

FIRST REGULAR SESSION

HOUSE BILL NO. 1163

99TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE BARNES (60).

1670H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 32.115, 67.3005, 99.1205, 100.286, 100.297, 100.850, 135.110, 135.225, 135.235, 135.245, 135.305, 135.352, 135.403, 135.481, 135.490, 135.503, 135.535, 135.545, 135.680, 135.710, 135.750, 135.766, 135.967, 208.770, 253.550, 320.093, 348.302, 447.708, 620.495, 620.644, 620.1039, 620.1881, 620.1910, and 620.2600, RSMo, and to enact in lieu thereof thirty-five new sections relating to tax credits.

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

Section A. Sections 32.115, 67.3005, 99.1205, 100.286, 100.297, 100.850, 135.110, 2 135.225, 135.235, 135.245, 135.305, 135.352, 135.403, 135.481, 135.490, 135.503, 135.535, 3 135.545, 135.680, 135.710, 135.750, 135.766, 135.967, 208.770, 253.550, 320.093, 348.302, 4 447.708, 620.495, 620.644, 620.1039, 620.1881, 620.1910, and 620.2600, RSMo, are repealed 5 and thirty-five new sections enacted in lieu thereof, to be known as sections 32.115, 67.3005, 6 99.1205, 100.286, 100.297, 100.850, 135.110, 135.225, 135.235, 135.245, 135.305, 135.352, 7 135.403, 135.481, 135.490, 135.503, 135.535, 135.545, 135.680, 135.710, 135.750, 135.766, 8 135.840, 135.967, 208.770, 253.550, 320.093, 348.302, 447.708, 620.495, 620.644, 620.1039, 9 620.1881, 620.1910, and 620.2600, to read as follows:

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

- 3 (1) The annual tax on gross premium receipts of insurance companies in chapter 148;
- 4 (2) The tax on banks determined pursuant to subdivision (2) of subsection 2 of section 5 148.030;
- 6 (3) The tax on banks determined in subdivision (1) of subsection 2 of section 148.030;
- 7 (4) The tax on other financial institutions in chapter 148;

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

- 8 (5) The corporation franchise tax in chapter 147;
9 (6) The state income tax in chapter 143; and
10 (7) The annual tax on gross receipts of express companies in chapter 153.
- 11 2. For proposals approved pursuant to section 32.110:
- 12 (1) The amount of the tax credit shall not exceed fifty percent of the total amount
13 contributed during the taxable year by the business firm or, in the case of a financial institution,
14 where applicable, during the relevant income period in programs approved pursuant to section
15 32.110;
- 16 (2) Except as provided in subsection 2 or 5 of this section, a tax credit of up to seventy
17 percent may be allowed for contributions to programs where activities fall within the scope of
18 special program priorities as defined with the approval of the governor in regulations
19 promulgated by the director of the department of economic development;
- 20 (3) Except as provided in subsection 2 or 5 of this section, the tax credit allowed for
21 contributions to programs located in any community shall be equal to seventy percent of the total
22 amount contributed where such community is a city, town or village which has fifteen thousand
23 or less inhabitants as of the last decennial census and is located in a county which is either
24 located in:
- 25 (a) An area that is not part of a standard metropolitan statistical area;
26 (b) A standard metropolitan statistical area but such county has only one city, town or
27 village which has more than fifteen thousand inhabitants; or
28 (c) A standard metropolitan statistical area and a substantial number of persons in such
29 county derive their income from agriculture.
- 30
- 31 Such community may also be in an unincorporated area in such county as provided in
32 subdivision (1), (2) or (3) of this subsection. Except in no case shall the total economic benefit
33 of the combined federal and state tax savings to the taxpayer exceed the amount contributed by
34 the taxpayer during the tax year;
- 35 (4) Such tax credit allocation, equal to seventy percent of the total amount contributed,
36 shall not exceed four million dollars in fiscal year 1999 and six million dollars in fiscal year 2000
37 and any subsequent fiscal year. When the maximum dollar limit on the seventy percent tax credit
38 allocation is committed, the tax credit allocation for such programs shall then be equal to fifty
39 percent credit of the total amount contributed. Regulations establishing special program
40 priorities are to be promulgated during the first month of each fiscal year and at such times
41 during the year as the public interest dictates. Such credit shall not exceed two hundred and fifty
42 thousand dollars annually except as provided in subdivision (5) of this subsection. No tax credit
43 shall be approved for any bank, bank and trust company, insurance company, trust company,

44 national bank, savings association, or building and loan association for activities that are a part
45 of its normal course of business. Any tax credit not used in the period the contribution was made
46 may be carried over the next five succeeding calendar or fiscal years until the full credit has been
47 claimed. Except as otherwise provided for proposals approved pursuant to section 32.111,
48 32.112 or 32.117, in no event shall the total amount of all other tax credits allowed pursuant to
49 sections 32.100 to 32.125 exceed thirty-two million dollars in any one fiscal year, of which six
50 million shall be credits allowed pursuant to section 135.460. If six million dollars in credits are
51 not approved, then the remaining credits may be used for programs approved pursuant to sections
52 32.100 to 32.125;

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

60 3. For proposals approved pursuant to section 32.111:

61 (1) The amount of the tax credit shall not exceed fifty-five percent of the total amount
62 invested in affordable housing assistance activities or market rate housing in distressed
63 communities as defined in section 135.530 by a business firm. Whenever such investment is
64 made in the form of an equity investment or a loan, as opposed to a donation alone, tax credits
65 may be claimed only where the loan or equity investment is accompanied by a donation which
66 is eligible for federal income tax charitable deduction, and where the total value of the tax credits
67 herein plus the value of the federal income tax charitable deduction is less than or equal to the
68 value of the donation. Any tax credit not used in the period for which the credit was approved
69 may be carried over the next ten succeeding calendar or fiscal years until the full credit has been
70 allowed. If the affordable housing units or market rate housing units in distressed communities
71 for which a tax is claimed are within a larger structure, parts of which are not the subject of a tax
72 credit claim, then expenditures applicable to the entire structure shall be reduced on a prorated
73 basis in proportion to the ratio of the number of square feet devoted to the affordable housing
74 units or market rate housing units in distressed communities, for purposes of determining the
75 amount of the tax credit. The total amount of tax credit granted for programs approved pursuant
76 to section 32.111 for the fiscal year beginning July 1, 1991, shall not exceed two million dollars,
77 to be increased by no more than two million dollars each succeeding fiscal year, until the total
78 tax credits that may be approved reaches ten million dollars in any fiscal year;

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

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

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

106 4. For proposals approved pursuant to section 32.112, the amount of the tax credit shall
107 not exceed fifty-five percent of the total amount contributed to a neighborhood organization by
108 business firms. Any tax credit not used in the period for which the credit was approved may be
109 carried over the next ten succeeding calendar or fiscal years until the full credit has been allowed.
110 The total amount of tax credit granted for programs approved pursuant to section 32.112 shall
111 not exceed one million dollars for each fiscal year.

112 5. The total amount of tax credits used for market rate housing in distressed communities
113 pursuant to sections 32.100 to 32.125 shall not exceed thirty percent of the total amount of all
114 tax credits authorized pursuant to sections 32.111 and 32.112.

115 **6. Notwithstanding any provision to the contrary, the tax credit authorized under**
116 **sections 32.100 to 32.125 shall be subject to the provisions of section 135.840, including the**
117 **limit on the amount of funds that may be claimed and, if that limit is reached, the**
118 **distribution priority of first-come, first-served.**

67.3005. 1. For all taxable years beginning on or after January 1, 2013, any taxpayer
2 shall be allowed a credit against the taxes otherwise due under chapter 143, 147, or 148,
3 excluding withholding tax imposed by sections 143.191 to 143.265, in an amount equal to fifty
4 percent of the amount of an eligible donation, subject to the restrictions in this section. The
5 amount of the tax credit claimed shall not exceed the amount of the taxpayer's state income tax
6 liability in the tax year for which the credit is claimed. Any amount of credit that the taxpayer
7 is prohibited by this section from claiming in a tax year shall not be refundable, but may be
8 carried forward to any of the taxpayer's two subsequent taxable years.

9 2. To claim the credit authorized in this section, a certified sponsor or local organizing
10 committee shall submit to the department an application for the tax credit authorized by this
11 section on behalf of taxpayers. The department shall verify that the applicant has submitted the
12 following items accurately and completely:

13 (1) A valid application in the form and format required by the department;

14 (2) A statement attesting to the eligible donation received, which shall include the name
15 and taxpayer identification number of the individual making the eligible donation, the amount
16 of the eligible donation, and the date the eligible donation was received; and

17 (3) Payment from the certified sponsor or local organizing committee equal to the value
18 of the tax credit for which application is made.

19

20 If the certified sponsor or local organizing committee applying for the tax credit meets all criteria
21 required by this subsection, the department shall issue a certificate in the appropriate amount.

22 3. Tax credits issued under this section may be assigned, transferred, sold, or otherwise
23 conveyed, and the new owner of the tax credit shall have the same rights in the credit as the
24 taxpayer. Whenever a certificate is assigned, transferred, sold, or otherwise conveyed, a
25 notarized endorsement shall be filed with the department specifying the name and address of the
26 new owner of the tax credit or the value of the credit. In no event shall the amount of tax credits
27 issued by the department under this section exceed ten million dollars in any fiscal year.

28 4. The department shall promulgate rules to implement the provisions of this section.
29 Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the
30 authority delegated in this section shall become effective only if it complies with and is subject
31 to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and
32 chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant

33 to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are
34 subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed
35 or adopted after August 28, 2013, shall be invalid and void.

36 **5. The tax credit authorized under this section shall be subject to the provisions of**
37 **section 135.840, including the limit on the amount of funds that may be claimed and, if that**
38 **limit is reached, the distribution priority of first-come, first-served.**

39 **6.** Under section 23.253 of the Missouri sunset act:

40 (1) The provisions of the new program authorized under section 67.3000 and under this
41 section shall automatically sunset six years after August 28, 2013, unless reauthorized by an act
42 of the general assembly; and

43 (2) If such program is reauthorized, the program authorized under section 67.3000 and
44 under this section shall automatically sunset twelve years after the effective date of the
45 reauthorization of these sections; and

46 (3) Section 67.3000 and this section shall terminate on September first of the calendar
47 year immediately following the calendar year in which the program authorized under these
48 sections is sunset.

99.1205. 1. This section shall be known and may be cited as the "Distressed Areas Land
2 Assemblage Tax Credit Act".

3 2. As used in this section, the following terms mean:

4 (1) "Acquisition costs", the purchase price for the eligible parcel, costs of environmental
5 assessments, closing costs, real estate brokerage fees, reasonable demolition costs of vacant
6 structures, and reasonable maintenance costs incurred to maintain an acquired eligible parcel for
7 a period of five years after the acquisition of such eligible parcel. Acquisition costs shall not
8 include costs for title insurance and survey, attorney's fees, relocation costs, fines, or bills from
9 a municipality;

10 (2) "Applicant", any person, firm, partnership, trust, limited liability company, or
11 corporation which has:

12 (a) Incurred, within an eligible project area, acquisition costs for the acquisition of land
13 sufficient to satisfy the requirements under subdivision (8) of this subsection; and

14 (b) Been appointed or selected, pursuant to a redevelopment agreement by a municipal
15 authority, as a redeveloper or similar designation, under an economic incentive law, to redevelop
16 an urban renewal area or a redevelopment area that includes all of an eligible project area or
17 whose redevelopment plan or redevelopment area, which encompasses all of an eligible project
18 area, has been approved or adopted under an economic incentive law. In addition to being
19 designated the redeveloper, the applicant shall have been designated to receive economic
20 incentives only after the municipal authority has considered the amount of the tax credits in

21 adopting such economic incentives as provided in subsection 8 of this section. The
22 redevelopment agreement shall provide that:

23 a. The funds generated through the use or sale of the tax credits issued under this section
24 shall be used to redevelop the eligible project area;

25 b. No more than seventy-five percent of the urban renewal area identified in the urban
26 renewal plan or the redevelopment area identified in the redevelopment plan may be redeveloped
27 by the applicant; and

28 c. The remainder of the urban renewal area or the redevelopment area shall be
29 redeveloped by co-redevelopers or redevelopers to whom the applicant has assigned its
30 redevelopment rights and obligations under the urban renewal plan or the redevelopment plan;

31 (3) "Certificate", a tax credit certificate issued under this section;

32 (4) "Condemnation proceedings", any action taken by, or on behalf of, an applicant to
33 initiate an action in a court of competent jurisdiction to use the power of eminent domain to
34 acquire a parcel within the eligible project area. Condemnation proceedings shall include any
35 and all actions taken after the submission of a notice of intended acquisition to an owner of a
36 parcel within the eligible project area by a municipal authority or any other person or entity under
37 section 523.250;

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

39 (6) "Economic incentive laws", any provision of Missouri law pursuant to which
40 economic incentives are provided to redevelopers of a parcel or parcels to redevelop the land,
41 such as tax abatement or payments in lieu of taxes, or redevelopment plans or redevelopment
42 projects approved or adopted which include the use of economic incentives to redevelop the land.
43 Economic incentive laws include, but are not limited to, the land clearance for redevelopment
44 authority law under sections 99.300 to 99.660, the real property tax increment allocation
45 redevelopment act under sections 99.800 to 99.865, the Missouri downtown and rural economic
46 stimulus act under sections 99.915 to 99.1060, and the downtown revitalization preservation
47 program under sections 99.1080 to 99.1092;

48 (7) "Eligible parcel", a parcel:

49 (a) Which is located within an eligible project area;

50 (b) Which is to be redeveloped;

51 (c) On which the applicant has not commenced construction prior to November 28,
52 2007;

53 (d) Which has been acquired without the commencement of any condemnation
54 proceedings with respect to such parcel brought by or on behalf of the applicant. Any parcel
55 acquired by the applicant from a municipal authority shall not constitute an eligible parcel; and

56 (e) On which all outstanding taxes, fines, and bills levied by municipal governments that
57 were levied by the municipality during the time period that the applicant held title to the eligible
58 parcel have been paid in full;

59 (8) "Eligible project area", an area which shall have satisfied the following requirements:

60 (a) The eligible project area shall consist of at least seventy-five acres and may include
61 parcels within its boundaries that do not constitute an eligible parcel;

62 (b) At least eighty percent of the eligible project area shall be located within a Missouri
63 qualified census tract area, as designated by the United States Department of Housing and Urban
64 Development under 26 U.S.C. Section 42, or within a distressed community as that term is
65 defined in section 135.530;

66 (c) The eligible parcels acquired by the applicant within the eligible project area shall
67 total at least fifty acres, which may consist of contiguous and noncontiguous parcels;

68 (d) The average number of parcels per acre in an eligible project area shall be four or
69 more;

70 (e) Less than five percent of the acreage within the boundaries of the eligible project area
71 shall consist of owner-occupied residences which the applicant has identified for acquisition
72 under the urban renewal plan or the redevelopment plan pursuant to which the applicant was
73 appointed or selected as the redeveloper or by which the person or entity was qualified as an
74 applicant under this section on the date of the approval or adoption of such plan;

75 (9) "Interest costs", interest, loan fees, and closing costs. Interest costs shall not include
76 attorney's fees;

77 (10) "Maintenance costs", costs of boarding up and securing vacant structures, costs of
78 removing trash, and costs of cutting grass and weeds;

79 (11) "Municipal authority", any city, town, village, county, public body corporate and
80 politic, political subdivision, or land trust of this state established and authorized to own land
81 within the state;

82 (12) "Municipality", any city, town, village, or county;

83 (13) "Parcel", a single lot or tract of land, and the improvements thereon, owned by, or
84 recorded as the property of, one or more persons or entities;

85 (14) "Redeveloped", the process of undertaking and carrying out a redevelopment plan
86 or urban renewal plan pursuant to which the conditions which provided the basis for an eligible
87 project area to be included in a redevelopment plan or urban renewal plan are to be reduced or
88 eliminated by redevelopment or rehabilitation; and

89 (15) "Redevelopment agreement", the redevelopment agreement or similar agreement
90 into which the applicant entered with a municipal authority and which is the agreement for the
91 implementation of the urban renewal plan or redevelopment plan pursuant to which the applicant

92 was appointed or selected as the redeveloper or by which the person or entity was qualified as
93 an applicant under this section; and such appointment or selection shall have been approved by
94 an ordinance of the governing body of the municipality, or municipalities, or in the case of any
95 city not within a county, the board of aldermen, in which the eligible project area is located. The
96 redevelopment agreement shall include a time line for redevelopment of the eligible project area.
97 The redevelopment agreement shall state that the named developer shall be subject to the
98 provisions of chapter 290.

99 3. Any applicant shall be entitled to a tax credit against the taxes imposed under chapters
100 143, 147, and 148, except for sections 143.191 to 143.265, in an amount equal to fifty percent
101 of the acquisition costs, and one hundred percent of the interest costs incurred for a period of five
102 years after the acquisition of an eligible parcel. No tax credits shall be issued under this section
103 until after January 1, 2008.

104 4. If the amount of such tax credit exceeds the total tax liability for the year in which the
105 applicant is entitled to receive a tax credit, the amount that exceeds the state tax liability may be
106 carried forward for credit against the taxes imposed under chapters 143, 147, and 148 for the
107 succeeding six years, or until the full credit is used, whichever occurs first. The applicant shall
108 not be entitled to a tax credit for taxes imposed under sections 143.191 to 143.265. Applicants
109 entitled to receive such tax credits may transfer, sell, or assign the tax credits. Tax credits
110 granted to a partnership, a limited liability company taxed as a partnership, or multiple owners
111 of property shall be passed through to the partners, members, or owners respectively pro rata or
112 pursuant to an executed agreement among the partners, members, or owners documenting an
113 alternate distribution method.

114 5. A purchaser, transferee, or assignee of the tax credits authorized under this section
115 may use acquired tax credits to offset up to one hundred percent of the tax liabilities otherwise
116 imposed under chapters 143, 147, and 148, except for sections 143.191 to 143.265. A seller,
117 transferor, or assignor shall perfect such transfer by notifying the department in writing within
118 thirty calendar days following the effective date of the transfer and shall provide any information
119 as may be required by the department to administer and carry out the provisions of this section.

120 6. To claim tax credits authorized under this section, an applicant shall submit to the
121 department an application for a certificate. An applicant shall identify the boundaries of the
122 eligible project area in the application.

123 The department shall verify that the applicant has submitted a valid application in the form and
124 format required by the department. The department shall verify that the municipal authority held
125 the requisite hearings and gave the requisite notices for such hearings in accordance with the
126 applicable economic incentive act, and municipal ordinances. On an annual basis, an applicant

127 may file for the tax credit for the acquisition costs, and for the tax credit for the interest costs,
128 subject to the limitations of this section.

129 If an applicant applying for the tax credit meets the criteria required under this section, the
130 department shall issue a certificate in the appropriate amount. If an applicant receives a tax
131 credit for maintenance costs as a part of the applicant's acquisition costs, the department shall
132 post on its internet website the amount and type of maintenance costs and a description of the
133 redevelopment project for which the applicant received a tax credit within thirty days after the
134 department issues the certificate to the applicant.

135 7. The total aggregate amount of tax credits authorized under this section shall not
136 exceed ninety-five million dollars. At no time shall the annual amount of the tax credits issued
137 under this section exceed twenty million dollars. If the tax credits that are to be issued under this
138 section exceed, in any year, the twenty million dollar limitation, the department shall either:

139 (1) Issue tax credits to the applicant in the amount of twenty million dollars, if there is
140 only one applicant entitled to receive tax credits in that year; or

141 (2) Issue the tax credits on a pro rata basis to all applicants entitled to receive tax credits
142 in that year. Any amount of tax credits, which an applicant is, or applicants are, entitled to
143 receive on an annual basis and are not issued due to the twenty million dollar limitation, shall
144 be carried forward for the benefit of the applicant or applicants to subsequent years.

145

146 No tax credits provided under this section shall be authorized after August 28, 2013. Any tax
147 credits which have been authorized on or before August 28, 2013, but not issued, may be issued,
148 subject to the limitations provided under this subsection, until all such authorized tax credits
149 have been issued.

150 8. **Notwithstanding any provision to the contrary, the tax credit authorized under**
151 **this section shall be subject to the provisions of section 135.840, including the limit on the**
152 **amount of funds that may be claimed and, if that limit is reached, the distribution priority**
153 **of first-come, first-served.**

154 9. Upon issuance of any tax credits pursuant to this section, the department shall report
155 to the municipal authority the applicant's name and address, the parcel numbers of the eligible
156 parcels for which the tax credits were issued, the itemized acquisition costs and interest costs for
157 which tax credits were issued, and the total value of the tax credits issued. The municipal
158 authority and the state shall not consider the amount of the tax credits as an applicant's cost, but
159 shall include the tax credits in any sources and uses and cost benefit analysis reviewed or created
160 for the purpose of awarding other economic incentives. The amount of the tax credits shall not
161 be considered an applicant's cost in the evaluation of the amount of any award of any other
162 economic incentives, but shall be considered in measuring the reasonableness of the rate of

163 return to the applicant with respect to such award of other economic incentives. The municipal
164 authority shall provide the report to any relevant commission, board, or entity responsible for the
165 evaluation and recommendation or approval of other economic incentives to assist in the
166 redevelopment of the eligible project area. Tax credits authorized under this section shall
167 constitute redevelopment tax credits, as such term is defined under section 135.800, and shall
168 be subject to all provisions applicable to redevelopment tax credits provided under sections
169 135.800 to 135.830.

170 [9-] **10.** The department may promulgate rules to implement the provisions of this
171 section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created
172 under the authority delegated in this section shall become effective only if it complies with and
173 is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section
174 and chapter 536 are nonseverable and if any of the powers vested with the general assembly
175 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule
176 are subsequently held unconstitutional, then the grant of rulemaking authority and any rule
177 proposed or adopted after August 28, 2007, shall be invalid and void.

100.286. 1. Within the discretion of the board, the development and reserve fund, the
2 infrastructure development fund or the export finance fund may be pledged to secure the payment
3 of any bonds or notes issued by the board, or to secure the payment of any loan made by the
4 board or a participating lender which loan:

5 (1) Is requested to finance any project or export trade activity;

6 (2) Is requested by a borrower who is demonstrated to be financially responsible;

7 (3) Can reasonably be expected to provide a benefit to the economy of this state;

8 (4) Is otherwise secured by a mortgage or deed of trust on real or personal property or
9 other security satisfactory to the board; provided that loans to finance export trade activities may
10 be secured by export accounts receivable or inventories of exportable goods satisfactory to the
11 board;

12 (5) Does not exceed five million dollars;

13 (6) Does not have a term longer than five years if such loan is made to finance export
14 trade activities; and

15 (7) Is, when used to finance export trade activities, made to small or medium size
16 businesses or agricultural businesses, as may be defined by the board.

17 2. The board shall prescribe standards for the evaluation of the financial condition,
18 business history, and qualifications of each borrower and the terms and conditions of loans which
19 may be secured, and may require each application to include a financial report and evaluation
20 by an independent certified public accounting firm, in addition to such examination and
21 evaluation as may be conducted by any participating lender.

22 3. Each application for a loan secured by the development and reserve fund, the
23 infrastructure development fund or the export finance fund shall be reviewed in the first instance
24 by any participating lender to whom the application was submitted. If satisfied that the standards
25 prescribed by the board are met and that the loan is otherwise eligible to be secured by the
26 development and reserve fund, the infrastructure development fund or the export finance fund,
27 the participating lender shall certify the same and forward the application for final approval to
28 the board.

29 4. The securing of any loans by the development and reserve fund, the infrastructure
30 development fund or the export finance fund shall be conditioned upon approval of the
31 application by the board, and receipt of an annual reserve participation fee, as prescribed by the
32 board, submitted by or on behalf of the borrower.

33 5. The securing of any loan by the export finance fund for export trade activities shall
34 be conditioned upon the board's compliance with any applicable treaties and international
35 agreements, such as the general agreement on tariffs and trade and the subsidies code, to which
36 the United States is then a party.

37 6. Any taxpayer, including any charitable organization that is exempt from federal
38 income tax and whose Missouri unrelated business taxable income, if any, would be subject to
39 the state income tax imposed under chapter 143, may, subject to the limitations provided under
40 subsection 8 of this section, receive a tax credit against any tax otherwise due under the
41 provisions of chapter 143, excluding withholding tax imposed by sections 143.191 to 143.261,
42 chapter 147, or chapter 148, in the amount of fifty percent of any amount contributed in money
43 or property by the taxpayer to the development and reserve fund, the infrastructure development
44 fund or the export finance fund during the taxpayer's tax year, provided, however, the total tax
45 credits awarded in any calendar year beginning after January 1, 1994, shall not be the greater of
46 ten million dollars or five percent of the average growth in general revenue receipts in the
47 preceding three fiscal years. This limit may be exceeded only upon joint agreement by the
48 commissioner of administration, the director of the department of economic development, and
49 the director of the department of revenue that such action is essential to ensure retention or
50 attraction of investment in Missouri. If the board receives, as a contribution, real property, the
51 contributor at such contributor's own expense shall have two independent appraisals conducted
52 by appraisers certified by the Master Appraisal Institute. Both appraisals shall be submitted to
53 the board, and the tax credit certified by the board to the contributor shall be based upon the
54 value of the lower of the two appraisals. The board shall not certify the tax credit until the
55 property is deeded to the board. Such credit shall not apply to reserve participation fees paid by
56 borrowers under sections 100.250 to 100.297. The portion of earned tax credits which exceeds
57 the taxpayer's tax liability may be carried forward for up to five years.

58 7. Notwithstanding any provision of law to the contrary, any taxpayer may sell, assign,
59 exchange, convey or otherwise transfer tax credits allowed in subsection 6 of this section under
60 the terms and conditions prescribed in subdivisions (1) and (2) of this subsection. Such taxpayer,
61 hereinafter the assignor for the purpose of this subsection, may sell, assign, exchange or
62 otherwise transfer earned tax credits:

63 (1) For no less than seventy-five percent of the par value of such credits; and

64 (2) In an amount not to exceed one hundred percent of annual earned credits.

65

66 The taxpayer acquiring earned credits, hereinafter the assignee for the purpose of this subsection,
67 may use the acquired credits to offset up to one hundred percent of the tax liabilities otherwise
68 imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.261,
69 chapter 147, or chapter 148. Unused credits in the hands of the assignee may be carried forward
70 for up to five years, provided all such credits shall be claimed within ten years following the tax
71 years in which the contribution was made. The assignor shall enter into a written agreement with
72 the assignee establishing the terms and conditions of the agreement and shall perfect such
73 transfer by notifying the board in writing within thirty calendar days following the effective day
74 of the transfer and shall provide any information as may be required by the board to administer
75 and carry out the provisions of this section. Notwithstanding any other provision of law to the
76 contrary, the amount received by the assignor of such tax credit shall be taxable as income of the
77 assignor, and the excess of the par value of such credit over the amount paid by the assignee for
78 such credit shall be taxable as income of the assignee.

79 8. Provisions of subsections 1 to 7 of this section to the contrary notwithstanding, no
80 more than ten million dollars in tax credits provided under this section, may be authorized or
81 approved annually. The limitation on tax credit authorization and approval provided under this
82 subsection may be exceeded only upon mutual agreement, evidenced by a signed and properly
83 notarized letter, by the commissioner of the office of administration, the director of the
84 department of economic development, and the director of the department of revenue that such
85 action is essential to ensure retention or attraction of investment in Missouri provided, however,
86 that in no case shall more than twenty-five million dollars in tax credits be authorized or
87 approved during such year. Taxpayers shall file, with the board, an application for tax credits
88 authorized under this section on a form provided by the board. The provisions of this subsection
89 shall not be construed to limit or in any way impair the ability of the board to authorize tax
90 credits for issuance for projects authorized or approved, by a vote of the board, on or before the
91 thirtieth day following the effective date of this act, or a taxpayer's ability to redeem such tax
92 credits.

93 **9. Notwithstanding subsection 8 of this section or any other provision to the**
94 **contrary, the tax credit authorized under this section shall be subject to the provisions of**
95 **section 135.840, including the limit on the amount of funds that may be claimed and, if that**
96 **limit is reached, the distribution priority of first-come, first-served.**

100.297. 1. The board may authorize a tax credit, as described in this section, to the
2 owner of any revenue bonds or notes issued by the board pursuant to the provisions of sections
3 100.250 to 100.297, for infrastructure facilities as defined in subdivision (9) of section 100.255,
4 if, prior to the issuance of such bonds or notes, the board determines that:

5 (1) The availability of such tax credit is a material inducement to the undertaking of the
6 project in the state of Missouri and to the sale of the bonds or notes;

7 (2) The loan with respect to the project is adequately secured by a first deed of trust or
8 mortgage or comparable lien, or other security satisfactory to the board.

9 2. Upon making the determinations specified in subsection 1 of this section, the board
10 may declare that each owner of an issue of revenue bonds or notes shall be entitled, in lieu of any
11 other deduction with respect to such bonds or notes, to a tax credit against any tax otherwise due
12 by such owner pursuant to the provisions of chapter 143, excluding withholding tax imposed by
13 sections 143.191 to 143.261, chapter 147, or chapter 148, in the amount of one hundred percent
14 of the unpaid principal of and unpaid interest on such bonds or notes held by such owner in the
15 taxable year of such owner following the calendar year of the default of the loan by the borrower
16 with respect to the project. The occurrence of a default shall be governed by documents
17 authorizing the issuance of the bonds. The tax credit allowed pursuant to this section shall be
18 available to the original owners of the bonds or notes or any subsequent owner or owners thereof.
19 Once an owner is entitled to a claim, any such tax credits shall be transferable as provided in
20 subsection 7 of section 100.286. Notwithstanding any provision of Missouri law to the contrary,
21 any portion of the tax credit to which any owner of a revenue bond or note is entitled pursuant
22 to this section which exceeds the total income tax liability of such owner of a revenue bond or
23 note shall be carried forward and allowed as a credit against any future taxes imposed on such
24 owner within the next ten years pursuant to the provisions of chapter 143, excluding withholding
25 tax imposed by sections 143.191 to 143.261, chapter 147, or chapter 148. The eligibility of the
26 owner of any revenue bond or note issued pursuant to the provisions of sections 100.250 to
27 100.297 for the tax credit provided by this section shall be expressly stated on the face of each
28 such bond or note. The tax credit allowed pursuant to this section shall also be available to any
29 financial institution or guarantor which executes any credit facility as security for bonds issued
30 pursuant to this section to the same extent as if such financial institution or guarantor was an
31 owner of the bonds or notes, provided however, in such case the tax credits provided by this
32 section shall be available immediately following any default of the loan by the borrower with

33 respect to the project. In addition to reimbursing the financial institution or guarantor for claims
34 relating to unpaid principal and interest, such claim may include payment of any unpaid fees
35 imposed by such financial institution or guarantor for use of the credit facility.

36 3. The aggregate principal amount of revenue bonds or notes outstanding at any time
37 with respect to which the tax credit provided in this section shall be available shall not exceed
38 fifty million dollars.

39 **4. Notwithstanding subsection 3 of this section or any other provision to the**
40 **contrary, the tax credit authorized under this section shall be subject to the provisions of**
41 **section 135.840, including the limit on the amount of funds that may be claimed and, if that**
42 **limit is reached, the distribution priority of first-come, first-served.**

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

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

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

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

17 5. In no event shall the aggregate amount of tax credits authorized by subsection 4 of this
18 section exceed twenty-five million dollars annually. Of such amount, nine hundred fifty
19 thousand dollars shall be reserved for an approved project for a world headquarters of a business
20 whose primary function is tax return preparation that is located in any home rule city with more
21 than four hundred thousand inhabitants and located in more than one county, which amount
22 reserved shall end in the year of the final maturity of the certificates issued for such approved
23 project.

24 6. The director of revenue shall issue a refund to the approved company to the extent that
25 the amount of credits allowed in subsection 4 of this section exceeds the amount of the approved
26 company's income tax.

27 **7. The tax credit authorized under sections 100.700 to 100.850 shall be subject to**
28 **the provisions of section 135.840, including the limit on the amount of funds that may be**
29 **claimed and, if that limit is reached, the distribution priority of first-come, first-served.**

135.110. 1. Any taxpayer who shall establish a new business facility shall be allowed
2 a credit, each year for ten years, in an amount determined pursuant to subsection 2 or 3 of this
3 section, whichever is applicable, against the tax imposed by chapter 143, excluding withholding
4 tax imposed by sections 143.191 to 143.265, or an insurance company which shall establish a
5 new business facility by satisfying the requirements in subdivision (7) of section 135.100 shall
6 be allowed a credit against the tax otherwise imposed by chapter 148, and in the case of an
7 insurance company exempt from the thirty percent employee requirement of section 135.230,
8 against any obligation imposed pursuant to section 375.916, except that no taxpayer shall be
9 entitled to multiple ten-year periods for subsequent expansions at the same facility, except as
10 otherwise provided in this section. For the purpose of this section, the term "facility" shall mean,
11 and be limited to, the facility or facilities which are located on the same site in which the new
12 business facility is located, and in which the business conducted at such facility or facilities is
13 directly related to the business conducted at the new business facility. Notwithstanding the
14 provisions of this subsection, a taxpayer may be entitled to an additional ten-year period if a new
15 business facility is expanded in the eighth, ninth or tenth year of the current ten-year period or
16 in subsequent years following the expiration of the ten-year period, if the number of new
17 business facility employees attributed to such expansion is at least twenty-five and the amount
18 of new business facility investment attributed to such expansion is at least one million dollars.
19 Credits may not be carried forward but shall be claimed for the taxable year during which
20 commencement of commercial operations occurs at such new business facility, and for each of
21 the nine succeeding taxable years. A letter of intent, as provided for in section 135.258, must
22 be filed with the department of economic development no later than fifteen days prior to the
23 commencement of commercial operations at the new business facility. The initial application
24 for claiming tax credits must be made in the taxpayer's tax period immediately following the tax
25 period in which commencement of commercial operations began at the new business facility.
26 This provision shall have effect on all initial applications filed on or after August 28, 1992. No
27 credit shall be allowed pursuant to this section unless the number of new business facility
28 employees engaged or maintained in employment at the new business facility for the taxable year
29 for which the credit is claimed equals or exceeds two; except that the number of new business
30 facility employees engaged or maintained in employment by a revenue-producing enterprise
31 other than a revenue-producing enterprise defined in paragraphs (a) to (g) and (i) to (l) of
32 subdivision (11) of section 135.100 which establishes an office as defined in subdivision (8) of
33 section 135.100 shall equal or exceed twenty-five.

34 2. For tax periods beginning after August 28, 1991, in the case of a taxpayer operating
35 an existing business facility, the credit allowed by subsection 1 of this section shall offset the
36 greater of:

37 (1) Some portion of the income tax otherwise imposed by chapter 143, excluding
38 withholding tax imposed by sections 143.191 to 143.265, or in the case of an insurance company,
39 the tax on the direct premiums, as defined in chapter 148, and in the case of an insurance
40 company exempt from the thirty percent employee requirement of section 135.230, against any
41 obligation imposed pursuant to section 375.916 with respect to such taxpayer's new business
42 facility income for the taxable year for which such credit is allowed; or

43 (2) Up to fifty percent or, in the case of an economic development project located within
44 a distressed community as defined in section 135.530, seventy-five percent of the business
45 income tax otherwise imposed by chapter 143, excluding withholding tax imposed by sections
46 143.191 to 143.265, or in the case of an insurance company, the tax on the direct premiums, as
47 defined in chapter 148, and in the case of an insurance company exempt from the thirty percent
48 employee requirement of section 135.230, against any obligation imposed pursuant to section
49 375.916 if the business operates no other facilities in Missouri. In the case of an existing
50 business facility operating more than one facility in Missouri, the credit allowed in subsection
51 1 of this section shall offset up to the greater of the portion prescribed in subdivision (1) of this
52 subsection or twenty-five percent or, in the case of an economic development project located
53 within a distressed community as defined in section 135.530, thirty-five percent of the business'
54 tax, except that no taxpayer operating more than one facility in Missouri shall be allowed to
55 offset more than twenty-five percent or, in the case of an economic development project located
56 within a distressed community as defined in section 135.530, thirty-five percent of the taxpayer's
57 business income tax in any tax period under the method prescribed in this subdivision. Such
58 credit shall be an amount equal to the sum of one hundred dollars or, in the case of an economic
59 development project located within a distressed community as defined in section 135.530, one
60 hundred fifty dollars for each new business facility employee plus one hundred dollars or, in the
61 case of an economic development project located within a distressed community as defined in
62 section 135.530, one hundred fifty dollars for each one hundred thousand dollars, or major
63 fraction thereof (which shall be deemed to be fifty-one percent or more) in new business facility
64 investment. For the purpose of this section, tax credits earned by a taxpayer, who establishes a
65 new business facility because it satisfies the requirements of paragraph (c) of subdivision (4) of
66 section 135.100, shall offset the greater of the portion prescribed in subdivision (1) of this
67 subsection or up to fifty percent or, in the case of an economic development project located
68 within a distressed community as defined in section 135.530, seventy-five percent of the
69 business' tax provided the business operates no other facilities in Missouri. In the case of a

70 business operating more than one facility in Missouri, the credit allowed in subsection 1 of this
71 section shall offset up to the greater of the portion prescribed in subdivision (1) of this subsection
72 or twenty-five percent or, in the case of an economic development project located within a
73 distressed community as defined in section 135.530, thirty-five percent of the business' tax,
74 except that no taxpayer operating more than one facility in Missouri shall be allowed to offset
75 more than twenty-five percent or, in the case of an economic development project located within
76 a distressed community as defined in section 135.530, thirty-five percent of the taxpayer's
77 business income tax in any tax period under the method prescribed in this subdivision.

78 3. For tax periods beginning after August 28, 1991, in the case of a taxpayer not
79 operating an existing business facility, the credit allowed by subsection 1 of this section shall
80 offset the greater of:

81 (1) Some portion of the income tax otherwise imposed by chapter 143, excluding
82 withholding tax imposed by sections 143.191 to 143.265, or in the case of an insurance company,
83 the tax on the direct premiums, as defined in chapter 148, and in the case of an insurance
84 company exempt from the thirty percent employee requirement of section 135.230, against any
85 obligation imposed pursuant to section 375.916 with respect to such taxpayer's new business
86 facility income for the taxable year for which such credit is allowed; or

87 (2) Up to one hundred percent of the business income tax otherwise imposed by chapter
88 143, excluding withholding tax imposed by sections 143.191 to 143.265, or in the case of an
89 insurance company, the tax on the direct premiums, as defined in chapter 148, and in the case
90 of an insurance company exempt from the thirty percent employee requirement of section
91 135.230, against any obligation imposed pursuant to section 375.916 if the business has no other
92 facilities operating in Missouri. In the case of a taxpayer not operating an existing business and
93 operating more than one facility in Missouri, the credit allowed by subsection 1 of this section
94 shall offset up to the greater of the portion prescribed in subdivision (1) of this subsection or
95 twenty-five percent or, in the case of an economic development project located within a
96 distressed community as defined in section 135.530, thirty-five percent of the business' tax,
97 except that no taxpayer operating more than one facility in Missouri shall be allowed to offset
98 more than twenty-five percent or, in the case of an economic development project located within
99 a distressed community as defined in section 135.530, thirty-five percent of the taxpayer's
100 business income tax in any tax period under the method prescribed in this subdivision. Such
101 credit shall be an amount equal to the sum of seventy-five dollars or, in the case of an economic
102 development project located within a distressed community as defined in section 135.530, one
103 hundred twenty-five dollars for each new business facility employee plus seventy-five dollars
104 or, in the case of an economic development project located within a distressed community as
105 defined in section 135.530, one hundred twenty-five dollars for each one hundred thousand

106 dollars, or major fraction thereof (which shall be deemed to be fifty-one percent or more) in new
107 business facility investment.

108 4. The number of new business facility employees during any taxable year shall be
109 determined by dividing by twelve the sum of the number of individuals employed on the last
110 business day of each month of such taxable year. If the new business facility is in operation for
111 less than the entire taxable year, the number of new business facility employees shall be
112 determined by dividing the sum of the number of individuals employed on the last business day
113 of each full calendar month during the portion of such taxable year during which the new
114 business facility was in operation by the number of full calendar months during such period. For
115 the purpose of computing the credit allowed by this section in the case of a facility which
116 qualifies as a new business facility because it qualifies as a separate facility pursuant to
117 subsection 6 of this section, and, in the case of a new business facility which satisfies the
118 requirements of paragraph (c) of subdivision (4) of section 135.100, or subdivision (10) of
119 section 135.100, the number of new business facility employees at such facility shall be reduced
120 by the average number of individuals employed, computed as provided in this subsection, at the
121 facility during the taxable year immediately preceding the taxable year in which such expansion,
122 acquisition, or replacement occurred and shall further be reduced by the number of individuals
123 employed by the taxpayer or related taxpayer that was subsequently transferred to the new
124 business facility from another Missouri facility and for which credits authorized in this section
125 are not being earned, whether such credits are earned because of an expansion, acquisition,
126 relocation or the establishment of a new facility.

127 5. For the purpose of computing the credit allowed by this section in the case of a facility
128 which qualifies as a new business facility because it qualifies as a separate facility pursuant to
129 subsection 6 of this section, and, in the case of a new business facility which satisfies the
130 requirements of paragraph (c) of subdivision (4) of section 135.100 or subdivision (10) of section
131 135.100, the amount of the taxpayer's new business facility investment in such facility shall be
132 reduced by the average amount, computed as provided in subdivision (7) of section 135.100 for
133 new business facility investment, of the investment of the taxpayer, or related taxpayer
134 immediately preceding such expansion or replacement or at the time of acquisition.
135 Furthermore, the amount of the taxpayer's new business facility investment shall also be reduced
136 by the amount of investment employed by the taxpayer or related taxpayer which was
137 subsequently transferred to the new business facility from another Missouri facility and for which
138 credits authorized in this section are not being earned, whether such credits are earned because
139 of an expansion, acquisition, relocation or the establishment of a new facility.

140 6. If a facility, which does not constitute a new business facility, is expanded by the
141 taxpayer, the expansion shall be considered a separate facility eligible for the credit allowed by
142 this section if:

143 (1) The taxpayer's new business facility investment in the expansion during the tax
144 period in which the credits allowed in this section are claimed exceeds one hundred thousand
145 dollars, or, if less, one hundred percent of the investment in the original facility prior to
146 expansion and if the number of new business facility employees engaged or maintained in
147 employment at the expansion facility for the taxable year for which credit is claimed equals or
148 exceeds two, except that the number of new business facility employees engaged or maintained
149 in employment at the expansion facility for the taxable year for which the credit is claimed
150 equals or exceeds twenty-five if an office as defined in subdivision (8) of section 135.100 is
151 established by a revenue-producing enterprise other than a revenue-producing enterprise defined
152 in paragraphs (a) to (g) and (i) to (l) of subdivision (11) of section 135.100 and the total number
153 of employees at the facility after the expansion is at least two greater than the total number of
154 employees before the expansion, except that the total number of employees at the facility after
155 the expansion is at least greater than the number of employees before the expansion by
156 twenty-five, if an office as defined in subdivision (8) of section 135.100 is established by a
157 revenue-producing enterprise other than a revenue-producing enterprise defined in paragraphs
158 (a) to (g) and (i) to (l) of subdivision (11) of section 135.100; and

159 (2) The expansion otherwise constitutes a new business facility. The taxpayer's
160 investment in the expansion and in the original facility prior to expansion shall be determined
161 in the manner provided in subdivision (7) of section 135.100.

162 7. No credit shall be allowed pursuant to this section to a public utility, as such term is
163 defined in section 386.020. Notwithstanding any provision of this subsection to the contrary,
164 motor carriers, barge lines or railroads engaged in transporting property for hire, or any
165 interexchange telecommunications company or local exchange telecommunications company
166 that establishes a new business facility shall be eligible to qualify for credits allowed in this
167 section.

168 8. For the purposes of the credit described in this section, in the case of a corporation
169 described in section 143.471 or partnership, in computing Missouri's tax liability, this credit shall
170 be allowed to the following:

171 (1) The shareholders of the corporation described in section 143.471;

172 (2) The partners of the partnership. This credit shall be apportioned to the entities
173 described in subdivisions (1) and (2) of this subsection in proportion to their share of ownership
174 on the last day of the taxpayer's tax period.

175 9. Notwithstanding any provision of law to the contrary, any employee-owned
176 engineering firm classified as SIC 8711, architectural firm as classified SIC 8712, or accounting
177 firm classified SIC 8721 establishing a new business facility because it qualifies as a
178 headquarters as defined in subsection 10 of this section, shall be allowed the credits described
179 in subsection 11 of this section under the same terms and conditions prescribed in sections
180 135.100 to 135.150; provided:

181 (1) Such facility maintains an average of at least five hundred new business facility
182 employees as defined in subdivision (5) of section 135.100 during the taxpayer's tax period in
183 which such credits are being claimed; and

184 (2) Such facility maintains an average of at least twenty million dollars in new business
185 facility investment as defined in subdivision (7) of section 135.100 during the taxpayer's tax
186 period in which such credits are being claimed.

187 10. For the purpose of the credits allowed in subsection 9 of this section:

188 (1) "Employee-owned" means the business employees own directly or indirectly,
189 including through an employee stock ownership plan or trust at least:

190 (a) Seventy-five percent of the total business stock, if the taxpayer is a corporation
191 described in section 143.441; or

192 (b) One hundred percent of the interest in the business if the taxpayer is a corporation
193 described in section 143.471, a partnership, or a limited liability company; and

194 (2) "Headquarters" means:

195 (a) The administrative management of at least three integrated facilities operated by the
196 taxpayer or related taxpayer; and

197 (b) The taxpayer's business has been headquartered in this state for more than fifty years.

198 11. The tax credits allowed in subsection 9 of this section shall be the greater of:

199 (1) Four hundred dollars for each new business facility employee as computed in
200 subsection 4 of this section and four percent of new business facility investment as computed in
201 subsection 5 of this section; or

202 (2) Five hundred dollars for each new business facility employee as computed in
203 subsection 4 of this section, and five hundred dollars of each one hundred thousand dollars of
204 new business facility investment as computed in subsection 5 of this section.

205 12. For the purpose of the credit described in subsection 9 of this section, in the case of
206 a small corporation described in section 143.471, or a partnership, or a limited liability company,
207 the credits allowed in subsection 9 of this section shall be apportioned in proportion to the share
208 of ownership of each shareholder, partner or stockholder on the last day of the taxpayer's tax
209 period for which such credits are being claimed.

210 13. For the purpose of the credit described in subsection 9 of this section, tax credits
211 earned, to the extent such credits exceed the taxpayer's Missouri tax on taxable business income,
212 shall constitute an overpayment of taxes and in such case, be refunded to the taxpayer provided
213 such refunds are used by the taxpayer to purchase specified facility items. For the purpose of the
214 refund as authorized in this subsection, "specified facility items" means equipment, computers,
215 computer software, copiers, tenant finishing, furniture and fixtures installed and in use at the new
216 business facility during the taxpayer's taxable year. The taxpayer shall perfect such refund by
217 attesting in writing to the director, subject to the penalties of perjury, the requirements prescribed
218 in this subsection have been met and submitting any other information the director may require.

219 14. Notwithstanding any provision of law to the contrary, any taxpayer may sell, assign,
220 exchange, convey or otherwise transfer tax credits allowed in subsection 9 of this section under
221 the terms and conditions prescribed in subdivisions (1) and (2) of this subsection. Such taxpayer,
222 referred to as the assignor for the purpose of this subsection, may sell, assign, exchange or
223 otherwise transfer earned tax credits:

224 (1) For no less than seventy-five percent of the par value of such credits; and

225 (2) In an amount not to exceed one hundred percent of such earned credits. The taxpayer
226 acquiring the earned credits referred to as the assignee for the purpose of this subsection may use
227 the acquired credits to offset up to one hundred percent of the tax liabilities otherwise imposed
228 by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.261, or chapter
229 148, or in the case of an insurance company exempt from the thirty percent employee
230 requirement of section 135.230, against any obligation imposed pursuant to section 375.916.
231 Unused credits in the hands of the assignee may be carried forward for up to five tax periods,
232 provided all such credits shall be claimed within ten tax periods following the tax period in
233 which commencement of commercial operations occurred at the new business facility. The
234 assignor shall enter into a written agreement with the assignee establishing the terms and
235 conditions of the agreement and shall perfect such transfer by notifying the director in writing
236 within thirty calendar days following the effective date of the transfer and shall provide any
237 information as may be required by the director to administer and carry out the provisions of this
238 subsection. Notwithstanding any other provision of law to the contrary, the amount received by
239 the assignor of such tax credit shall be taxable as income of the assignor, and the difference
240 between the amount paid by the assignee and the par value of the credits shall be taxable as
241 income of the assignee.

242 **15. Notwithstanding any provision to the contrary, the tax credit authorized under**
243 **sections 135.110 to 135.150 shall be subject to the provisions of section 135.840, including**
244 **the limit on the amount of funds that may be claimed and, if that limit is reached, the**
245 **distribution priority of first-come, first-served.**

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

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

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

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

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

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

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

(b) The partners in a partnership;

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

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

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

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

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

45 (8) For the purpose of sections 135.200 to 135.256, an office as defined in subdivision
46 (8) of section 135.100, when established, must create and maintain at least two new business
47 facility employees as defined in subdivision (5) of section 135.100;

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

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

60 (11) The allowance for additional ten-year periods to certain new business facilities as
61 prescribed in subsection 1 of section 135.110 shall not be available to taxpayers expanding a new
62 business facility in an enterprise zone, except that any taxpayer who has been eligible to earn
63 enterprise zone tax benefits for ten tax periods, or until the expiration of the fifteen-year period
64 as prescribed in subsection 1 of section 135.230, or for the maximum period otherwise allowed
65 by law, may qualify for the tax credits allowed in section 135.110 if otherwise eligible, pursuant
66 to the same terms and conditions prescribed in sections 135.100 to 135.150;

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

70 2. The tax credits described in subdivisions (1), (2), (3) and (4) of subsection 1 of this
71 section, the training credit allowed in section 135.235, and the income exemption allowed in
72 section 135.220, shall be allowed to any taxpayer, under the same terms and conditions specified

73 in such sections, who establishes a new business facility in an enterprise zone designated
74 pursuant to subsection 5 of section 135.230, except that all such tax benefits shall be removed
75 not later than seven years after the enterprise zone is designated as such.

76 3. Notwithstanding any provision of law to the contrary, any taxpayer who establishes
77 a new business facility in an enterprise zone, may elect to forfeit the tax credits otherwise
78 allowed in section 135.235 and this section and the exemptions otherwise allowed in sections
79 135.215 and 135.220 and the refund otherwise allowed in section 135.245, and in lieu thereof,
80 claim the tax credits allowed in section 135.110, pursuant to the same terms and conditions
81 prescribed in sections 135.100 to 135.150. To perfect the election, the taxpayer shall attach
82 written notification of such election to the taxpayer's initial application for claiming tax credits.
83 The election shall be irreversible once perfected.

84 4. The right to receive the income exemption described in section 135.220, the tax
85 credits described in subsection 1 of this section and the training credit allowed in section 135.235
86 shall vest in the taxpayer upon commencement of operations of the revenue-producing
87 enterprise, but such vested right shall be waived by the taxpayer for any given year in which the
88 terms and conditions of sections 135.100 to 135.268 are not met. Representations made by the
89 department and relied upon in good faith by the taxpayer shall be binding upon the state of
90 Missouri insofar as they are consistent with the provisions of this chapter. The provisions of this
91 subsection shall apply to all revenue-producing enterprises which are eligible for incentives
92 pursuant to this subsection and which commenced operation on or after January 1, 1996, to the
93 extent such incentives do not exceed the fifteen-year limitation pursuant to subsection 1 of
94 section 135.230 or the seven-year limitation pursuant to subsection 5 of section 135.230. [~~The~~
95 ~~provisions of this subsection shall apply to all revenue-producing enterprises which are eligible~~
96 ~~for the incentives set forth in this subsection, and which began operation after January 1, 1996,~~
97 ~~to the extent such incentives do not exceed the fifteen-year limitation set forth in subsection 1~~
98 ~~of section 135.230, or the seven-year limit set forth in subsection 5 of section 135.230.]~~

99 **5. Notwithstanding any provision to the contrary, the tax credit authorized under**
100 **this section shall be subject to the provisions of section 135.840, including the limit on the**
101 **amount of funds that may be claimed and, if that limit is reached, the distribution priority**
102 **of first-come, first-served.**

135.235. 1. To the extent that expenses incurred by a new business facility in an
2 enterprise zone for the training of persons employed in the operation of the new business facility
3 is not covered by an existing federal, state or local program, such new business facility shall be
4 eligible for a full tax credit equal to eighty percent of that portion of such training expenses
5 which are in excess of four hundred dollars for each trainee who is a resident of the enterprise
6 zone or who was at the time of such employment at the new business facility unemployable or

7 difficult to employ as defined in section 135.240, provided such credit shall not exceed four
8 hundred dollars for each employee trained. In the case of a small corporation described in
9 section 143.471 or a partnership, all credits allowed by this section shall be apportioned in
10 proportion to the share of ownership of the business to the following:

11 (1) The shareholders of the corporation described in section 143.471; or

12 (2) The partners in a partnership.

13 **2. The tax credit authorized under this section shall be subject to the provisions of**
14 **section 135.840, including the limit on the amount of funds that may be claimed and, if that**
15 **limit is reached, the distribution priority of first-come, first-served.**

135.245. 1. Notwithstanding any other provision of Missouri law, some portion of the
2 tax credits earned by a newly established new business facility within an enterprise zone through
3 the provisions of sections 135.200 to 135.256, except one designated pursuant to subsection 5
4 of section 135.230, which exceeds its total income tax liability shall be considered an
5 overpayment of the income tax and shall be refunded to the taxpayer as provided by this section,
6 except that such refund shall only apply to taxpayers subject to the tax imposed pursuant to
7 chapter 143. The refund allowed by this section shall be limited to taxpayers who establish new
8 facilities in enterprise zones. The refund shall not be allowed to a taxpayer who establishes a
9 new business facility because it qualifies as a separate facility pursuant to subsection 6 of section
10 135.110 or subdivision (7) of subsection 1 of section 135.225 or because it satisfies the
11 requirements of paragraph (c) of subdivision (4) of section 135.100 or subdivision (10) of section
12 135.100. The provisions of this section shall have effect on all initial applications filed on or
13 after August 28, 1992. The provisions of this section shall only be available to a taxpayer for the
14 first two consecutive years during which the taxpayer is eligible for the credits provided by
15 sections 135.200 to 135.256, and the portion of tax credit which is considered an overpayment
16 of the income tax shall be limited to fifty percent or fifty thousand dollars, whichever is less, in
17 the first year and twenty-five percent or twenty-five thousand dollars, whichever is less, in the
18 second year in which the taxpayer is eligible. The overpayment of the income tax for the first
19 year shall not be refunded to the taxpayer until the third taxable year of operation by the new
20 business facility and the overpayment of the income tax for the second year shall not be refunded
21 to the taxpayer until the fourth taxable year of operation by the new business facility.

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

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

32 (1) The shareholders of the corporation described in section 143.471; or

33 (2) The partners in a partnership.

34 **4. The tax credit authorized under this section shall be subject to the provisions of**
35 **section 135.840, including the limit on the amount of funds that may be claimed and, if that**
36 **limit is reached, the distribution priority of first-come, first-served.**

135.305. 1. A Missouri wood energy producer shall be eligible for a tax credit on taxes
2 otherwise due under chapter 143, except sections 143.191 to 143.261, as a production incentive
3 to produce processed wood products in a qualified wood-producing facility using Missouri forest
4 product residue. The tax credit to the wood energy producer shall be five dollars per ton of
5 processed material. The credit may be claimed for a period of five years and is to be a tax credit
6 against the tax otherwise due. No new tax credits, provided for under sections 135.300 to
7 135.311, shall be authorized after June 30, 2020. In no event shall the aggregate amount of all
8 tax credits allowed under sections 135.300 to 135.311 exceed six million dollars in any given
9 fiscal year. There shall be no tax credits authorized under sections 135.300 to 135.311 unless
10 an appropriation is made for such tax credits.

11 **2. The tax credit authorized under this section shall be subject to the provisions of**
12 **section 135.840, including the limit on the amount of funds that may be claimed and, if that**
13 **limit is reached, the distribution priority of first-come, first-served.**

135.352. 1. A taxpayer owning an interest in a qualified Missouri project shall, subject
2 to the limitations provided under the provisions of subsection 3 of this section, be allowed a state
3 tax credit, whether or not allowed a federal tax credit, to be termed the Missouri low-income
4 housing tax credit, if the commission issues an eligibility statement for that project.

5 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. No more than six million dollars in tax credits shall be authorized each fiscal year for
12 projects financed through tax-exempt bond issuance.

13 4. The Missouri low-income housing tax credit shall be taken against the taxes and in
14 the order specified pursuant to section 32.115. The credit authorized by this section shall not be

15 refundable. Any amount of credit that exceeds the tax due for a taxpayer's taxable year may be
16 carried back to any of the taxpayer's three prior taxable years or carried forward to any of the
17 taxpayer's five subsequent taxable years.

18 5. All or any portion of Missouri tax credits issued in accordance with the provisions of
19 sections 135.350 to 135.362 may be allocated to parties who are eligible pursuant to the
20 provisions of subsection 1 of this section. Beginning January 1, 1995, for qualified projects
21 which began on or after January 1, 1994, an owner of a qualified Missouri project shall certify
22 to the director the amount of credit allocated to each taxpayer. The owner of the project shall
23 provide to the director appropriate information so that the low-income housing tax credit can be
24 properly allocated.

25 6. In the event that recapture of Missouri low-income housing tax credits is required
26 pursuant to subsection 2 of section 135.355, any statement submitted to the director as provided
27 in this section shall include the proportion of the state credit required to be recaptured, the
28 identity of each taxpayer subject to the recapture and the amount of credit previously allocated
29 to such taxpayer.

30 7. **Notwithstanding subsection 3 of this section or any other provision to the**
31 **contrary, the tax credit authorized under this section shall be subject to the provisions of**
32 **section 135.840, including the limit on the amount of funds that may be claimed and, if that**
33 **limit is reached, the distribution priority of first-come, first-served.**

34 8. The director of the department may promulgate rules and regulations necessary to
35 administer the provisions of this section. No rule or portion of a rule promulgated pursuant to
36 the authority of this section shall become effective unless it has been promulgated pursuant to
37 the provisions of section 536.024.

135.403. 1. Any investor who makes a qualified investment in a Missouri small business
2 shall be entitled to receive a tax credit equal to forty percent of the amount of the investment or,
3 in the case of a qualified investment in a Missouri small business in a distressed community as
4 defined by section 135.530, a credit equal to sixty percent of the amount of the investment, and
5 any investor who makes a qualified investment in a community bank or a community
6 development corporation shall be entitled to receive a tax credit equal to fifty percent of the
7 amount of the investment if the investment is made in a community bank or community
8 development corporation for direct investment. The total amount of tax credits available for
9 qualified investments in Missouri small businesses shall not exceed thirteen million dollars and
10 at least four million dollars of the amount authorized by this section and certified by the
11 department of economic development shall be for investment in Missouri small businesses in
12 distressed communities. Authorization for all or any part of this four-million-dollar amount shall
13 in no way restrict the eligibility of Missouri small businesses in distressed communities, as

14 defined in section 135.530, for the remaining amounts authorized within this section. No more
15 than twenty percent of the tax credits available each year for investments in community banks
16 or community development corporations for direct investment shall be certified for any one
17 project, as defined in section 135.400. The tax credit shall be evidenced by a tax credit
18 certificate in accordance with the provisions of sections 135.400 to 135.430 and may be used to
19 satisfy the state tax liability of the owner of the certificate that becomes due in the tax year in
20 which the qualified investment is made, or in any of the ten tax years thereafter. When the
21 qualified small business is in a distressed community, as defined in section 135.530, the tax
22 credit may also be used to satisfy the state tax liability of the owner of the certificate that was due
23 during each of the previous three years in addition to the year in which the investment is made
24 and any of the ten years thereafter. No investor may receive a tax credit pursuant to sections
25 135.400 to 135.430 unless that person presents a tax credit certificate to the department of
26 revenue for payment of such state tax liability. The department of revenue shall grant tax credits
27 in the same order as established by subsection 1 of section 32.115. Subject to the provisions of
28 sections 135.400 to 135.430, certificates of tax credit issued in accordance with these sections
29 may be transferred, sold or assigned by notarized endorsement thereof which names the
30 transferee.

31 2. Five hundred thousand dollars in tax credits shall be available annually from the total
32 amount of tax credits authorized by section 32.110 and subdivision (4) of subsection 2 of section
33 32.115 as a result of investments in community banks or community development corporations.
34 Aggregate investments eligible for tax credits in any one Missouri small business shall not be
35 more than one million dollars. Aggregate investments eligible for tax credits in any one Missouri
36 small business shall not be less than five thousand dollars as of the date of issuance of the first
37 tax credit certificate for investment in that business.

38 3. This section and section 620.1039 shall become effective January 1, 2001.

39 **4. Notwithstanding subsection 2 of this section or any other provision to the**
40 **contrary, the tax credit authorized under sections 135.400 to 135.430 shall be subject to the**
41 **provisions of section 135.840, including the limit on the amount of funds that may be**
42 **claimed and, if that limit is reached, the distribution priority of first-come, first-served.**

135.481. 1. (1) Any taxpayer who incurs eligible costs for a new residence located in
2 a distressed community or within a census block group as described in subdivision (10) of
3 section 135.478, or for a multiple unit condominium described in subdivision (2) of this
4 subsection, shall receive a tax credit equal to fifteen percent of such costs against his or her tax
5 liability. The tax credit shall not exceed forty thousand dollars per new residence in any ten-year
6 period.

7 (2) For the purposes of this section, a "multiple unit condominium" is one that is
8 intended to be owner occupied, which is constructed on property subject to an industrial
9 development contract as defined in section 100.310 and which lies within an area with a city
10 zoning classification of urban redevelopment district established after January 1, 2000, and
11 before December 31, 2001, and which is constructed in connection with the qualified
12 rehabilitation of a structure more than ninety years old eligible for the historic structures
13 rehabilitation tax credit described in sections 253.545 to 253.559, and is under way by January
14 1, 2000, and completed by January 1, 2002.

15 2. Any taxpayer who incurs eligible costs for a new residence located within a census
16 block as described in subdivision (6) of section 135.478 shall receive a tax credit equal to fifteen
17 percent of such costs against his or her tax liability. The tax credit shall not exceed twenty-five
18 thousand dollars per new residence in any ten-year period.

19 3. Any taxpayer who is not performing substantial rehabilitation and who incurs eligible
20 costs for rehabilitation of an eligible residence or a qualifying residence shall receive a tax credit
21 equal to twenty-five percent of such costs against his or her tax liability. The minimum eligible
22 costs for rehabilitation of an eligible residence shall be ten thousand dollars. The minimum
23 eligible costs for rehabilitation of a qualifying residence shall be five thousand dollars. The tax
24 credit shall not exceed twenty-five thousand dollars in any ten-year period.

25 4. Any taxpayer who incurs eligible costs for substantial rehabilitation of a qualifying
26 residence shall receive a tax credit equal to thirty-five percent of such costs against his or her tax
27 liability. The minimum eligible costs for substantial rehabilitation of a qualifying residence shall
28 be ten thousand dollars. The tax credit shall not exceed seventy thousand dollars in any ten-year
29 period.

30 5. A taxpayer shall be eligible to receive tax credits for new construction or rehabilitation
31 pursuant to only one subsection of this section.

32 6. No tax credit shall be issued pursuant to this section for any structure which is in
33 violation of any municipal or county property, maintenance or zoning code.

34 7. No tax credit shall be issued pursuant to sections 135.475 to 135.487 for the
35 construction or rehabilitation of rental property.

36 **8. The tax credit authorized under sections 135.475 to 135.487 shall be subject to**
37 **the provisions of section 135.840, including the limit on the amount of funds that may be**
38 **claimed and, if that limit is reached, the distribution priority of first-come, first-served.**

135.490. 1. In order to encourage and foster community improvement, an eligible small
2 business, as defined in Section 44 of the Internal Revenue Code, shall be allowed a credit not to
3 exceed five thousand dollars against the tax otherwise due pursuant to chapter 143, not including
4 sections 143.191 to 143.265, in an amount equal to fifty percent of all eligible access

5 expenditures exceeding the monetary cap provided by Section 44 of the Internal Revenue Code.
6 For purposes of this section, "eligible access expenditures" means amounts paid or incurred by
7 the taxpayer in order to comply with applicable access requirements provided by the Americans
8 With Disabilities Act of 1990, as further defined in Section 44 of the Internal Revenue Code and
9 federal rulings interpreting Section 44 of the Internal Revenue Code.

10 2. The tax credit allowed by this section shall be claimed by the taxpayer at the time such
11 taxpayer files a return. Any amount of tax credit which exceeds the tax due shall be carried over
12 to any subsequent taxable year, but shall not be refunded and shall not be transferable.

13 3. The director of the department of economic development and the director of the
14 department of revenue shall jointly administer the tax credit authorized by this section. Both the
15 director of the department of economic development and the director of the department of
16 revenue are authorized to promulgate rules and regulations necessary to administer the provisions
17 of this section. No rule or portion of a rule promulgated pursuant to the authority of this section
18 shall become effective unless it has been promulgated pursuant to the provisions of chapter 536.

19 4. The provisions of this section shall become effective on January 1, 2000, and shall
20 apply to all taxable years beginning after December 31, 1999.

21 **5. The tax credit authorized under this section shall be subject to the provisions of**
22 **section 135.840, including the limit on the amount of funds that may be claimed and, if that**
23 **limit is reached, the distribution priority of first-come, first-served.**

135.503. 1. Any investor that makes an investment of certified capital shall, in the year
2 of investment, earn a vested credit against state premium tax liability equal to the applicable
3 percentage of the investor's investment of certified capital. An investor shall be entitled to take
4 up to ten percent of the vested credit in any taxable year of the investor. Any time after three
5 years after August 28, 1996, the director, with the approval of the commissioner of
6 administration, may reduce the applicable percentage on a prospective basis. Any such reduction
7 in the applicable percentage by the director shall not have any effect on credits against state
8 premium tax liability which have been claimed or will be claimed by any investor with respect
9 to credits which have been earned and vested pursuant to an investment of certified capital prior
10 to the effective date of any such change.

11 2. An insurance company claiming a state premium tax credit earned through an
12 investment in a certified capital company shall not be required to pay any additional retaliatory
13 tax levied pursuant to section 375.916 as a result of claiming such credit.

14 3. The credit against state premium tax liability which is described in subsection 1 of this
15 section may not exceed the state premium tax liability of the investor for any taxable year. All
16 such credits against state premium tax liability may be carried forward indefinitely until the
17 credits are utilized. The maximum amount of certified capital in one or more certified capital

18 companies for which earned and vested tax credits will be allowed in any year to any one
19 investor or its affiliates shall be limited to ten million dollars.

20 4. Except as provided in subsection 5 of this section, the aggregate amount of certified
21 capital for which earned and vested credits against state premium tax liability are allowed for all
22 persons pursuant to sections 135.500 to 135.529 shall not exceed the following amounts: for
23 calendar year 1996, \$0.00; for calendar year 1997, an amount which would entitle all Missouri
24 certified capital company investors to take aggregate credits of five million dollars; and for any
25 year thereafter, an additional amount to be determined by the director but not to exceed aggregate
26 credits of ten million dollars for any year with the approval of the commissioner of
27 administration and reported to the general assembly as provided in subsection 2 of section
28 33.282, provided that the amount so determined shall not impair the ability of an investor with
29 earned and vested credits which have been allowed in previous years to take them, pursuant to
30 subsection 1 of this section. During any calendar year in which the limitation described in this
31 subsection will limit the amount of certified capital for which earned and vested credits against
32 state premium tax liability are allowed, certified capital for which credits are allowed will be
33 allocated in order of priority based upon the date of filing of information described in subdivision
34 (1) of subsection 5 of section 135.516. Certified capital limited in any calendar year by the
35 application of the provisions of this subsection shall be allowed and allocated in the immediately
36 succeeding calendar year in the order of priority set forth in this subsection. The department
37 shall make separate allocations of certified capital for which credits are allowed under the
38 limitations described in this subsection and under the limitations described in subsection 5 of this
39 section.

40 5. In addition to the maximum amount pursuant to subsection 4 of this section, the
41 aggregate amount of certified capital for which earned and vested credits against state premium
42 tax liability are allowed for persons pursuant to sections 135.500 to 135.529 shall be the
43 following: for calendar year 1999 and for any year thereafter, an amount to be determined by the
44 director which would entitle all Missouri certified capital company investors to take aggregate
45 credits not to exceed four million dollars for any year with the approval of the commissioner of
46 administration and reported to the general assembly as provided in subsection 2 of section
47 33.282, provided that the amount so determined shall not impair the ability of an investor with
48 earned and vested credits which have been allowed in previous years or pursuant to the
49 provisions of subsection 4 of this section to take them, pursuant to subsection 1 of this section.
50 For purposes of any requirement regarding the schedule of qualified investments for certified
51 capital for which earned and vested credits against state premium tax liability are allowed
52 pursuant to this subsection only, the definition of a "qualified Missouri business" as set forth in
53 subdivision (14) of subsection 2 of section 135.500 means a Missouri business that is located in

54 a distressed community as defined in section 135.530, and meets all of the requirements of
55 subdivision (14) of subsection 2 of section 135.500. During any calendar year in which the
56 limitation described in this subsection limits the amount of additional certified capital for which
57 earned and vested credits against state premium tax liability are allowed, additional certified
58 capital for which credits are allowed shall be allocated in order of priority based upon the date
59 of filing of information described in subdivision (1) of subsection 5 of section 135.516 with
60 respect to such additional certified capital. The department shall make separate allocations of
61 certified capital for which credits are allowed under the limitations described in this subsection
62 and under the limitations described in subsection 4 of this section. No limitation applicable to
63 any certified capital company with respect to certified capital for which credits are allowed
64 pursuant to subsection 4 of this section shall limit the amount of certified capital for which
65 credits are allowed pursuant to this subsection. No limitation applicable to any certified capital
66 company with respect to certified capital for which credits are allowed pursuant to this
67 subsection shall limit the amount of certified capital for which credits are allowed pursuant to
68 subsection 4 of this section.

69 6. The department shall advise any Missouri certified capital company, in writing, within
70 fifteen days after receiving the filing described in subdivision (1) of subsection 5 of section
71 135.516 whether the limitations of subsection 3 of this section then in effect will be applicable
72 with respect to the investments and credits described in such filing with the department.

73 **7. Notwithstanding any provision to the contrary, the tax credit authorized under**
74 **sections 135.500 to 135.529 shall be subject to the provisions of section 135.840, including**
75 **the limit on the amount of funds that may be claimed and, if that limit is reached, the**
76 **distribution priority of first-come, first-served.**

135.535. 1. A corporation, limited liability corporation, partnership or sole
2 proprietorship, which moves its operations from outside Missouri or outside a distressed
3 community into a distressed community, or which commences operations in a distressed
4 community on or after January 1, 1999, and in either case has more than seventy-five percent of
5 its employees at the facility in the distressed community, and which has fewer than one hundred
6 employees for whom payroll taxes are paid, and which is a manufacturing, biomedical, medical
7 devices, scientific research, animal research, computer software design or development,
8 computer programming, including internet, web hosting, and other information technology,
9 wireless or wired or other telecommunications or a professional firm shall receive a forty percent
10 credit against income taxes owed pursuant to chapter 143, 147 or 148, other than taxes withheld
11 pursuant to sections 143.191 to 143.265, for each of the three years after such move, if approved
12 by the department of economic development, which shall issue a certificate of eligibility if the
13 department determines that the taxpayer is eligible for such credit. The maximum amount of

14 credits per taxpayer set forth in this subsection shall not exceed one hundred twenty-five
15 thousand dollars for each of the three years for which the credit is claimed. The department of
16 economic development, by means of rule or regulation promulgated pursuant to the provisions
17 of chapter 536, shall assign appropriate North American Industry Classification System numbers
18 to the companies which are eligible for the tax credits provided for in this section. Such
19 three-year credits shall be awarded only one time to any company which moves its operations
20 from outside of Missouri or outside of a distressed community into a distressed community or
21 to a company which commences operations within a distressed community. A taxpayer shall file
22 an application for certification of the tax credits for the first year in which credits are claimed and
23 for each of the two succeeding taxable years for which credits are claimed.

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

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

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

49 subsection or subsection 1 of this section may be carried back to any of the three prior tax years
50 and carried forward to any of the next five tax years.

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

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

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

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

82 9. Notwithstanding any provision of law to the contrary, no taxpayer shall earn the tax
83 credits allowed in this section and the tax credits otherwise allowed in section 135.110, or the

84 tax credits, exemptions, and refund otherwise allowed in sections 135.200, 135.220, 135.225 and
85 135.245, respectively, for the same business for the same tax period.

86 **10. Notwithstanding subsection 7 of this section or any other provision to the**
87 **contrary, the tax credit authorized under this section shall be subject to the provisions of**
88 **section 135.840, including the limit on the amount of funds that may be claimed and, if that**
89 **limit is reached, the distribution priority of first-come, first-served.**

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

19 **2. The tax credit authorized under this section shall be subject to the provisions of**
20 **section 135.840, including the limit on the amount of funds that may be claimed and, if that**
21 **limit is reached, the distribution priority of first-come, first-served.**

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

2 (1) "Adjusted purchase price", the product of:

3 (a) The amount paid to the issuer of a qualified equity investment for such qualified
4 equity investment; and

5 (b) The following fraction:

6 a. The numerator shall be the dollar amount of qualified low-income community
7 investments held by the issuer in this state as of the credit allowance date during the applicable
8 tax year; and

9 b. The denominator shall be the total dollar amount of qualified low-income community
10 investments held by the issuer in all states as of the credit allowance date during the applicable
11 tax year;

12 [~~e.~~]

13

14 For purposes of calculating the amount of qualified low-income community investments held
15 by an issuer, an investment shall be considered held by an issuer even if the investment has been
16 sold or repaid; provided that the issuer reinvests an amount equal to the capital returned to or
17 recovered by the issuer from the original investment, exclusive of any profits realized, in another
18 qualified low-income community investment within twelve months of the receipt of such capital.
19 An issuer shall not be required to reinvest capital returned from qualified low-income community
20 investments after the sixth anniversary of the issuance of the qualified equity investment, the
21 proceeds of which were used to make the qualified low-income community investment, and the
22 qualified low-income community investment shall be considered held by the issuer through the
23 seventh anniversary of the qualified equity investment's issuance;

24 (2) "Applicable percentage", zero percent for each of the first two credit allowance dates,
25 seven percent for the third credit allowance date, and eight percent for the next four credit
26 allowance dates;

27 (3) "Credit allowance date", with respect to any qualified equity investment:

28 (a) The date on which such investment is initially made; and

29 (b) Each of the six anniversary dates of such date thereafter;

30 (4) "Long-term debt security", any debt instrument issued by a qualified community
31 development entity, at par value or a premium, with an original maturity date of at least seven
32 years from the date of its issuance, with no acceleration of repayment, amortization, or
33 prepayment features prior to its original maturity date, and with no distribution, payment, or
34 interest features related to the profitability of the qualified community development entity or the
35 performance of the qualified community development entity's investment portfolio. The
36 foregoing shall in no way limit the holder's ability to accelerate payments on the debt instrument
37 in situations where the issuer has defaulted on covenants designed to ensure compliance with this
38 section or Section 45D of the Internal Revenue Code of 1986, as amended;

39 (5) "Qualified active low-income community business", the meaning given such term
40 in Section 45D of the Internal Revenue Code of 1986, as amended; provided that any business
41 that derives or projects to derive fifteen percent or more of its annual revenue from the rental or
42 sale of real estate shall not be considered to be a qualified active low-income community
43 business;

44 (6) "Qualified community development entity", the meaning given such term in Section
45 45D of the Internal Revenue Code of 1986, as amended; provided that such entity has entered
46 into an allocation agreement with the Community Development Financial Institutions Fund of
47 the U.S. Treasury Department with respect to credits authorized by Section 45D of the Internal
48 Revenue Code of 1986, as amended, which includes the state of Missouri within the service area
49 set forth in such allocation agreement;

50 (7) "Qualified equity investment", any equity investment in, or long-term debt security
51 issued by, a qualified community development entity that:

52 (a) Is acquired after September 4, 2007, at its original issuance solely in exchange for
53 cash;

54 (b) Has at least eighty-five percent of its cash purchase price used by the issuer to make
55 qualified low-income community investments; and

56 (c) Is designated by the issuer as a qualified equity investment under this subdivision and
57 is certified by the department of economic development as not exceeding the limitation contained
58 in subsection 2 of this section. This term shall include any qualified equity investment that does
59 not meet the provisions of paragraph (a) of this subdivision if such investment was a qualified
60 equity investment in the hands of a prior holder;

61 (8) "Qualified low-income community investment", any capital or equity investment in,
62 or loan to, any qualified active low-income community business. With respect to any one
63 qualified active low-income community business, the maximum amount of qualified low-income
64 community investments made in such business, on a collective basis with all of its affiliates, that
65 may be used from the calculation of any numerator described in subparagraph a. of paragraph
66 (b) of subdivision (1) of this subsection shall be ten million dollars whether issued to one or
67 several qualified community development entities;

68 (9) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding
69 withholding tax imposed in sections 143.191 to 143.265, or otherwise due under section 375.916
70 or chapter 147, 148, or 153;

71 (10) "Taxpayer", any individual or entity subject to the tax imposed in chapter 143,
72 excluding withholding tax imposed in sections 143.191 to 143.265, or the tax imposed in section
73 375.916 or chapter 147, 148, or 153.

74 2. A taxpayer that makes a qualified equity investment earns a vested right to tax credits
75 under this section. On each credit allowance date of such qualified equity investment the
76 taxpayer, or subsequent holder of the qualified equity investment, shall be entitled to a tax credit
77 during the taxable year including such credit allowance date. The tax credit amount shall be
78 equal to the applicable percentage of the adjusted purchase price paid to the issuer of such
79 qualified equity investment. The amount of the tax credit claimed shall not exceed the amount

80 of the taxpayer's state tax liability for the tax year for which the tax credit is claimed. No tax
81 credit claimed under this section shall be refundable or transferable. Tax credits earned by a
82 partnership, limited liability company, S-corporation, or other pass-through entity may be
83 allocated to the partners, members, or shareholders of such entity for their direct use in
84 accordance with the provisions of any agreement among such partners, members, or
85 shareholders. Any amount of tax credit that the taxpayer is prohibited by this section from
86 claiming in a taxable year may be carried forward to any of the taxpayer's five subsequent taxable
87 years. The department of economic development shall limit the monetary amount of qualified
88 equity investments permitted under this section to a level necessary to limit tax credit utilization
89 at no more than twenty-five million dollars of tax credits in any fiscal year. Such limitation on
90 qualified equity investments shall be based on the anticipated utilization of credits without regard
91 to the potential for taxpayers to carry forward tax credits to later tax years.

92 3. The issuer of the qualified equity investment shall certify to the department of
93 economic development the anticipated dollar amount of such investments to be made in this state
94 during the first twelve-month period following the initial credit allowance date. If on the second
95 credit allowance date, the actual dollar amount of such investments is different than the amount
96 estimated, the department of economic development shall adjust the credits arising on the second
97 allowance date to account for such difference.

98 4. The department of economic development shall recapture the tax credit allowed under
99 this section with respect to such qualified equity investment under this section if:

100 (1) Any amount of the federal tax credit available with respect to a qualified equity
101 investment that is eligible for a tax credit under this section is recaptured under Section 45D of
102 the Internal Revenue Code of 1986, as amended; or

103 (2) The issuer redeems or makes principal repayment with respect to a qualified equity
104 investment prior to the seventh anniversary of the issuance of such qualified equity investment.
105 Any tax credit that is subject to recapture shall be recaptured from the taxpayer that claimed the
106 tax credit on a return.

107 5. The department of economic development shall promulgate rules to implement the
108 provisions of this section, including recapture provisions on a scaled proportional basis, and to
109 administer the allocation of tax credits issued for qualified equity investments, which shall be
110 conducted on a first-come, first-serve basis. Any rule or portion of a rule, as that term is defined
111 in section 536.010, that is created under the authority delegated in this section shall become
112 effective only if it complies with and is subject to all of the provisions of chapter 536 and, if
113 applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the
114 powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective
115 date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of

116 rulemaking authority and any rule proposed or adopted after September 4, 2007, shall be invalid
117 and void.

118 6. For fiscal years following fiscal year 2010, qualified equity investments shall not be
119 made under this section unless reauthorization is made pursuant to this subsection. For all fiscal
120 years following fiscal year 2010, unless the general assembly adopts a concurrent resolution
121 granting authority to the department of economic development to approve qualified equity
122 investments for the Missouri new markets development program and clearly describing the
123 amount of tax credits available for the next fiscal year, or otherwise complies with the provisions
124 of this subsection, no qualified equity investments may be permitted to be made under this
125 section. The amount of available tax credits contained in such a resolution shall not exceed the
126 limitation provided under subsection 2 of this section. In any year in which the provisions of this
127 section shall sunset pursuant to subsection 7 of this section, reauthorization shall be made by
128 general law and not by concurrent resolution. Nothing in this subsection shall preclude a
129 taxpayer who makes a qualified equity investment prior to the expiration of authority to make
130 qualified equity investments from claiming tax credits relating to such qualified equity
131 investment for each applicable credit allowance date.

132 7. **The tax credit authorized under this section shall be subject to the provisions of**
133 **section 135.840, including the limit on the amount of funds that may be claimed and, if that**
134 **limit is reached, the distribution priority of first-come, first-served.**

135 8. Under section 23.253 of the Missouri sunset act:

136 (1) The provisions of the new program authorized under this section shall automatically
137 sunset six years after September 4, 2007, unless reauthorized by an act of the general assembly;
138 and

139 (2) If such program is reauthorized, the program authorized under this section shall
140 automatically sunset twelve years after the effective date of the reauthorization of this section;
141 and

142 (3) This section shall terminate on September first of the calendar year immediately
143 following the calendar year in which the program authorized under this section is sunset.
144 However, nothing in this subsection shall preclude a taxpayer who makes a qualified equity
145 investment prior to sunset of this section under the provisions of section 23.253 from claiming
146 tax credits relating to such qualified equity investment for each credit allowance date.

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

2 (1) "Alternative fuel vehicle refueling property", property in this state owned by an
3 eligible applicant and used for storing alternative fuels and for dispensing such alternative fuels
4 into fuel tanks of motor vehicles owned by such eligible applicant or private citizens;

5 (2) "Alternative fuels", any motor fuel at least seventy percent of the volume of which
6 consists of one or more of the following:

7 (a) Ethanol;

8 (b) Natural gas;

9 (c) Compressed natural gas, or CNG;

10 (d) Liquefied natural gas, or LNG;

11 (e) Liquefied petroleum gas, or LP gas, propane, or autogas;

12 (f) Any mixture of biodiesel and diesel fuel, without regard to any use of kerosene;

13 (g) Hydrogen;

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

15 (4) "Electric vehicle recharging property", property in this state owned by an eligible
16 applicant and used for recharging electric motor vehicles owned by such eligible applicant or
17 private citizens;

18 (5) "Eligible applicant", a business entity or private citizen that is the owner of an electric
19 vehicle recharging property or an alternative fuel vehicle refueling property;

20 (6) "Qualified Missouri contractor", a contractor whose principal place of business is
21 located in Missouri and has been located in Missouri for a period of not less than five years;

22 (7) "Qualified property", an electric vehicle recharging property or an alternative fuel
23 vehicle refueling property which, if constructed after August 28, 2014, was constructed with at
24 least fifty-one percent of the costs being paid to qualified Missouri contractors for the:

25 (a) Fabrication of premanufactured equipment or process piping used in the construction
26 of such facility;

27 (b) Construction of such facility; and

28 (c) General maintenance of such facility during the time period in which such facility
29 receives any tax credit under this section.

30

31 If no qualified Missouri contractor is located within seventy-five miles of the property, the
32 requirement that fifty-one percent of the costs shall be paid to qualified Missouri contractors
33 shall not apply.

34 2. For all tax years beginning on or after January 1, 2015, but before January 1, 2018,
35 any eligible applicant who installs and operates a qualified property shall be allowed a credit
36 against the tax otherwise due under chapter 143, excluding withholding tax imposed by sections
37 143.191 to 143.265, or due under chapter 147 or chapter 148 for any tax year in which the
38 applicant is constructing the qualified property. The credit allowed in this section per eligible
39 applicant who is a private citizen shall not exceed fifteen hundred dollars or per eligible applicant
40 that is a business entity shall not exceed the lesser of twenty thousand dollars or twenty percent

41 of the total costs directly associated with the purchase and installation of any alternative fuel
42 storage and dispensing equipment or any recharging equipment on any qualified property, which
43 shall not include the following:

- 44 (1) Costs associated with the purchase of land upon which to place a qualified property;
- 45 (2) Costs associated with the purchase of an existing qualified property; or
- 46 (3) Costs for the construction or purchase of any structure.

47 3. Tax credits allowed by this section shall be claimed by the eligible applicant at the
48 time such applicant files a return for the tax year in which the storage and dispensing or
49 recharging facilities were placed in service at a qualified property, and shall be applied against
50 the income tax liability imposed by chapter 143, chapter 147, or chapter 148 after all other
51 credits provided by law have been applied. The cumulative amount of tax credits which may be
52 claimed by eligible applicants claiming all credits authorized in this section shall not exceed one
53 million dollars in any calendar year, subject to appropriations.

54 4. If the amount of the tax credit exceeds the eligible applicant's tax liability, the
55 difference shall not be refundable. Any amount of credit that an eligible applicant is prohibited
56 by this section from claiming in a taxable year may be carried forward to any of such applicant's
57 two subsequent taxable years. Tax credits allowed under this section may be assigned,
58 transferred, sold, or otherwise conveyed.

59 5. Any qualified property, for which an eligible applicant receives tax credits under this
60 section, which ceases to sell alternative fuel or recharge electric vehicles shall cause the
61 forfeiture of such eligible applicant's tax credits provided under this section for the taxable year
62 in which the qualified property ceased to sell alternative fuel or recharge electric vehicles and
63 for future taxable years with no recapture of tax credits obtained by an eligible applicant with
64 respect to such applicant's tax years which ended before the sale of alternative fuel or recharging
65 of electric vehicles ceased.

66 6. The director of revenue shall establish the procedure by which the tax credits in this
67 section may be claimed, and shall establish a procedure by which the cumulative amount of tax
68 credits is apportioned equally among all eligible applicants claiming the credit. To the maximum
69 extent possible, the director of revenue shall establish the procedure described in this subsection
70 in such a manner as to ensure that eligible applicants can claim all the tax credits possible up to
71 the cumulative amount of tax credits available for the taxable year. No eligible applicant
72 claiming a tax credit under this section shall be liable for any interest or penalty for filing a tax
73 return after the date fixed for filing such return as a result of the apportionment procedure under
74 this subsection.

75 7. Any eligible applicant desiring to claim a tax credit under this section shall submit the
76 appropriate application for such credit with the department. The application for a tax credit

77 under this section shall include any information required by the department. The department
78 shall review the applications and certify to the department of revenue each eligible applicant that
79 qualifies for the tax credit.

80 **8. The tax credit authorized under this section shall be subject to the provisions of**
81 **section 135.840, including the limit on the amount of funds that may be claimed and, if that**
82 **limit is reached, the distribution priority of first-come, first-served.**

83 **9.** The department and the department of revenue may promulgate rules to implement
84 the provisions of this section. Any rule or portion of a rule, as that term is defined in section
85 536.010, that is created under the authority delegated in this section shall become effective only
86 if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section
87 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the
88 general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove
89 and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority
90 and any rule proposed or adopted after August 28, 2008, shall be invalid and void.

91 ~~[9-]~~ **10.** The provisions of section 23.253 of the Missouri sunset act notwithstanding:

92 (1) The provisions of the new program authorized under this section shall automatically
93 sunset three years after December 31, 2014, unless reauthorized by an act of the general
94 assembly; and

95 (2) If such program is reauthorized, the program authorized under this section shall
96 automatically sunset six years after the effective date of the reauthorization of this section; and

97 (3) This section shall terminate on December thirty-first of the calendar year immediately
98 following the calendar year in which the program authorized under this section is sunset; and

99 (4) The provisions of this subsection shall not be construed to limit or in any way impair
100 the department's ability to redeem tax credits authorized on or before the date the program
101 authorized under this section expires or a taxpayer's ability to redeem such tax credits.

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

2 (1) "Highly compensated individual", any individual who receives compensation in
3 excess of one million dollars in connection with a single qualified film production project;

4 (2) "Qualified film production project", any film, video, commercial, or television
5 production, as approved by the department of economic development and the office of the
6 Missouri film commission, that is under thirty minutes in length with an expected in-state
7 expenditure budget in excess of fifty thousand dollars, or that is over thirty minutes in length
8 with an expected in-state expenditure budget in excess of one hundred thousand dollars.

9 Regardless of the production costs, "qualified film production project" shall not include any:

10 (a) News or current events programming;

11 (b) Talk show;

- 12 (c) Production produced primarily for industrial, corporate, or institutional purposes, and
13 for internal use;
- 14 (d) Sports event or sports program;
- 15 (e) Gala presentation or awards show;
- 16 (f) Infomercial or any production that directly solicits funds;
- 17 (g) Political ad;
- 18 (h) Production that is considered obscene, as defined in section 573.010;
- 19 (3) "Qualifying expenses", the sum of the total amount spent in this state for the
20 following by a production company in connection with a qualified film production project:
- 21 (a) Goods and services leased or purchased by the production company. For goods with
22 a purchase price of twenty-five thousand dollars or more, the amount included in qualifying
23 expenses shall be the purchase price less the fair market value of the goods at the time the
24 production is completed;
- 25 (b) Compensation and wages paid by the production company on which the production
26 company remitted withholding payments to the department of revenue under chapter 143. For
27 purposes of this section, compensation and wages shall not include any amounts paid to a highly
28 compensated individual;
- 29 (4) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding
30 withholding tax imposed by sections 143.191 to 143.265, or otherwise due under chapter 148;
- 31 (5) "Taxpayer", any individual, partnership, or corporation as described in section
32 143.441, 143.471, or section 148.370 that is subject to the tax imposed in chapter 143, excluding
33 withholding tax imposed by sections 143.191 to 143.265, or the tax imposed in chapter 148 or
34 any charitable organization which is exempt from federal income tax and whose Missouri
35 unrelated business taxable income, if any, would be subject to the state income tax imposed
36 under chapter 143.
- 37 2. For all taxable years beginning on or after January 1, 1999, but ending on or before
38 December 31, 2007, a taxpayer shall be granted a tax credit for up to fifty percent of the amount
39 of investment in production or production-related activities in any film production project with
40 an expected in-state expenditure budget in excess of three hundred thousand dollars. For all
41 taxable years beginning on or after January 1, 2008, a taxpayer shall be allowed a tax credit for
42 up to thirty-five percent of the amount of qualifying expenses in a qualified film production
43 project. Each film production company shall be limited to one qualified film production project
44 per year. Activities qualifying a taxpayer for the tax credit pursuant to this subsection shall be
45 approved by the office of the Missouri film commission and the department of economic
46 development.

47 3. Taxpayers shall apply for the film production tax credit by submitting an application
48 to the department of economic development, on a form provided by the department. As part of
49 the application, the expected in-state expenditures of the qualified film production project shall
50 be documented. In addition, the application shall include an economic impact statement,
51 showing the economic impact from the activities of the film production project. Such economic
52 impact statement shall indicate the impact on the region of the state in which the film production
53 or production-related activities are located and on the state as a whole.

54 4. For all taxable years ending on or before December 31, 2007, tax credits certified
55 pursuant to subsection 2 of this section shall not exceed one million dollars per taxpayer per year,
56 and shall not exceed a total for all tax credits certified of one million five hundred thousand
57 dollars per year. For all taxable years beginning on or after January 1, 2008, tax credits certified
58 under subsection 1 of this section shall not exceed a total for all tax credits certified of four
59 million five hundred thousand dollars per year. Taxpayers may carry forward unused credits for
60 up to five tax periods, provided all such credits shall be claimed within ten tax periods following
61 the tax period in which the film production or production-related activities for which the credits
62 are certified by the department occurred.

63 5. Notwithstanding any provision of law to the contrary, any taxpayer may sell, assign,
64 exchange, convey or otherwise transfer tax credits allowed in subsection 2 of this section. The
65 taxpayer acquiring the tax credits may use the acquired credits to offset the tax liabilities
66 otherwise imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to
67 143.265, or chapter 148. Unused acquired credits may be carried forward for up to five tax
68 periods, provided all such credits shall be claimed within ten tax periods following the tax period
69 in which the film production or production-related activities for which the credits are certified
70 by the department occurred.

71 6. **The tax credit authorized under this section shall be subject to the provisions of**
72 **section 135.840, including the limit on the amount of funds that may be claimed and, if that**
73 **limit is reached, the distribution priority of first-come, first-served.**

74 7. Under section 23.253 of the Missouri sunset act:

75 (1) The provisions of the new program authorized under this section shall automatically
76 sunset six years after November 28, 2007, unless reauthorized by an act of the general assembly;
77 and

78 (2) If such program is reauthorized, the program authorized under this section shall
79 automatically sunset twelve years after the effective date of the reauthorization of this section;
80 and

81 (3) This section shall terminate on September first of the calendar year immediately
82 following the calendar year in which the program authorized under this section is sunset.

135.766. 1. An eligible small business, as defined in Section 44 of the Internal Revenue Code, shall be allowed a credit against the tax otherwise due pursuant to chapter 143, not including sections 143.191 to 143.265, in an amount equal to any amount paid by the eligible small business to the United States Small Business Administration as a guaranty fee pursuant to obtaining Small Business Administration guaranteed financing and to programs administered by the United States Department of Agriculture for rural development or farm service agencies. No tax credits provided under this section shall be authorized on or after the thirtieth day following the effective date of this act. The provisions of this subsection shall not be construed to limit or in any way impair the department's ability to issue tax credits authorized prior to the thirtieth day following the effective date of this act, or a taxpayer's ability to redeem such tax credits.

2. **The tax credit authorized under this section shall be subject to the provisions of section 135.840, including the limit on the amount of funds that may be claimed and, if that limit is reached, the distribution priority of first-come, first-served.**

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

(1) **"Authorized amounts", the total amount of tax credits that may be redeemed without exceeding the limits under subsection 2 of this section;**

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

(3) **"Tax credits", tax credits that are authorized or issued by the department including, but not limited to:**

(a) **Neighborhood assistance act tax credits under sections 32.100 to 32.125;**

(b) **Sporting event tax credits under section 67.3000 or 67.3005;**

(c) **Distressed areas land assemblage tax credits under section 99.1205;**

(d) **Infrastructure development fund contribution tax credits under section 100.286;**

(e) **Bond guarantee tax credits under section 100.297;**

(f) **Business use incentive tax credits under sections 100.700 to 100.850;**

(g) **New or expanded business facility tax credits under sections 135.100 to 135.150;**

(h) **Enterprise zone under sections 135.200 to 135.270;**

(i) **Wood energy producers tax credits under sections 135.300 to 135.311;**

(j) **Missouri low-income housing tax credits under sections 135.350 to 135.363;**

(k) **Investments in Missouri small businesses tax credits under sections 135.400 to 135.430;**

(l) **Rebuilding communities and neighborhood preservation act tax credits under sections 135.475 to 135.487;**

(m) **Americans With Disabilities Act compliance tax credits under section 135.490;**

(n) **Missouri certified capital company tax credits under sections 135.500 to 135.529;**

- 24 **(o) Tax credit for relocating a business to a distressed community under sections**
25 **135.535;**
- 26 **(p) Transportation development tax credits under section 135.545;**
- 27 **(q) Qualified equity investment tax credits under section 135.680;**
- 28 **(r) Alternative fuel vehicle refueling property tax credits under section 135.710;**
- 29 **(s) Film production companies tax credits under section 135.750;**
- 30 **(t) Small business guaranty fees tax credits under section 135.766;**
- 31 **(u) Enhanced enterprise zone tax credits under sections 135.950 to 135.973;**
- 32 **(v) Family development account program tax credits under sections 208.750 to**
33 **208.775;**
- 34 **(w) Historic structure rehabilitation tax credits under sections 253.545 to 253.559;**
- 35 **(x) Dry fire hydrant tax credits under section 320.093;**
- 36 **(y) Contributions to innovation centers tax credits under sections 348.300 to**
37 **348.318;**
- 38 **(z) Abandoned property tax credits under sections 447.700 to 447.718;**
- 39 **(aa) Small business incubator program tax credits under section 620.495;**
- 40 **(bb) Missouri new enterprise creation act tax credits under sections 620.635 to**
41 **620.653;**
- 42 **(cc) Tax credits for qualified research expenses under section 620.1039;**
- 43 **(dd) Missouri quality jobs act tax credits under sections 620.1875 to 620.1890;**
- 44 **(ee) Manufacturing jobs act benefit under section 620.1910; and**
- 45 **(ff) Innovation campus tax credits act tax credits under section 620.2600.**
- 46 **2. Notwithstanding any other provision to the contrary, the total amount of tax**
47 **credits shall not exceed the limits of this section:**
- 48 **(1) For fiscal year 2018, the total amount of tax credits shall not exceed an amount**
49 **to be determined by the ways and means committee of the House of Representatives; and**
- 50 **(2) For fiscal year 2019 and all fiscal years thereafter, the total amount of tax**
51 **credits shall not exceed an amount to be determined by the ways and means committee of**
52 **the House of Representatives.**
- 53 **3. Before the beginning of fiscal years 2018, 2019, 2020, and every two subsequent**
54 **fiscal years thereafter, the department shall apportion the authorized amounts among, and**
55 **place individual limits on, the tax credits. The department shall not reapportion the**
56 **authorized amounts at any time during the fiscal year.**
- 57 **4. No taxpayer shall claim any amount of a tax credit that would exceed an**
58 **apportionment determined under subsection 3 of this section. If taxpayers claim more**

59 **amounts under a tax credit than the department apportioned, then the tax credit shall be**
60 **issued on a first-come, first-served basis.**

61 **5. If in any fiscal year a tax credit does not receive an apportionment under**
62 **subsection 3 of this section, such credit shall be terminated and shall not be eligible to**
63 **receive an apportionment thereafter.**

64 **6. The department may promulgate rules to implement the provisions of this**
65 **section. Any rule or portion of a rule, as that term is defined in section 536.010, that is**
66 **created under the authority delegated in this section shall become effective only if it**
67 **complies with and is subject to all of the provisions of chapter 536 and, if applicable,**
68 **section 536.028. This section and chapter 536 are nonseverable, and if any of the powers**
69 **vested with the general assembly pursuant to chapter 536 to review, to delay the effective**
70 **date, or to disapprove and annul a rule are subsequently held unconstitutional, then the**
71 **grant of rulemaking authority and any rule proposed or adopted after August 28, 2017,**
72 **shall be invalid and void.**

135.967. 1. A taxpayer who establishes a new business facility may, upon approval by
2 the department, be allowed a credit, each tax year for up to ten tax years, in an amount
3 determined as set forth in this section, against the tax imposed by chapter 143, excluding
4 withholding tax imposed by sections 143.191 to 143.265. No taxpayer shall receive multiple
5 ten-year periods for subsequent expansions at the same facility.

6 2. Notwithstanding any provision of law to the contrary, any taxpayer who establishes
7 a new business facility in an enhanced enterprise zone and is awarded state tax credits under this
8 section may not also receive tax credits under sections 135.100 to 135.150, sections 135.200 to
9 135.286, or section 135.535, and may not simultaneously receive tax credits under sections
10 620.1875 to 620.1890 at the same facility.

11 3. No credit shall be issued pursuant to this section unless:

12 (1) The number of new business facility employees engaged or maintained in
13 employment at the new business facility for the taxable year for which the credit is claimed
14 equals or exceeds two; and

15 (2) The new business facility investment for the taxable year for which the credit is
16 claimed equals or exceeds one hundred thousand dollars.

17 4. The annual amount of credits allowed for an approved enhanced business enterprise
18 shall be the lesser of:

19 (1) The annual amount authorized by the department for the enhanced business
20 enterprise, which shall be limited to the projected state economic benefit, as determined by the
21 department; or

22 (2) The sum calculated based upon the following:

23 (a) A credit of four hundred dollars for each new business facility employee employed
24 within an enhanced enterprise zone;

25 (b) An additional credit of four hundred dollars for each new business facility employee
26 who is a resident of an enhanced enterprise zone;

27 (c) An additional credit of four hundred dollars for each new business facility employee
28 who is paid by the enhanced business enterprise a wage that exceeds the average wage paid
29 within the county in which the facility is located, as determined by the department; and

30 (d) A credit equal to two percent of new business facility investment within an enhanced
31 enterprise zone.

32 5. Prior to January 1, 2007, in no event shall the department authorize more than four
33 million dollars annually to be issued for all enhanced business enterprises. After December 31,
34 2006, in no event shall the department authorize more than twenty-four million dollars annually
35 to be issued for all enhanced business enterprises.

36 6. If a facility, which does not constitute a new business facility, is expanded by the
37 taxpayer, the expansion shall be considered eligible for the credit allowed by this section if:

38 (1) The taxpayer's new business facility investment in the expansion during the tax
39 period in which the credits allowed in this section are claimed exceeds one hundred thousand
40 dollars and if the number of new business facility employees engaged or maintained in
41 employment at the expansion facility for the taxable year for which credit is claimed equals or
42 exceeds two, and the total number of employees at the facility after the expansion is at least two
43 greater than the total number of employees before the expansion; and

44 (2) The taxpayer's investment in the expansion and in the original facility prior to
45 expansion shall be determined in the manner provided in subdivision (19) of section 135.950.

46 7. The number of new business facility employees during any taxable year shall be
47 determined by dividing by twelve the sum of the number of individuals employed on the last
48 business day of each month of such taxable year. If the new business facility is in operation for
49 less than the entire taxable year, the number of new business facility employees shall be
50 determined by dividing the sum of the number of individuals employed on the last business day
51 of each full calendar month during the portion of such taxable year during which the new
52 business facility was in operation by the number of full calendar months during such period. For
53 the purpose of computing the credit allowed by this section in the case of a facility which
54 qualifies as a new business facility under subsection 6 of this section, and in the case of a new
55 business facility which satisfies the requirements of paragraph (c) of subdivision (17) of section
56 135.950, or subdivision (25) of section 135.950, the number of new business facility employees
57 at such facility shall be reduced by the average number of individuals employed, computed as
58 provided in this subsection, at the facility during the taxable year immediately preceding the

59 taxable year in which such expansion, acquisition, or replacement occurred and shall further be
60 reduced by the number of individuals employed by the taxpayer or related taxpayer that was
61 subsequently transferred to the new business facility from another Missouri facility and for which
62 credits authorized in this section are not being earned, whether such credits are earned because
63 of an expansion, acquisition, relocation, or the establishment of a new facility.

64 8. In the case where a new business facility employee who is a resident of an enhanced
65 enterprise zone for less than a twelve-month period is employed for less than a twelve-month
66 period, the credits allowed by paragraph (b) of subdivision (2) of subsection 4 of this section
67 shall be determined by multiplying four hundred dollars by a fraction, the numerator of which
68 is the number of calendar days during the taxpayer's tax year for which such credits are claimed,
69 in which the employee was a resident of an enhanced enterprise zone, and the denominator of
70 which is three hundred sixty-five.

71 9. For the purpose of computing the credit allowed by this section in the case of a facility
72 which qualifies as a new business facility pursuant to subsection 6 of this section, and in the case
73 of a new business facility which satisfies the requirements of paragraph (c) of subdivision (17)
74 of section 135.950 or subdivision (25) of section 135.950, the amount of the taxpayer's new
75 business facility investment in such facility shall be reduced by the average amount, computed
76 as provided in subdivision (19) of section 135.950 for new business facility investment, of the
77 investment of the taxpayer, or related taxpayer immediately preceding such expansion or
78 replacement or at the time of acquisition. Furthermore, the amount of the taxpayer's new
79 business facility investment shall also be reduced by the amount of investment employed by the
80 taxpayer or related taxpayer which was subsequently transferred to the new business facility from
81 another Missouri facility and for which credits authorized in this section are not being earned,
82 whether such credits are earned because of an expansion, acquisition, relocation, or the
83 establishment of a new facility.

84 10. For a taxpayer with flow-through tax treatment to its members, partners, or
85 shareholders, the credit shall be allowed to members, partners, or shareholders in proportion to
86 their share of ownership on the last day of the taxpayer's tax period.

87 11. Credits may not be carried forward but shall be claimed for the taxable year during
88 which commencement of commercial operations occurs at such new business facility, and for
89 each of the nine succeeding taxable years for which the credit is issued.

90 12. Certificates of tax credit authorized by this section may be transferred, sold, or
91 assigned by filing a notarized endorsement thereof with the department that names the transferee,
92 the amount of tax credit transferred, and the value received for the credit, as well as any other
93 information reasonably requested by the department. The sale price cannot be less than
94 seventy-five percent of the par value of such credits.

95 13. The director of revenue shall issue a refund to the taxpayer to the extent that the
96 amount of credits allowed in this section exceeds the amount of the taxpayer's income tax.

97 14. Prior to the issuance of tax credits, the department shall verify through the
98 department of revenue, or any other state department, that the tax credit applicant does not owe
99 any delinquent income, sales, or use tax or interest or penalties on such taxes, or any delinquent
100 fees or assessments levied by any state department and through the department of insurance,
101 financial institutions and professional registration that the applicant does not owe any delinquent
102 insurance taxes. Such delinquency shall not affect the authorization of the application for such
103 tax credits, except that the amount of credits issued shall be reduced by the applicant's tax
104 delinquency. If the department of revenue or the department of insurance, financial institutions
105 and professional registration, or any other state department, concludes that a taxpayer is
106 delinquent after June fifteenth but before July first of any year and the application of tax credits
107 to such delinquency causes a tax deficiency on behalf of the taxpayer to arise, then the taxpayer
108 shall be granted thirty days to satisfy the deficiency in which interest, penalties, and additions
109 to tax shall be tolled. After applying all available credits toward a tax delinquency, the
110 administering agency shall notify the appropriate department, and that department shall update
111 the amount of outstanding delinquent tax owed by the applicant. If any credits remain after
112 satisfying all insurance, income, sales, and use tax delinquencies, the remaining credits shall be
113 issued to the applicant, subject to the restrictions of other provisions of law.

114 **15. The tax credit authorized under sections 135.950 to 135.973 shall be subject to**
115 **the provisions of section 135.840, including the limit on the amount of funds that may be**
116 **claimed and, if that limit is reached, the distribution priority of first-come, first-served.**

208.770. 1. Moneys deposited in or withdrawn pursuant to subsection 1 of section
2 208.760 from a family development account by an account holder are exempted from taxation
3 pursuant to chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, and
4 chapter 147, 148 or 153 provided, however, that any money withdrawn for an unapproved use
5 should be subject to tax as required by law.

6 2. Interest earned by a family development account is exempted from taxation pursuant
7 to chapter 143.

8 3. Any funds in a family development account, including accrued interest, shall be
9 disregarded when determining eligibility to receive, or the amount of, any public assistance or
10 benefits.

11 4. A program contributor shall be allowed a credit against the tax imposed by chapter
12 143, excluding withholding tax imposed by sections 143.191 to 143.265, and chapter 147, 148
13 or 153, pursuant to sections 208.750 to 208.775. Contributions up to fifty thousand dollars per

14 program contributor are eligible for the tax credit which shall not exceed fifty percent of the
15 contribution amount.

16 5. The department of economic development shall verify all tax credit claims by
17 contributors. The administrator of the community-based organization, with the cooperation of
18 the participating financial institutions, shall submit the names of contributors and the total
19 amount each contributor contributes to a family development account reserve fund for the
20 calendar year. The director shall determine the date by which such information shall be
21 submitted to the department by the local administrator. The department shall submit verification
22 of qualified tax credits pursuant to sections 208.750 to 208.775 to the department of revenue.

23 6. For all fiscal years ending on or before June 30, 2010, the total tax credits authorized
24 pursuant to sections 208.750 to 208.775 shall not exceed four million dollars in any fiscal year.
25 For all fiscal years beginning on or after July 1, 2010, the total tax credits authorized under
26 sections 208.750 to 208.775 shall not exceed three hundred thousand dollars in any fiscal year.

27 **7. The tax credit authorized under sections 208.750 to 208.775 shall be subject to**
28 **the provisions of section 135.840, including the limit on the amount of funds that may be**
29 **claimed and, if that limit is reached, the distribution priority of first-come, first-served.**

253.550. 1. Any taxpayer incurring costs and expenses for the rehabilitation of eligible
2 property, which is a certified historic structure or structure in a certified historic district, may,
3 subject to the provisions of this section and section 253.559, receive a credit against the taxes
4 imposed pursuant to chapters 143 and 148, except for sections 143.191 to 143.265, on such
5 taxpayer 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.

13 2. During the period beginning on January 1, 2010, but ending on or after June 30, 2010,
14 the department of economic development shall not approve applications for tax credits under the
15 provisions of subsections 3 and 8 of section 253.559 which, in the aggregate, exceed seventy
16 million dollars, increased by any amount of tax credits for which approval shall be rescinded
17 under the provisions of section 253.559. For each fiscal year beginning on or after July 1, 2010,
18 the department of economic development shall not approve applications for tax credits under the
19 provisions of subsections 3 and 8 of section 253.559 which, in the aggregate, exceed one
20 hundred forty million dollars, increased by any amount of tax credits for which approval shall

21 be rescinded under the provisions of section 253.559. The limitations provided under this
22 subsection shall not apply to applications approved under the provisions of subsection 3 of
23 section 253.559 for projects to receive less than two hundred seventy-five thousand dollars in
24 tax credits.

25 3. For all applications for tax credits approved on or after January 1, 2010, no more than
26 two hundred fifty thousand dollars in tax credits may be issued for eligible costs and expenses
27 incurred in the rehabilitation of an eligible property which is a nonincome producing
28 single-family, owner-occupied residential property and is either a certified historic structure or
29 a structure in a certified historic district.

30 4. The limitations on tax credit authorization provided under the provisions of
31 subsections 2 and 3 of this section shall not apply to:

32 (1) Any application submitted by a taxpayer, which has received approval from the
33 department prior to January 1, 2010; or

34 (2) Any taxpayer applying for tax credits, provided under this section, which, on or
35 before January 1, 2010, has filed an application with the department evidencing that such
36 taxpayer:

37 (a) Has incurred costs and expenses for an eligible property which exceed the lesser of
38 five percent of the total project costs or one million dollars and received an approved Part I from
39 the Secretary of the United States Department of Interior; or

40 (b) Has received certification, by the state historic preservation officer, that the
41 rehabilitation plan meets the standards consistent with the standards of the Secretary of the
42 United States Department of the Interior, and the rehabilitation costs and expenses associated
43 with such rehabilitation shall exceed fifty percent of the total basis in the property.

44 **5. Notwithstanding subsection 3 of this section or any other provision to the**
45 **contrary, the tax credit authorized under sections 253.545 to 253.559 shall be subject to the**
46 **provisions of section 135.840, including the limit on the amount of funds that may be**
47 **claimed and, if that limit is reached, the distribution priority of first-come, first-served.**

320.093. 1. Any person, firm or corporation who purchases a dry fire hydrant, as defined
2 in section 320.273, or provides an acceptable means of water storage for such dry fire hydrant
3 including a pond, tank or other storage facility with the primary purpose of fire protection within
4 the state of Missouri, shall be eligible for a credit on income taxes otherwise due pursuant to
5 chapter 143, except sections 143.191 to 143.261, as an incentive to implement safe and efficient
6 fire protection controls. The tax credit, not to exceed five thousand dollars, shall be equal to fifty
7 percent of the cost in actual expenditure for any new water storage construction, equipment,
8 development and installation of the dry hydrant, including pipes, valves, hydrants and labor for
9 each such installation of a dry hydrant or new water storage facility. The amount of the tax credit

10 claimed for in-kind contributions shall not exceed twenty-five percent of the total amount of the
11 contribution for which the tax credit is claimed.

12 2. Any amount of credit which exceeds the tax due shall not be refunded but may be
13 carried over to any subsequent taxable year, not to exceed seven years. The person, firm or
14 corporation may elect to assign to a third party the approved tax credit. The certificate of
15 assignment and other appropriate forms shall be filed with the Missouri department of revenue
16 and the department of economic development.

17 3. The person, firm or corporation shall make application for the credit to the department
18 of economic development after receiving approval of the state fire marshal. The fire marshal
19 shall establish by rule promulgated pursuant to chapter 536 the requirements to be met based on
20 the National Resources Conservation Service's Dry Hydrant Standard. The state fire marshal or
21 designated local representative shall review and authorize the construction and installation of any
22 dry fire hydrant site. Only approved dry fire hydrant sites shall be eligible for tax credits as
23 indicated in this section. Under no circumstance shall such authority deny any entity the ability
24 to provide a dry fire hydrant site when tax credits are not requested.

25 4. The department of public safety shall certify to the department of revenue that the dry
26 hydrant system meets the requirements to obtain a tax credit as specified in subsection 5 of this
27 section.

28 5. In order to qualify for a tax credit under this section, a dry hydrant or new water
29 storage facility shall meet the following minimum requirements:

30 (1) Each body of water or water storage structure shall be able to provide two hundred
31 fifty gallons per minute for a continuous two-hour period during a fifty-year drought or freeze
32 at a vertical lift of eighteen feet;

33 (2) Each dry hydrant shall be located within twenty-five feet of an all-weather roadway
34 and shall be accessible to fire protection equipment;

35 (3) Dry hydrants shall be located a reasonable distance from other dry or pressurized
36 hydrants; and

37 (4) The site shall provide a measurable economic improvement potential for rural
38 development.

39 6. New credits shall not be awarded under this section after August 28, 2010. The total
40 amount of all tax credits allowed pursuant to this section is five hundred thousand dollars in any
41 one fiscal year as approved by the director of the department of economic development.

42 7. Any rule or portion of a rule, as that term is defined in section 536.010, that is created
43 under the authority delegated in this section shall become effective only if it complies with and
44 is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section
45 and chapter 536 are nonseverable and if any of the powers vested with the general assembly

46 pursuant to chapter 536 to review, to delay the effective date or to disapprove and annul a rule
47 are subsequently held unconstitutional, then the grant of rulemaking authority and any rule
48 proposed or adopted after August 28, 2007, shall be invalid and void.

49 **8. The tax credit authorized under this section shall be subject to the provisions of**
50 **section 135.840, including the limit on the amount of funds that may be claimed and, if that**
51 **limit is reached, the distribution priority of first-come, first-served.**

348.302. 1. Any person who makes a qualified contribution to a qualified fund shall be
2 entitled to receive a tax credit equal to fifty percent of the amount of the qualified contribution.
3 The tax credit shall be evidenced by a tax credit certificate in accordance with the provisions of
4 sections 348.300 to 348.318 and may be used to satisfy the state tax liability of the owner of such
5 certificate that becomes due in the tax year in which the qualified contribution is made, or in any
6 of the ten tax years thereafter. No person may receive a tax credit pursuant to sections 348.300
7 to 348.318 unless that person presents a tax credit certificate to the department of revenue for
8 payment of such state tax liability.

9 2. The amount of such qualified contributions which can be made is limited so that the
10 aggregate of all tax credits authorized under the provisions of sections 348.300 to 348.318 shall
11 not exceed nine million dollars. All tax credits authorized under the provisions of this section
12 may be transferred, sold or assigned.

13 **3. Notwithstanding any provision to the contrary, the tax credit authorized under**
14 **this section shall be subject to the provisions of section 135.840, including the limit on the**
15 **amount of funds that may be claimed and, if that limit is reached, the distribution priority**
16 **of first-come, first-served.**

447.708. 1. For eligible projects, the director of the department of economic
2 development, with notice to the directors of the departments of natural resources and revenue,
3 and subject to the other provisions of sections 447.700 to 447.718, may not create a new
4 enterprise zone but may decide that a prospective operator of a facility being remedied and
5 renovated pursuant to sections 447.700 to 447.718 may receive the tax credits and exemptions
6 pursuant to sections 135.100 to 135.150 and sections 135.200 to 135.257. The tax credits
7 allowed pursuant to this subsection shall be used to offset the tax imposed by chapter 143,
8 excluding withholding tax imposed by sections 143.191 to 143.265, or the tax otherwise imposed
9 by chapter 147, or the tax otherwise imposed by chapter 148. For purposes of this subsection:

10 (1) For receipt of the ad valorem tax abatement pursuant to section 135.215, the eligible
11 project must create at least ten new jobs or retain businesses which supply at least twenty-five
12 existing jobs. The city, or county if the eligible project is not located in a city, must provide ad
13 valorem tax abatement of at least fifty percent for a period not less than ten years and not more
14 than twenty-five years;

15 (2) For receipt of the income tax exemption pursuant to section 135.220 and tax credit
16 for new or expanded business facilities pursuant to sections 135.100 to 135.150, and 135.225,
17 the eligible project must create at least ten new jobs or retain businesses which supply at least
18 twenty-five existing jobs, or combination thereof. For purposes of sections 447.700 to 447.718,
19 the tax credits described in section 135.225 are modified as follows: the tax credit shall be four
20 hundred dollars per employee per year, an additional four hundred dollars per year for each
21 employee exceeding the minimum employment thresholds of ten and twenty-five jobs for new
22 and existing businesses, respectively, an additional four hundred dollars per year for each person
23 who is a person difficult to employ as defined by section 135.240, and investment tax credits at
24 the same amounts and levels as provided in subdivision (4) of subsection 1 of section 135.225;

25 (3) For eligibility to receive the income tax refund pursuant to section 135.245, the
26 eligible project must create at least ten new jobs or retain businesses which supply at least
27 twenty-five existing jobs, or combination thereof, and otherwise comply with the provisions of
28 section 135.245 for application and use of the refund and the eligibility requirements of this
29 section;

30 (4) The eligible project operates in compliance with applicable environmental laws and
31 regulations, including permitting and registration requirements, of this state as well as the federal
32 and local requirements;

33 (5) The eligible project operator shall file such reports as may be required by the director
34 of economic development or the director's designee;

35 (6) The taxpayer may claim the state tax credits authorized by this subsection and the
36 state income exemption for a period not in excess of ten consecutive tax years. For the purpose
37 of this section, "taxpayer" means an individual proprietorship, partnership or corporation
38 described in section 143.441 or 143.471 who operates an eligible project. The director shall
39 determine the number of years the taxpayer may claim the state tax credits and the state income
40 exemption based on the projected net state economic benefits attributed to the eligible project;

41 (7) For the purpose of meeting the new job requirement prescribed in subdivisions (1),
42 (2) and (3) of this subsection, it shall be required that at least ten new jobs be created and
43 maintained during the taxpayer's tax period for which the credits are earned, in the case of an
44 eligible project that does not replace a similar facility in Missouri. "New job" means a person
45 who was not previously employed by the taxpayer or related taxpayer within the twelve-month
46 period immediately preceding the time the person was employed by that taxpayer to work at, or
47 in connection with, the eligible project on a full-time basis. "Full-time basis" means the
48 employee works an average of at least thirty-five hours per week during the taxpayer's tax period
49 for which the tax credits are earned. For the purposes of this section, "related taxpayer" has the
50 same meaning as defined in subdivision (10) of section 135.100;

51 (8) For the purpose of meeting the existing job retention requirement, if the eligible
52 project replaces a similar facility that closed elsewhere in Missouri prior to the end of the
53 taxpayer's tax period in which the tax credits are earned, it shall be required that at least
54 twenty-five existing jobs be retained at, and in connection with the eligible project, on a full-time
55 basis during the taxpayer's tax period for which the credits are earned. "Retained job" means a
56 person who was previously employed by the taxpayer or related taxpayer, at a facility similar to
57 the eligible project that closed elsewhere in Missouri prior to the end of the taxpayer's tax period
58 in which the tax credits are earned, within the tax period immediately preceding the time the
59 person was employed by the taxpayer to work at, or in connection with, the eligible project on
60 a full-time basis. "Full-time basis" means the employee works an average of at least thirty-five
61 hours per week during the taxpayer's tax period for which the tax credits are earned;

62 (9) In the case where an eligible project replaces a similar facility that closed elsewhere
63 in Missouri prior to the end of the taxpayer's tax period in which the tax credits are earned, the
64 owner and operator of the eligible project shall provide the director with a written statement
65 explaining the reason for discontinuing operations at the closed facility. The statement shall
66 include a comparison of the activities performed at the closed facility prior to the date the facility
67 ceased operating, to the activities performed at the eligible project, and a detailed account
68 describing the need and rationale for relocating to the eligible project. If the director finds the
69 relocation to the eligible project significantly impaired the economic stability of the area in
70 which the closed facility was located, and that such move was detrimental to the overall
71 economic development efforts of the state, the director may deny the taxpayer's request to claim
72 tax benefits;

73 (10) Notwithstanding any provision of law to the contrary, for the purpose of this
74 section, the number of new jobs created and maintained, the number of existing jobs retained,
75 and the value of new qualified investment used at the eligible project during any tax year shall
76 be determined by dividing by twelve, in the case of jobs, the sum of the number of individuals
77 employed at the eligible project, or in the case of new qualified investment, the value of new
78 qualified investment used at the eligible project, on the last business day of each full calendar
79 month of the tax year. If the eligible project is in operation for less than the entire tax year, the
80 number of new jobs created and maintained, the number of existing jobs retained, and the value
81 of new qualified investment created at the eligible project during any tax year shall be
82 determined by dividing the sum of the number of individuals employed at the eligible project,
83 or in the case of new qualified investment, the value of new qualified investment used at the
84 eligible project, on the last business day of each full calendar month during the portion of the tax
85 year during which the eligible project was in operation, by the number of full calendar months
86 during such period;

87 (11) For the purpose of this section, "new qualified investment" means new business
88 facility investment as defined and as determined in subdivision (8) of section 135.100 which is
89 used at and in connection with the eligible project. New qualified investment shall not include
90 small tools, supplies and inventory. "Small tools" means tools that are portable and can be hand
91 held.

92 2. The determination of the director of economic development pursuant to subsection
93 1 of this section shall not affect requirements for the prospective purchaser to obtain the approval
94 of the granting of real property tax abatement by the municipal or county government where the
95 eligible project is located.

96 3. (1) The director of the department of economic development, with the approval of
97 the director of the department of natural resources, may, in addition to the tax credits allowed
98 in subsection 1 of this section, grant a remediation tax credit to the applicant for up to one
99 hundred percent of the costs of materials, supplies, equipment, labor, professional engineering,
100 consulting and architectural fees, permitting fees and expenses, demolition, asbestos abatement,
101 and direct utility charges for performing the voluntary remediation activities for the preexisting
102 hazardous substance contamination and releases, including, but not limited to, the costs of
103 performing operation and maintenance of the remediation equipment at the property beyond the
104 year in which the systems and equipment are built and installed at the eligible project and the
105 costs of performing the voluntary remediation activities over a period not in excess of four tax
106 years following the taxpayer's tax year in which the system and equipment were first put into use
107 at the eligible project, provided the remediation activities are the subject of a plan submitted to,
108 and approved by, the director of natural resources pursuant to sections 260.565 to 260.575. The
109 tax credit may also include up to one hundred percent of the costs of demolition that are not
110 directly part of the remediation activities, provided that the demolition is on the property where
111 the voluntary remediation activities are occurring, the demolition is necessary to accomplish the
112 planned use of the facility where the remediation activities are occurring, and the demolition is
113 part of a redevelopment plan approved by the municipal or county government and the
114 department of economic development. The demolition may occur on an adjacent property if the
115 project is located in a municipality which has a population less than twenty thousand and the
116 above conditions are otherwise met. The adjacent property shall independently qualify as
117 abandoned or underutilized. The amount of the credit available for demolition not associated
118 with remediation cannot exceed the total amount of credits approved for remediation including
119 demolition required for remediation.

120 (2) The amount of remediation tax credits issued shall be limited to the least amount
121 necessary to cause the project to occur, as determined by the director of the department of
122 economic development.

123 (3) The director may, with the approval of the director of natural resources, extend the
124 tax credits allowed for performing voluntary remediation maintenance activities, in increments
125 of three-year periods, not to exceed five consecutive three-year periods. The tax credits allowed
126 in this subsection shall be used to offset the tax imposed by chapter 143, excluding withholding
127 tax imposed by sections 143.191 to 143.265, or the tax otherwise imposed by chapter 147, or the
128 tax otherwise imposed by chapter 148. The remediation tax credit may be taken in the same tax
129 year in which the tax credits are received or may be taken over a period not to exceed twenty
130 years.

131 (4) The project facility shall be projected to create at least ten new jobs or at least
132 twenty-five retained jobs, or a combination thereof, as determined by the department of
133 economic development, to be eligible for tax credits pursuant to this section.

134 (5) No more than seventy-five percent of earned remediation tax credits may be issued
135 when the remediation costs were paid, and the remaining percentage may be issued when the
136 department of natural resources issues a letter of completion letter or covenant not to sue
137 following completion of the voluntary remediation activities. It shall not include any costs
138 associated with ongoing operational environmental compliance of the facility or remediation
139 costs arising out of spills, leaks, or other releases arising out of the ongoing business operations
140 of the facility. In the event the department of natural resources issues a letter of completion for
141 a portion of a property, an impacted media such as soil or groundwater, or for a site or a portion
142 of a site improvement, a prorated amount of the remaining percentage may be released based on
143 the percentage of the total site receiving a letter of completion.

144 4. In the exercise of the sound discretion of the director of the department of economic
145 development or the director's designee, the tax credits and exemptions described in this section
146 may be terminated, suspended or revoked if the eligible project fails to continue to meet the
147 conditions set forth in this section. In making such a determination, the director shall consider
148 the severity of the condition violation, actions taken to correct the violation, the frequency of any
149 condition violations and whether the actions exhibit a pattern of conduct by the eligible facility
150 owner and operator. The director shall also consider changes in general economic conditions and
151 the recommendation of the director of the department of natural resources, or his or her designee,
152 concerning the severity, scope, nature, frequency and extent of any violations of the
153 environmental compliance conditions. The taxpayer or person claiming the tax credits or
154 exemptions may appeal the decision regarding termination, suspension or revocation of any tax
155 credit or exemption in accordance with the procedures outlined in subsections 4 and 5 of section
156 135.250. The director of the department of economic development shall notify the directors of
157 the departments of natural resources and revenue of the termination, suspension or revocation
158 of any tax credits as determined in this section or pursuant to the provisions of section 447.716.

159 5. Notwithstanding any provision of law to the contrary, no taxpayer shall earn the tax
160 credits, exemptions or refund otherwise allowed in subdivisions (2), (3) and (4) of subsection
161 1 of this section and the tax credits otherwise allowed in section 135.110, or the tax credits,
162 exemptions and refund otherwise allowed in sections 135.215, 135.220, 135.225 and 135.245,
163 respectively, for the same facility for the same tax period.

164 6. The total amount of the tax credits allowed in subsection 1 of this section may not
165 exceed the greater of:

166 (1) That portion of the taxpayer's income attributed to the eligible project; or

167 (2) One hundred percent of the total business' income tax if the eligible facility does not
168 replace a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer's tax
169 period in which the tax credits are earned, and further provided the taxpayer does not operate any
170 other facilities besides the eligible project in Missouri; fifty percent of the total business' income
171 tax if the eligible facility replaces a similar facility that closed elsewhere in Missouri prior to the
172 end of the taxpayer's tax period in which the credits are earned, and further provided the taxpayer
173 does not operate any other facilities besides the eligible project in Missouri; or twenty-five
174 percent of the total business income if the taxpayer operates, in addition to the eligible facility,
175 any other facilities in Missouri. In no case shall a taxpayer operating more than one eligible
176 project in Missouri be allowed to offset more than twenty-five percent of the taxpayer's business
177 income in any tax period. That portion of the taxpayer's income attributed to the eligible project
178 as referenced in subdivision (1) of this subsection, for which the credits allowed in sections
179 135.110 and 135.225 and subsection 3 of this section may apply, shall be determined in the same
180 manner as prescribed in subdivision (5) of section 135.100. That portion of the taxpayer's
181 franchise tax attributed to the eligible project for which the remediation tax credit may offset,
182 shall be determined in the same manner as prescribed in paragraph (a) of subdivision (5) of
183 section 135.100.

184 7. Taxpayers claiming the state tax benefits allowed in subdivisions (2) and (3) of
185 subsection 1 of this section shall be required to file all applicable tax credit applications, forms
186 and schedules prescribed by the director during the taxpayer's tax period immediately after the
187 tax period in which the eligible project was first put into use. Otherwise, the taxpayer's right to
188 claim such state tax benefits shall be forfeited. Unused business facility and enterprise zone tax
189 credits shall not be carried forward but shall be initially claimed for the tax period during which
190 the eligible project was first capable of being used, and during any applicable subsequent tax
191 periods.

192 8. Taxpayers claiming the remediation tax credit allowed in subsection 3 of this section
193 shall be required to file all applicable tax credit applications, forms and schedules prescribed by
194 the director during the taxpayer's tax period immediately after the tax period in which the eligible

195 project was first put into use, or during the taxpayer's tax period immediately after the tax period
196 in which the voluntary remediation activities were performed.

197 9. The recipient of remediation tax credits, for the purpose of this subsection referred to
198 as assignor, may assign, sell or transfer, in whole or in part, the remediation tax credit allowed
199 in subsection 3 of this section to any other person, for the purpose of this subsection referred to
200 as assignee. To perfect the transfer, the assignor shall provide written notice to the director of
201 the assignor's intent to transfer the tax credits to the assignee, the date the transfer is effective,
202 the assignee's name, address and the assignee's tax period and the amount of tax credits to be
203 transferred. The number of tax periods during which the assignee may subsequently claim the
204 tax credits shall not exceed twenty tax periods, less the number of tax periods the assignor
205 previously claimed the credits before the transfer occurred.

206 10. In the case where an operator and assignor of an eligible project has been certified
207 to claim state tax benefits allowed in subdivisions (2) and (3) of subsection 1 of this section, and
208 sells or otherwise transfers title of the eligible project to another taxpayer or assignee who
209 continues the same or substantially similar operations at the eligible project, the director shall
210 allow the assignee to claim the credits for a period of time to be determined by the director;
211 except that, the total number of tax periods the tax credits may be earned by the assignor and the
212 assignee shall not exceed ten. To perfect the transfer, the assignor shall provide written notice
213 to the director of the assignor's intent to transfer the tax credits to the assignee, the date the
214 transfer is effective, the assignee's name, address, and the assignee's tax period, and the amount
215 of tax credits to be transferred.

216 11. For the purpose of the state tax benefits described in this section, in the case of a
217 corporation described in section 143.471 or partnership, in computing Missouri's tax liability,
218 such state benefits shall be allowed to the following:

219 (1) The shareholders of the corporation described in section 143.471;

220 (2) The partners of the partnership.

221

222 The credit provided in this subsection shall be apportioned to the entities described in
223 subdivisions (1) and (2) of this subsection in proportion to their share of ownership on the last
224 day of the taxpayer's tax period.

225 12. Notwithstanding any provision of law to the contrary, in any county ~~[of the first~~
226 ~~classification that has]~~ **with** a charter form of government and that has a population of over nine
227 hundred thousand inhabitants, all demolition costs incurred during the redevelopment of any
228 former automobile manufacturing plant shall be allowable costs eligible for tax credits under
229 sections 447.700 to 447.718 so long as the redevelopment of such former automobile
230 manufacturing plant shall be projected to create at least two hundred fifty new jobs or at least

231 three hundred retained jobs, or a combination thereof, as determined by the department of
232 economic development. The amount of allowable costs eligible for tax credits shall be limited
233 to the least amount necessary to cause the project to occur, as determined by the director of the
234 department of economic development, provided that no tax credit shall be issued under this
235 subsection until July 1, 2017. For purposes of this subsection, "former automobile
236 manufacturing plant" means a redevelopment area that qualifies as an eligible project under
237 section 447.700, that consists of at least one hundred acres, and that was used primarily for the
238 manufacture of automobiles but, after 2007, ceased such manufacturing.

239 **13. Notwithstanding any provision to the contrary, the tax credit authorized under**
240 **sections 447.700 to 447.718 shall be subject to the provisions of section 135.840, including**
241 **the limit on the amount of funds that may be claimed and, if that limit is reached, the**
242 **distribution priority of first-come, first-served.**

620.495. 1. This section shall be known as the "Small Business Incubators Act".

2 2. As used in this section, unless the context clearly indicates otherwise, the following
3 words and phrases shall mean:

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

5 (2) "Incubator", a program in which small units of space may be leased by a tenant and
6 in which management maintains or provides access to business development services for use by
7 tenants or a program without infrastructure in which participants avail themselves of business
8 development services to assist in the growth of their start-up small businesses;

9 (3) "Local sponsor" or "sponsor", an organization which enters into a written agreement
10 with the department to establish, operate and administer a small business incubator program or
11 to provide funding to an organization which operates such a program;

12 (4) "Participant", a sole proprietorship, business partnership or corporation operating a
13 business for profit through which the owner avails himself or herself of business development
14 services in an incubator program;

15 (5) "Tenant", a sole proprietorship, business partnership or corporation operating a
16 business for profit and leasing or otherwise occupying space in an incubator.

17 3. There is hereby established under the direction of the department a loan, loan
18 guarantee and grant program for the establishment, operation and administration of small
19 business incubators, to be known as the "Small Business Incubator Program". A local sponsor
20 may submit an application to the department to obtain a loan, loan guarantee or grant to establish
21 an incubator. Each application shall:

22 (1) Demonstrate that a program exists that can be transformed into an incubator at a
23 specified cost;

24 (2) Demonstrate the ability to directly provide or arrange for the provision of business
25 development services for tenants and participants of the incubator. These services shall include,
26 but need not be limited to, financial consulting assistance, management and marketing assistance,
27 business education, and physical services;

28 (3) Demonstrate a potential for sustained use of the incubator program by eligible tenants
29 and participants, through a market study or other means;

30 (4) Demonstrate the ability to manage and operate the incubator program;

31 (5) Include such other information as the department may require through its guidelines.

32 4. The department shall review and accept applications based on the following criteria:

33 (1) Ability of the local sponsor to carry out the provisions of this section;

34 (2) Economic impact of the incubator on the community;

35 (3) Conformance with areawide and local economic development plans, if such exist;

36 (4) Location of the incubator, in order to encourage geographic distribution of incubators
37 across the state.

38 5. Loans, loan guarantees and grants shall be administered in the following manner:

39 (1) Loans awarded or guaranteed and grants awarded shall be used only for the
40 acquisition and leasing of land and existing buildings, the rehabilitation of buildings or other
41 facilities, construction of new facilities, the purchase of equipment and furnishings which are
42 necessary for the creation and operation of the incubator, and business development services
43 including, but not limited to, business management advising and business education;

44 (2) Loans, loan guarantees and grants may not exceed fifty percent of total eligible
45 project costs;

46 (3) Payment of interest and principal on loans may be deferred at the discretion of the
47 department.

48 6. A local sponsor, or the organization receiving assistance through the local sponsor,
49 shall have the following responsibilities and duties in establishing and operating an incubator
50 with assistance from the small business incubator program:

51 (1) Secure title on a facility for the program or a lease of a facility for the program;

52 (2) Manage the physical development of the incubator program, including the provision
53 of common conference or meeting space;

54 (3) Furnish and equip the program to provide business services to the tenants and
55 participants;

56 (4) Market the program and secure eligible tenants and participants;

57 (5) Provide financial consulting, marketing and management assistance services or
58 arrange for the provision of these services for tenants and participants of the incubator, including
59 assistance in accessing private financial markets;

- 60 (6) Set rental and service fees;
- 61 (7) Encourage the sharing of ideas between tenants and participants and otherwise aid
62 the tenants and participants in an innovative manner while they are within the incubator;
- 63 (8) Establish policies and criteria for the acceptance of tenants and participants into the
64 incubator and for the termination of occupancy of tenants so as to maximize the opportunity to
65 succeed for the greatest number of tenants, consistent with those specified in this section.
- 66 7. The department:
- 67 (1) May adopt such rules, statements of policy, procedures, forms and guidelines as may
68 be necessary for the implementation of this section;
- 69 (2) May make loans, loan guarantees and grants to local sponsors for incubators;
- 70 (3) Shall ensure that local sponsors receiving loans, loan guarantees or grants meet the
71 conditions of this section;
- 72 (4) Shall receive and evaluate annual reports from local sponsors. Such annual reports
73 shall include, but need not be limited to, a financial statement for the incubator, evidence that
74 all tenants and participants in the program are eligible under the terms of this section, and a list
75 of companies in the incubator.
- 76 8. The department of economic development is also hereby authorized to review any
77 previous loans made under this program and, where appropriate in the department's judgment,
78 convert such loans to grant status.
- 79 9. On or before January first of each year, the department shall provide a report to the
80 governor, the chief clerk of the house of representatives and the secretary of the senate which
81 shall include, but need not be limited to:
- 82 (1) The number of applications for incubators submitted to the department;
- 83 (2) The number of applications for incubators approved by the department;
- 84 (3) The number of incubators created through the small business incubator program;
- 85 (4) The number of tenants and participants engaged in each incubator;
- 86 (5) The number of jobs provided by each incubator and tenants and participant of each
87 incubator;
- 88 (6) The occupancy rate of each incubator;
- 89 (7) The number of firms still operating in the state after leaving incubators and the
90 number of jobs they have provided.
- 91 10. There is hereby established in the state treasury a special fund to be known as the
92 "Missouri Small Business Incubators Fund", which shall consist of all moneys which may be
93 appropriated to it by the general assembly, and also any gifts, contributions, grants or bequests
94 received from federal, private or other sources. Moneys for loans, loan guarantees and grants
95 under the small business incubator program may be obtained from appropriations made by the

96 general assembly from the Missouri small business incubators fund. Any moneys remaining in
97 the Missouri small business incubators fund at the end of any fiscal year shall not lapse to the
98 general revenue fund, as provided in section 33.080, but shall remain in the Missouri small
99 business incubators fund.

100 11. For any taxable year beginning after December 31, 1989, a taxpayer, including any
101 charitable organization which is exempt from federal income tax and whose Missouri unrelated
102 business taxable income, if any, would be subject to the state income tax imposed under chapter
103 143, shall be entitled to a tax credit against any tax otherwise due under the provisions of chapter
104 143, or chapter 147, or chapter 148, excluding withholding tax imposed by sections 143.191 to
105 143.265, in the amount of fifty percent of any amount contributed by the taxpayer to the Missouri
106 small business incubators fund during the taxpayer's tax year or any contribution by the taxpayer
107 to a local sponsor after the local sponsor's application has been accepted and approved by the
108 department. The tax credit allowed by this subsection shall be claimed by the taxpayer at the
109 time he files his return and shall be applied against the income tax liability imposed by chapter
110 143, or chapter 147, or chapter 148, after all other credits provided by law have been applied.
111 That portion of earned tax credits which exceeds the taxpayer's tax liability may be carried
112 forward for up to five years. The aggregate of all tax credits authorized under this section shall
113 not exceed five hundred thousand dollars in any taxable year.

114 12. Notwithstanding any provision of Missouri law to the contrary, any taxpayer may
115 sell, assign, exchange, convey or otherwise transfer tax credits allowed in subsection 11 of this
116 section under the terms and conditions prescribed in subdivisions (1) and (2) of this subsection.
117 Such taxpayer, hereinafter the assignor for the purpose of this subsection, may sell, assign,
118 exchange or otherwise transfer earned tax credits:

- 119 (1) For no less than seventy-five percent of the par value of such credits; and
120 (2) In an amount not to exceed one hundred percent of annual earned credits.

121

122 The taxpayer acquiring earned credits, hereinafter the assignee for the purpose of this subsection,
123 may use the acquired credits to offset up to one hundred percent of the tax liabilities otherwise
124 imposed by chapter 143, or chapter 147, or chapter 148 excluding withholding tax imposed by
125 sections 143.191 to 143.265. Unused credits in the hands of the assignee may be carried forward
126 for up to five years. The assignor shall enter into a written agreement with the assignee
127 establishing the terms and conditions of the agreement and shall perfect such transfer by
128 notifying the department of economic development in writing within thirty calendar days
129 following the effective day of the transfer and shall provide any information as may be required
130 by the department of economic development to administer and carry out the provisions of this
131 section. The director of the department of economic development shall prescribe the method for

132 submitting applications for claiming the tax credit allowed under subsection 11 of this section
133 and shall, if the application is approved, certify to the director of revenue that the taxpayer
134 claiming the credit has satisfied all the requirements specified in this section and is eligible to
135 claim the credit.

136 **13. The tax credit authorized under this section shall be subject to the provisions**
137 **of section 135.840, including the limit on the amount of funds that may be claimed and, if**
138 **that limit is reached, the distribution priority of first-come, first-served.**

620.644. 1. The Missouri seed capital and commercialization strategy shall be jointly
2 developed and approved by the boards of directors of all of the qualified economic development
3 organizations and submitted as one plan to the corporation for its approval. The board shall not
4 approve any qualified fund, exclusive of the fund approved by the corporation, unless such fund
5 is described in the Missouri seed capital and commercialization strategy. The strategy shall
6 include a proposal for the establishment and operation of between one and four qualified funds
7 in Missouri, including the fund approved by the corporation pursuant to the provisions of section
8 620.653. The initial strategy shall be submitted to the board no later than July 1, 2000, and shall
9 be approved or rejected by the board within three months of receipt. No tax credits authorized
10 pursuant to the provisions of sections 620.635 to 620.653 shall be awarded until such strategy
11 has been approved by the board, other than tax credits authorized for qualified contributions to
12 the fund approved by the corporation.

13 2. The department shall authorize the use of up to twenty million dollars in tax credits
14 by the approved qualified funds, in aggregate pursuant to the provisions of section 620.650, with
15 not more than five million dollars of tax credits being issued in any one year.

16 3. The corporation shall approve the professional managers employed by the qualified
17 funds according to criteria similar to that used by the U.S. Small Business Administration's Small
18 Business Investment Corporation Program.

19 4. The department may promulgate any rules and regulations necessary to administer the
20 provisions of sections 620.635 to 620.653. No rule or regulation or portion of a rule or
21 regulation promulgated pursuant to the authority of this section shall become effective unless it
22 has been promulgated pursuant to the provisions of chapter 536.

23 5. The corporation shall report the following to the department:

24 (1) As soon as practicable after the receipt of a qualified contribution the name of each
25 person from which the qualified contribution was received, the amount of each contributor's
26 qualified contribution and the tax credits computed pursuant to this section;

27 (2) On a quarterly basis, the amount of qualified investments made to any qualified
28 business;

29 (3) On a quarterly basis, verification that the investment of seed capital, start-up capital,
30 or follow-up capital in a qualified business does not direct more than ten percent of all the
31 qualified contributions to a qualified fund to be invested in a single qualifying business.

32 6. Each qualified fund shall provide annual audited financial statements, including the
33 opinion of an independent certified public accountant, to the department within ninety days of
34 the close of the state fiscal year. The audit shall address the methods of operation and conduct
35 of the business of the qualified economic development organization to determine compliance
36 with the statutes and program and program rules and that the qualified contributions received by
37 the qualified fund have been invested as required by this section.

38 **7. The tax credit authorized under sections 620.635 to 620.653 shall be subject to**
39 **the provisions of section 135.840, including the limit on the amount of funds that may be**
40 **claimed and, if that limit is reached, the distribution priority of first-come, first-served.**

620.1039. 1. As used in this section, the term "taxpayer" means an individual, a
2 partnership, or any charitable organization which is exempt from federal income tax and whose
3 Missouri unrelated business taxable income, if any, would be subject to the state income tax
4 imposed under chapter 143, or a corporation as described in section 143.441 or 143.471, or
5 section 148.370, and the term "qualified research expenses" has the same meaning as prescribed
6 in 26 U.S.C. 41.

7 2. For tax years beginning on or after January 1, 2001, the director of the department of
8 economic development may authorize a taxpayer to receive a tax credit against the tax otherwise
9 due pursuant to chapter 143, or chapter 148, other than the taxes withheld pursuant to sections
10 143.191 to 143.265, in an amount up to six and one-half percent of the excess of the taxpayer's
11 qualified research expenses, as certified by the director of the department of economic
12 development, within this state during the taxable year over the average of the taxpayer's qualified
13 research expenses within this state over the immediately preceding three taxable years; except
14 that, no tax credit shall be allowed on that portion of the taxpayer's qualified research expenses
15 incurred within this state during the taxable year in which the credit is being claimed, to the
16 extent such expenses exceed two hundred percent of the taxpayer's average qualified research
17 expenses incurred during the immediately preceding three taxable years.

18 3. The director of economic development shall prescribe the manner in which the tax
19 credit may be applied for. The tax credit authorized by this section may be claimed by the
20 taxpayer to offset the tax liability imposed by chapter 143 or chapter 148 that becomes due in
21 the tax year during which such qualified research expenses were incurred. Where the amount
22 of the credit exceeds the tax liability, the difference between the credit and the tax liability may
23 only be carried forward for the next five succeeding taxable years or until the full credit has been
24 claimed, whichever first occurs. The application for tax credits authorized by the director

25 pursuant to subsection 2 of this section shall be made no later than the end of the taxpayer's tax
26 period immediately following the tax period for which the credits are being claimed.

27 4. Certificates of tax credit issued pursuant to this section may be transferred, sold or
28 assigned by filing a notarized endorsement thereof with the department which names the
29 transferee and the amount of tax credit transferred. The director of economic development may
30 allow a taxpayer to transfer, sell or assign up to forty percent of the amount of the certificates of
31 tax credit issued to and not claimed by such taxpayer pursuant to this section during any tax year
32 commencing on or after January 1, 1996, and ending not later than December 31, 1999. Such
33 taxpayer shall file, by December 31, 2001, an application with the department which names the
34 transferee, the amount of tax credit desired to be transferred, and a certification that the funds
35 received by the applicant as a result of the transfer, sale or assignment of the tax credit shall be
36 expended within three years at the state university for the sole purpose of conducting research
37 activities agreed upon by the department, the taxpayer and the state university. Failure to expend
38 such funds in the manner prescribed pursuant to this section shall cause the applicant to be
39 subject to the provisions of section 620.017.

40 5. No rule or portion of a rule promulgated under the authority of this section shall
41 become effective unless it has been promulgated pursuant to the provisions of chapter 536. All
42 rulemaking authority delegated prior to June 27, 1997, is of no force and effect and repealed;
43 however, nothing in this section shall be interpreted to repeal or affect the validity of any rule
44 filed or adopted prior to June 27, 1997, if such rule complied with the provisions of chapter 536.
45 The provisions of this section and chapter 536 are nonseverable and if any of the powers vested
46 with the general assembly pursuant to chapter 536, including the ability to review, to delay the
47 effective date, or to disapprove and annul a rule or portion of a rule, are subsequently held
48 unconstitutional, then the purported grant of rulemaking authority and any rule so proposed and
49 contained in the order of rulemaking shall be invalid and void.

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

52 7. For all tax years beginning on or after January 1, 2005, no tax credits shall be
53 approved, awarded, or issued to any person or entity claiming any tax credit under this section.

54 **8. The tax credit authorized under this section shall be subject to the provisions of**
55 **section 135.840, including the limit on the amount of funds that may be claimed and, if that**
56 **limit is reached, the distribution priority of first-come, first-served.**

620.1881. 1. The department of economic development shall respond within thirty days
2 to a company who provides a notice of intent with either an approval or a rejection of the notice
3 of intent. The department shall give preference to qualified companies and projects targeted at
4 an area of the state which has recently been classified as a disaster area by the federal

5 government. Failure to respond on behalf of the department of economic development shall
6 result in the notice of intent being deemed an approval for the purposes of this section. A
7 qualified company who is provided an approval for a project shall be allowed a benefit as
8 provided in this program in the amount and duration provided in this section. A qualified
9 company may receive additional periods for subsequent new jobs at the same facility after the
10 full initial period if the minimum thresholds are met as set forth in sections 620.1875 to
11 620.1890. There is no limit on the number of periods a qualified company may participate in the
12 program, as long as the minimum thresholds are achieved and the qualified company provides
13 the department with the required reporting and is in proper compliance for this program or other
14 state programs. A qualified company may elect to file a notice of intent to start a new project
15 period concurrent with an existing project period if the minimum thresholds are achieved and
16 the qualified company provides the department with the required reporting and is in proper
17 compliance for this program and other state programs; however, the qualified company may not
18 receive any further benefit under the original approval for jobs created after the date of the new
19 notice of intent, and any jobs created before the new notice of intent may not be included as new
20 jobs for the purpose of benefit calculation in relation to the new approval. When a qualified
21 company has filed and received approval of a notice of intent and subsequently files another
22 notice of intent, the department shall apply the definition of project facility under subdivision
23 (19) of section 620.1878 to the new notice of intent as well as all previously approved notices
24 of intent and shall determine the application of the definitions of new job, new payroll, project
25 facility base employment, and project facility base payroll accordingly.

26 2. Notwithstanding any provision of law to the contrary, any qualified company that is
27 awarded benefits under this program may not simultaneously receive tax credits or exemptions
28 under sections 135.100 to 135.150, sections 135.200 to 135.286, section 135.535, or sections
29 135.900 to 135.906 at the same project facility. The benefits available to the company under any
30 other state programs for which the company is eligible and which utilize withholding tax from
31 the new jobs of the company must first be credited to the other state program before the
32 withholding retention level applicable under the Missouri quality jobs act will begin to accrue.
33 These other state programs include, but are not limited to, the Missouri works jobs training
34 program under sections 620.800 to 620.809, the real property tax increment allocation
35 redevelopment act, sections 99.800 to 99.865, or the Missouri downtown and rural economic
36 stimulus act under sections 99.915 to 99.980. If any qualified company also participates in the
37 Missouri works jobs training program in sections 620.800 to 620.809, the company shall retain
38 no withholding tax, but the department shall issue a refundable tax credit for the full amount of
39 benefit allowed under this ~~subdivision~~ **subsection**. The calendar year annual maximum amount
40 of tax credits which may be issued to a qualifying company that also participates in the new job

41 training program shall be increased by an amount equivalent to the withholding tax retained by
42 that company under the new jobs training program. However, if the combined benefits of the
43 quality jobs program and the new jobs training program exceed the projected state benefit of the
44 project, as determined by the department of economic development through a cost-benefit
45 analysis, the increase in the maximum tax credits shall be limited to the amount that would not
46 cause the combined benefits to exceed the projected state benefit. Any taxpayer who is awarded
47 benefits under this program who knowingly hires individuals who are not allowed to work
48 legally in the United States shall immediately forfeit such benefits and shall repay the state an
49 amount equal to any state tax credits already redeemed and any withholding taxes already
50 retained.

51 3. The types of projects and the amount of benefits to be provided are:

52 (1) Small and expanding business projects: in exchange for the consideration provided
53 by the new tax revenues and other economic stimuli that will be generated by the new jobs
54 created by the program, a qualified company may retain an amount equal to the withholding tax
55 as calculated under subdivision (33) of section 620.1878 from the new jobs that would otherwise
56 be withheld and remitted by the qualified company under the provisions of sections 143.191 to
57 143.265 for a period of three years from the date the required number of new jobs were created
58 if the average wage of the new payroll equals or exceeds the county average wage or for a period
59 of five years from the date the required number of new jobs were created if the average wage of
60 the new payroll equals or exceeds one hundred twenty percent of the county average wage;

61 (2) Technology business projects: in exchange for the consideration provided by the new
62 tax revenues and other economic stimuli that will be generated by the new jobs created by the
63 program, a qualified company may retain an amount equal to a maximum of five percent of new
64 payroll for a period of five years from the date the required number of jobs were created from
65 the withholding tax of the new jobs that would otherwise be withheld and remitted by the
66 qualified company under the provisions of sections 143.191 to 143.265 if the average wage of
67 the new payroll equals or exceeds the county average wage. An additional one-half percent of
68 new payroll may be added to the five percent maximum if the average wage of the new payroll
69 in any year exceeds one hundred twenty percent of the county average wage in the county in
70 which the project facility is located, plus an additional one-half percent of new payroll may be
71 added if the average wage of the new payroll in any year exceeds one hundred forty percent of
72 the average wage in the county in which the project facility is located. The department shall
73 issue a refundable tax credit for any difference between the amount of benefit allowed under this
74 subdivision and the amount of withholding tax retained by the company, in the event the
75 withholding tax is not sufficient to provide the entire amount of benefit due to the qualified
76 company under this subdivision;

77 (3) High impact projects: in exchange for the consideration provided by the new tax
78 revenues and other economic stimuli that will be generated by the new jobs created by the
79 program, a qualified company may retain an amount from the withholding tax of the new jobs
80 that would otherwise be withheld and remitted by the qualified company under the provisions
81 of sections 143.191 to 143.265, equal to three percent of new payroll for a period of five years
82 from the date the required number of jobs were created if the average wage of the new payroll
83 equals or exceeds the county average wage of the county in which the project facility is located.
84 For high-impact projects in a facility located within two adjacent counties, the new payroll shall
85 equal or exceed the higher county average wage of the adjacent counties. The percentage of
86 payroll allowed under this subdivision shall be three and one-half percent of new payroll if the
87 average wage of the new payroll in any year exceeds one hundred twenty percent of the county
88 average wage in the county in which the project facility is located. The percentage of payroll
89 allowed under this subdivision shall be four percent of new payroll if the average wage of the
90 new payroll in any year exceeds one hundred forty percent of the county average wage in the
91 county in which the project facility is located. An additional one percent of new payroll may be
92 added to these percentages if local incentives equal between ten percent and twenty-four percent
93 of the new direct local revenue; an additional two percent of new payroll is added to these
94 percentages if the local incentives equal between twenty-five percent and forty-nine percent of
95 the new direct local revenue; or an additional three percent of payroll is added to these
96 percentages if the local incentives equal fifty percent or more of the new direct local revenue.
97 The department shall issue a refundable tax credit for any difference between the amount of
98 benefit allowed under this subdivision and the amount of withholding tax retained by the
99 company, in the event the withholding tax is not sufficient to provide the entire amount of benefit
100 due to the qualified company under this subdivision;

101 (4) Job retention projects: a qualified company may receive a tax credit for the retention
102 of jobs in this state, provided the qualified company and the project meets all of the following
103 conditions:

104 (a) For each of the twenty-four months preceding the year in which application for the
105 program is made the qualified company must have maintained at least one thousand full-time
106 employees at the employer's site in the state at which the jobs are based, and the average wage
107 of such employees must meet or exceed the county average wage;

108 (b) The qualified company retained at the project facility the level of full-time employees
109 that existed in the taxable year immediately preceding the year in which application for the
110 program is made;

111 (c) The qualified company is considered to have a significant statewide effect on the
112 economy, and has been determined to represent a substantial risk of relocation from the state by

113 the quality jobs advisory task force established in section 620.1887; provided, however, until
114 such time as the initial at-large members of the quality jobs advisory task force are appointed,
115 this determination shall be made by the director of the department of economic development;

116 (d) The qualified company in the project facility will cause to be invested a minimum
117 of seventy million dollars in new investment prior to the end of two years or will cause to be
118 invested a minimum of thirty million dollars in new investment prior to the end of two years and
119 maintain an annual payroll of at least seventy million dollars during each of the years for which
120 a credit is claimed; and

121 (e) The local taxing entities shall provide local incentives of at least fifty percent of the
122 new direct local revenues created by the project over a ten-year period.

123

124 The quality jobs advisory task force may recommend to the department of economic
125 development that appropriate penalties be applied to the company for violating the agreement.
126 The amount of the job retention credit granted may be equal to up to fifty percent of the amount
127 of withholding tax generated by the full-time jobs at the project facility for a period of five years.
128 The calendar year annual maximum amount of tax credit that may be issued to any qualified
129 company for a job retention project or combination of job retention projects shall be seven
130 hundred fifty thousand dollars per year, but the maximum amount may be increased up to one
131 million dollars if such action is proposed by the department and approved by the quality jobs
132 advisory task force established in section 620.1887; provided, however, until such time as the
133 initial at-large members of the quality jobs advisory task force are appointed, this determination
134 shall be made by the director of the department of economic development. In considering such
135 a request, the task force shall rely on economic modeling and other information supplied by the
136 department when requesting the increased limit on behalf of the job retention project. In no
137 event shall the total amount of all tax credits issued for the entire job retention program under
138 this subdivision exceed three million dollars annually. Notwithstanding the above, no tax credits
139 shall be issued for job retention projects approved by the department after August 30, 2013;

140 (5) Small business job retention and flood survivor relief: a qualified company may
141 receive a tax credit under sections 620.1875 to 620.1890 for the retention of jobs and flood
142 survivor relief in this state for each job retained over a three-year period, provided that:

143 (a) The qualified company did not receive any state or federal benefits, incentives, or tax
144 relief or abatement in locating its facility in a flood plain;

145 (b) The qualified company and related companies have fewer than one hundred
146 employees at the time application for the program is made;

147 (c) The average wage of the qualified company's and related companies' employees must
148 meet or exceed the county average wage;

149 (d) All of the qualified company's and related companies' facilities are located in this
150 state;

151 (e) The facilities at the primary business site in this state have been directly damaged by
152 floodwater rising above the level of a five hundred year flood at least two years, but fewer than
153 eight years, prior to the time application is made;

154 (f) The qualified company made significant efforts to protect the facilities prior to any
155 impending danger from rising floodwaters;

156 (g) For each year it receives tax credits under sections 620.1875 to 620.1890, the
157 qualified company and related companies retained, at the company's facilities in this state, at
158 least the level of full-time, year-round employees that existed in the taxable year immediately
159 preceding the year in which application for the program is made; and

160 (h) In the years it receives tax credits under sections 620.1875 to 620.1890, the company
161 cumulatively invests at least two million dollars in capital improvements in facilities and
162 equipment located at such facilities that are not located within a five hundred year flood plain
163 as designated by the Federal Emergency Management Agency, and amended from time to time.
164 The amount of the small business job retention and flood survivor relief credit granted may be
165 equal to up to one hundred percent of the amount of withholding tax generated by the full-time
166 jobs at the project facility for a period of three years. The calendar year annual maximum
167 amount of tax credit that may be issued to any qualified company for a small business job
168 retention and survivor relief project shall be two hundred fifty thousand dollars per year, but the
169 maximum amount may be increased up to five hundred thousand dollars if such action is
170 proposed by the department and approved by the quality jobs advisory task force established in
171 section 620.1887. In considering such a request, the task force shall rely on economic modeling
172 and other information supplied by the department when requesting an increase in the limit on
173 behalf of the small business job retention and flood survivor relief project. In no event shall the
174 total amount of all tax credits issued for the entire small business job retention and flood survivor
175 relief program under this subdivision exceed five hundred thousand dollars annually.
176 Notwithstanding the provisions of this subdivision to the contrary, no tax credits shall be issued
177 for small business job retention and flood survivor relief projects approved by the department
178 after August 30, 2010.

179 4. The qualified company shall provide an annual report of the number of jobs and such
180 other information as may be required by the department to document the basis for the benefits
181 of this program. The department may withhold the approval of any benefits until it is satisfied
182 that proper documentation has been provided, and shall reduce the benefits to reflect any
183 reduction in full-time employees or new payroll. Upon approval by the department, the qualified
184 company may begin the retention of the withholding taxes when it reaches the minimum number

185 of new jobs and the average wage exceeds the county average wage. Tax credits, if any, may be
186 issued upon satisfaction by the department that the qualified company has exceeded the county
187 average wage and the minimum number of new jobs. In such annual report, if the average wage
188 is below the county average wage, the qualified company has not maintained the employee
189 insurance as required, or if the number of new jobs is below the minimum, the qualified
190 company shall not receive tax credits or retain the withholding tax for the balance of the benefit
191 period. In the case of a qualified company that initially filed a notice of intent and received an
192 approval from the department for high-impact benefits and the minimum number of new jobs
193 in an annual report is below the minimum for high-impact projects, the company shall not
194 receive tax credits for the balance of the benefit period but may continue to retain the
195 withholding taxes if it otherwise meets the requirements of a small and expanding business under
196 this program.

197 5. The maximum calendar year annual tax credits issued for the entire program shall not
198 exceed eighty million dollars. Notwithstanding any provision of law to the contrary, the
199 maximum annual tax credits authorized under section 135.535 are hereby reduced from ten
200 million dollars to eight million dollars, with the balance of two million dollars transferred to this
201 program. There shall be no limit on the amount of withholding taxes that may be retained by
202 approved companies under this program.

203 6. The department shall allocate the annual tax credits based on the date of the approval,
204 reserving such tax credits based on the department's best estimate of new jobs and new payroll
205 of the project, and the other factors in the determination of benefits of this program. However,
206 the annual issuance of tax credits is subject to the annual verification of the actual new payroll.
207 The allocation of tax credits for the period assigned to a project shall expire if, within two years
208 from the date of commencement of operations, or approval if applicable, the minimum
209 thresholds have not been achieved. The qualified company may retain authorized amounts from
210 the withholding tax under this section once the minimum new jobs thresholds are met for the
211 duration of the project period. No benefits shall be provided under this program until the
212 qualified company meets the minimum new jobs thresholds. In the event the qualified company
213 does not meet the minimum new job threshold, the qualified company may submit a new notice
214 of intent or the department may provide a new approval for a new project of the qualified
215 company at the project facility or other facilities.

216 7. For a qualified company with flow-through tax treatment to its members, partners, or
217 shareholders, the tax credit shall be allowed to members, partners, or shareholders in proportion
218 to their share of ownership on the last day of the qualified company's tax period.

219 8. Tax credits may be claimed against taxes otherwise imposed by chapters 143 and 148,
220 and may not be carried forward but shall be claimed within one year of the close of the taxable

221 year for which they were issued, except as provided under subdivision (4) of subsection 3 of this
222 section.

223 9. Tax credits authorized by this section may be transferred, sold, or assigned by filing
224 a notarized endorsement thereof with the department that names the transferee, the amount of
225 tax credit transferred, and the value received for the credit, as well as any other information
226 reasonably requested by the department.

227 10. Prior to the issuance of tax credits, the department shall verify through the
228 department of revenue, or any other state department, that the tax credit applicant does not owe
229 any delinquent income, sales, or use tax or interest or penalties on such taxes, or any delinquent
230 fees or assessments levied by any state department and through the department of insurance,
231 financial institutions and professional registration that the applicant does not owe any delinquent
232 insurance taxes. Such delinquency shall not affect the authorization of the application for such
233 tax credits, except that at issuance credits shall be first applied to the delinquency and any
234 amount issued shall be reduced by the applicant's tax delinquency. If the department of revenue
235 or the department of insurance, financial institutions and professional registration, or any other
236 state department, concludes that a taxpayer is delinquent after June fifteenth but before July first
237 of any year and the application of tax credits to such delinquency causes a tax deficiency on
238 behalf of the taxpayer to arise, then the taxpayer shall be granted thirty days to satisfy the
239 deficiency in which interest, penalties, and additions to tax shall be tolled. After applying all
240 available credits toward a tax delinquency, the administering agency shall notify the appropriate
241 department and that department shall update the amount of outstanding delinquent tax owed by
242 the applicant. If any credits remain after satisfying all insurance, income, sales, and use tax
243 delinquencies, the remaining credits shall be issued to the applicant, subject to the restrictions
244 of other provisions of law.

245 11. Except as provided under subdivision (4) of subsection 3 of this section, the director
246 of revenue shall issue a refund to the qualified company to the extent that the amount of credits
247 allowed in this section exceeds the amount of the qualified company's income tax.

248 12. An employee of a qualified company will receive full credit for the amount of tax
249 withheld as provided in section 143.211.

250 13. If any provision of sections 620.1875 to 620.1890 or application thereof to any
251 person or circumstance is held invalid, the invalidity shall not affect other provisions or
252 application of these sections which can be given effect without the invalid provisions or
253 application, and to this end, the provisions of sections 620.1875 to 620.1890 are hereby declared
254 severable.

255 **14. The tax credit authorized under sections 620.1875 to 620.1890 shall be subject**
256 **to the provisions of section 135.840, including the limit on the amount of funds that may**
257 **be claimed and, if that limit is reached, the distribution priority of first-come, first-served.**

620.1910. 1. This section shall be known and may be cited as the "Manufacturing Jobs
2 Act".

3 2. As used in this section, the following terms mean:

4 (1) "Approval", a document submitted by the department to the qualified manufacturing
5 company or qualified supplier that states the benefits that may be provided under this section;

6 (2) "Capital investment", expenditures made by a qualified manufacturing company to
7 retool or reconfigure a manufacturing facility directly related to the manufacturing of a new
8 product or the expansion or modification of the manufacture of an existing product;

9 (3) "County average wage", the same meaning as such term is defined in section
10 620.1878;

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

12 (5) "Facility", a building or buildings located in Missouri at which the qualified
13 manufacturing company manufactures a product;

14 (6) "Full-time job", a job for which a person is compensated for an average of at least
15 thirty-five hours per week for a twelve-month period, and one for which the qualified
16 manufacturing company or qualified supplier offers health insurance and pays at least fifty
17 percent of such insurance premiums;

18 (7) "NAICS industry classification", the most recent edition of the North American
19 Industry Classification System as prepared by the Executive Office of the President, Office of
20 Management and Budget;

21 (8) "New job", the same meaning as such term is defined in section 620.1878;

22 (9) "New product", a new model or line of a manufactured good that has not been
23 manufactured in Missouri by the qualified manufacturing company at any time prior to the date
24 of the notice of intent, or an existing brand, model, or line of a manufactured good that is
25 redesigned with more than seventy-five percent new exterior body parts and incorporates new
26 powertrain options;

27 (10) "Notice of intent", a form developed by the department, completed by the qualified
28 manufacturing company or qualified supplier and submitted to the department which states the
29 qualified manufacturing company's or qualified supplier's intent to create new jobs or retain
30 current jobs and make additional capital investment, as applicable, and request benefits under
31 this section. The notice of intent shall specify the minimum number of such new or retained jobs
32 and the minimum amount of such capital investment;

33 (11) "Qualified manufacturing company", a business with a NAICS code of 33611 that:

- 34 (a) Manufactures goods at a facility in Missouri;
- 35 (b) In the case of the manufacture of a new product, commits to make a capital
36 investment of at least seventy-five thousand dollars per retained job within no more than two
37 years of the date the qualified manufacturing company begins to retain withholding tax under this
38 section, or in the case of the modification or expansion of the manufacture of an existing product,
39 commits to make a capital investment of at least fifty thousand dollars per retained job within
40 no more than two years of the date the qualified manufacturing company begins to retain
41 withholding tax under this section;
- 42 (c) Manufactures a new product or has commenced making capital improvements to the
43 facility necessary for the manufacturing of such new product, or modifies or expands the
44 manufacture of an existing product or has commenced making capital improvements to the
45 facility necessary for the modification or expansion of the manufacture of such existing product;
46 and
- 47 (d) Continues to meet the requirements of paragraphs (a) to (c) of this subdivision for
48 the withholding period;
- 49 (12) "Qualified supplier", a manufacturing company that:
- 50 (a) Attests to the department that it derives more than ten percent of the total annual sales
51 of the company from sales to a qualified manufacturing company;
- 52 (b) Adds five or more new jobs;
- 53 (c) Has an average wage, as defined in section 135.950, for such new jobs that are equal
54 to or exceed the lower of the county average wage for Missouri as determined by the department
55 using NAICS industry classifications, but not lower than sixty percent of the statewide average
56 wage; and
- 57 (d) Provides health insurance for all full-time jobs and pays at least fifty percent of the
58 premiums of such insurance;
- 59 (13) "Retained job", the number of full-time jobs of persons employed by the qualified
60 manufacturing company located at the facility that existed as of the last working day of the
61 month immediately preceding the month in which notice of intent is submitted;
- 62 (14) "Statewide average wage", an amount equal to the quotient of the sum of the total
63 gross wages paid for the corresponding four calendar quarters divided by the average annual
64 employment for such four calendar quarters, which shall be computed using the Quarterly
65 Census of Employment and Wages Data for All Private Ownership Businesses in Missouri, as
66 published by the Bureau of Labor Statistics of the United States Department of Labor;
- 67 (15) "Withholding period", the seven- or ten-year period in which a qualified
68 manufacturing company may receive benefits under this section;
- 69 (16) "Withholding tax", the same meaning as such term is defined in section 620.1878.

70 3. The department shall respond within thirty days to a qualified manufacturing company
71 or a qualified supplier who provides a notice of intent with either an approval or a rejection of
72 the notice of intent. Failure to respond on behalf of the department shall result in the notice of
73 intent being deemed an approval for the purposes of this section.

74 4. A qualified manufacturing company that manufactures a new product may, upon the
75 department's approval of a notice of intent and the execution of an agreement that meets the
76 requirements of subsection 9 of this section, but no earlier than January 1, 2012, retain one
77 hundred percent of the withholding tax from full-time jobs at the facility for a period of ten years.
78 A qualified manufacturing company that modifies or expands the manufacture of an existing
79 product may, upon the department's approval of a notice of intent and the execution of an
80 agreement that meets the requirements of subsection 9 of this section, but no earlier than January
81 1, 2012, retain fifty percent of the withholding tax from full-time jobs at the facility for a period
82 of seven years. Except as otherwise allowed under subsection 7 of this section, the
83 commencement of the withholding period may be delayed by no more than twenty-four months
84 after execution of the agreement at the option of the qualified manufacturing company. Such
85 qualified manufacturing company shall be eligible for participation in the Missouri quality jobs
86 program in sections 620.1875 to 620.1890 for any new jobs for which it does not retain
87 withholding tax under this section, provided all qualifications for such program are met.

88 5. A qualified supplier may, upon approval of a notice of intent by the department, retain
89 all withholding tax from new jobs for a period of three years from the date of approval of the
90 notice of intent or for a period of five years if the supplier pays wages for the new jobs equal to
91 or greater than one hundred twenty percent of county average wage. Notwithstanding any other
92 provision of law to the contrary, a qualified supplier that is awarded benefits under this section
93 shall not receive any tax credit or exemption or be entitled to retain withholding under sections
94 100.700 to 100.850, sections 135.100 to 135.150, sections 135.200 to 135.286, section 135.535,
95 sections 135.900 to 135.906, sections 135.950 to 135.970, or section 620.1881 for the same jobs.

96 6. Notwithstanding any other provision of law to the contrary, the maximum amount of
97 withholding tax that may be retained by any one qualified manufacturing company under this
98 section shall not exceed ten million dollars per calendar year. The aggregate amount of
99 withholding tax that may be retained by all qualified manufacturing companies under this section
100 shall not exceed fifteen million dollars per calendar year.

101 7. Notwithstanding any other provision of law to the contrary, any qualified
102 manufacturing company that is awarded benefits under this section shall not simultaneously
103 receive tax credits or exemptions under sections 100.700 to 100.850, sections 135.100 to
104 135.150, sections 135.200 to 135.286, section 135.535, or sections 135.900 to 135.906 for the
105 jobs created or retained or capital improvement which qualified for benefits under this section.

106 The benefits available to the qualified manufacturing company under any other state programs
107 for which the qualified manufacturing company is eligible and which utilize withholding tax
108 from the jobs at the facility shall first be credited to the other state program before the applicable
109 withholding period for benefits provided under this section shall begin. These other state
110 programs include, but are not limited to, the Missouri works jobs training program under sections
111 620.800 to 620.809, the real property tax increment allocation redevelopment act under sections
112 99.800 to 99.865, or the Missouri downtown and rural economic stimulus act under sections
113 99.915 to 99.980. If any qualified manufacturing company also participates in the Missouri
114 works jobs training program in sections 620.800 to 620.809, such qualified manufacturing
115 company shall not retain any withholding tax that has already been allocated for ~~use in the new~~
116 ~~jobs] Missouri works job training [program].~~ Any qualified manufacturing company or
117 qualified supplier that is awarded benefits under this program and knowingly hires individuals
118 who are not allowed to work legally in the United States shall immediately forfeit such benefits
119 and shall repay the state an amount equal to any withholding taxes already retained. Subsection
120 5 of section 285.530 shall not apply to qualified manufacturing companies or qualified suppliers
121 which are awarded benefits under this program.

122 8. The department may promulgate rules to implement the provisions of this section.
123 Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the
124 authority delegated in this section shall become effective only if it complies with and is subject
125 to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and
126 chapter 536 are nonseverable and if any of the powers vested with the general assembly under
127 chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are
128 subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed
129 or adopted after the effective date of this section shall be invalid and void.

130 9. Within six months of completion of a notice of intent required under this section, the
131 qualified manufacturing company shall enter into an agreement with the department that
132 memorializes the content of the notice of intent, the requirements of this section, and the
133 consequences for failing to meet such requirements, which shall include the following:

134 (1) If the amount of capital investment made by the qualified manufacturing company
135 is not made within the two-year period provided for such investment, the qualified manufacturing
136 company shall immediately cease retaining any withholding tax with respect to jobs at the facility
137 and it shall forfeit all rights to retain withholding tax for the remainder of the withholding period.
138 In addition, the qualified manufacturing company shall repay any amounts of withholding tax
139 retained plus interest of five percent per annum. However, in the event that such capital
140 investment shortfall is due to economic conditions beyond the control of the qualified
141 manufacturing company, the director may, at the qualified manufacturing company's request,

142 suspend rather than terminate its privilege to retain withholding tax under this section for up to
143 three years. Any such suspension shall extend the withholding period by the same amount of
144 time. No more than one such suspension shall be granted to a qualified manufacturing company;

145 (2) If the qualified manufacturing company discontinues the manufacturing of the new
146 product and does not replace it with a subsequent or additional new product manufactured at the
147 facility at any time during the withholding period, the qualified manufacturing company shall
148 immediately cease retaining any withholding tax with respect to jobs at that facility and it shall
149 forfeit all rights to retain withholding tax for the remainder of the withholding period.

150 10. Prior to March first each year, the department shall provide a report to the general
151 assembly including the names of participating qualified manufacturing companies or qualified
152 suppliers, location of such companies or suppliers, the annual amount of benefits provided, the
153 estimated net state fiscal impact including direct and indirect new state taxes derived, and the
154 number of new jobs created or jobs retained.

155 11. **The benefit authorized under this section shall be subject to the provisions of**
156 **section 135.840, including the limit on the amount of funds that may be claimed and, if that**
157 **limit is reached, the distribution priority of first-come, first-served.**

158 12. Under section 23.253 of the Missouri sunset act:

159 (1) The provisions of the new program authorized under this section shall automatically
160 sunset October 12, 2016, unless reauthorized by an act of the general assembly; and

161 (2) If such program is reauthorized, the program authorized under this section shall
162 automatically sunset twelve years after the effective date of the reauthorization of this section;
163 and

164 (3) This section shall terminate on September first of the calendar year immediately
165 following the calendar year in which the program authorized under this section is sunset.

620.2600. 1. This section shall be known and may be cited as the "Innovation Campus
2 Tax Credit Act".

3 2. As used in this section, the following terms mean:

4 (1) "Certificate", a tax credit certificate issued under this section;

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

6 (3) "Eligible donation", donations received from a taxpayer by innovation campuses that
7 are to be used solely for projects that advance learning in the areas of science, technology,
8 engineering, and mathematics. Eligible donations may include cash, publicly traded stocks and
9 bonds, and real estate that shall and will be valued and documented according to the rules
10 promulgated by the department of economic development;

11 (4) "Innovation education campus" or "innovation campus", as defined in section
12 178.1100, an educational partnership consisting of at least one of each of the following entities:

- 13 (a) A local Missouri high school or K-12 school district;
- 14 (b) A Missouri four-year public or private higher education institution;
- 15 (c) A Missouri-based business or businesses; and
- 16 (d) A Missouri two-year public higher education institution or state technical college of
17 Missouri;
- 18 (5) "Taxpayer", any of the following individuals or entities who make an eligible
19 donation to any innovation campus:
- 20 (a) A person, firm, partner in a firm, corporation, or a shareholder in an S corporation
21 doing business in the state of Missouri and subject to the state income tax imposed in chapter
22 143;
- 23 (b) A corporation subject to the annual corporation franchise tax imposed in chapter 147;
- 24 (c) An insurance company paying an annual tax on its gross premium receipts in this
25 state;
- 26 (d) Any other financial institution paying taxes to the state of Missouri or any political
27 subdivisions of this state under chapter 148;
- 28 (e) An individual subject to the state income tax imposed in chapter 143;
- 29 (f) Any charitable organization which is exempt from federal income tax and whose
30 Missouri unrelated business taxable income, if any, would be subject to the state income tax
31 imposed under chapter 143.
- 32 3. For all taxable years beginning on or after January 1, 2015, any taxpayer shall be
33 allowed a credit against the taxes otherwise due under chapters 147, 148, or 143, excluding
34 withholding tax imposed by sections 143.191 to 143.265, in an amount equal to fifty percent of
35 the amount of an eligible donation, subject to the restrictions in this section. The amount of the
36 tax credit claimed shall not exceed the amount of the taxpayer's state income tax liability in the
37 tax year for which the credit is claimed. Any amount of credit that the taxpayer is prohibited by
38 this section from claiming in a tax year shall not be refundable, but may be carried forward to
39 any of the taxpayer's four subsequent taxable years.
- 40 4. To claim the credit authorized in this section, an innovation campus may submit to
41 the department an application for the tax credit authorized by this section on behalf of taxpayers.
42 The department shall verify that the innovation campus has submitted the following items:
- 43 (1) A valid application in the form and format required by the department;
- 44 (2) A statement attesting to the eligible donation received, which shall include the name
45 and taxpayer identification number of the individual or taxpayer making the eligible donation,
46 the amount of the eligible donation, and the date the eligible donation was received by the
47 innovation campus; and

48 (3) Payment from the innovation campus equal to the value of the tax credit for which
49 application is made.

50

51 If the innovation campus applying for the tax credit meets all criteria required by this subsection,
52 the department shall issue a certificate in the appropriate amount.

53 5. Tax credits issued under this section may be assigned, transferred, sold, or otherwise
54 conveyed, and the new owner of the tax credit shall have the same rights in the credit as the
55 taxpayer. Whenever a certificate is assigned, transferred, sold, or otherwise conveyed, a
56 notarized endorsement shall be filed with the department specifying the name and address of the
57 new owner of the tax credit and the value of the credit.

58 **6. The tax credit authorized under this section shall be subject to the provisions of**
59 **section 135.840, including the limit on the amount of funds that may be claimed and, if that**
60 **limit is reached, the distribution priority of first-come, first-served.**

61 7. The department may promulgate rules to implement the provisions of this section.
62 Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the
63 authority delegated in this section shall become effective only if it complies with and is subject
64 to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and
65 chapter 536 are nonseverable and if any of the powers vested with the general assembly under
66 and pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a
67 rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule
68 proposed or adopted after August 28, 2014, shall be invalid and void.

69 ~~[7-]~~ 8. Under section 23.253 of the Missouri sunset act:

70 (1) The program authorized under this section shall expire six years after August 28,
71 2014, unless reauthorized by an act of the general assembly; and

72 (2) If such program is reauthorized, the program authorized under this section shall
73 automatically sunset twelve years after August 28, 2014; and

74 (3) This section shall terminate on September first of the calendar year immediately
75 following the calendar year in which the program authorized under this section is sunset.

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