount exceeding its average of the prior two years
51 for such equipment, shall be eligible to receive a tax credit against income taxes
52 owed pursuant to chapters 143, 147 and 148, RSMo, in an amount equal to the lesser
53 of seventy-five thousand dollars or twenty-five percent of the funds expended for

54 such additional equipment per such entity. Tax credits allowed pursuant to this
55 subsection or subsection 1 of this section may be carried back to any of the three
56 prior tax years and carried forward to any of the five tax years.

57 5. An existing corporation, partnership or sole proprietorship that is located
58 within a distressed community and that relocates employees from another facility
59 outside of the distressed community to its facility within the distressed community,
60 and an existing business located within a distressed community that hires new
61 employees for that facility may both be eligible for the tax credits allowed by
62 subsections 1 and 3 of this section. To be eligible for such tax credits, such a
63 business, during one of its tax years, shall employ within a distressed community at
64 least twice as many employees as were employed at the beginning of that tax year.
65 A business hiring employees shall have no more than one hundred employees before
66 the addition of the new employees. This subsection shall only apply to a business
67 which is a manufacturing, biomedical, medical devices, scientific research, animal
68 research, computer software design or development, computer programming or
69 telecommunications business, or a professional firm.

70 6. Tax credits shall be approved for applicants meeting the requirements of
71 this section in the order that such applications are received. Certificates of tax credits
72 issued in accordance with this section may be transferred, sold or assigned by
73 notarized endorsement which names the transferee.

74 7. The tax credits allowed pursuant to subsections 1, 2, 3, 4 and 5 of this
75 section shall be for an amount of no more than ten million dollars for each year
76 beginning in 1999. The total maximum credit for all entities already located in
77 distressed communities and claiming credits pursuant to subsection 4 of this section
78 shall be seven hundred and fifty thousand dollars. The department of economic
79 development in approving taxpayers for the credit as provided for in subsection 6 of
80 this section shall use information provided by the department of revenue regarding
81 taxes paid in the previous year, or projected taxes for those entities newly established
82 in the state, as the method of determining when this maximum will be reached and
83 shall maintain a record of the order of approval. Any tax credit not used in the period
84 for which the credit was approved may be carried over until the full credit has been
85 allowed.

86 8. A Missouri employer relocating into a distressed community and having
87 employees covered by a collective bargaining agreement at the facility from which
88 it is relocating shall not be eligible for the credits in subsection 1, 3, 4 or 5 of this
89 section, and its employees shall not be eligible for the credit in subsection 2 of this
90 section if the relocation violates or terminates a collective bargaining agreement
91 covering employees at the facility, unless the affected collective bargaining unit
92 concurs with the move.

93 9. Notwithstanding any provision of law to the contrary, no taxpayer shall
94 earn the tax credits allowed in this section and the tax credits otherwise allowed in
95 section 135.110, or the tax credits, exemptions, and refund otherwise allowed in
96 sections 135.200, 135.220, 135.225 and 135.245, respectively, for the same business

97 for the same tax period.]

2 [135.545. A taxpayer shall be allowed a credit for taxes paid pursuant to
3 chapter 143, 147 or 148, RSMo, in an amount equal to fifty percent of a qualified
4 investment in transportation development for aviation, mass transportation, including
5 parking facilities for users of mass transportation, railroads, ports, including parking
6 facilities and limited access roads within ports, waterborne transportation, bicycle
7 and pedestrian paths, or rolling stock located in a distressed community as defined
8 in section 135.530, and which are part of a development plan approved by the
9 appropriate local agency. If the department of economic development determines the
10 investment has been so approved, the department shall grant the tax credit in order
11 of date received. A taxpayer may carry forward any unused tax credit for up to ten
12 years and may carry it back for the previous three years until such credit has been
13 fully claimed. Certificates of tax credit issued in accordance with this section may
14 be transferred, sold or assigned by notarized endorsement which names the
15 transferee. The tax credits allowed pursuant to this section shall be for an amount of
16 no more than ten million dollars for each year. This credit shall apply to returns filed
17 for all taxable years beginning on or after January 1, 1999. Any unused portion of
18 the tax credit authorized pursuant to this section shall be available for use in the
future by those entities until fully claimed.]

2 [135.750. 1. Beginning January 1, 1999, a taxpayer shall be granted a tax
3 credit against the tax otherwise due pursuant to chapter 143, RSMo, excluding
4 withholding tax imposed by sections 143.191 to 143.261, RSMo, or chapter 148,
5 RSMo, for up to fifty percent of the amount of investment in production or
6 production-related activities in a qualified film production project. As used in this
7 section, the term "taxpayer" means an individual, a partnership, or a corporation as
8 described in section 143.441, 143.471, RSMo, or section 148.370, RSMo, and the
9 term "qualified film production project" means any film production project with an
10 expected in-state expenditure budget in excess of three hundred thousand dollars.
11 Each film production company shall be limited to one qualified film production
12 project per year. Activities qualifying a taxpayer for the tax credit pursuant to this
13 subsection shall be approved by the office of the Missouri film commission and the
14 department of economic development.

15 2. Taxpayers shall apply for the film production tax credit by submitting an
16 application to the department of economic development, on a form provided by the
17 department. As part of the application, the expected in-state expenditures of the
18 qualified film production project shall be documented. In addition, the application
19 shall include an economic impact statement, showing the economic impact from the
20 activities of the film production project. Such economic impact statement shall
21 indicate the impact on the region of the state in which the film production or
22 production-related activities are located and on the state as a whole.

23 3. Tax credits certified pursuant to subsection 1 of this section shall not
24 exceed five hundred thousand dollars per taxpayer per year, and shall not exceed a
total for all tax credits certified of one million dollars per year. Taxpayers may carry

25 forward unused credits for up to five tax periods, provided all such credits shall be
 26 claimed within ten tax periods following the tax period in which the film production
 27 or production-related activities for which the credits are certified by the department
 28 occurred.

29 4. Notwithstanding any provision of law to the contrary, any taxpayer may
 30 sell, assign, exchange, convey or otherwise transfer tax credits allowed in subsection
 31 1 of this section. The taxpayer acquiring the tax credits may use the acquired credits
 32 to offset the tax liabilities otherwise imposed by chapter 143, RSMo, excluding
 33 withholding tax imposed by sections 143.191 to 143.261, RSMo, or chapter 148,
 34 RSMo. Unused acquired credits may be carried forward for up to five tax periods,
 35 provided all such credits shall be claimed within ten tax periods following the tax
 36 period in which the film production or production-related activities for which the
 37 credits are certified by the department occurred.]

2 [135.766. An eligible small business, as defined in Section 44 of the Internal
 3 Revenue Code, shall be allowed a credit against the tax otherwise due pursuant to
 4 chapter 143, RSMo, not including sections 143.191 to 143.265, RSMo, in an amount
 5 equal to any amount paid by the eligible small business to the United States Small
 6 Business Administration as a guaranty fee pursuant to obtaining Small Business
 7 Administration guaranteed financing and to programs administered by the United
 States Department of Agriculture for rural development or farm service agencies.]

2 [620.1100. 1. The "Youth Opportunities and Violence Prevention Program"
 3 is hereby established in the division of community and economic development of the
 4 department of economic development to broaden and strengthen opportunities for
 5 positive development and participation in community life for youth, and to
 6 discourage such persons from engaging in criminal and violent behavior. For the
 7 purposes of section 135.460, RSMo, this section and section 620.1103, the term
 8 "advisory committee" shall mean an advisory committee to the division of
 9 community and economic development established pursuant to this section composed
 10 of ten members of the public. The ten members of the advisory committee shall
 11 include members of the private sector with expertise in youth programs, and at least
 12 one person under the age of twenty-one. Such members shall be appointed for
 two-year terms by the director of the department of economic development.

13 2. The "Youth Opportunities and Violence Prevention Fund" is hereby
 14 established in the state treasury and shall be administered by the department of
 15 economic development. The department may accept for deposit into the fund any
 16 grants, bequests, gifts, devises, contributions, appropriations, federal funds, and any
 17 other funds from whatever source derived. Moneys in the fund shall be used solely
 18 for purposes provided in section 135.460, RSMo, this section and section 620.1103.
 19 Any unexpended balance in the fund at the end of a fiscal year shall be exempt from
 20 the provisions of section 33.080, RSMo, relating to the transfer of unexpended
 21 balances to the general revenue fund.

22 3. The department of economic development in conjunction with the
 23 advisory committee shall establish program criteria and evaluation methods for tax

24 credits claimed pursuant to section 135.460, RSMo. Such criteria and evaluation
25 methods shall measure program effectiveness and outcomes, and shall give priority
26 to local, neighborhood, community-based programs. The department shall monitor
27 and evaluate all programs funded pursuant to section 135.460, RSMo, this section
28 and section 620.1103. Such programs shall provide a priority for applications from
29 areas of the state which have statistically higher incidence of crime, violence and
30 poverty and such programs shall be funded before the programs which have applied
31 from areas which do not exhibit crime, violence, and poverty to the same degree.
32 The committee shall focus and support specific programs designed to generate
33 self-esteem and a positive self-reliance in youth and which abate youth violence.

34 4. The department shall develop and operate a database which lists all
35 participating and related programs. The database shall include indexes and cross
36 references and shall be accessible by the public by computer-modem connection.
37 The division of data processing and telecommunications of the office of
38 administration and the department of economic development shall cooperate with the
39 advisory committee in the development and operation of the program.]

2 [620.1103. 1. Notwithstanding any provision of law to the contrary, the
3 department may in its discretion assign moneys from the youth opportunities and
4 violence prevention fund to any entity designated by the department, for programs
5 designated in section 135.460, RSMo, section 620.1100 and this section, including,
6 but not limited to, schools, state agencies, political subdivisions and agencies thereof,
7 not-for-profit corporations or not-for-profit organizations, the Missouri youth
8 conservation corps, community action agencies, caring community programs, or any
9 other entity or program such as any early childhood program, including, but not
10 limited to, the parents as teachers program or similar programs; provided that, such
11 assignment of funds does not exceed fifteen percent of the total value of the fund, and
12 provided further that no more than ten percent of such funds assigned shall be used
13 for administrative purposes.

14 2. Any entity receiving funds pursuant to the youth opportunities and
15 violence prevention act shall sign an agreement to utilize such funds for the programs
16 designated in section 135.460, RSMo, section 620.1100 and this section. The state
17 auditor may conduct an audit to monitor the utilization of funds assigned by the
18 department. If an entity uses funds for purposes other than for the programs
19 designated in section 135.460, RSMo, section 620.1100 and this section, the
department shall require the entity to repay such funds to the department.]

2 [620.1400. Sections 620.1400 to 620.1460 shall be known and may be cited
3 as the "Missouri Individual Training Account Program Act" and its provisions shall
4 be effective only within distressed communities as defined by section 135.530,
RSMo.]

2 [620.1410. There is hereby established an "Individual Training Account
3 Program" within the department of economic development. Job training and
4 retraining activities conducted pursuant to the provisions of sections 620.1400 to
620.1460 shall be directed to employee advancement, where jobs are linked to

5 training before the training commences, and shall emphasize upgrade training where
6 current or potential employers, by means of educational programs, provide existing
7 employees with training for higher skilled positions. Job training activities provided
8 pursuant to the provisions of the individual training account program shall attempt
9 to prepare employed workers, including those with obsolete or inadequate job skills,
10 for positions that remain unfilled or that may be created by current or potential
11 employers.]

2 [620.1420. As used in sections 620.1400 to 620.1460, the following terms
3 mean:

4 (1) "Costs of classroom training", the normal costs incurred in the provision
5 of classroom training which may also include specifically identified costs incurred
6 for instructors, classroom space and facilities, administrative support services, and
7 directly related expenses, that together do not exceed the amount normally allowed
8 for support of vocational and technical classes;

9 (2) "Department", the department of economic development;

10 (3) "Employee", a full-time or part-time employed worker whose salary is
11 equal to or less than two hundred percent of the federal poverty level;

12 (4) "Employee upgrade training", the progressive development of skills
13 associated with the defined set of work processes. Such training shall be consistent
14 with a career pattern of advancement, as measured by skill proficiency and the
15 progressive earnings and related benefits, that are recognized within an occupation,
16 trade or industry;

17 (5) "Individual training account", an account funded by the tax credits
18 provided for in section 620.1440 for the provision of employee upgrade training to
19 employees through their participation in classroom training provided by educational
20 institutions;

21 (6) "Local educational institution", a publicly funded or privately funded
22 local educational institution which is certified by a recognized accrediting association
23 as capable of providing adequate classroom training to accomplish the purpose of
sections 620.1400 to 620.1460.]

2 [620.1430. 1. A Missouri employer who desires to participate in the
3 individual training account program shall provide the department of economic
4 development with notification of intent to participate. The notification shall include,
5 but need not be limited to, the names and occupations of employees whom the
6 employer has selected to be trained, whether or not the employees are currently
7 working for the employer, the name of the local educational institution that will
8 provide the training, and a brief description of the training to be given by the
9 institution.

10 2. The employer shall have complete discretion in the selection of the local
11 educational institution or institutions to provide training and shall be responsible for
the payment of the costs of classroom training.]

2 [620.1440. 1. Employers may be reimbursed for the costs of training
provided pursuant to the provisions of the individual training account program. Such

3 reimbursement shall be in the form of tax credits as authorized in subsection 2 of this
4 section. The tax credits may be claimed for courses provided in no more than two
5 calendar years for each employee. For each year, the maximum amount of credit per
6 employee which can be certified by the department of economic development shall
7 be the lesser of fifty percent of the costs of classroom training or one thousand five
8 hundred dollars.

9 2. Tax credits may be claimed against any liability incurred by the employer
10 pursuant to the provisions of chapter 143, RSMo, and chapter 148, RSMo, exclusive
11 of the provisions relating to the withholding of tax as provided for in sections
12 143.191 to 143.265, RSMo. Earned tax credits may be carried forward for a period
13 not to exceed five years and may be sold or transferred.

14 3. No claim for tax credits submitted to the department by an employer shall
15 be certified until the employer provides documentation that an employee has
16 successfully completed the employee's course training and has been employed by the
17 employer in a new, full-time position for a period of at least three months. It must
18 be demonstrated satisfactorily to the department that the new position in which the
19 employee located is an upgrade in employment, in terms of salary and
20 responsibilities, from the previously held position. All such increases in salary shall
21 be in addition to normal cost-of-living increases provided for in authorized
22 labor-management contracts. If the employee was previously employed in a
23 part-time position, the base salary for the position shall be calculated as if it were a
24 full-time position.]

2 [620.1450. The maximum amount of tax credits allowable pursuant to the
3 provisions of the individual training account program shall not annually exceed six
4 million dollars.]

5 [620.1460. The department of economic development may promulgate
6 necessary rules and regulations to carry out the provisions of sections 620.1400 to
7 620.1460. No rule or portion of a rule promulgated pursuant to the authority of
8 sections 620.1400 to 620.1460 shall become effective unless it has been promulgated
9 pursuant to the provisions of chapter 536, RSMo.]

10 [620.1560. 1. For purposes of this section, the following terms mean:

11 (1) "Department", the department of economic development;

12 (2) "Disadvantaged", an individual shall be considered disadvantaged and
13 eligible to participate in the program if such individual meets any one of the
14 following elements:

15 (a) The family income is at or below one hundred fifty percent of the poverty
16 line;

17 (b) The individual is receiving public support for the care of a foster child;

18 (c) The individual faces serious barriers to employment including displaced
19 homemakers; dislocated workers; veterans; or individuals who possess outdated
20 skills;

21 (3) "Program", the mature worker child care program.

22 2. There is hereby established within the department of economic

14 development a program to be known as the "Mature Worker Child Care Program".
15 The program will administer a statewide community service, in cooperation with the
16 neighborhood assistance program, to enroll disadvantaged individuals, who are fifty
17 years of age or older, to work in child-care assignments. Enrollees may include
18 qualified individuals who are currently participating in existing community service
19 programs.

20 3. The department shall solicit proposals from organizations seeking to
21 contract to supervise the participants. Organizations that are awarded a contract will
22 be responsible for recruiting and training participants, locating child-care
23 assignments, and paying participants. Contract proposals shall include:

24 (1) A requirement that participants in the program be paid the federal
25 minimum wage;

26 (2) A process that allows participants to work an average of twenty- four
27 hours a week for public and not-for-profit day care providers and for school latch-key
28 programs that provide before- and after-school care;

29 (3) A description of the range of services to be performed by program
30 participants, including, but not limited to, child care, food preparation, transportation,
31 activity coordination, and clerical duties;

32 (4) A requirement that the participating facilities provide proof of required
33 licensure under sections 210.201 to 210.259, RSMo, with the exception of the public
34 school system.

35 4. The program shall be implemented by July 1, 2000, and shall be funded
36 through general revenue funds with no more than twelve percent of the funds to be
37 used for administrative purposes.

38 5. In addition to tax credits currently available under the neighborhood
39 assistance program, a participating facility shall be allowed a credit against the tax
40 imposed by chapter 143, RSMo, excluding withholding tax imposed by sections
41 143.191 to 143.265, RSMo, and chapter 147, 148 or 153, RSMo, pursuant to this
42 section. The amount of tax credit claimed shall not exceed the amount of the
43 taxpayer's state tax liability for the taxable year that the credit is claimed. Taxpayers
44 eligible for such tax credit may transfer, sell or assign them. Individual salaries up
45 to ten thousand dollars per program participant each taxable year are eligible for the
46 tax credit which shall not exceed twenty-five percent of the eligible salary amount.
47 Total tax credits taken through the program shall not exceed two million dollars.

48 6. The department of economic development shall verify all tax credit claims
49 by participating facilities. The tax credit allowed by this section shall apply to all
50 taxable years beginning after December 31, 1999.

51 7. Subject to appropriations and to the provisions of chapter 34, RSMo, the
52 oversight division of the committee on legislative research shall award up to thirty
53 thousand dollars every two years for an independent evaluation of the program.
54 Based on this program evaluation, the department shall provide a comprehensive
55 report on the program to the speaker of the house and the president pro tem of the
56 senate by March first of each year, beginning in 2001.]

Section B. The repeal and reenactment of sections 100.105, 135.350, 135.352, 135.355,
2 135.361, 135.362, 135.363, 620.017, and 620.1039 of section A of this act shall become
3 effective on January 1, 2004.

Section C. The repeal of section 135.545, section 135.535 as enacted by conference
2 committee substitute for senate substitute for senate committee substitute for house substitute
3 for house committee substitute for house bill no. 701 of the ninetieth general assembly, first
4 regular session, and section 135.535 as enacted by conference committee substitute no. 2 for
5 house substitute for house committee substitute for senate bill no. 20 of the ninetieth general
6 assembly, first regular session, shall become effective on January 1, 2004.

Section D. The repeal and reenactment of sections 32.100, 32.105, and 32.115 shall
2 become effective on January 1, 2006.

Section E. The repeal of sections 32.110, 32.117, 32.120, 135.460, 620.1100, 620.1103,
2 and section 32.125 as enacted by house substitute for senate bill no. 374, eighty-eighth general
3 assembly, first regular session, shall become effective on January 1, 2006.