

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1935
102ND GENERAL ASSEMBLY

4157H.03C

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 32.115, 67.3000, 67.3005, 135.341, 135.460, 135.621, 135.800, 253.545, 253.550, 253.557, 253.559, 620.1900, 620.2010, and 620.2020, RSMo, and to enact in lieu thereof twenty-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, 67.3000, 67.3005, 135.341, 135.460, 135.621, 135.800, 253.545, 253.550, 253.557, 253.559, 620.1900, 620.2010, and 620.2020, RSMo, are repealed and twenty-five new sections enacted in lieu thereof, to be known as sections 32.115, 67.3000, 67.3005, 99.720, 135.315, 135.341, 135.453, 135.460, 135.621, 135.640, 135.721, 135.800, 135.1210, 135.1800, 253.544, 253.545, 253.550, 253.557, 253.559, 453.650, 620.1641, 620.1900, 620.1920, 620.2010, and 620.2020, to read as follows:

- 32.115. 1. The department of revenue shall grant a tax credit, to be applied in the following order until used, against:
- (1) The annual tax on gross premium receipts of insurance companies in chapter 148;
 - (2) The tax on banks determined pursuant to subdivision (2) of subsection 2 of section 148.030;
 - (3) The tax on banks determined in subdivision (1) of subsection 2 of section 148.030;
 - (4) The tax on other financial institutions in chapter 148;
 - (5) The corporation franchise tax in chapter 147;
 - (6) The state income tax in chapter 143; and
 - (7) The annual tax on gross receipts of express companies in chapter 153.
2. For proposals approved pursuant to section 32.110:

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.

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

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

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

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

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

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

31

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

36 (4) Such tax credit allocation, equal to seventy percent of the total amount
37 contributed, shall not exceed four million dollars in fiscal year 1999 and six million dollars in
38 fiscal year 2000 and any subsequent fiscal year. When the maximum dollar limit on the
39 seventy percent tax credit allocation is committed, the tax credit allocation for such programs
40 shall then be equal to fifty percent credit of the total amount contributed. Regulations
41 establishing special program priorities are to be promulgated during the first month of each
42 fiscal year and at such times during the year as the public interest dictates. Such credit shall
43 not exceed two hundred and fifty thousand dollars annually except as provided in subdivision
44 (5) of this subsection. No tax credit shall be approved for any bank, bank and trust company,
45 insurance company, trust company, national bank, savings association, or building and loan
46 association for activities that are a part of its normal course of business. Any tax credit not
47 used in the period the contribution was made may be carried over the next five succeeding
48 calendar or fiscal years until the full credit has been claimed. Except as otherwise provided
49 for proposals approved pursuant to section 32.111, 32.112 or 32.117, in no event shall the

50 total amount of all other tax credits allowed pursuant to sections 32.100 to 32.125 exceed
51 thirty-two million dollars in any one fiscal year, of which six million shall be credits allowed
52 pursuant to section 135.460. If six million dollars in credits are not approved, then the
53 remaining credits may be used for programs approved pursuant to sections 32.100 to 32.125;

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

61 3. For proposals approved pursuant to section 32.111:

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

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

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

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

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

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

67.3000. 1. As used in this section and section 67.3005, the following words shall
2 mean:

3 (1) "Active member", an organization located in the state of Missouri which solicits
4 and services sports events, sports organizations, and other types of sports-related activities in
5 that community;

6 (2) "Applicant" or "applicants", one or more certified sponsors, endorsing counties,
7 endorsing municipalities, or a local organizing committee, acting individually or collectively;

8 (3) "Certified sponsor" or "certified sponsors", a nonprofit organization which is an
9 active member of the ~~[National Association of Sports Commissions]~~ **Sports Events and**
10 **Tourism Association;**

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

12 (5) "Director", the director of revenue;

13 (6) ~~["Eligible costs" shall include:~~

14 ~~(a) Costs necessary for conducting the sporting event;~~

15 ~~(b) Costs relating to the preparations necessary for the conduct of the sporting event;~~

16 ~~and~~

17 ~~(c) An applicant's pledged obligations to the site selection organization as evidenced~~
18 ~~by the support contract for the sporting event including, but not limited to, bid fees and~~
19 ~~financial guarantees.~~

20

21 ~~Eligible costs shall not include any cost associated with the rehabilitation or construction of~~
22 ~~any facilities used to host the sporting event or direct payments to a for-profit site selection~~
23 ~~organization, but may include costs associated with the retrofitting of a facility necessary to~~
24 ~~accommodate the sporting event;~~

25 ~~(7)~~ (7) "Eligible donation", donations received, by a certified sponsor or local organizing
26 committee, from a taxpayer that may include cash, publicly traded stocks and bonds, and real
27 estate that will be valued and documented according to rules promulgated by the department.
28 Such donations shall be used solely to provide funding to attract sporting events to this state;

29 ~~(8)~~ (7) "Endorsing municipality" or "endorsing municipalities", any city, town,
30 incorporated village, or county that contains a site selected by a site selection organization for
31 one or more sporting events;

32 ~~(9)~~ (8) "Joinder agreement", an agreement entered into by one or more applicants,
33 acting individually or collectively, and a site selection organization setting out representations
34 and assurances by each applicant in connection with the selection of a site in this state for the
35 location of a sporting event;

36 ~~(10)~~ (9) "Joinder undertaking", an agreement entered into by one or more
37 applicants, acting individually or collectively, and a site selection organization that each
38 applicant will execute a joinder agreement in the event that the site selection organization
39 selects a site in this state for a sporting event;

40 ~~(11)~~ (10) "Local organizing committee", a nonprofit corporation or its successor in
41 interest that:

42 (a) Has been authorized by one or more certified sponsors, endorsing municipalities,
43 or endorsing counties, acting individually or collectively, to pursue an application and bid on

44 its or the applicant's behalf to a site selection organization for selection as the host of one or
45 more sporting events; or

46 (b) With the authorization of one or more certified sponsors, endorsing
47 municipalities, or endorsing counties, acting individually or collectively, executes an
48 agreement with a site selection organization regarding a bid to host one or more sporting
49 events;

50 **(11) "Registered participant", an individual who is registered to compete in a**
51 **sporting event, or an athlete, coach, or other individual who is part of a team's official**
52 **contingent with an official capacity for such sporting event;**

53 (12) "Site selection organization", the National Collegiate Athletic Association
54 (NCAA); an NCAA member conference, university, or institution; the National Association
55 of Intercollegiate Athletics (NAIA); the United States Olympic & Paralympic Committee
56 [~~USOC~~] **(USOPC)**; a national governing body (NGB) or international federation of a sport
57 recognized by the [~~USOC~~] **USOPC**; the United States Golf Association (USGA); the United
58 States Tennis Association (USTA); the Amateur Athletic Union (AAU); the National
59 Christian College Athletic Association (NCCAA); the National Junior College Athletic
60 Association (NJCAA); the United States Sports Specialty Association (USSSA); any rights
61 holder member of the [~~National Association of Sports Commissions (NASC)~~] **Sports Events**
62 **and Tourism Association (Sports ETA)**; other major regional, national, and international
63 sports associations, and amateur organizations that promote, organize, or administer sporting
64 games or competitions; or other major regional, national, and international organizations that
65 promote or organize sporting events;

66 (13) "Sporting event" or "sporting events", an amateur, collegiate, or Olympic
67 sporting event that is competitively bid or is awarded by a site selection organization;

68 (14) "Support contract" or "support contracts", an event award notification, joinder
69 undertaking, joinder agreement, or contract executed by an applicant and a site selection
70 organization;

71 (15) "Tax credit" or "tax credits", a credit or credits issued by the department against
72 the tax otherwise due under chapter 143 or 148, excluding withholding tax imposed under
73 sections 143.191 to 143.265;

74 (16) "Taxpayer", any of the following individuals or entities who make an eligible
75 donation:

76 (a) A person, firm, partner in a firm, corporation, or a shareholder in an S corporation
77 doing business in the state of Missouri and subject to the state income tax imposed under
78 chapter 143;

79 (b) A corporation subject to the annual corporation franchise tax imposed under
80 chapter 147;

81 (c) An insurance company paying an annual tax on its gross premium receipts in this
82 state;

83 (d) Any other financial institution paying taxes to the state of Missouri or any
84 political subdivision of this state under chapter 148;

85 (e) An individual subject to the state income tax imposed under chapter 143;

86 (f) Any charitable organization which is exempt from federal income tax and whose
87 Missouri unrelated business taxable income, if any, would be subject to the state income tax
88 imposed under chapter 143.

89 2. An applicant may submit a copy of a support contract for a sporting event to the
90 department. Within sixty days of receipt of the sporting event support contract, the
91 department may review the applicant's support contract and certify such support contract if it
92 complies with the requirements of this section. Upon certification of the support contract by
93 the department, the applicant may be authorized to receive the tax credit under subsection 4 of
94 this section.

95 3. No more than ninety days following the conclusion of the sporting event, the
96 applicant shall submit ~~[eligible costs and documentation of the costs evidenced by receipts,~~
97 ~~paid invoices, event settlements, or other documentation in a manner prescribed by the~~
98 ~~department. Eligible costs may be paid by the applicant or an entity cohosting the event with~~
99 ~~the applicant]~~ **a ticket sales or box office statement verifying the total number of tickets**
100 **sold for such event, or, if such event was participant based, a list of all registered**
101 **participants.**

102 4. (1) ~~[No later than seven days following the conclusion of the sporting event, the~~
103 ~~department, in consultation with the director, shall determine the total number of tickets sold~~
104 ~~at face value for such event or, if such event was participant based and did not sell admission~~
105 ~~tickets, the total number of paid participant registrations.~~

106 ~~(2)]~~ No later than sixty days following the receipt of ~~[eligible costs and]~~
107 ~~documentation of [such costs]~~ **ticket sales or registered participants** from the applicant
108 as required in subsection 3 of this section, the department shall, except for the limitations
109 under subsection 5 of this section, issue a **certificate for a** refundable tax credit to the
110 applicant for ~~[the least of]:~~

111 (a) ~~[One hundred percent of eligible costs incurred by the applicant;~~

112 ~~(b)]~~ An amount equal to ~~[five]~~ **six** dollars for every admission ticket sold to such
113 event; or

114 ~~[(e)]~~ (b) An amount equal to ~~[ten]~~ **twelve** dollars for every ~~[paid]~~ **registered**
115 **participant [registration]** if such event was participant-based ~~[and did not sell admission~~
116 ~~tickets].~~

117

118 The calculations under paragraphs ~~[(b)] (a)~~ and ~~[(c)] (b)~~ of this subdivision shall use the
119 actual number of tickets sold or ~~[registrations paid]~~ **registered participants**, not an estimated
120 amount.

121 **(2) The department of revenue shall pay the amount of the refundable tax credit**
122 **to the applicant within ninety days of the applicant's submission of a valid tax credit**
123 **certificate issued in accordance with subdivision (1) of this subsection.**

124 (3) Tax credits authorized by this section may be claimed against taxes imposed by
125 chapters 143 and 148 ~~[and shall be claimed within one year of the close of the tax year for~~
126 ~~which the credits were issued]~~. Tax credits authorized by this section ~~[may]~~ **shall not** be
127 transferred, sold, or assigned ~~[by filing a notarized endorsement thereof with the department~~
128 ~~that names the transferee, the amount of tax credit transferred, and the value received for the~~
129 ~~credit, as well as any other information reasonably requested by the department]~~. **Tax credits**
130 **authorized by this section shall be refundable at any time following issuance and shall**
131 **not be required to offset taxes estimated or otherwise due. If any taxpayer is awarded**
132 **tax credits under this section that are refunded to such taxpayer but the department of**
133 **revenue later determines that the taxpayer receiving the credits still owed taxes that**
134 **were not paid in the tax year the tax credit was applied, such taxpayer shall repay the**
135 **state an amount equal to the amount of the tax credits already refunded or the amount**
136 **of the taxpayer's tax liability still due, whichever is less. The department of revenue**
137 **may promulgate such rules as are necessary to administer such clawback provisions**
138 **under this subdivision.**

139 5. In no event shall the amount of tax credits issued by the department under
140 subsection 4 of this section exceed ~~[three]~~ **six** million dollars in any fiscal year. For all events
141 located within the following counties, the total amount of tax credits issued shall not exceed
142 ~~[two]~~ **five** million ~~[seven]~~ **five** hundred thousand dollars in any fiscal year:

143 (1) A county with a charter form of government and with more than six hundred
144 thousand inhabitants; or

145 (2) A city not within a county.

146 6. An applicant shall provide any information necessary as determined by the
147 department for the department and the director to fulfill the duties required by this section. At
148 any time upon the request of the state of Missouri, a certified sponsor shall subject itself to an
149 audit conducted by the state.

150 7. This section shall not be construed as creating or requiring a state guarantee of
151 obligations imposed on an endorsing municipality under a support contract or any other
152 agreement relating to hosting one or more sporting events in this state.

153 8. The department shall only certify an applicant's support contract for a sporting
154 event in which the site selection organization has yet to select a location for the sporting event

155 as of December 1, 2012. No support contract shall be certified unless the site selection
156 organization has chosen to use a location in this state from competitive bids, at least one of
157 which was a bid for a location outside of this state, except that competitive bids shall not be
158 required for any previously-awarded event whose site selection organization extends its
159 contractual agreement with the event's certified sponsor or for any ~~[post-season]~~ **neutral-site**
160 collegiate ~~[football game or other neutral site]~~ game with at least one out-of-state team.
161 Support contracts shall not be certified by the department after August 28, ~~[2025]~~ **2031**,
162 provided that the support contracts may be certified on or prior to August 28, ~~[2025]~~ **2031**, for
163 sporting events that will be held after such date.

164 9. The department may promulgate rules as necessary to implement the provisions of
165 this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is
166 created under the authority delegated in this section shall become effective only if it complies
167 with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028.
168 This section and chapter 536 are nonseverable and if any of the powers vested with the
169 general assembly pursuant to chapter 536 to review, to delay the effective date, or to
170 disapprove and annul a rule are subsequently held unconstitutional, then the grant of
171 rulemaking authority and any rule proposed or adopted after August 28, 2013, shall be invalid
172 and void.

67.3005. 1. For all tax years beginning on or after January 1, 2013, any taxpayer shall
2 be allowed a credit against the taxes otherwise due under chapter 143, 147, or 148, excluding
3 withholding tax imposed by sections 143.191 to 143.265, in an amount equal to fifty percent
4 of the amount of an eligible donation, subject to the restrictions in this section. The amount
5 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 tax 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
12 the 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
15 name and taxpayer identification number of the individual making the eligible donation, the
16 amount 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
18 value 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
21 criteria required by this subsection, the department shall issue a certificate in the appropriate
22 amount.

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

30 4. The department shall promulgate rules to implement the provisions of this section.
31 Any rule or portion of a rule, as that term is defined in section 536.010, that is created under
32 the authority delegated in this section shall become effective only if it complies with and is
33 subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section
34 and chapter 536 are nonseverable and if any of the powers vested with the general assembly
35 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a
36 rule are subsequently held unconstitutional, then the grant of rulemaking authority and any
37 rule proposed or adopted after August 28, 2013, shall be invalid and void.

38 5. Under section 23.253 of the Missouri sunset act:

39 (1) The provisions of the ~~[new]~~ program authorized under section 67.3000 and under
40 this section shall automatically sunset six years after August 28, ~~[2019]~~ **2025**, unless
41 reauthorized by an act of the general assembly; and

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

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

**99.720. 1. This section shall be known and may be cited as the "Revitalizing
2 Missouri Downtowns and Main Streets Act".**

**3 2. As used in this section, the following terms mean, unless the context requires
4 otherwise:**

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

**6 (2) "Qualified conversion expenditures", any amount properly chargeable to a
7 capital account. The term "qualified conversion expenditures" shall not include:**

8 (a) The cost of acquisition;

9 (b) Any expenditure attributable to the enlargement of an existing building; or

10 (c) Tax-exempt properties;

11 (3) "Qualified converted building", any building and its structural components
12 if:

13 (a) Prior to conversion, such building was nonresidential real property, as
14 defined in 26 U.S.C. Section 168(e)(2)(B), as amended, which was leased, or available for
15 lease, to office tenants;

16 (b) Such building has been substantially converted from an office use to a
17 residential, retail, or other commercial use; and

18 (c) Such building was initially placed in service at least twenty-five years before
19 the beginning of the conversion;

20 (4) "Qualified Missouri main street district", an accredited, associated, or
21 affiliated main street district of the Missouri main street program created under
22 sections 251.470 to 251.485;

23 (5) "Substantially converted", qualified conversion expenditures incurred
24 during the twenty-four-month period preceding final approval of tax credits that in total
25 are greater than:

26 (a) The adjusted basis of such building and its structural components as
27 determined as of the beginning of the first day of such twenty-four-month period, or of
28 the holding period of the building, whichever is later; or

29 (b) Fifteen thousand dollars if the property is located in a qualified Missouri
30 main street district or five hundred thousand dollars if the property is not located in a
31 qualified Missouri main street district.

32

33 In the case of any conversion that may reasonably be expected to be completed in phases
34 set forth in architectural plans and specifications completed before the conversion
35 begins, qualified conversion expenditures shall be totaled for the sixty-month period
36 preceding final approval of tax credits rather than the twenty-four-month period
37 preceding such final approval;

38 (6) "Upper floor housing", any housing that is attached to or contained in the
39 same building as commercial property, whether located on the ground floor behind the
40 traditional storefront or on other floors of the property.

41 3. (1) For all tax years beginning on or after January 1, 2025, the department
42 shall issue a taxpayer a credit against the taxpayer's state tax liability equal to twenty-
43 five percent of qualified conversion expenditures with respect to a qualified converted
44 building, or thirty percent of qualified conversion expenditures with respect to upper
45 floor housing located in a qualified Missouri main street district. If the amount of such
46 tax credit exceeds the taxpayer's state tax liability for the year in which tax credits are

47 issued, the amount that exceeds the state tax liability may be carried back to any of the
48 three preceding tax years or carried forward for credit against state tax liability for the
49 succeeding ten tax years or until the full credit is used, whichever occurs first.

50 (2) Tax credits authorized pursuant to this section may be transferred, sold, or
51 assigned.

52 (3) Tax credits authorized for a partnership, a limited liability company taxed as
53 a partnership, or multiple owners of property shall be passed through to the partners,
54 members, or owners respectively pro rata, or pursuant to an executed agreement among
55 the partners, members, or owners documenting an alternate distribution method.

56 (4) The assignee of a tax credit may use the acquired tax credit to offset up to one
57 hundred percent of the taxpayer's state tax liability. The assignor shall perfect such
58 transfer by notifying the department in writing within thirty calendar days following
59 the effective date of the transfer and shall provide any information as may be required
60 by the department.

61 4. (1) The total amount of tax credits authorized pursuant to this section shall
62 not exceed fifty million dollars in any fiscal year.

63 (2) The provision of subdivision (1) of this subsection shall not apply to tax
64 credits authorized for qualified converted buildings of more than seven hundred fifty
65 thousand square feet, provided that no more than fifty million dollars in tax credits shall
66 be authorized for such qualified converted buildings in any given fiscal year.

67 5. Twenty-five percent of the maximum amount of tax credits available to be
68 authorized to taxpayers in a fiscal year shall be authorized solely for projects located in
69 a qualified Missouri main street district. If the total amount of such reserved tax credits
70 has been authorized, projects located in a qualified Missouri main street district may
71 receive tax credits from the remaining unreserved amount of tax credits. If the total
72 amount of reserved tax credits has not been authorized by the department, projects not
73 located in a qualified Missouri main street district may be authorized tax credits from
74 such reserved amount.

75 6. If the maximum amount of tax credits allowed in any fiscal year, as provided
76 under subsection 4 of this section, is issued, the maximum amount of tax credits allowed
77 under subsection 4 of this section shall be adjusted by the percentage increase in the
78 Consumer Price Index for All Urban Consumers, or its successor index, as such index is
79 defined and officially reported by the United States Department of Labor, or its
80 successor agency. Only one such adjustment shall be made for each instance in which
81 the provisions of this subsection apply. The department shall publish such adjusted
82 amount.

83 **7. (1) To obtain approval for tax credits pursuant to this section, a taxpayer**
84 **shall submit an application for tax credits to the department. Each application for**
85 **approval, including any applications received for supplemental allocations of tax credits**
86 **as provided under subsection 14 of this section, shall be prioritized in the order of**
87 **submission.**

88 **(2) Each application shall be reviewed by the department for approval. In order**
89 **to receive approval, an application shall include:**

90 **(a) Proof of ownership or site control. Proof of ownership shall include evidence**
91 **that the taxpayer is the fee simple owner of the eligible property, such as a warranty**
92 **deed or a closing statement. Proof of site control may be evidenced by a leasehold**
93 **interest or an option to acquire such an interest. If the taxpayer is in the process of**
94 **acquiring fee simple ownership, proof of site control shall include an executed sales**
95 **contract or an executed option to purchase the eligible property;**

96 **(b) Floor plans of the existing structure, architectural plans, and where**
97 **applicable, plans of the proposed conversion of the structure, as well as proposed**
98 **additions;**

99 **(c) The estimated cost of conversion; the anticipated total costs of the project;**
100 **the actual basis of the property, as shown by proof of actual acquisition costs; the**
101 **anticipated total labor costs; the estimated project start date; and the estimated project**
102 **completion date;**

103 **(d) Proof that the property is an eligible property;**

104 **(e) A copy of all land use and building approvals reasonably necessary for the**
105 **commencement of the project; and**

106 **(f) Any other information that the department may reasonably require to review**
107 **the project for approval.**

108

109 **Only the property for which a property address is provided in the application shall be**
110 **reviewed for approval. Once selected for review, a taxpayer shall not be permitted to**
111 **request the review of another property for approval in the place of the property**
112 **contained in such application. Any disapproved application shall be removed from the**
113 **review process. If an application is removed from the review process, the department**
114 **shall notify the taxpayer in writing of the decision to remove such application.**
115 **Disapproved applications shall lose priority in the review process. A disapproved**
116 **application, which is removed from the review process, may be resubmitted but shall be**
117 **deemed to be a new submission for purposes of the priority procedures described in this**
118 **section. If the department determines that a taxpayer has failed to comply with the**
119 **requirements of this subsection, the department shall notify the applicant of such failure**

120 and the applicant shall have a thirty-day period from the date of such notice to submit
121 additional evidence to remedy the failure.

122 8. If the department deems the application sufficient, the taxpayer shall be
123 notified in writing of the approval for an amount of tax credits equal to twenty-five
124 percent of qualified conversion expenditures, less any amount of tax credits previously
125 approved. Such approvals shall be granted to applications in the order of priority
126 established under this section and shall require full compliance thereafter with all other
127 requirements of law as a condition to any claim for such credits. If the department
128 disapproves an application, the taxpayer shall be notified in writing of the reasons for
129 such disapproval. A disapproved application may be resubmitted.

130 9. Following approval of an application, the identity of the taxpayer contained in
131 such application shall not be modified except:

132 (1) The taxpayer may add partners, members, or shareholders as part of the
133 ownership structure, so long as the principal remains the same; provided, however, that
134 subsequent to the commencement of renovation and the expenditure of at least ten
135 percent of the proposed rehabilitation budget, removal of the principal for failure to
136 perform duties and the appointment of a new principal thereafter shall not constitute a
137 change of the principal; or

138 (2) Where the ownership of the project is changed due to a foreclosure, deed in
139 lieu of a foreclosure or voluntary conveyance, or a transfer in bankruptcy.

140 10. In the event that the department authorizes tax credits equal to the total
141 amount available under subsection 4 of this section, or sufficient that when totaled with
142 all other approvals, the amount available under subsection 4 of this section is exhausted,
143 all taxpayers with applications then awaiting approval or thereafter submitted for
144 approval shall be notified by the department that no additional approvals shall be
145 granted during the fiscal year and shall be notified of the priority given to such
146 taxpayer's application then awaiting approval. Such applications shall be kept on file
147 by the department and shall be considered for approval for tax credits in the order
148 established in this section in the event that additional credits become available due to the
149 rescission of approvals or when a new fiscal year's allocation of credits becomes
150 available for approval.

151 11. All taxpayers with applications receiving approval shall submit within sixty
152 days following the award of credits evidence of the capacity of the applicant to finance
153 the costs and expenses for the conversion of the eligible property in the form of a line of
154 credit or letter of commitment subject to the lender's termination for a material adverse
155 change impacting the extension of credit. If the department determines that a taxpayer
156 has failed to comply with the requirements of this subsection, the department shall

157 **notify the applicant of such failure and the applicant shall have a thirty-day period from**
158 **the date of such notice to submit additional evidence to remedy the failure.**

159 **12. All taxpayers with applications receiving approval, excluding projects**
160 **described in subdivision (2) of subsection 4 of this section, shall commence conversion**
161 **within nine months of the date of issuance of the letter from the department granting the**
162 **approval for tax credits. For the purposes of this subsection, "commence conversion"**
163 **shall mean that, as of the date in which actual physical work, contemplated by the**
164 **architectural plans submitted with the application, has begun, the taxpayer has incurred**
165 **no less than ten percent of the estimated costs of rehabilitation provided in the**
166 **application. Taxpayers with approval of a project shall submit evidence of compliance**
167 **with the provisions of this subsection. If the department determines that a taxpayer has**
168 **failed to comply with the requirements of this subsection, the approval for the amount of**
169 **tax credits for such taxpayer shall be rescinded and such amount of tax credits shall be**
170 **included in the total amount of tax credits from which approvals may be granted. Any**
171 **taxpayer whose approval shall be subject to rescission shall be notified of such from the**
172 **department and, upon receipt of such notice, may submit a new application for the**
173 **project.**

174 **13. To claim a tax credit authorized pursuant to this section, a taxpayer with**
175 **approval shall apply for final approval and issuance of tax credits from the department,**
176 **which shall determine the final amount of qualified conversion expenditures and**
177 **whether the completed rehabilitation meets the requirements of this section. A taxpayer**
178 **shall submit to the department a final application demonstrating:**

- 179 **(1) That the taxpayer has substantially converted a qualified converted building;**
180 **(2) Satisfactory evidence of any qualified conversion expenditures for the**
181 **structure, as determined by the department; and**
182 **(3) Any other information reasonably requested by the department.**

183

184 **For financial institutions, tax credits authorized pursuant to this section shall be deemed**
185 **to be redevelopment tax credits for the purposes of sections 135.800 to 135.830. The**
186 **approval of all applications and the issuing of certificates of eligible tax credits to**
187 **taxpayers shall be performed by the department. The department shall inform a**
188 **taxpayer of final approval by letter and shall issue to the taxpayer tax credit certificates.**
189 **The taxpayer shall attach the certificate to all Missouri income tax returns on which the**
190 **credit is claimed.**

191 **14. Except as expressly provided in this subsection, tax credit certificates shall be**
192 **issued in the final year that qualified conversion expenditures are incurred or within the**
193 **twelve-month period immediately following the conclusion of such rehabilitation. In the**

194 event the amount of qualified conversion expenditures incurred by a taxpayer would
195 result in the issuance of an amount of tax credits in excess of the amount provided under
196 such taxpayer's approval granted under subsection 8 of this section, such taxpayer may
197 apply to the department for issuance of tax credits in an amount equal to such excess.
198 Applications for issuance of tax credits in excess of the amount provided under a
199 taxpayer's original application shall be made on a form prescribed by the department.
200 Such applications shall be subject to all provisions regarding priority provided under
201 subsection 7 of this section.

202 15. The department shall determine, on an annual basis, the overall economic
203 impact to the state from the rehabilitation of eligible property pursuant to this section.

204 16. No taxpayer shall be issued tax credits for qualified conversion expenditures
205 on a qualified converted building within twenty-seven years of a previous issuance of tax
206 credits pursuant to this section on such qualified converted building.

207 17. The department may promulgate any rules and regulations necessary to
208 administer the provisions of this section. Any rule or portion of a rule, as that term is
209 defined in section 536.010, that is created under the authority delegated in this section
210 shall become effective only if it complies with and is subject to all of the provisions of
211 chapter 536 and, if applicable, section 536.028. This section and chapter 536 are
212 nonseverable and if any of the powers vested with the general assembly pursuant to
213 chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are
214 subsequently held unconstitutional, then the grant of rulemaking authority and any rule
215 proposed or adopted after August 28, 2024, shall be invalid and void.

 135.315. 1. This section and section 453.650 shall be known and may be cited as
2 the "Zero-Cost Adoption Fund Act".

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

4 (1) "Fund", the zero-cost adoption fund established under section 453.650;

5 (2) "Qualified taxpayer", any individual, firm, partner in a firm, corporation,
6 shareholder in an S corporation, or other entity doing business in this state, subject to
7 the state income tax imposed under chapter 143, excluding the withholding tax imposed
8 under sections 143.191 to 143.265, who makes a qualifying contribution to the fund;

9 (3) "Qualifying contribution", a donation of cash, including, but not limited to,
10 checks drawn on a banking institution located in the continental United States in U.S.
11 dollars, other cashier checks, or third-party checks exceeding ten thousand dollars;
12 money orders; payroll deductions; and electronic fund transfers, for the purpose of
13 claiming a tax credit under this section. This term shall not include stocks, bonds, other
14 marketable securities, or property;

15 (4) "Tax credit", a credit against the tax otherwise due under chapter 143,
16 excluding withholding tax imposed under sections 143.191 to 143.265, and chapter 153.

17 3. For all tax years beginning on or after January 1, 2025, a qualified taxpayer
18 shall be allowed to claim a tax credit against the qualified taxpayer's state tax liability in
19 an amount equal to one hundred percent of the qualified taxpayer's qualifying
20 contribution to the fund made during the tax year for which the credit is claimed.

21 4. The amount of the tax credit claimed shall not exceed fifty percent of the
22 qualified taxpayer's state tax liability for the tax year for which the credit is claimed.
23 The state treasurer shall certify the tax credit amount to the qualified taxpayer. A
24 qualified taxpayer may carry the credit forward to any of such taxpayer's four
25 subsequent tax years. All tax credits authorized under this section shall not be
26 transferred, sold, assigned, or otherwise conveyed, and are not refundable.

27 5. (1) The cumulative amount of tax credits that may be allocated to all qualified
28 taxpayers in the first year of the program shall not exceed twenty-five million dollars.
29 Such amount shall be annually adjusted by the department for inflation based on the
30 consumer Price Index for All Urban Consumers for the Midwest Region, as defined and
31 officially recorded by the United States Department of Labor or its successor, and such
32 annual increase shall cease when the cumulative amount of tax credits that may be
33 allocated to all qualified taxpayers per calendar year reaches seventy-five million
34 dollars.

35 (2) The department shall establish a procedure by which, from the beginning of
36 the calendar year until August first, the cumulative amount of tax credits that may be
37 allocated under the program shall be allowed on a first-come, first-served basis among
38 all qualified taxpayers.

39 (3) If a qualified taxpayer fails to use all, or some percentage to be determined
40 by the department, of the taxpayer's allocated tax credits during this period, the
41 department may reallocate these unused tax credits to those qualified taxpayers that
42 have used all, or some percentage to be determined by the department, of the taxpayers'
43 allocated tax credits during this period. The department may establish more than one
44 period and reallocate more than once during each calendar year.

45 (4) The department shall establish the procedure described in this subsection in
46 such a manner as to ensure that qualified taxpayers can claim all the tax credits possible
47 up to the cumulative amount of tax credits available for the calendar year.

48 6. The state treasurer shall provide a standardized format for a receipt to be
49 issued to a qualified taxpayer to indicate the value of a qualifying contribution received.
50 The department of revenue shall require a qualified taxpayer to provide a copy of this
51 receipt if claiming the tax credit authorized by this section.

52 **7. The state treasurer and the department of revenue shall promulgate all**
53 **necessary rules and regulations for the administration of this section including, but not**
54 **limited to, rules relating to the verification of a taxpayer's qualifying contribution. Any**
55 **rule or portion of a rule, as that term is defined in section 536.010, that is created under**
56 **the authority delegated in this section shall become effective only if it complies with and**
57 **is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This**
58 **section and chapter 536 are nonseverable and if any of the powers vested with the**
59 **general assembly pursuant to chapter 536 to review, to delay the effective date, or to**
60 **disapprove and annul a rule are subsequently held unconstitutional, then the grant of**
61 **rulemaking authority and any rule proposed or adopted after August 28, 2024, shall be**
62 **invalid and void.**

63 **8. Under section 23.253 of the Missouri sunset act:**

64 **(1) The provisions of the new program authorized under this section shall**
65 **automatically sunset on December thirty-first, six years after the effective date of this**
66 **section unless reauthorized by an act of the general assembly;**

67 **(2) If such program is reauthorized, the program authorized under this section**
68 **shall automatically sunset on December thirty-first, twelve years after the effective date**
69 **of the reauthorization of this section;**

70 **(3) This section shall terminate on September first of the calendar year**
71 **immediately following the calendar year in which the program authorized under this**
72 **section is sunset; and**

73 **(4) Nothing in this subsection shall prevent a taxpayer from claiming a tax credit**
74 **properly issued before this program was sunset in a tax year after the program is sunset.**

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

2 (1) "CASA", an entity which receives funding from the court-appointed special
3 advocate fund established under section 476.777, including an association based in this state,
4 affiliated with a national association, organized to provide support to entities receiving
5 funding from the court-appointed special advocate fund;

6 (2) "Child advocacy centers", the regional child assessment centers listed in
7 subsection 2 of section 210.001, including an association based in this state, affiliated with a
8 national association, and organized to provide support to entities listed in subsection 2 of
9 section 210.001;

10 (3) "Contribution", the amount of donation to a qualified agency;

11 (4) "Crisis care center", entities contracted with this state which provide temporary
12 care for children whose age ranges from birth through seventeen years of age whose parents
13 or guardian are experiencing an unexpected and unstable or serious condition that requires

14 immediate action resulting in short-term care, usually three to five continuous, uninterrupted
15 days, for children who may be at risk for child abuse, neglect, or in an emergency situation;

16 (5) "Department", the department of revenue;

17 (6) "Director", the director of the department of revenue;

18 (7) "Qualified agency", CASA, child advocacy centers, or a crisis care center;

19 (8) "Tax liability", the tax due under chapter 143 other than taxes withheld under
20 sections 143.191 to 143.265.

21 2. For all tax years beginning on or after January 1, 2013, **and ending on or before**
22 **December 31, 2024**, a tax credit may be claimed in an amount equal to up to fifty percent of a
23 verified contribution to a qualified agency and shall be named the champion for children tax
24 credit. **For all tax years beginning on or after January 1, 2025, a tax credit may be**
25 **claimed in an amount equal to up to seventy percent of a verified contribution to a**
26 **qualified agency.** The minimum amount of any tax credit issued shall not be less than fifty
27 dollars and shall be applied to taxes due under chapter 143, excluding sections 143.191 to
28 143.265. A contribution verification shall be issued to the taxpayer by the agency receiving
29 the contribution. Such contribution verification shall include the taxpayer's name, Social
30 Security number, amount of tax credit, amount of contribution, the name and address of the
31 agency receiving the credit, and the date the contribution was made. The tax credit provided
32 under this subsection shall be initially filed for the year in which the verified contribution is
33 made.

34 3. The cumulative amount of the tax credits redeemed shall not exceed one million
35 dollars for all fiscal years ending on or before June 30, 2019, and one million five hundred
36 thousand dollars for all fiscal years beginning on or after July 1, 2019, **and ending on or**
37 **before June 30, 2025.** **For all fiscal years beginning on or after July 1, 2025, the**
38 **cumulative amount of tax credits allowed to all taxpayers under this section shall not**
39 **exceed twenty-five million dollars per fiscal year. If the amount of tax credits claimed in**
40 **a fiscal year under this section exceeds twenty-five million dollars, tax credits shall be**
41 **allowed based on the order in which they are claimed.** ~~[The amount available shall be~~
42 ~~equally divided among the three qualified agencies: CASA, child advocacy centers, or crisis~~
43 ~~care centers, to be used towards tax credits issued. In the event tax credits claimed under one~~
44 ~~agency do not total the allocated amount for that agency, the unused portion for that agency~~
45 ~~will be made available to the remaining agencies equally. In the event the total amount of tax~~
46 ~~credits claimed for any one agency exceeds the amount available for that agency, the amount~~
47 ~~redeemed shall and will be apportioned equally to all eligible taxpayers claiming the credit~~
48 ~~under that agency.]~~

49 4. Prior to December thirty-first of each year, each qualified agency shall apply to the
50 department of social services in order to verify their qualified agency status. Upon a

51 determination that the agency is eligible to be a qualified agency, the department of social
52 services shall provide a letter of eligibility to such agency. No later than February first of
53 each year, the department of social services shall provide a list of qualified agencies to the
54 department of revenue. All tax credit applications to claim the champion for children tax
55 credit shall be filed between July first and April fifteenth of each fiscal year. A taxpayer shall
56 apply for the champion for children tax credit by attaching a copy of the contribution
57 verification provided by a qualified agency to such taxpayer's income tax return.

58 5. Any amount of tax credit which exceeds the tax due or which is applied for and
59 otherwise eligible for issuance but not issued shall not be refunded but may be carried over to
60 any subsequent tax year, not to exceed a total of five years.

61 6. Tax credits may not be assigned, transferred or sold.

62 7. ~~[(1) In the event a credit denial, due to lack of available funds, causes a balance-~~
63 ~~due notice to be generated by the department of revenue, or any other redeeming agency, the~~
64 ~~taxpayer will not be held liable for any penalty or interest, provided the balance is paid, or~~
65 ~~approved payment arrangements have been made, within sixty days from the notice of denial.~~

66 ~~(2) In the event the balance is not paid within sixty days from the notice of denial, the~~
67 ~~remaining balance shall be due and payable under the provisions of chapter 143.~~

68 ~~8.]~~ The department may promulgate such rules or regulations as are necessary to
69 administer the provisions of this section. Any rule or portion of a rule, as that term is defined
70 in section 536.010, that is created under the authority delegated in this section shall become
71 effective only if it complies with and is subject to all of the provisions of chapter 536 and, if
72 applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the
73 powers vested with the general assembly pursuant to chapter 536 to review, to delay the
74 effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then
75 the grant of rulemaking authority and any rule proposed or adopted after August 28, 2013,
76 shall be invalid and void.

77 ~~[9-]~~ **8.** Pursuant to section 23.253, of the Missouri sunset act:

78 (1) The program authorized under this section shall be reauthorized as of ~~[December~~
79 ~~31, 2019,]~~ **August 28, 2024,** and shall expire on December 31, ~~[2025]~~ **2030,** unless
80 reauthorized by the general assembly; and

81 (2) 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; and

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

86 ~~[10-]~~ **9.** Beginning on March 29, 2013, any verified contribution to a qualified agency
87 made on or after January 1, 2013, shall be eligible for tax credits as provided by this section.

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

2 (1) "Department", the department of revenue;

3 (2) "Eligible compensation", the amount of compensation that the qualified
4 taxpayer compensated a qualified career and technical instructor for services during
5 which such instructor was engaged in instruction or duties relating to instruction at a
6 qualified institution under the memorandum of understanding;

7 (3) "Qualified career and technical instructor", any individual who meets the
8 qualifications set forth by the department of higher education and workforce
9 development in conjunction with the department of elementary and secondary
10 education, who provides services for compensation to a participating business and
11 services for compensation as an instructor for a career to a qualified institution;

12 (4) "Qualified institution", a Missouri community college that has executed a
13 memorandum of understanding with participating businesses located within such
14 community college's district;

15 (5) "Qualified taxpayer", any individual, firm, partner in a firm, corporation,
16 partnership, shareholder in an S corporation, or member of a limited liability company
17 subject to the state income tax imposed under chapter 143, excluding the withholding
18 tax imposed under sections 143.191 to 143.265, who employs a qualified career
19 technical instructor in a full-time position and allows such instructor to provide
20 instruction during regular business hours to a qualified institution;

21 (6) "Tax credit", a credit against the tax otherwise due under chapter 143,
22 excluding withholding tax imposed under sections 143.191 to 143.265.

23 2. For all tax years beginning on or after January 1, 2025, a qualified taxpayer
24 shall be allowed to claim a tax credit against the taxpayer's state tax liability in an
25 amount equal to five thousand dollars or the eligible compensation amount paid to the
26 qualified career and technical instructor, whichever is less.

27 3. The total tax credits claimed by a qualified taxpayer under this section shall
28 not exceed five tax credits for any given tax year.

29 4. The application for the tax credits under this section shall be made to the
30 department and shall include information on the qualifications of the instructor, the
31 participating business entity, compensation information, and any other such
32 information that the department deems necessary. The department shall prescribe
33 the method for claiming the tax credits allowed in this section and may collaborate with
34 the department of higher education and workforce development and the department of
35 elementary and secondary education to set forth additional guidelines, qualifications,
36 rules, and regulations to effectuate the provisions of this section.

37 **5. The cumulative amount of tax credits allowed to all taxpayers under this**
38 **section shall not exceed five hundred thousand dollars per fiscal year. If the amount of**
39 **tax credits claimed in a fiscal year under this section exceeds five hundred thousand**
40 **dollars, tax credits shall be allowed based on the order in which they are claimed.**

41 **6. The tax credit authorized under this section shall be nonrefundable and shall**
42 **not be assigned, transferred, sold, or otherwise conveyed.**

43 **7. No tax credit authorized under this section shall be carried forward to any**
44 **subsequent tax year.**

45 **8. The department of revenue, in conjunction with the department of higher**
46 **education and workforce development and the department of elementary and secondary**
47 **education, shall promulgate all necessary rules and regulations for the administration of**
48 **this section. Any rule or portion of a rule, as that term is defined in section 536.010, that**
49 **is created under the authority delegated in this section shall become effective only if it**
50 **complies with and is subject to all of the provisions of chapter 536 and, if applicable,**
51 **section 536.028. This section and chapter 536 are nonseverable and if any of the powers**
52 **vested with the general assembly pursuant to chapter 536 to review, to delay the**
53 **effective date, or to disapprove and annul a rule are subsequently held unconstitutional,**
54 **then the grant of rulemaking authority and any rule proposed or adopted after August**
55 **28, 2024, shall be invalid and void.**

56 **9. Under section 23.253 of the Missouri sunset act:**

57 **(1) The provisions of this section shall automatically sunset December thirty-first**
58 **six years after the effective date of this section unless reauthorized by an act of the**
59 **general assembly;**

60 **(2) If the provisions of this section are reauthorized, such provisions shall**
61 **automatically sunset December thirty-first twelve years after the effective date of the**
62 **reauthorization; and**

63 **(3) This section shall terminate on September first of the calendar year**
64 **immediately following the calendar year in which the provisions of this section are**
65 **sunset.**

135.460. 1. This section and sections 620.1100 and 620.1103 shall be known and
2 may be cited as the "Youth Opportunities and Violence Prevention Act".

3 2. As used in this section, the term "taxpayer" shall include corporations as defined in
4 section 143.441 or 143.471, any charitable organization which is exempt from federal income
5 tax and whose Missouri unrelated business taxable income, if any, would be subject to the
6 state income tax imposed under chapter 143, and individuals, individual proprietorships and
7 partnerships.

8 3. A taxpayer shall be allowed a tax credit against the tax otherwise due pursuant to
9 chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, chapter 147,
10 chapter 148, or chapter 153 in an amount equal to thirty percent for property contributions
11 and ~~[fifty]~~ **seventy** percent for monetary contributions of the amount such taxpayer
12 contributed to the programs described in subsection 5 of this section, not to exceed two
13 hundred thousand dollars per taxable year, per taxpayer; except as otherwise provided in
14 subdivision (5) of subsection 5 of this section. The department of economic development
15 shall prescribe the method for claiming the tax credits allowed in this section. No rule or
16 portion of a rule promulgated under the authority of this section shall become effective unless
17 it has been promulgated pursuant to the provisions of chapter 536. All rulemaking authority
18 delegated prior to June 27, 1997, is of no force and effect and repealed; however, nothing in
19 this section shall be interpreted to repeal or affect the validity of any rule filed or adopted
20 prior to June 27, 1997, if such rule complied with the provisions of chapter 536. The
21 provisions of this section and chapter 536 are nonseverable and if any of the powers vested
22 with the general assembly pursuant to chapter 536, including the ability to review, to delay the
23 effective date, or to disapprove and annul a rule or portion of a rule, are subsequently held
24 unconstitutional, then the purported grant of rulemaking authority and any rule so proposed
25 and contained in the order of rulemaking shall be invalid and void.

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

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

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

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

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

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

43 (5) Employment/internship/apprenticeship programs in business or trades for persons
44 less than twenty years of age, in which case the tax credit claimed pursuant to this section

45 shall be equal to one-half of the amount paid to the intern or apprentice in that tax year, except
46 that such credit shall not exceed ten thousand dollars per person;

47 (6) Mentor and role model programs;

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

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

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

55 (10) Nonviolent conflict resolution and mediation programs;

56 (11) Youth outreach and counseling programs.

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

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

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

67 9. For the purposes of the credits described in this section, in the case of a corporation
68 described in section 143.471, partnership, limited liability company described in section
69 347.015, cooperative, marketing enterprise, or partnership, in computing Missouri's tax
70 liability, such credits shall be allowed to the following:

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

72 (2) The partners of the partnership;

73 (3) The members of the limited liability company; and

74 (4) Individual members of the cooperative or marketing enterprise.

75

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

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

2 (1) "Contribution", a donation of cash, stock, bonds, other marketable securities, or
3 real property;

4 (2) "Department", the department of social services;

5 (3) "Diaper bank", a nonprofit entity located in this state [~~established and operating~~
6 ~~primarily for the purpose of collecting or purchasing~~] **that meets the following criteria:**

7 (a) **Collects, purchases, warehouses, and manages a community inventory of**
8 **disposable diapers or other hygiene products for infants, children, or incontinent adults** [~~and~~
9 ~~that~~];

10 (b) Regularly distributes **a consistent and reliable supply of** such diapers or other
11 hygiene products through two or more schools, health care facilities, governmental agencies,
12 or other nonprofit entities for eventual distribution to individuals free of charge, **with the**
13 **intention of reducing diaper need; and**

14 (c) **Is a member of a national network organization serving all fifty states**
15 **through which certification demonstrates nonprofit best practices, data-driven program**
16 **design, and equitable distribution focused on best serving infants, children and**
17 **incontinent adults;**

18 (4) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding
19 withholding tax imposed under sections 143.191 to 143.265, or otherwise due under chapter
20 148 or 153;

21 (5) "Taxpayer", a person, firm, partner in a firm, corporation, or shareholder in an S
22 corporation doing business in the state of Missouri and subject to the state income tax
23 imposed under chapter 143; an insurance company paying an annual tax on its gross premium
24 receipts in this state; any other financial institution paying taxes to the state of Missouri or
25 any political subdivision of this state under chapter 148; an express company that pays an
26 annual tax on its gross receipts in this state under chapter 153; an individual subject to the
27 state income tax under chapter 143; or any charitable organization that is exempt from federal
28 income tax and whose Missouri unrelated business taxable income, if any, would be subject to
29 the state income tax imposed under chapter 143.

30 2. For all fiscal years beginning on or after July 1, 2019, a taxpayer shall be allowed
31 to claim a tax credit against the taxpayer's state tax liability in an amount equal to fifty percent
32 of the amount of such taxpayer's contributions to a diaper bank.

33 3. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's
34 state tax liability for the tax year for which the credit is claimed, and such taxpayer shall not
35 be allowed to claim a tax credit in excess of fifty thousand dollars per tax year. However, any
36 tax credit that cannot be claimed in the tax year the contribution was made may be carried
37 over only to the next subsequent tax year. No tax credit issued under this section shall be
38 assigned, transferred, or sold.

39 4. Except for any excess credit that is carried over under subsection 3 of this section,
40 no taxpayer shall be allowed to claim a tax credit unless the taxpayer contributes at least one

41 hundred dollars to one or more diaper banks during the tax year for which the credit is
42 claimed.

43 5. The department shall determine, at least annually, which entities in this state
44 qualify as diaper banks. The department may require of an entity seeking to be classified as a
45 diaper bank any information which is reasonably necessary to make such a determination.
46 The department shall classify an entity as a diaper bank if such entity satisfies the definition
47 under subsection 1 of this section.

48 6. The department shall establish a procedure by which a taxpayer can determine if an
49 entity has been classified as a diaper bank.

50 7. Diaper banks may decline a contribution from a taxpayer.

51 8. The cumulative amount of tax credits that may be claimed by all the taxpayers
52 contributing to diaper banks in any one fiscal year shall not exceed five hundred thousand
53 dollars. Tax credits shall be issued in the order contributions are received. If the amount of
54 tax credits redeemed in a tax year is less than five hundred thousand dollars, the difference
55 shall be added to the cumulative limit created under this subsection for the next fiscal year
56 and carried over to subsequent fiscal years until claimed.

57 9. The department shall establish a procedure by which, from the beginning of the
58 fiscal year until some point in time later in the fiscal year to be determined by the department,
59 the cumulative amount of tax credits are equally apportioned among all entities classified as
60 diaper banks. If a diaper bank fails to use all, or some percentage to be determined by the
61 department, of its apportioned tax credits during this predetermined period of time, the
62 department may reapportion such unused tax credits to diaper banks that have used all, or
63 some percentage to be determined by the department, of their apportioned tax credits during
64 this predetermined period of time. The department may establish multiple periods each fiscal
65 year and reapportion accordingly. To the maximum extent possible, the department shall
66 establish the procedure described under this subsection in such a manner as to ensure that
67 taxpayers can claim as many of the tax credits as possible, up to the cumulative limit created
68 under subsection 8 of this section.

69 10. Each diaper bank shall provide information to the department concerning the
70 identity of each taxpayer making a contribution and the amount of the contribution. The
71 department shall provide the information to the department of revenue. The department shall
72 be subject to the confidentiality and penalty provisions of section 32.057 relating to the
73 disclosure of tax information.

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

75 (1) The provisions of the program authorized under this section shall automatically
76 sunset on December thirty-first six years after August 28, ~~2018~~ **2024**, unless reauthorized by
77 an act of the general assembly;

78 (2) If such program is reauthorized, the program authorized under this section shall
79 automatically sunset on December thirty-first six years after the effective date of the
80 reauthorization of this section;

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; and

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

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

2 (1) **"Local hospital foundation", any hospital foundation that:**

3 (a) **Is exempt from taxation under Section 501(c)(3) of the Internal Revenue**
4 **Code of 1986, as amended; and**

5 (b) **Provides financial relief for unpaid hospital bills for services provided at not-**
6 **for-profit hospitals to any person whom the foundation deems to be in need of relief in**
7 **the area in which the taxpayer claiming the tax credit under this section resides;**

8 (2) **"Qualified amount", for any qualified taxpayer in a given tax year, an**
9 **amount equal to fifty percent of the value of the donations made to a local hospital**
10 **foundation, to the extent such amounts that have been subtracted from federal adjusted**
11 **gross income or federal taxable income are added back in the determination of Missouri**
12 **adjusted gross income or Missouri taxable income before the credit can be claimed;**

13 (3) **"Qualified taxpayer", any individual subject to the state income tax imposed**
14 **under chapter 143, excluding the withholding tax imposed under sections 143.191 to**
15 **143.265, who makes a donation to a local hospital foundation and such donation is**
16 **eligible for a tax credit under this section;**

17 (4) **"Tax credit", a credit against the tax otherwise due under chapter 143,**
18 **excluding withholding tax imposed under sections 143.191 to 143.265.**

19 **2. For all tax years beginning on or after January 1, 2024, a qualified taxpayer**
20 **shall be allowed to claim a tax credit against the taxpayer's state income tax liability in**
21 **an amount equal to the taxpayer's qualified amount. Each taxpayer claiming a tax**
22 **credit under this section shall file an affidavit with the income tax return verifying the**
23 **amount of the taxpayer's donations. The amount of the tax credit claimed shall not**
24 **exceed the amount of the taxpayer's state income tax liability for the tax year that the**
25 **credit is claimed and shall not exceed two thousand five hundred dollars per taxpayer**
26 **claiming the credit.**

27 **3. The cumulative amount of tax credits allowed to all taxpayers under this**
28 **section shall not exceed two million dollars per calendar year. If the amount of tax**

29 credits claimed in a calendar year under this section exceeds two million dollars, tax
30 credits shall be allowed based on the order in which they are claimed.

31 4. No tax credit claimed under this section shall be refundable, but may be
32 carried forward to any of the taxpayer's three subsequent tax years.

33 5. No tax credit claimed under this section shall be assigned, transferred, sold, or
34 otherwise conveyed.

35 6. The tax credit authorized under this section shall constitute a domestic and
36 social tax credit, as such term is defined under section 135.800, and shall be subject to
37 the provisions of sections 135.800 to 135.830.

38 7. Notwithstanding any provision of section 105.1500 to the contrary, any
39 requirement to provide information, documents, or records under this section, and any
40 requirement established by the department of revenue to provide information,
41 documents, or records for the purpose of administering and enforcing this section,
42 shall be exempt from section 105.1500.

43 8. The department of revenue shall promulgate all necessary rules and
44 regulations for the administration of this section including, but not limited to, rules
45 relating to the verification of a taxpayer's qualified amount. Any rule or portion of a
46 rule, as that term is defined in section 536.010, that is created under the authority
47 delegated in this section shall become effective only if it complies with and is subject to
48 all of the provisions of chapter 536 and, if applicable, section 536.028. This section and
49 chapter 536 are nonseverable and if any of the powers vested with the general assembly
50 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul
51 a rule are subsequently held unconstitutional, then the grant of rulemaking authority
52 and any rule proposed or adopted after August 28, 2024, shall be invalid and void.

53 9. Under section 23.253 of the Missouri sunset act:

54 (1) The provisions of the new program authorized under this section shall
55 automatically sunset December thirty-first, six years after the effective date of this
56 section unless reauthorized by an act of the general assembly;

57 (2) If such program is reauthorized, the program authorized under this section
58 shall automatically sunset December thirty-first, twelve years after the effective date of
59 the reauthorization of this section;

60 (3) This section shall terminate on September first of the calendar year
61 immediately following the calendar year in which the provisions authorized under this
62 section are sunset; and

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

135.721. 1. This section shall be known and may be cited as the "Missouri
2 Parental Choice Tax Credit Act".

3 2. For the purposes of this section, the following terms shall mean:

4 (1) "Department", the Missouri department of revenue;

5 (2) "Home school", the same meaning as provided in section 167.031;

6 (3) "Private school", a school that is not a part of the public school system of the
7 state of Missouri and that charges tuition for the rendering of elementary or secondary
8 educational services;

9 (4) "Qualified expenses":

10 (a) Tuition or fees at a private school or home school;

11 (b) Textbooks required by a private school or home school;

12 (c) Educational therapies or services from a licensed or accredited practitioner
13 or provider including, but not limited to, licensed or accredited paraprofessionals or
14 educational aides;

15 (d) Tutoring services;

16 (e) Curriculum;

17 (f) Tuition or fees for a private virtual school;

18 (g) Fees for a nationally standardized norm-referenced achievement test,
19 advanced placement examinations, or any examinations related to college or university
20 admission;

21 (h) Services provided by a public school including, but not limited to, individual
22 classes and extracurricular programs;

23 (i) Computer hardware or other technological devices that are used to help meet
24 the qualified student's educational needs;

25 (j) Fees for summer education programs and specialized after-school education
26 programs; and

27 (k) Transportation costs for mileage to and from a private school or home
28 school;

29

30 "Qualified expenses" shall not include consumable educational supplies including, but
31 not limited to, paper, pens, pencils, or markers; tuition at a private school located
32 outside of the state of Missouri; or payments or reimbursements to any person related
33 within the third degree of consanguinity or affinity to a qualified student;

34 (5) "Qualified student", a child who is required to be educated pursuant to
35 section 167.031;

36 (6) "Resident school district", the school district in which a taxpayer's residence
37 is located;

38 (7) "Tax credit", a credit against the tax otherwise due under chapter 143,
39 excluding withholding tax imposed under sections 143.191 to 143.265;

40 (8) "Taxpayer", any individual subject to the state income tax imposed under
41 chapter 143, excluding the withholding tax imposed under sections 143.191 to 143.265,
42 and who:

43 (a) Enrolled a qualified student in a private school or home school during the tax
44 year for which the taxpayer is claiming a tax credit pursuant to this section; and

45 (b) Did not enroll a qualified student in the resident school district during the tax
46 year for which the taxpayer is claiming a tax credit pursuant to this section.

47 3. (1) For all tax years beginning on or after January 1, 2025, a taxpayer shall be
48 authorized to claim a tax credit against the taxpayer's state tax liability in an amount
49 equal to one hundred percent of qualified expenses incurred for educating a qualified
50 student at a private school or home school, provided that no tax credit authorized
51 pursuant to this section shall exceed the state adequacy target, as defined in section
52 163.011.

53 (2) Tax credits authorized pursuant to this section shall not be transferred, sold,
54 or assigned.

55 (3) Any amount of tax credit that exceeds the taxpayer's state tax liability shall
56 be considered an overpayment of taxes and shall be refunded.

57 4. Tax credits authorized pursuant to this section shall be claimed by the
58 taxpayer at the time such taxpayer files a return.

59 5. The department shall promulgate rules to implement the provisions of this
60 section. Any rule or portion of a rule, as that term is defined in section 536.010, that is
61 created under the authority delegated in this section shall become effective only if it
62 complies with and is subject to all of the provisions of chapter 536 and, if applicable,
63 section 536.028. This section and chapter 536 are nonseverable and if any of the powers
64 vested with the general assembly pursuant to chapter 536 to review, to delay the
65 effective date, or to disapprove and annul a rule are subsequently held unconstitutional,
66 then the grant of rulemaking authority and any rule proposed or adopted after August
67 28, 2024, shall be invalid and void.

68 6. Pursuant to section 23.253 of the Missouri sunset act:

69 (1) The program authorized pursuant to this section shall automatically sunset
70 six years after the effective date of this section unless reauthorized by an act of the
71 general assembly; and

72 (2) If such program is reauthorized, the program authorized pursuant to this
73 section shall automatically sunset twelve years after the effective date of the
74 reauthorization; and

75 **(3) This section shall terminate on September first of the calendar year**
76 **immediately following the calendar year in which the program authorized pursuant to**
77 **this section is sunset; and**

78 **(4) The provisions of this subsection shall not be construed to limit or in any way**
79 **impair the department's ability to redeem tax credits authorized on or before the date**
80 **the program authorized pursuant to this section expires, or a taxpayer's ability to**
81 **redeem such tax credits.**

135.800. 1. The provisions of sections 135.800 to 135.830 shall be known and may
2 be cited as the "Tax Credit Accountability Act of 2004".

3 2. As used in sections 135.800 to 135.830, the following terms mean:

4 (1) "Administering agency", the state agency or department charged with
5 administering a particular tax credit program, as set forth by the program's enacting
6 statute; where no department or agency is set forth, the department of revenue;

7 (2) "Agricultural tax credits", the agricultural product utilization contributor tax credit
8 created pursuant to section 348.430, the new generation cooperative incentive tax credit
9 created pursuant to section 348.432, the family farm breeding livestock loan tax credit created
10 under section 348.505, the qualified beef tax credit created under section 135.679, and the
11 wine and grape production tax credit created pursuant to section 135.700;

12 (3) "Business recruitment tax credits", the business facility tax credit created pursuant
13 to sections 135.110 to 135.150 and section 135.258, the enterprise zone tax benefits created
14 pursuant to sections 135.200 to 135.270, the business use incentives for large-scale
15 development programs created pursuant to sections 100.700 to 100.850, the development tax
16 credits created pursuant to sections 32.100 to 32.125, the rebuilding communities tax credit
17 created pursuant to section 135.535, the film production tax credit created pursuant to section
18 135.750, the enhanced enterprise zone created pursuant to sections 135.950 to 135.970, ~~and~~
19 the Missouri quality jobs program created pursuant to sections 620.1875 to 620.1900, **and the**
20 **Missouri advanced manufacturing recruitment act tax credit created pursuant to**
21 **section 620.1920;**

22 (4) "Community development tax credits", the neighborhood assistance tax credit
23 created pursuant to sections 32.100 to 32.125, the family development account tax credit
24 created pursuant to sections 208.750 to 208.775, the dry fire hydrant tax credit created
25 pursuant to section 320.093, and the transportation development tax credit created pursuant to
26 section 135.545;

27 (5) "Domestic and social tax credits", the youth opportunities tax credit created
28 pursuant to section 135.460 and sections 620.1100 to 620.1103, the shelter for victims of
29 domestic violence **or rape crisis center tax credit** created pursuant to section 135.550, the
30 senior citizen or disabled person property tax credit created pursuant to sections 135.010 to

31 135.035, the adoption tax credit created pursuant to sections 135.325 to 135.339, the
32 champion for children tax credit created pursuant to section 135.341, the maternity home tax
33 credit created pursuant to section 135.600, the surviving spouse tax credit created pursuant to
34 section 135.090, the residential treatment agency tax credit created pursuant to section
35 135.1150, the pregnancy resource center tax credit created pursuant to section 135.630, the
36 food pantry tax credit created pursuant to section 135.647, the residential dwelling access tax
37 credit created pursuant to section 135.562, the developmental disability care provider tax
38 credit created under section 135.1180, the shared care tax credit created pursuant to section
39 192.2015, the health, hunger, and hygiene tax credit created pursuant to section 135.1125,
40 ~~and~~ the diaper bank tax credit created pursuant to section 135.621, **and the local hospital**
41 **foundation charitable donation tax credit created under section 135.640;**

42 (6) "Entrepreneurial tax credits", the capital tax credit created pursuant to sections
43 135.400 to 135.429, the certified capital company tax credit created pursuant to sections
44 135.500 to 135.529, the seed capital tax credit created pursuant to sections 348.300 to
45 348.318, the new enterprise creation tax credit created pursuant to sections 620.635 to
46 620.653, the research tax credit created pursuant to section 620.1039, the small business
47 incubator tax credit created pursuant to section 620.495, the guarantee fee tax credit created
48 pursuant to section 135.766, and the new generation cooperative tax credit created pursuant to
49 sections 32.105 to 32.125;

50 (7) "Environmental tax credits", the charcoal producer tax credit created pursuant to
51 section 135.313, the wood energy tax credit created pursuant to sections 135.300 to 135.311,
52 and the alternative fuel stations tax credit created pursuant to section 135.710;

53 (8) "Financial and insurance tax credits", the bank franchise tax credit created
54 pursuant to section 148.030, the bank tax credit for S corporations created pursuant to section
55 143.471, the exam fee tax credit created pursuant to section 148.400, the health insurance
56 pool tax credit created pursuant to section 376.975, the life and health insurance guaranty
57 **association** tax credit created pursuant to section 376.745, the property and casualty guaranty
58 **association** tax credit created pursuant to section 375.774, and the self-employed health
59 insurance tax credit created pursuant to section 143.119;

60 (9) "Housing tax credits", the neighborhood preservation tax credit created pursuant
61 to sections 135.475 to 135.487, the low-income housing tax credit created pursuant to
62 sections 135.350 to 135.363, and the affordable housing tax credit created pursuant to
63 sections 32.105 to 32.125;

64 (10) "Recipient", the individual or entity who both:

65 (a) Is the original applicant for a tax credit; and

66 (b) Who directly receives a tax credit or the right to transfer a tax credit under a tax
67 credit program, regardless as to whether the tax credit has been used or redeemed; a recipient
68 shall not include the transferee of a transferable tax credit;

69 (11) "Redevelopment tax credits", the historic preservation tax credit created pursuant
70 to sections 253.545 to 253.559, the brownfield redevelopment program tax credit created
71 pursuant to sections 447.700 to 447.718, the community development corporations tax credit
72 created pursuant to sections 135.400 to 135.430, the infrastructure tax credit created pursuant
73 to subsection 6 of section 100.286, the bond guarantee tax credit created pursuant to section
74 100.297, the disabled access tax credit created pursuant to section 135.490, the new markets
75 tax credit created pursuant to section 135.680, and the distressed areas land assemblage tax
76 credit created pursuant to section 99.1205;

77 (12) "Tax credit program", any of the tax credit programs included in the definitions
78 of agricultural tax credits, business recruitment tax credits, community development tax
79 credits, domestic and social tax credits, entrepreneurial tax credits, environmental tax credits,
80 housing tax credits, redevelopment tax credits, and training and educational tax credits;

81 (13) "Training and educational tax credits", the Missouri works new jobs tax credit
82 and Missouri works retained jobs credit created pursuant to sections 620.800 to 620.809.

135.1210. 1. As used in this section, the following terms mean:

2 (1) "Eligible customer", a person who uses any railroad or railroad-related
3 property, facilities, or structures located wholly or partly within the state of Missouri to
4 directly or indirectly transport property, commodities, or goods, or who is served by any
5 railroad, or who stores railcars on any railroad in Missouri;

6 (2) "Eligible taxpayer":

7 (a) Any short line railroad company located wholly or partly in the state of
8 Missouri that is classified by the United States Surface Transportation board as a Class
9 II or Class III railroad; or

10 (b) Any owner or lessee of a rail siding, industrial spur, or industry track located
11 on or adjacent to any railroad in the state of Missouri;

12

13 and subject to the state income tax imposed under chapter 143, 147, or 148, excluding
14 the withholding tax imposed under sections 143.191 to 143.265, who made qualified
15 railroad track expenditures in Missouri or qualified new rail infrastructure
16 expenditures in Missouri during the tax year for which a credit under this section is
17 claimed;

18 (3) "Eligible vendor", a person who provides railroad-related services directly to
19 an eligible taxpayer;

20 (4) "Person", the same meaning as defined under section 1.020;

21 **(5) "Qualified amount", for any eligible taxpayer in a given tax year, an amount**
22 **equal to fifty percent of an eligible taxpayer's qualified railroad track expenditures or**
23 **qualified new rail infrastructure expenditures, provided that:**

24 **(a) For qualified railroad track expenditures, the amount of tax credit shall not**
25 **exceed an amount equal to the product of five thousand dollars multiplied by the**
26 **number of miles of railroad track owned or leased in the state by a Class II or Class III**
27 **railroad as of the close of the tax year; and**

28 **(b) For qualified new rail infrastructure expenditures, the amount of tax credit**
29 **shall not exceed one million dollars for each new rail-served customer project of an**
30 **eligible taxpayer;**

31 **(6) "Qualified new rail infrastructure expenditures", gross expenditures for new**
32 **rail infrastructure by an eligible taxpayer, which includes the construction of new track**
33 **infrastructure such as industrial leads, switches, spurs, sidings, rail loading docks, and**
34 **transloading structures involved with servicing new customer locations or expansions by**
35 **any railroad located in Missouri;**

36 **(7) "Qualified railroad expenditures", gross expenditures for maintenance,**
37 **reconstruction, or replacement of railroad infrastructure, including track, roadbed,**
38 **bridges, industrial leads and sidings, and track-related structures owned or leased by a**
39 **Class II or Class III railroad located in Missouri. "Qualified railroad expenditures"**
40 **does not include expenditures used to generate a federal tax credit or expenditures**
41 **funded by a state or federal grant;**

42 **(8) "Railroad-related services", includes, but is not limited to, the following:**
43 **transport of freight by rail; loading and unloading of freight transported by rail;**
44 **railroad bridge services; railroad track construction; provision of railroad track**
45 **material or equipment; locomotive or freight train car leasing or rental; provision of**
46 **railroad financial services, including banking or insurance; maintenance of a railroad's**
47 **right-of-way, including vegetation control; and freight train car repair, rehabilitation, or**
48 **remanufacturing repair services;**

49 **(9) "Tax credit", a credit against the tax otherwise due under chapter 143, 147,**
50 **or 148, excluding withholding tax imposed under sections 143.191 to 143.265.**

51 **2. For all tax years beginning on or after January 1, 2025, an eligible taxpayer**
52 **shall be allowed to claim a nonrefundable tax credit for qualified railroad track**
53 **expenditures in Missouri or for qualified new rail infrastructure expenditures in**
54 **Missouri against the taxpayer's state tax liability in an amount equal to the taxpayer's**
55 **qualified amount.**

56 **3. An eligible taxpayer who seeks to claim a tax credit under this section shall**
57 **submit a certificate of eligibility to the Missouri department of economic development**

58 after completion of the qualified railroad expenditures or qualified new rail
59 infrastructure expenditures. The certificate shall include the number of miles of
60 railroad track owned or leased in this state and a description of the amount of qualified
61 railroad expenditures or qualified new rail infrastructure expenditures completed. The
62 certificate shall be made on forms and in the manner prescribed by the department and
63 considered in the order received.

64 4. If the department of economic development determines that the taxpayer
65 meets the requirements to claim a tax credit under this section, the department may
66 issue a certificate of eligibility to the eligible taxpayer. The certificate shall be numbered
67 for identification and declare its date of issuance and the amount of the tax credit
68 allowed under this section.

69 5. (1) The cumulative amount of tax credits under this section authorized for
70 qualified railroad track expenditures in this state shall not exceed four million five
71 hundred thousand dollars per calendar year. If the amount of tax credits claimed in a
72 calendar year under this section exceeds four million five hundred thousand dollars, tax
73 credits shall be allowed based on the order in which they are claimed.

74 (2) The cumulative amount of tax credits under this section authorized for
75 qualified new rail infrastructure expenditures in this state shall not exceed ten million
76 dollars per calendar year. If the amount of tax credits claimed in a calendar year under
77 this section exceeds ten million dollars, tax credits shall be allowed based on the order in
78 which they are claimed.

79 6. Any unused portion of a tax credit allowed under this section may be carried
80 forward for up to five subsequent tax years immediately following the tax year the
81 credit was allowed.

82 7. (1) Subject to the requirements of this subsection, an eligible taxpayer who
83 earns and is entitled to the credit or to an unused portion of the credit allowed by this
84 section may transfer all or a portion of the unused credit by written agreement to any
85 eligible customer, eligible vendor, or any taxpayer subject to tax imposed under chapter
86 143, 147, or 148, excluding withholding tax imposed under sections 143.191 to 143.265,
87 at any time during the year in which the credit is earned and the five years following the
88 year of the qualified expenditures. The taxpayer originally allowed the tax credit and
89 the subsequent transferee shall jointly file a copy of the written credit transfer
90 agreement with the department of revenue. The agreement shall include the name,
91 address, and taxpayer identification number of the parties to the transfer; the amount of
92 the credit being transferred; the year the credit was originally allowed to the
93 transferring taxpayer; and the tax year or years for which the credit may be claimed. In
94 the event of such a transfer, the transferee may claim the credit on the transferee's

95 income tax return originally filed during the calendar year in which the transfer takes
96 place and in the case of carryover of the credit, on the transferee's returns for the
97 number of years of carryover available to the transferor at the time of the transfer
98 unless earlier exhausted.

99 (2) In the event that after the transfer the department of revenue determines
100 that the amount of credit properly available under this section is less than the amount
101 claimed by the transferor of the credit or that the credit is subject to recapture, the
102 department shall assess the amount of overstated or recaptured credit as taxes due from
103 the transferor and not the transferee. The assessment shall be made in the manner
104 provided for a deficiency in taxes under state law.

105 8. The department of economic development shall prepare an annual report for
106 the general assembly outlining tax credit transfers that take place each calendar year,
107 listing the qualified railroad expenditures and qualified new rail infrastructure
108 expenditures for each eligible taxpayer and a statement summarizing the investments
109 made by the eligible taxpayer.

110 9. The department of economic development may promulgate rules governing
111 the allowance of the income tax credit provided for in this section, including provisions
112 for the verification of the timeliness of a claim, the process and documentation required
113 for the department of economic development to approve an income tax credit for
114 qualified railroad expenditures or qualified new rail infrastructure expenditures, and
115 any documentation that the department of economic development requires in order to
116 determine that an eligible taxpayer, eligible customer, or eligible vendor meets the
117 requirements of this section. In addition to other needed rules, the department of
118 economic development may promulgate rules prescribing, in the case of S corporations,
119 partnerships, trusts, or estates, a method of attributing the credit under this section to
120 the shareholders, partners, or beneficiaries in proportion to their share of the income
121 from the S corporation, partnership, trust, or estate.

122 10. The department of revenue and the department of economic development
123 shall promulgate all necessary rules and regulations for the administration of this
124 section including, but not limited to, rules relating to the verification of a taxpayer's
125 qualified amount. Any rule or portion of a rule, as that term is defined in section
126 536.010, that is created under the authority delegated in this section shall become
127 effective only if it complies with and is subject to all of the provisions of chapter 536 and,
128 if applicable, section 536.028. This section and chapter 536 are nonseverable and if any
129 of the powers vested with the general assembly pursuant to chapter 536 to review, to
130 delay the effective date, or to disapprove and annul a rule are subsequently held

131 **unconstitutional, then the grant of rulemaking authority and any rule proposed or**
132 **adopted after August 28, 2024, shall be invalid and void.**

133 **11. Under section 23.253 of the Missouri sunset act:**

134 **(1) The provisions of the new program authorized under this section shall**
135 **automatically sunset December thirty-first six years after the effective date of this**
136 **section, unless reauthorized by an act of the general assembly;**

137 **(2) If such program is reauthorized, the program authorized under this section**
138 **shall automatically sunset December thirty-first twelve years after the effective date of**
139 **the reauthorization of this section; and**

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

135.1800. 1. As used in this section, the following terms mean:

2 **(1) "Eligible individual", any individual or married couple who:**

3 **(a) Cannot be claimed as a dependent on any other taxpayer's federal income tax**
4 **return for a tax year beginning in the calendar year in which the individual's tax year**
5 **begins;**

6 **(b) Is not an estate or trust;**

7 **(c) Is not delinquent on child support obligations;**

8 **(d) Is a resident of the state, as defined in section 143.101; and**

9 **(e) Files a Missouri individual or combined income tax return for the tax year**
10 **ending in calendar year 2023 and has filed such return with the state by October 17,**
11 **2024, or such return was postmarked by October 17, 2024;**

12 **(2) "Qualified taxpayer", any individual subject to the state income tax imposed**
13 **under chapter 143, excluding the withholding tax imposed under sections 143.191 to**
14 **143.265, who is an eligible individual as defined under this section;**

15 **(3) "Tax credit", a credit against the tax otherwise due under chapter 143,**
16 **excluding withholding tax imposed under sections 143.191 to 143.265.**

17 **2. For the 2023 tax year, a qualified taxpayer shall be allowed to claim a one-**
18 **time, nonrefundable tax credit against the taxpayer's state tax liability in an amount**
19 **equal to the lesser of each qualified taxpayer's Missouri income tax due for the tax year**
20 **ending in calendar year 2023, or one hundred sixty-two dollars in the case of individuals**
21 **filing an individual Missouri income tax return, or three hundred twenty-four dollars in**
22 **the case of married couples filing a combined Missouri income tax return.**

23 **3. The department of revenue shall automatically adjust each qualified**
24 **taxpayer's tax return for the 2023 tax year and shall issue refunds, if necessary, to**
25 **qualified taxpayers via check or electronic funds transfer.**

26 **4. No tax credit claimed under this section shall be carried forward to any**
27 **subsequent tax year.**

28 **5. No tax credit claimed under this section shall be assigned, transferred, sold, or**
29 **otherwise conveyed.**

30 **6. The department of revenue may promulgate all necessary rules and**
31 **regulations for the administration of this section. Any rule or portion of a rule, as that**
32 **term is defined in section 536.010, that is created under the authority delegated in this**
33 **section shall become effective only if it complies with and is subject to all of the**
34 **provisions of chapter 536 and, if applicable, section 536.028. This section and chapter**
35 **536 are nonseverable and if any of the powers vested with the general assembly**
36 **pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul**
37 **a rule are subsequently held unconstitutional, then the grant of rulemaking authority**
38 **and any rule proposed or adopted after the effective date of this act shall be invalid and**
39 **void.**

253.544. Sections 253.544 to 253.559 shall be known and may be cited as the
2 **"Missouri Historic, Rural Revitalization, and Regulatory Streamlining Act".**

 253.545. As used in sections [~~253.545~~] **253.544** to 253.559, the following terms
2 mean, unless the context requires otherwise:

3 (1) **"Applicable percentage":**

4 (a) **For the rehabilitation of a property that receives or intends to receive a state**
5 **tax credit under sections 135.350 to 135.363, twenty-five percent;**

6 (b) **For the rehabilitation of a property located in a qualifying county approved**
7 **for a state tax credit and that is not a property that receives or intends to receive a state**
8 **tax credit under sections 135.350 to 135.363, thirty-five percent; or**

9 (c) **For the rehabilitation of a property not located in a qualifying county**
10 **approved for a state tax credit, twenty-five percent;**

11 (2) **"Certified historic structure", a property located in Missouri and listed**
12 **individually on the National Register of Historic Places;**

13 [~~(2)~~] (3) **"Deed in lieu of foreclosure or voluntary conveyance", a transfer of title from**
14 **a borrower to the lender to satisfy the mortgage debt and avoid foreclosure;**

15 [~~(3)~~] (4) **"Department", the department of economic development;**

16 (5) **"Eligible property", property located in Missouri and offered or used for**
17 **residential or business purposes;**

18 [~~(4)~~] (6) **"Eligible recipient", an individual taxpayer or nonprofit entity**
19 **incurring expenses in connection with an eligible property;**

20 (7) **"Leasehold interest", a lease in an eligible property for a term of not less than**
21 **thirty years;**

- 22 ~~[(5)]~~ **(8) "Principal"**, a managing partner, general partner, or president of a taxpayer;
- 23 ~~[(6) "Projected net fiscal benefit", the total net fiscal benefit to the state or~~
 24 ~~municipality, less any state or local benefits offered to the taxpayer for a project, as~~
 25 ~~determined by the department of economic development;~~
- 26 ~~(7)]~~ **(9) "Qualified census tract"**, a census tract **or census block** with a poverty rate of
 27 twenty percent or higher as determined by a map and listing of census tracts which shall be
 28 published by the department ~~[of economic development]~~ and updated on a five-year cycle,
 29 and which map and listing shall depict census tracts with twenty percent poverty rate or
 30 higher, grouped by census tracts with twenty percent to forty-two percent poverty, and forty-
 31 two percent to eighty-one percent poverty as determined by the most current five-year figures
 32 published by the American Community Survey conducted by the United States Census
 33 Bureau;
- 34 ~~[(8)]~~ **(10) "Qualified rehabilitation standards"**, the **Secretary of the Interior's**
 35 **Standards for Rehabilitation, codified under 36 CFR 67;**
- 36 **(11) "Qualifying county"**, any county or portion thereof in this state that is not:
- 37 **(a) Within a city with more than four hundred thousand inhabitants and located**
 38 **in more than one county; or**
- 39 **(b) A city not within a county;**
- 40 **(12) "Structure in a certified historic district"**, a structure located in Missouri which is
 41 certified by the ~~[department of natural resources]~~ **state historic preservation office** as
 42 contributing to the historic significance of a certified historic district listed on the National
 43 Register of Historic Places, or a local district that has been certified by the United States
 44 Department of the Interior;
- 45 ~~[(9)]~~ **(13) "Taxpayer"**, any person, firm, partnership, trust, estate, limited liability
 46 company, or corporation;
- 47 **(14) "Theater"**, any historic theater that is a certified historic structure or is
 48 located in a historic district;
- 49 **(15) "Vacant school"**, any historic school that is a certified historic structure or
 50 that is located in a historic district.

253.550. 1. **(1)** Any taxpayer incurring costs and expenses for the rehabilitation of
 2 eligible property, which is a certified historic structure or structure in a certified historic
 3 district, may, subject to the provisions of this section and section 253.559, receive a credit
 4 against the taxes imposed pursuant to chapters 143 and 148, except for sections 143.191 to
 5 143.265, on such taxpayer in an amount equal to twenty-five percent of the total costs and
 6 expenses of rehabilitation incurred after January 1, 1998, which shall include, but not be
 7 limited to, qualified rehabilitation expenditures as defined under section 47(c)(2)(A) of the
 8 Internal Revenue Code of 1986, as amended, and the related regulations thereunder, provided

9 the rehabilitation costs associated with rehabilitation and the expenses exceed fifty percent of
10 the total basis in the property and the rehabilitation meets standards consistent with the
11 standards of the Secretary of the United States Department of the Interior for rehabilitation as
12 determined by the ~~[state historic preservation officer of the Missouri department of natural~~
13 ~~resources]~~ **office of the lieutenant governor. Ten percent of such total costs and expenses**
14 **of rehabilitation upon which the tax credit is based may be incurred for building**
15 **stabilization before the taxpayer submits the application for tax credits under sections**
16 **253.544 to 253.559.**

17 (2) Any taxpayer incurring costs and expenses for the rehabilitation of eligible
18 property that is in a qualifying county and is a certified historic structure or a structure
19 in a certified historic district shall, subject to the provisions of this section and section
20 253.559, receive a credit against the taxes imposed under chapters 143 and 148,
21 excluding withholding tax imposed under sections 143.191 to 143.265, on such taxpayer
22 in an amount equal to thirty-five percent of the total costs and expenses of rehabilitation
23 incurred on or after July 1, 2023. Ten percent of the total costs and expenses of
24 rehabilitation upon which the tax credit is based may be incurred for building
25 stabilization before the taxpayer submits the application for tax credits under sections
26 253.544 to 253.559. Such total costs and expenses of rehabilitation shall include, but not
27 be limited to, qualified rehabilitation expenditures as defined under 26 U.S.C. Section 47
28 (c)(2)(A), as amended, and related regulations, if:

29 (a) Such qualified rehabilitation expenditures exceed fifty percent of the total
30 basis in the property; and

31 (b) The rehabilitation meets the qualified rehabilitation standards of the
32 Secretary of the United States Department of the Interior for rehabilitation of historic
33 structures.

34 (3) State historic rehabilitation standards shall not be more restrictive than the
35 Secretary of the Interior's Standards for Rehabilitation set forth under 36 CFR 67.

36 2. (1) ~~[During the period beginning on January 1, 2010, but ending on or after June~~
37 ~~30, 2010, the department of economic development shall not approve applications for tax~~
38 ~~credits under the provisions of subsections 4 and 10 of section 253.559 which, in the~~
39 ~~aggregate, exceed seventy million dollars, increased by any amount of tax credits for which~~
40 ~~approval shall be rescinded under the provisions of section 253.559. For each fiscal year~~
41 ~~beginning on or after July 1, 2010, but ending before June 30, 2018,] The department [of~~
42 ~~economic development]~~ shall not approve applications for tax credits **for properties not**
43 **located in a qualified census tract** under the provisions of subsections [4] **6** and [10] **12** of
44 section 253.559 which, in the aggregate, exceed one hundred forty million dollars, increased
45 by any amount of tax credits for which approval shall be rescinded under the provisions of

46 section 253.559. For each fiscal year beginning on or after July 1, 2018, the department of
47 economic development shall not approve applications for tax credits under the provisions of
48 subsections [4] 6 and [40] 12 of section 253.559 which, in the aggregate, exceed ninety
49 million dollars, increased by any amount of tax credits for which approval shall be rescinded
50 under the provisions of section 253.559. The limitations provided under this subsection shall
51 not apply to applications approved under the provisions of subsection [4] 6 of section 253.559
52 for projects to receive less than ~~[two]~~ **three** hundred ~~[seventy-five]~~ thousand dollars in tax
53 credits, **which amount shall be annually adjusted by the percentage increase in the**
54 **Consumer Price Index for All Urban Consumers, or its successor index, as such index is**
55 **defined and officially reported by the United States Department of Labor, or its**
56 **successor agency.**

57 (2) For each fiscal year beginning on or after July 1, 2018, the department shall
58 authorize an amount up to, but not to exceed, an additional thirty million dollars in tax credits
59 issued under subsections [4] 6 and [40] 12 of section 253.559, provided that such tax credits
60 are authorized solely for projects located in a qualified census tract. **Projects that receive**
61 **preliminary approval that are located within a qualified census tract may receive an**
62 **authorization of tax credit under either subdivision (1) of this subsection or this**
63 **subdivision, but such projects shall first be authorized from the tax credit amount in this**
64 **subdivision before being authorized from the tax credit amount in subdivision (1) of this**
65 **subsection. The thirty million dollars in tax credits provided in this subdivision shall be**
66 **annually adjusted by the percentage increase in the Consumer Price Index for All**
67 **Urban Consumers, or its successor index, as such index is defined and officially reported**
68 **by the United States Department of Labor, or its successor agency.**

69 (3) For each fiscal year beginning on or after July 1, 2018, if the maximum amount of
70 tax credits allowed in any fiscal year as provided under subdivisions (1) and (2) of this
71 subsection is authorized, the maximum amount of tax credits allowed under ~~[subdivision (1)]~~
72 **subdivisions (1) and (2)** of this subsection shall be adjusted by the percentage increase in the
73 Consumer Price Index for All Urban Consumers, or its successor index, as such index is
74 defined and officially reported by the United States Department of Labor, or its successor
75 agency. Only one such adjustment shall be made for each instance in which the provisions of
76 this subdivision apply. The director of the department ~~[of economic development]~~ shall
77 publish such adjusted amount.

78 3. (1) For all applications for tax credits approved on or after January 1, 2010, no
79 more than two hundred fifty thousand dollars in tax credits may be issued for eligible costs
80 and expenses incurred in the rehabilitation of an eligible property ~~[which]~~ **that is a**
81 ~~[non-income]~~ **non-income-producing, single-family**~~[, owner-occupied]~~ residential property
82 **occupied by the taxpayer applicant or any relative within the third degree of**

83 **consanguinity or affinity of such applicant** and **that** is either a certified historic structure or
84 a structure in a certified historic district.

85 **(2) For all applications for tax credits, an amount equal to the applicable**
86 **percentage may be issued for eligible costs and expenses incurred in the rehabilitation of**
87 **an eligible property that is a non-income-producing, single-family residential property**
88 **occupied by the taxpayer applicant or any relative within the third degree of**
89 **consanguinity or affinity of such applicant and that is either a certified historic**
90 **structure or a structure in a certified historic district. For properties not located in a**
91 **qualifying county, tax credits shall not be issued under this subdivision unless the**
92 **property is located in a distressed community, as defined under section 135.530.**

93 4. The limitations on tax credit authorization provided under the provisions of
94 subsection 2 of this section shall not apply to:

95 (1) Any application submitted by a taxpayer, which has received approval from the
96 department prior to October 1, 2018; or

97 (2) Any taxpayer applying for tax credits, provided under this section, which, on or
98 before October 1, 2018, has filed an application with the department evidencing that such
99 taxpayer:

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

103 (b) Has received certification, by the state historic preservation officer, that the
104 rehabilitation plan meets the **qualified rehabilitation** standards [~~consistent with the standards~~
105 ~~of the Secretary of the United States Department of the Interior~~], and the rehabilitation costs
106 and expenses associated with such rehabilitation shall exceed fifty percent of the total basis in
107 the property.

108 **5. A single-resource certified historic structure of more than one million gross**
109 **square feet with a part I approval before January 1, 2024, shall not be subject to the**
110 **dollar caps under subsection 2 of section 253.550 if:**

111 **(1) The project otherwise meets all the requirements of this section;**

112 **(2) The project meets the ten percent incurred costs test under subsection 10 of**
113 **section 253.559 within thirty-six months after an award is issued; and**

114 **(3) The taxpayer agrees with the department of economic development, on a**
115 **form prescribed by the department, to claim the original "state historical tax credits"**
116 **over three state fiscal years with the initial year being the calendar year when the tax**
117 **credits are issued.**

253.557. 1. If the amount of such credit exceeds the total tax liability for the year in
2 which the rehabilitated property is placed in service, the amount that exceeds the state tax

3 liability may be carried back to any of the three preceding years and carried forward for credit
4 against the taxes imposed pursuant to chapter 143 and chapter 148, except for sections
5 143.191 to 143.265 for the succeeding ten years, or until the full credit is used, whichever
6 occurs first. Not-for-profit entities[;] including but not limited to corporations organized as
7 not-for-profit corporations pursuant to chapter 355 shall be [~~ineligible~~] **eligible** for the tax
8 credits authorized under sections [~~253.545 through 253.561~~] **253.544 to 253.559**. Taxpayers
9 eligible for [~~such~~] tax credits may transfer, sell or assign the credits. Credits granted to a
10 partnership, a limited liability company taxed as a partnership or multiple owners of property
11 shall be passed through to the partners, members or owners respectively pro rata or pursuant
12 to an executed agreement among the partners, members or owners documenting an alternate
13 distribution method.

14 2. The assignee of the tax credits, hereinafter the assignee for purposes of this
15 subsection, may use acquired credits to offset up to one hundred percent of the tax liabilities
16 otherwise imposed pursuant to chapter 143 and chapter 148, except for sections 143.191 to
17 143.265. The assignor shall perfect such transfer by notifying the department [~~of economic~~
18 ~~development~~] in writing within thirty calendar days following the effective date of the
19 transfer and shall provide any information as may be required by the department [~~of economic~~
20 ~~development~~] to administer and carry out the provisions of this section.

253.559. 1. To obtain approval for tax credits allowed under sections [~~253.545~~]
2 **253.544** to 253.559, a taxpayer shall submit an application for tax credits to the department
3 [~~of economic development~~]. **The department shall establish an application cycle that**
4 **allows for year-round submission and year-round receipt and review of such**
5 **applications.** Each application for approval, including any applications received for
6 supplemental allocations of tax credits as provided under subsection [~~10~~] **12** of this section,
7 shall be prioritized for review and approval, in the order of the date on which the application
8 was postmarked, with the oldest postmarked date receiving priority. Applications postmarked
9 on the same day shall go through a lottery process to determine the order in which such
10 applications shall be reviewed.

11 2. Each application shall be reviewed by the department [~~of economic development~~]
12 for approval. In order to receive approval, an application, other than applications submitted
13 under the provisions of subsection [~~10~~] **12** of this section, shall include:

14 (1) Proof of ownership or site control. Proof of ownership shall include evidence that
15 the taxpayer is the fee simple owner of the eligible property, such as a warranty deed or a
16 closing statement. Proof of site control may be evidenced by a leasehold interest or an option
17 to acquire such an interest. If the taxpayer is in the process of acquiring fee simple
18 ownership, proof of site control shall include an executed sales contract or an executed option
19 to purchase the eligible property;

20 (2) Floor plans of the existing structure, architectural plans, and, where applicable,
21 plans of the proposed alterations to the structure, as well as proposed additions;

22 (3) The estimated cost of rehabilitation, the anticipated total costs of the project, the
23 actual basis of the property, as shown by proof of actual acquisition costs, the anticipated total
24 labor costs, the estimated project start date, and the estimated project completion date;

25 (4) Proof that the property is an eligible property and a certified historic structure or a
26 structure in a certified historic district **or part 1 of a federal application or a draft national**
27 **register of historic places nomination has been submitted to the state historic**
28 **preservation office under the office of the lieutenant governor;**

29 (5) A copy of ~~[all]~~ land use ~~[and building approvals reasonably necessary for the~~
30 ~~commencement of the project]~~ **plans**; and

31 (6) Any other information ~~[which]~~ the department ~~[of economic development]~~ may
32 reasonably require to review the project for approval.

33

34 Only the property for which a property address is provided in the application shall be
35 reviewed for approval. Once selected for review, a taxpayer shall not be permitted to request
36 the review of another property for approval in the place of the property contained in such
37 application. Any disapproved application shall be removed from the review process. If an
38 application is removed from the review process, the department ~~[of economic development]~~
39 shall notify the taxpayer in writing of the decision to remove such application. Disapproved
40 applications shall lose priority in the review process. A disapproved application, which is
41 removed from the review process, may be resubmitted, but shall be deemed to be a new
42 submission for purposes of the priority procedures described in this section.

43 3. (1) In evaluating an application for tax credits submitted under this section, the
44 department ~~[of economic development]~~ shall also consider:

45 (a) The amount of projected net fiscal benefit of the project to the state and local
46 municipality~~], and the period in which the state and municipality would realize such net fiscal~~
47 ~~benefit]~~ **as calculated based on reasonable methods, which shall exclude proprietary**
48 **computer models;**

49 (b) The overall size and quality of the proposed project~~]~~ including, **but not limited**
50 **to:**

51 **a. The estimated number of new jobs or housing units, or both, to be created by the**
52 **project~~]~~;**

53 **b. The estimated number of construction jobs and professional jobs associated**
54 **with the project that are included in total project costs;**

55 **c. Capital improvements created by a project and the potential of future capital**
56 **improvements;**

57 **d. Increased revenues from sales or property taxes;**

58 **e. The potential multiplier effect of the project, and similar factors; and**

59 **f. Other similar factors; and**

60 (c) ~~[The level of economic distress in the area; and~~

61 ~~(d)]~~ Input from the local elected officials in the local municipality in which the
62 proposed project is located as to the importance of the proposed project to the municipality.

63 ~~[For any proposed project in any city not within a county, input from the local elected~~
64 ~~officials shall include, but shall not be limited to, the president of the board of aldermen.]~~

65 (2) The provisions of this subsection shall not apply to **vacant schools or theaters or**
66 **applications for projects to receive less than [two] three hundred [seventy-five] thousand**
67 **dollars in tax credits, which amount shall be annually adjusted by the percentage increase**
68 **in the Consumer Price Index for All Urban Consumers, or its successor index, as such**
69 **index is defined and officially reported by the United States Department of Labor, or its**
70 **successor agency.**

71 **4. The state historic preservation office shall allow for a third-party review as**
72 **evidence that the proposed rehabilitation satisfies the qualified rehabilitation standard.**

73 **5. (1) The department shall promptly notify the state historic preservation office**
74 **of the office of the lieutenant governor of each preliminary application for tax credits.**
75 **After receipt of such notice, the state historic preservation office shall determine**
76 **whether a proposed rehabilitation satisfies the qualified rehabilitation standards within**
77 **ninety days of a taxpayer filing an initial application for tax credits. The determination**
78 **shall be based upon evidence that the rehabilitation will meet qualified rehabilitation**
79 **standards, and that evidence shall consist of one of the following:**

80 **(a) Preliminary approval by the state historic preservation office; or**

81 **(b) An approved part 2 of the federal application, which the state historic**
82 **preservation office shall forward directly to the department without any additional**
83 **review by such office.**

84 **(2) If the state historic preservation office approves the application for tax**
85 **credits within the ninety-day determination period established in subdivision (1) of this**
86 **subsection, such office shall forward the application with any review comments to the**
87 **National Park Service and shall forward any such review comments to the applicant. If**
88 **such office fails to approve the application within the ninety-day determination period,**
89 **such office shall forward the application without any comments to the National Park**
90 **Service and shall have no further opportunity to submit any comments on such**
91 **application.**

92 **(3) Conditions on a state preliminary application or on part 2 of a federal**
93 **application shall not delay preliminary state approval but shall be addressed by the**
94 **applicant for final approval of such application.**

95 **(4) Any application for state tax credits that does not include an application for**
96 **federal tax credits or a nomination to the federal National Register of Historic Places**
97 **shall be reviewed by the state historic preservation office within ninety days of a notice**
98 **received under subdivision (1) of this subsection.**

99 **(5) (a) An application for state tax credits may provide information indicating**
100 **that the project is a phased rehabilitation project as described under 26 U.S.C. Section**
101 **47, as amended. Such application for a phased rehabilitation project shall include at**
102 **least the following:**

103 **a. A schedule of the phases of the project with a beginning date for each phase**
104 **and the expected costs for the whole project. The applicant may submit detailed plans**
105 **for the project at a later time within the application process;**

106 **b. The adjusted total basis of such project, which shall be submitted with the**
107 **schedule of phases of the project; and**

108 **c. A statement that the applicant agrees to begin each phase of such project**
109 **within twelve months of the start date for such phase listed in the schedule of the phases.**

110 **(b) The applicant may submit a preliminary certification of costs upon the**
111 **completion of each phase of the project.**

112 **(c) Upon approval of the cost certification submitted and the work completed on**
113 **each phase of such project, the department shall issue eighty percent of the amount of**
114 **the state tax credit for which the taxpayer is approved under this section. The**
115 **remaining twenty percent of the amount of the state tax credit for which the taxpayer is**
116 **approved under this section shall be issued upon the final approval of the project under**
117 **this section.**

118 **(6) If the department determines that the amount of tax credits issued to a**
119 **taxpayer under subdivision (5) of this subsection is in excess of the total amount of tax**
120 **credits such taxpayer is eligible to receive, the department shall notify such taxpayer,**
121 **and such taxpayer shall repay the department an amount equal to such excess.**

122 [4-] **6. If the department [~~of economic development~~] deems the application sufficient,**
123 **the taxpayer shall be notified in writing of the approval for an amount of tax credits equal to**
124 **the amount provided under section 253.550 less any amount of tax credits previously**
125 **approved. Such approvals shall be granted to applications in the order of priority established**
126 **under this section and shall require full compliance thereafter with all other requirements of**
127 **law as a condition to any claim for such credits. If the department [~~of economic~~**
128 **development] disapproves an application, the taxpayer shall be notified in writing of the**

129 reasons for such disapproval. A disapproved application may be resubmitted. **If the scope of**
130 **a project for which an application has been approved under this section materially**
131 **changes, the taxpayer shall be eligible to receive additional tax credits in the year in**
132 **which the department is notified of and approves of such change in scope, subject to the**
133 **provisions of subsection 2 of section 253.550 and subsection 7 of this section, if**
134 **applicable; however, if such project was originally approved prior to August 28, 2018,**
135 **the department shall evaluate the change in scope of the project under the criteria in**
136 **effect prior to such date. A change in project scope shall be considered material under**
137 **this subsection if:**

138 (1) **The project was not previously subject to a material change in scope for**
139 **which additional tax credits were approved; and**

140 (2) **The requested amount of tax credits for the project after the change in scope**
141 **is higher than the originally approved amount of tax credits.**

142 ~~[5-]~~ 7. Following approval of an application, the identity of the taxpayer contained in
143 such application shall not be modified except:

144 (1) The taxpayer may add partners, members, or shareholders as part of the ownership
145 structure, so long as the principal remains ~~[the same]~~ **a principal taxpayer**, provided
146 however, that subsequent to the commencement of renovation and the expenditure of at least
147 ten percent of the proposed rehabilitation budget, removal of the principal for failure to
148 perform duties and the appointment of a new principal thereafter shall not constitute a change
149 of the principal; or

150 (2) Where the ownership of the project is changed due to a foreclosure, deed in lieu of
151 a foreclosure or voluntary conveyance, or a transfer in bankruptcy.

152 ~~[6-]~~ 8. In the event that the department ~~[of economic development]~~ grants approval
153 for tax credits equal to the total amount available **or authorized, as applicable**, under
154 subsection 2 of section 253.550, or sufficient that when totaled with all other approvals, the
155 amount available under subsection 2 of section 253.550 is exhausted, all taxpayers with
156 applications then awaiting approval or thereafter submitted for approval shall be notified by
157 the department ~~[of economic development]~~ that no additional approvals shall be granted
158 during the fiscal year and shall be notified of the priority given to such taxpayer's application
159 then awaiting approval. Such applications shall be kept on file by the department ~~[of~~
160 ~~economic development]~~ and shall be considered for approval for tax credits in the order
161 established in this section in the event that additional credits become available due to the
162 rescission of approvals or when a new fiscal year's allocation of credits becomes available for
163 approval **or authorized, as applicable**.

164 ~~[7-]~~ 9. All taxpayers with applications receiving approval on or after July 1, 2019,
165 shall submit within ~~[sixty]~~ **one hundred twenty** days following the award of credits evidence

166 of the capacity of the applicant to finance the costs and expenses for the rehabilitation of the
167 eligible property in the form of a line of credit or letter of commitment subject to the lender's
168 termination for a material adverse change impacting the extension of credit. If the department
169 ~~[of economic development]~~ determines that a taxpayer has failed to comply with the
170 requirements under this subsection, then the department shall notify the applicant of such
171 failure and the applicant shall have a thirty-day period from the date of such notice to submit
172 additional evidence to remedy the failure.

173 ~~[8.]~~ **10.** All taxpayers with applications receiving approval on or after the effective
174 date of this act shall commence rehabilitation within ~~[nine]~~ **eighteen** months of the date of
175 issuance of the letter from the department ~~[of economic development]~~ granting the approval
176 for tax credits. "Commencement of rehabilitation" shall mean that as of the date in which
177 actual physical work, contemplated by the architectural plans submitted with the application,
178 has begun, the taxpayer has incurred no less than ten percent of the estimated costs of
179 rehabilitation provided in the application. Taxpayers with approval of a project shall submit
180 evidence of compliance with the provisions of this subsection. **Taxpayers shall notify the**
181 **department of any loss of site control or of any failure to exercise any option to obtain**
182 **site control within the prescribed time period within ten days of such loss or failure.** If
183 the department ~~[of economic development]~~ determines that a taxpayer has **lost or failed to**
184 **obtain site control of the eligible property or otherwise** failed to comply with the
185 requirements provided under this section, the approval for the amount of tax credits for such
186 taxpayer shall be rescinded ~~[and such amount of tax credits]~~. **A taxpayer may voluntarily**
187 **forfeit such approval at any time by written notice to the department. Any approval**
188 **rescinded or forfeited under this subsection** shall then be included in the total amount of
189 tax credits **available in the year of such rescission or forfeiture**, provided under subsection
190 2 of section 253.550, from which approvals may be granted. Any taxpayer whose approval
191 ~~[shall be subject to rescission]~~ **is rescinded or forfeited under this subsection** shall be
192 notified of such from the department ~~[of economic development]~~ and, upon receipt of such
193 notice, may submit a new application for the project. **If a taxpayer's approval is rescinded**
194 **or forfeited under this subsection and such taxpayer later submits a new application for**
195 **the same project, any expenditures eligible for tax credits under section 253.550 that are**
196 **incurred by such taxpayer from and after the date of the rescinded or forfeited approval**
197 **shall remain eligible expenditures for the purposes of determining the amount of tax**
198 **credits that may be approved under section 253.550.**

199 ~~[9.]~~ **11. (a)** To claim the credit authorized under sections ~~[253.550]~~ **253.544** to
200 253.559, a taxpayer with approval shall apply for final approval and issuance of tax credits
201 from the department ~~[of economic development]~~, which~~;~~ ~~[in consultation with the department~~
202 ~~of natural resources;]~~ shall determine the final amount of eligible rehabilitation costs and

203 expenses and whether the completed rehabilitation meets the **qualified rehabilitation**
204 standards of the Secretary of the United States Department of the Interior for rehabilitation [as
205 ~~determined by the state historic preservation officer of the Missouri department of natural~~
206 ~~resources~~].

207 (b) **Final approval shall be shown by one of the following:**

208 a. **Final approval by the state historic preservation office; or**

209 b. **An approved part 3 of the federal application.**

210 (c) **For applications for tax credits for an eligible property for which a taxpayer**
211 **applies for both the federal historic preservation certification under the Internal**
212 **Revenue Code of 1986, as amended, and the state historic tax credits under sections**
213 **253.544 to 253.559, a taxpayer may submit part 1 of the federal application approved by**
214 **the National Park Service with such state tax credit application. In such instances, the**
215 **state tax credit application may proceed as a preliminary application concurrent with**
216 **the associated federal process for nomination to the National Register of Historic Places.**
217 **An award of tax credits under sections 253.544 to 253.559 shall be contingent on and**
218 **awarded upon the listing of such eligible property on the National Register of Historic**
219 **Places.**

220 (d) **The state historic preservation office shall allow for a third-party review as**
221 **evidence that the completed rehabilitation satisfies the qualified rehabilitation**
222 **standards.**

223 (2) **Within sixty days of the department's receipt of all materials required by the**
224 **department for an application for final approval and issuance of tax credits, which shall**
225 **include a state approval by the state historic preservation office or an approved part 3 of**
226 **the federal application for projects receiving federal rehabilitation credits, the**
227 **department shall issue to the taxpayer tax credit certificates in the amount of**
228 **seventy-five percent of the lesser of:**

229 (a) **The total amount of the tax credits for which the taxpayer is eligible as**
230 **provided in the taxpayer's certification of qualified expenses submitted with an**
231 **application for final approval; or**

232 (b) **The total amount of tax credits approved for such project under subsection 3**
233 **of this section, including any amounts approved in connection with a material change in**
234 **scope of the project.**

235 (3) **Within one hundred twenty days of the department's receipt of all materials**
236 **required by the department for an application of final approval and issuance of tax**
237 **credits for a project, the department shall, unless such project is under appeal under**
238 **subsection 14 of this section:**

239 **(a) Make a final determination of the total costs and expenses of rehabilitation**
240 **and the amount of tax credits to be issued for such costs and expenses;**

241 **(b) Notify the taxpayer in writing of its final determination; and**

242 **(c) Issue to the taxpayer tax credit certificates in an amount equal to the**
243 **remaining amount of tax credits such taxpayer is eligible to receive, as determined by**
244 **the department, but was not issued in the initial tax credit issuance under subdivision**
245 **(2) of this subsection.**

246 **(4) If the department determines that the amount of tax credits issued to a**
247 **taxpayer in the initial tax credit issuance under subdivision (2) of this subsection is in**
248 **excess of the total amount of tax credits such taxpayer is eligible to receive, the**
249 **department shall notify such taxpayer, and such taxpayer shall repay the department an**
250 **amount equal to such excess.**

251 **(5) For financial institutions credits authorized pursuant to sections [253.550 to**
252 **253.564] 253.544 to 253.559 shall be deemed to be economic development credits for**
253 **purposes of section 148.064. The approval of all applications and the issuing of certificates of**
254 **eligible credits to taxpayers shall be performed by the department [of economic**
255 **development]. The department [of economic development] shall inform a taxpayer of**
256 **final approval by letter and shall issue, to the taxpayer, tax credit certificates. The taxpayer**
257 **shall attach the certificate to all Missouri income tax returns on which the credit is claimed.**

258 **[40.] 12. Except as expressly provided in this subsection, tax credit certificates shall**
259 **be issued in the final year that costs and expenses of rehabilitation of the project are incurred,**
260 **or within the twelve-month period immediately following the conclusion of such**
261 **rehabilitation. In the event the amount of eligible rehabilitation costs and expenses**
262 **incurred by a taxpayer would result in the issuance of an amount of tax credits in excess of the**
263 **amount provided under such taxpayer's approval granted under subsection [4] 6 of this**
264 **section, such taxpayer may apply to the department for issuance of tax credits in an amount**
265 **equal to such excess. Applications for issuance of tax credits in excess of the amount**
266 **provided under a taxpayer's application shall be made on a form prescribed by the**
267 **department. Such applications shall be subject to all provisions regarding priority provided**
268 **under subsection 1 of this section.**

269 **[11.] 13. The department [of economic development] shall determine, on an annual**
270 **basis, the overall economic impact to the state from the rehabilitation of eligible property.**

271 **14. (1) With regard to an application submitted under sections 253.544 to**
272 **253.559, an applicant or an applicant's duly authorized representative may appeal any**
273 **official decision, including all preliminary or final approvals, denials of approvals, or**
274 **dollar amounts of issued tax credits, made by the department or the state historic**

275 preservation office. Such an appeal shall constitute an administrative review of the
276 decision and shall not be conducted as an adjudicative proceeding.

277 (2) The department shall establish an equitable appeals process.

278 (3) The appeals process shall incorporate an independent review panel consisting
279 of members of the private sector and the department.

280 (4) The department shall name an independent appeals officer as chair.

281 (5) An appeal shall be submitted to the designated appeals officer or review
282 panel in writing within thirty days of receipt by the applicant or the applicant's duly
283 authorized representative of the decision that is the subject of the appeal and shall
284 include all information the appellant wishes the appeals officer or review panel to
285 consider in deciding the appeal.

286 (6) Within fourteen days of receipt of an appeal, the appeals officer or review
287 panel shall notify the department of economic development or the state historic
288 preservation office that an appeal is pending, identify the decision being appealed, and
289 forward a copy of the information submitted by the appellant. The department of
290 economic development or the state historic preservation office may submit a written
291 response to the appeal within thirty days.

292 (7) The appellant shall be entitled to one meeting with the appeals officer or
293 review panel to discuss the appeal, and the appeals officer or review panel may schedule
294 additional meetings at the officer's or panel's discretion. The department of economic
295 development or the state historic preservation office may appear at any such meeting.

296 (8) The appeals officer or review panel shall consider the record of the decision
297 in question; any further written submissions by the appellant, department of economic
298 development, or state historic preservation office; and other available information and
299 shall deliver a written decision to all parties as promptly as circumstances permit but no
300 later than ninety days after the initial receipt of an appeal by the appeals officer or
301 review panel.

302 (9) The appeals officer and the members of the review panel shall serve without
303 compensation.

453.650. 1. There is hereby created in the state treasury the "Zero-Cost
2 Adoption Fund", which shall consist of moneys appropriated by the general assembly
3 and any gifts, bequests, and donations. The state treasurer shall be custodian of the
4 fund. In accordance with sections 30.170 and 30.180, the state treasurer may approve
5 disbursements. The fund shall be a dedicated fund and, upon appropriation, moneys in
6 this fund shall be used solely as provided in subsection 5 of this section. The fund shall
7 be administered by the department of social services.

8 **2. Notwithstanding the provisions of section 33.080 to the contrary, any moneys**
9 **remaining in the fund at the end of the biennium shall not revert to the credit of the**
10 **general revenue fund.**

11 **3. The state treasurer shall invest moneys in the fund in the same manner as**
12 **other funds are invested. Any interest and moneys earned on such investments shall be**
13 **credited to the fund.**

14 **4. Moneys in the fund shall be used, in order of descending priority, to:**

15 **(1) Assist a resident of this state in paying for nonrecurring adoption expenses,**
16 **as defined in section 135.326, for each child adopted;**

17 **(2) Provide postadoption assistance, including reimbursement of adoption costs**
18 **paid in advance, counseling services, and other care that may be required;**

19 **(3) Promote adoption and recruit potential adoptive families;**

20 **(4) Support community-based intervention methods to prevent children from**
21 **entering into foster care; and**

22 **(5) Award grants to implement adoption-sensitive care services in health care**
23 **settings.**

24 **5. The department of social services may promulgate all necessary rules and**
25 **regulations for the administration of this section. Any rule or portion of a rule, as that**
26 **term is defined in section 536.010, that is created under the authority delegated in this**
27 **section shall become effective only if it complies with and is subject to all of the**
28 **provisions of chapter 536 and, if applicable, section 536.028. This section and chapter**
29 **536 are nonseverable and if any of the powers vested with the general assembly**
30 **pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul**
31 **a rule are subsequently held unconstitutional, then the grant of rulemaking authority**
32 **and any rule proposed or adopted after August 28, 2024, shall be invalid and void.**

620.1641. 1. This section shall be known and may be cited as the "Missouri
2 **Defense and Energy Independence Act".**

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

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

5 **(2) "Qualified amount", for a qualified company in a given tax year, a portion of**
6 **such qualified company's qualified conversion costs, subject to the limitations provided**
7 **in this section;**

8 **(3) "Qualified company", a firm, partnership, joint venture, association, private**
9 **or public corporation regardless of whether organized for profit, or headquarters of**
10 **such entity registered to do business in Missouri, that is a nontraditional defense**
11 **contractor, as such term is defined in 10 U.S.C. Section 3014, as amended, and that**
12 **incurs qualified conversion costs;**

13 **(4) "Qualified conversion costs", costs a qualified company incurs in converting**
14 **such company to produce chemicals, metals, gases, or rare earth minerals that will be**
15 **used for projects designed to decrease or eliminate reliance on foreign-produced**
16 **chemicals, metals, gases, or rare earth minerals used in the production of energy**
17 **projects or Department of Defense projects;**

18 **(5) "Tax credit", tax credits issued by the department to offset the state taxes**
19 **imposed by chapters 143 and 148, excluding the withholding tax imposed under sections**
20 **143.191 to 143.265.**

21 **3. (1) For all tax years beginning on or after January 1, 2025, a qualified**
22 **company shall be allowed to claim a tax credit against the qualified company's state tax**
23 **liability in an amount equal to the qualified company's qualified amount, subject to the**
24 **limitations provided in this subsection.**

25 **(2) The total qualified amount a qualified company shall be allowed to claim**
26 **under this section shall not exceed fifteen percent of the cumulative amount of tax**
27 **credits allowed under subsection 4 of this section. One-fourth of such total qualified**
28 **amount a qualified company is eligible to receive shall be issued in each of the four tax**
29 **years immediately following the tax year for which the qualified company claimed the**
30 **tax credit.**

31 **4. The cumulative amount of tax credits allowed to all taxpayers under this**
32 **section shall not exceed forty million dollars per tax year. If the amount of tax credits**
33 **claimed in a tax year under this section exceeds forty million dollars, tax credits shall be**
34 **allowed based on the order in which they are claimed.**

35 **5. (1) Tax credits issued under the provisions of this section shall not be**
36 **refundable.**

37 **(2) No tax credit claimed under this section shall be carried forward to any**
38 **subsequent tax year.**

39 **(3) No tax credit claimed under this section shall be assigned, transferred, sold,**
40 **or otherwise conveyed.**

41 **6. (1) There is hereby created in the state treasury the "Grants for**
42 **Independence from Foreign Influence Fund", which shall consist of at least ten**
43 **million dollars appropriated by the general assembly and any gifts, contributions,**
44 **grants, or bequests received from federal, private, or other sources. The state treasurer**
45 **shall be custodian of the fund. In accordance with sections 30.170 and 30.180, the state**
46 **treasurer may approve disbursements. The fund shall be a dedicated fund and, upon**
47 **appropriation, moneys in the fund shall be used solely as provided in subsection 7 of this**
48 **section.**

49 **(2) Notwithstanding the provisions of section 33.080 to the contrary, any moneys**
50 **remaining in the fund at the end of the biennium shall not revert to the credit of the**
51 **general revenue fund.**

52 **(3) The state treasurer shall invest moneys in the fund in the same manner as**
53 **other funds are invested. Any interest and moneys earned on such investments shall be**
54 **credited to the fund.**

55 **7. (1) The department shall develop and implement grants for independence**
56 **from foreign influence as provided in this subsection.**

57 **(2) The department shall establish procedures for the solicitation, evaluation,**
58 **and approval of grant applications received from a qualified company. A qualified**
59 **company may submit a grant application for the award of moneys for qualified**
60 **conversion costs incurred by the qualified company as provided in this subsection.**

61 **(3) The department shall evaluate each application and approve or reject such**
62 **application. Subject to appropriations, upon approval of an application, the**
63 **department shall administer a grant award of moneys from the grants for**
64 **independence from foreign influence fund in an amount not to exceed five hundred**
65 **thousand dollars per grant application.**

66 **(4) Moneys granted to a qualified company under this section shall be used solely**
67 **for qualified conversion costs incurred before the completion of the conversion of the**
68 **qualified company.**

69 **8. The department shall promulgate all necessary rules and regulations for the**
70 **administration of this section including, but not limited to, rules relating to the**
71 **verification of a qualified company's qualified amount and qualified conversion costs.**
72 **Any rule or portion of a rule, as that term is defined in section 536.010, that is created**
73 **under the authority delegated in this section shall become effective only if it complies**
74 **with and is subject to all of the provisions of chapter 536 and, if applicable, section**
75 **536.028. This section and chapter 536 are nonseverable and if any of the powers vested**
76 **with the general assembly pursuant to chapter 536 to review, to delay the effective date,**
77 **or to disapprove and annul a rule are subsequently held unconstitutional, then the grant**
78 **of rulemaking authority and any rule proposed or adopted after August 28, 2024, shall**
79 **be invalid and void.**

80 **9. Under section 23.253 of the Missouri sunset act:**

81 **(1) The provisions of the new program authorized under this section shall**
82 **automatically sunset six years after the effective date of this section unless reauthorized**
83 **by an act of the general assembly;**

84 **(2) If such program is reauthorized, the program authorized under this section**
85 **shall automatically sunset twelve years after the effective date of the reauthorization of**
86 **this section; and**

87 **(3) This section shall terminate on September first of the calendar year**
88 **immediately following the calendar year in which the provisions authorized under this**
89 **section is sunset.**

620.1900. 1. The department [~~of economic development~~] may charge a fee to the
2 recipient of any tax credits issued by the department, in an amount up to two and one-half
3 percent of the amount of tax credits issued, or for tax credits issued under sections [~~253.545~~]
4 **253.544** to 253.559 in an amount equal to four percent of the amount of tax credits issued.
5 The fee shall be paid by the recipient upon the issuance of the tax credits. However, no fee
6 shall be charged for the tax credits issued under section 135.460, [~~or~~] section 208.770, or
7 [~~under~~] sections 32.100 to 32.125, if issued for community services, crime prevention,
8 education, job training, or physical revitalization.

9 2. (1) All fees received by the department of economic development under this
10 section shall be deposited solely to the credit of the economic development advancement
11 fund, created under subsection 3 of this section.

12 (2) Thirty-seven and one-half percent of the revenue derived from the four percent fee
13 charged on tax credits issued under sections 253.545 to 253.559 shall be appropriated from
14 the economic development advancement fund for business recruitment and marketing. **The**
15 **provisions of subdivision (1) of this subsection notwithstanding, the fees received by the**
16 **department of economic development from the four percent fee charged on tax credits**
17 **issued under sections 253.544 to 253.559 shall be distributed as follows:**

18 **(a) Thirty-seven and one-half percent of such revenue shall be deposited in the**
19 **economic development advancement fund and shall be appropriated for business**
20 **recruitment and marketing;**

21 **(b) Ten percent, or a different percentage as determined by the department, of**
22 **such revenue shall be appropriated to the department of economic development for the**
23 **administration of the provisions of sections 253.544 to 253.559;**

24 **(c) Ten percent, or a different percentage as determined by the department, of**
25 **such revenue shall be appropriated to the state historic preservation office for the**
26 **administration of the provisions of sections 253.544 to 253.559; and**

27 **(d) Forty-two and one-half percent of such revenue shall be deposited in the**
28 **economic development advancement fund for the purposes described in subsection 5 of**
29 **this section.**

30 3. There is hereby created in the state treasury the "Economic Development
31 Advancement Fund", which shall consist of money collected under this section. The state

32 treasurer shall be custodian of the fund and shall approve disbursements from the fund in
33 accordance with sections 30.170 and 30.180. Upon appropriation, money in the fund shall be
34 used solely for the administration of this section. Notwithstanding the provisions of section
35 33.080 to the contrary, any moneys remaining in the fund at the end of the biennium shall not
36 revert to the credit of the general revenue fund. The state treasurer shall invest moneys in the
37 fund in the same manner as other funds are invested. Any interest and moneys earned on such
38 investments shall be credited to the fund.

39 4. Such fund shall consist of any fees charged under subsection 1 of this section, any
40 gifts, contributions, grants, or bequests received from federal, private, or other sources, fees
41 or administrative charges from private activity bond allocations, moneys transferred or paid to
42 the department in return for goods or services provided by the department, and any
43 appropriations to the fund.

44 5. At least fifty percent of the fees and other moneys deposited in the fund shall be
45 appropriated for marketing, technical assistance, and training, contracts for specialized
46 economic development services, and new initiatives and pilot programming to address
47 economic trends. The remainder may be appropriated toward the costs of staffing and
48 operating expenses for the program activities of the department of economic development,
49 and for accountability functions.

**620.1920. 1. This section shall be known and may be cited as the "Missouri
2 Advanced Manufacturing Recruitment Act".**

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

4 **(1) "Base employment", the number of qualified full-time Missouri taxpayers**
5 **employed by the qualified manufacturing company for the twelve-month period prior to**
6 **the date of notice of intent;**

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

8 **(3) "NAICS" or "NAICS industry classification", the classification provided by**
9 **the most recent edition of the North American Industry Classification System as**
10 **prepared by the Executive Office of the President, Office of Management and Budget;**

11 **(4) "New job", the number of qualified full-time Missouri taxpayers employed**
12 **by the qualified manufacturing company less the project facility's base employment;**

13 **(5) "Notice of intent", a form developed by the department and available online,**
14 **completed by the qualified company, and submitted to the department stating the**
15 **qualified company's intent to request benefits under this program;**

16 **(6) "Program", the Missouri advanced manufacturing recruitment program;**

17 **(7) "Project facility", the building or buildings used by a qualified**
18 **manufacturing company at which new or retained jobs and any new qualified**
19 **manufacturing capital investment are or will be located or by a qualified manufacturing**

20 company at which a qualified manufacturing capital investment is or will be located. A
21 project facility may include separate buildings such that their purpose and operations
22 are interrelated. Upon approval by the department, a subsequent project facility may
23 be designated if the qualified manufacturing company demonstrates a need to relocate
24 to the subsequent project facility at any time during the project period;

25 (8) "Project period", the time period within which benefits are awarded to a
26 qualified manufacturing company or within which the qualified manufacturing
27 company is obligated to perform under an agreement with the department,
28 whichever is greater;

29 (9) "Qualified manufacturing capital investment", an expenditure on property
30 in this state, depreciable under Internal Revenue Code, 26 U.S.C. Section 168, that has
31 been verified by the department;

32 (10) "Qualified manufacturing company", a firm, partnership, joint venture,
33 association, private or public corporation whether organized for profit or not for profit,
34 registered to do business in Missouri that is the owner or operator of a project facility
35 company that is classified by the manufacturing NAICS codes 31-33;

36 (11) "Qualified full-time Missouri taxpayer", any individual employed by the
37 qualified manufacturing company that is scheduled to work an average of at least
38 thirty-five hours per week for a twelve-month period and whose total annual wage from
39 the company is equal to or above the county average wage and whose wages are subject
40 to the taxes imposed by chapter 143;

41 (12) "Tax credit", tax credits issued by the department to offset the state taxes
42 imposed by chapters 143 and 148, excluding withholding tax under sections 143.191 to
43 143.265, or that may be sold as provided for in this program.

44 3. For all tax years beginning on or after January 1, 2025, a qualified
45 manufacturing company may, for a period of five years, be allowed a tax credit of up to
46 twenty percent of a qualified manufacturing capital investment if the qualified
47 manufacturing company:

48 (1) Makes at least one billion dollars of a qualified manufacturing capital
49 investment; and

50 (2) Creates five hundred or more new jobs.

51 4. The total amount of tax credits issued annually under this section shall not
52 exceed two hundred million dollars per fiscal year.

53 5. The department shall award tax credits to a qualified manufacturing
54 company that satisfies the qualified manufacturing capital investment requirement in
55 four separate installments of equal value, equivalent to one-fourth of the total agreed-
56 upon value of awarded incentive:

57 **(1) At twenty-five percent of the agreed-upon qualified manufacturing capital**
58 **investment;**

59 **(2) At fifty percent of the agreed-upon qualified manufacturing capital**
60 **investment;**

61 **(3) At seventy-five percent of the agreed-upon qualified manufacturing capital**
62 **investment; and**

63 **(4) At one hundred percent of the agreed-upon qualified manufacturing capital**
64 **investment.**

65 **6. To be eligible for consideration for the tax credit under this section, a qualified**
66 **manufacturing company shall submit an application and documentation to the**
67 **department, as required by the department, outlining a qualified manufacturing**
68 **capital investment plan totaling no less than one billion dollars.**

69 **7. In order to receive benefits under this section, a qualified manufacturing**
70 **company shall enter into written agreement with the department containing detailed**
71 **performance requirements and repayment penalties in the event of nonperformance.**
72 **Upon approval of a notice of intent to request benefits under this section, the**
73 **department and the qualified manufacturing company shall enter into a written**
74 **agreement covering the applicable period. The agreement shall specify, at a minimum:**

75 **(1) The committed number of retained jobs, payroll, and new qualified**
76 **manufacturing capital investment for each year during the project period;**

77 **(2) Clawback provisions, as may be required by the department; and**

78 **(3) Any other provisions the department may require.**

79 **8. The amount of tax credits awarded to a qualified manufacturing company**
80 **under this section shall not exceed the minimal amount necessary to obtain the qualified**
81 **manufacturing company's commitment to initiate the project. In determining the**
82 **amount of tax credits to award to a qualified company, the department shall consider**
83 **the following factors:**

84 **(1) The significance of the qualified manufacturing company's need for program**
85 **benefits;**

86 **(2) The amount of projected economic impact to the state of the project and the**
87 **period in which the state would realize such net fiscal benefit;**

88 **(3) The overall size and quality of the proposed project, including the number of**
89 **new jobs, new qualified manufacturing capital investment, proposed wages, growth**
90 **potential of the qualified manufacturing company, the potential multiplier effect of the**
91 **project, and similar factors;**

92 **(4) The financial stability and creditworthiness of the qualified manufacturing**
93 **company;**

94 **(5) The level of economic distress in the area; and**

95 **(6) An evaluation of the competitiveness of alternative locations for the project**
96 **facility, as applicable.**

97 **9. Once the company and department agree on tax credits, the qualified**
98 **manufacturing company has three years from the date of department approval to meet**
99 **twenty-five percent of a qualified manufacturing capital investment. Once the twenty-**
100 **five percent threshold of the qualified manufacturing capital investment is met, a**
101 **qualified manufacturing company has five years to receive the full agreed-upon tax**
102 **credits. If a qualified manufacturing company does not meet the twenty-five percent**
103 **threshold by year three after the agreement, the agreement shall be deemed void. A**
104 **qualified manufacturing company may reapply at any time. A qualified manufacturing**
105 **company shall not be entitled to the full agreed-upon tax credits unless the agreed**
106 **qualified manufacturing capital investment threshold is met in the time period defined**
107 **in this section. A qualified manufacturing company that does not meet the full agreed-**
108 **upon qualified manufacturing capital investment threshold may apply for the program**
109 **again if the qualified manufacturing company meets the requirements of this section.**

110 **10. A qualified manufacturing company receiving benefits under this program**
111 **shall provide an annual report of the number of jobs and such other information as may**
112 **be required by the department to document the basis for program benefits available no**
113 **later than ninety days prior to the end of the qualified manufacturing company's tax**
114 **year immediately following the tax year for which the benefits provided under the**
115 **program are attributed.**

116 **11. Tax credits provided under this program may be claimed against taxes**
117 **otherwise imposed by chapters 143 and 148 but shall be claimed within one year of the**
118 **close of the tax year for which they were issued. Tax credits provided under this**
119 **program may be transferred, sold, or assigned by filing a notarized endorsement thereof**
120 **with the department that names the transferee, the amount of tax credit transferred,**
121 **and the value received for the credit, as well as any other information reasonably**
122 **requested by the department. For a qualified manufacturing company with flow-**
123 **through tax treatment to its members, partners, or shareholders, the tax credit shall be**
124 **allowed to members, partners, or shareholders in proportion to their share of ownership**
125 **on the last day of the qualified company's tax period for which the tax credits were**
126 **issued.**

127 **12. Prior to the issuance of tax credits, the department shall verify through the**
128 **department of revenue, and any other applicable state department, that the tax credit**
129 **applicant does not owe any delinquent income, sales, or use tax or interest or penalties**
130 **on such taxes, or any delinquent fees or assessments levied by any state department and**

131 through the department of commerce and insurance that the applicant does not owe any
132 delinquent insurance taxes or other fees. Such delinquency shall not affect the approval,
133 except that any tax credits issued shall be first applied to the delinquency and any
134 amount issued shall be reduced by the applicant's tax delinquency. If the department of
135 revenue, the department of commerce and insurance, or any other state department
136 concludes that a taxpayer is delinquent after June fifteenth but before July first of any
137 year and the application of tax credits to such delinquency causes a tax deficiency on
138 behalf of the taxpayer to arise, the taxpayer shall be granted thirty days to satisfy the
139 deficiency in which interest, penalties, and additions to the tax shall be tolled. After
140 applying all available credits toward a tax delinquency, the administering agency shall
141 notify the appropriate department and that department shall update the amount of
142 outstanding delinquent tax owed by the applicant. If any credits remain after satisfying
143 all insurance, income, sales, and use tax delinquencies, the remaining credits shall be
144 issued to the applicant, subject to the restrictions of other provisions of law.
145 Notwithstanding section 32.057, and any state tax confidentiality law to the contrary,
146 the department of revenue and any other applicable state department may disclose any
147 tax information to the department concerning a qualified manufacturing company that
148 is applying for this tax credit for purposes of administering this tax credit.

149 13. The director of revenue shall issue a refund to the qualified manufacturing
150 company to the extent that the amount of tax credits allowed under this program
151 exceeds the amount of the qualified company's tax liability, if any, under both chapter
152 143 and 148.

153 14. Any qualified manufacturing company approved for benefits under this
154 program shall provide to the department, upon request, any and all information and
155 records reasonably required to monitor compliance with program requirements.

156 15. Before January 1, 2026, and the first day of each calendar quarter thereafter,
157 the department shall present a quarterly report to the general assembly detailing the
158 benefits authorized under this program during the immediately preceding calendar
159 quarter to the extent such information may be disclosed under state and federal law.
160 The report shall include, but not be limited to:

- 161 (1) A list of all approved and disapproved applicants for each tax credit;
- 162 (2) A list of the aggregate amount of new or retained jobs that are directly
163 attributable to the tax credits authorized;
- 164 (3) A statement of the aggregate amount of new capital investment directly
165 attributable to the tax credits authorized;

166 **(4) Documentation of the estimated economic impact for each authorized project**
167 **and, to the extent available, the actual benefit realized upon completion of such project**
168 **or activity; and**

169 **(5) The department's response time for each request for a proposed benefit**
170 **award under this program.**

171 **16. This program shall be considered a business recruitment tax credit under**
172 **subdivision (2) of subsection 2 of section 135.800, and any qualified manufacturing**
173 **company approved for benefits under this program shall be subject to the provisions of**
174 **sections 135.800 to 135.830.**

175 **17. The department of economic development may promulgate all necessary**
176 **rules and regulations for the administration of this section. Any rule or portion of a**
177 **rule, as that term is defined in section 536.010, that is created under the authority**
178 **delegated in this section shall become effective only if it complies with and is subject to**
179 **all of the provisions of chapter 536 and, if applicable, section 536.028. This section and**
180 **chapter 536 are nonseverable and if any of the powers vested with the general assembly**
181 **pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul**
182 **a rule are subsequently held unconstitutional, then the grant of rulemaking authority**
183 **and any rule proposed or adopted after August 28, 2024, shall be invalid and void.**

184 **18. Under section 23.253 of the Missouri sunset act:**

185 **(1) The provisions of the new program authorized under this section shall**
186 **automatically sunset on December thirty-first, ten years after the effective date of this**
187 **section, unless reauthorized by an act of the general assembly;**

188 **(2) If such program is reauthorized, the program authorized under this section**
189 **shall automatically sunset on December thirty-first, ten years after the effective date of**
190 **the reauthorization of this section;**

191 **(3) This section shall terminate on September first of the calendar year**
192 **immediately following the calendar year in which the program authorized under this**
193 **section is sunset; and**

194 **(4) Nothing in this subsection shall prevent a taxpayer from claiming a tax credit**
195 **properly issued before this program was sunset in a tax year after the program is sunset.**

620.2010. 1. In exchange for the consideration provided by the new tax revenues and
2 other economic stimuli that will be generated by the new jobs created, a qualified company
3 may, for a period of five years from the date the new jobs are created, or for a period of six
4 years from the date the new jobs are created if the qualified company is an existing Missouri
5 business, retain an amount equal to the withholding tax as calculated under subdivision (38)
6 of section 620.2005 from the new jobs that would otherwise be withheld and remitted by the
7 qualified company under the provisions of sections 143.191 to 143.265 if:

8 (1) The qualified company creates ten or more new jobs, and the average wage of the
9 new payroll equals or exceeds ninety percent of the county average wage;

10 (2) The qualified company creates two or more new jobs at a project facility located
11 in a rural area, the average wage of the new payroll equals or exceeds ninety percent of the
12 county average wage, and the qualified company commits to making at least one hundred
13 thousand dollars of new capital investment at the project facility within two years; or

14 (3) The qualified company creates two or more new jobs at a project facility located
15 within a zone designated under sections 135.950 to 135.963, the average wage of the new
16 payroll equals or exceeds eighty percent of the county average wage, and the qualified
17 company commits to making at least one hundred thousand dollars in new capital investment
18 at the project facility within two years of approval.

19 2. In addition to any benefits available under subsection 1 of this section, the
20 department may award a qualified company that satisfies subdivision (1) of subsection 1 of
21 this section additional tax credits, issued each year for a period of five years from the date the
22 new jobs are created, or for a period of six years from the date the new jobs are created if the
23 qualified company is an existing Missouri business, in an amount equal to or less than six
24 percent of new payroll; provided that in no event may the total amount of benefits awarded to
25 a qualified company under this section exceed nine percent of new payroll in any calendar
26 year. The amount of tax credits awarded to a qualified company under this subsection shall
27 not exceed the projected net fiscal benefit to the state, as determined by the department, and
28 shall not exceed the least amount necessary to obtain the qualified company's commitment to
29 initiate the project. In determining the amount of tax credits to award to a qualified company
30 under this subsection or a qualified manufacturing company under subsection 3 of this
31 section, the department shall consider the following factors:

32 (1) The significance of the qualified company's need for program benefits;

33 (2) The amount of projected net fiscal benefit to the state of the project and the period
34 in which the state would realize such net fiscal benefit;

35 (3) The overall size and quality of the proposed project, including the number of new
36 jobs, new capital investment, manufacturing capital investment, proposed wages, growth
37 potential of the qualified company, the potential multiplier effect of the project, and similar
38 factors;

39 (4) The financial stability and creditworthiness of the qualified company;

40 (5) The level of economic distress in the area;

41 (6) An evaluation of the competitiveness of alternative locations for the project
42 facility, as applicable; and

43 (7) The percent of local incentives committed.

44 3. (1) The department may award tax credits to a qualified manufacturing company
45 that makes a manufacturing capital investment of at least five hundred million dollars not
46 more than three years following the department's approval of a notice of intent and the
47 execution of an agreement that meets the requirements of subsection 4 of this section. Such
48 tax credits shall be issued no earlier than January 1, 2023, and may be issued each year for a
49 period of five years. A qualified manufacturing company may qualify for an additional five-
50 year period under this subsection if it makes an additional manufacturing capital investment
51 of at least two hundred fifty million dollars within five years of the department's approval of
52 the original notice of intent.

53 (2) The maximum amount of tax credits that any one qualified manufacturing
54 company may receive under this subsection shall not exceed five million dollars per calendar
55 year. The aggregate amount of tax credits awarded to all qualified manufacturing companies
56 under this subsection shall not exceed ten million dollars per calendar year.

57 (3) If, at the project facility at any time during the project period, the qualified
58 manufacturing company discontinues the manufacturing of the new product, or discontinues
59 the modification or expansion of an existing product, and does not replace it with a
60 subsequent or additional new product or with a modification or expansion of an existing
61 product, the company shall immediately cease receiving any benefit awarded under this
62 subsection for the remainder of the project period and shall forfeit all rights to retain or
63 receive any benefit awarded under this subsection for the remainder of such period.

64 (4) Notwithstanding any other provision of law to the contrary, any qualified
65 manufacturing company that is awarded benefits under this section shall not simultaneously
66 receive tax credits or exemptions under sections 100.700 to 100.850 for the jobs created or
67 retained or capital improvement that qualified for benefits under this section. The provisions
68 of subsection 5 of section 285.530 shall not apply to a qualified manufacturing company that
69 is awarded benefits under this section.

70 4. Upon approval of a notice of intent to receive tax credits under subsection 2, 3, 6,
71 or 7 of this section, the department and the qualified company shall enter into a written
72 agreement covering the applicable project period. The agreement shall specify, at a
73 minimum:

74 (1) The committed number of new jobs, new payroll, and new capital investment, or
75 the manufacturing capital investment and committed percentage of retained jobs for each year
76 during the project period;

77 (2) The date or time period during which the tax credits shall be issued, which may be
78 immediately or over a period not to exceed two years from the date of approval of the notice
79 of intent;

80 (3) Clawback provisions, as may be required by the department;

81 (4) Financial guarantee provisions as may be required by the department, provided
82 that financial guarantee provisions shall be required by the department for tax credits awarded
83 under subsection 7 of this section; and

84 (5) Any other provisions the department may require.

85 5. In lieu of the benefits available under subsections 1 and 2 of this section, and in
86 exchange for the consideration provided by the new tax revenues and other economic stimuli
87 that will be generated by the new jobs created by the program, a qualified company may, for a
88 period of five years from the date the new jobs are created, or for a period of six years from
89 the date the new jobs are created if the qualified company is an existing Missouri business,
90 retain an amount equal to the withholding tax as calculated under subdivision (38) of section
91 620.2005 from the new jobs that would otherwise be withheld and remitted by the qualified
92 company under the provisions of sections 143.191 to 143.265 equal to:

93 (1) Six percent of new payroll for a period of five years from the date the required
94 number of new jobs were created if the qualified company creates one hundred or more new
95 jobs and the average wage of the new payroll equals or exceeds one hundred twenty percent
96 of the county average wage of the county in which the project facility is located; or

97 (2) Seven percent of new payroll for a period of five years from the date the required
98 number of jobs were created if the qualified company creates one hundred or more new jobs
99 and the average wage of the new payroll equals or exceeds one hundred forty percent of the
100 county average wage of the county in which the project facility is located.

101

102 The department shall issue a refundable tax credit for any difference between the amount of
103 benefit allowed under this subsection and the amount of withholding tax retained by the
104 company, in the event the withholding tax is not sufficient to provide the entire amount of
105 benefit due to the qualified company under this subsection.

106 6. In addition to the benefits available under subsection 5 of this section, the
107 department may award a qualified company that satisfies the provisions of subsection 5 of
108 this section additional tax credits, issued each year for a period of five years from the date the
109 new jobs are created, or for a period of six years from the date the new jobs are created if the
110 qualified company is an existing Missouri business, in an amount equal to or less than three
111 percent of new payroll; provided that in no event may the total amount of benefits awarded to
112 a qualified company under this section exceed nine percent of new payroll in any calendar
113 year. The amount of tax credits awarded to a qualified company under this subsection shall
114 not exceed the projected net fiscal benefit to the state, as determined by the department, and
115 shall not exceed the least amount necessary to obtain the qualified company's commitment to
116 initiate the project. In determining the amount of tax credits to award to a qualified company

117 under this subsection, the department shall consider the factors provided under subsection 2
118 of this section.

119 7. In lieu of the benefits available under subsections 1, 2, 5, and 6 of this section, and
120 in exchange for the consideration provided by the new tax revenues and other economic
121 stimuli that will be generated by the new jobs and new capital investment created by the
122 program, the department may award a qualified company that satisfies the provisions of
123 subdivision (1) of subsection 1 of this section tax credits, issued within one year following the
124 qualified company's acceptance of the department's proposal for benefits, in an amount equal
125 to or less than nine percent of new payroll. The amount of tax credits awarded to a qualified
126 company under this subsection shall not exceed the projected net fiscal benefit to the state, as
127 determined by the department, and shall not exceed the least amount necessary to obtain the
128 qualified company's commitment to initiate the project. In determining the amount of tax
129 credits to award to a qualified company under this subsection, the department shall consider
130 the factors provided under subsection 2 of this section and the qualified company's
131 commitment to new capital investment and new job creation within the state for a period of
132 not less than ten years. For the purposes of this subsection, each qualified company shall
133 have an average wage of the new payroll that equals or exceeds one hundred percent of the
134 county average wage. ~~[Notwithstanding the provisions of section 620.2020 to the contrary,~~
135 ~~this subsection shall expire on June 30, 2025.]~~

136 8. No benefits shall be available under this section for any qualified company that has
137 performed significant, project-specific site work at the project facility, purchased machinery
138 or equipment related to the project, or has publicly announced its intention to make new
139 capital investment or manufacturing capital investment at the project facility prior to receipt
140 of a proposal for benefits under this section or approval of its notice of intent, whichever
141 occurs first.

142 9. In lieu of any other benefits under this chapter, the department of economic
143 development may award a tax credit to an industrial development authority for a qualified
144 military project in an amount equal to the estimated withholding taxes associated with the
145 part-time and full-time civilian and military new jobs located at the facility and directly
146 impacted by the project. The amount of the tax credit shall be calculated by multiplying:

147 (1) The average percentage of tax withheld, as provided by the department of revenue
148 to the department of economic development;

149 (2) The average salaries of the jobs directly created by the qualified military project;
150 and

151 (3) The number of jobs directly created by the qualified military project.

152

153 If the amount of the tax credit represents the least amount necessary to accomplish the
154 qualified military project, the tax credits may be issued, but no tax credits shall be issued for a
155 term longer than fifteen years. No qualified military project shall be eligible for tax credits
156 under this subsection unless the department of economic development determines the
157 qualified military project shall achieve a net positive fiscal impact to the state.

620.2020. 1. The department shall respond to a written request, by or on behalf of a
2 qualified company or qualified military project, for a proposed benefit award under the
3 provisions of this program within five business days of receipt of such request. The
4 department shall respond to a written request, by or on behalf of a qualified manufacturing
5 company, for a proposed benefit award under the provisions of this program within fifteen
6 business days of receipt of such request. Such response shall contain either a proposal of
7 benefits for the qualified company or qualified military project, or a written response refusing
8 to provide such a proposal and stating the reasons for such refusal. A qualified company or
9 qualified military project that intends to seek benefits under the program shall submit to the
10 department a notice of intent. The department shall respond within thirty days to a notice of
11 intent with an approval or a rejection, provided that the department may withhold approval or
12 provide a contingent approval until it is satisfied that proper documentation of eligibility has
13 been provided. The department shall certify or reject the qualifying company's plan outlined
14 in their notice of intent as satisfying good faith efforts made to employ, at a minimum,
15 commensurate with the percentage of minority populations in the state of Missouri, as
16 reported in the previous decennial census, the following: racial minorities, contractors who
17 are racial minorities, and contractors that, in turn, employ at a minimum racial minorities
18 commensurate with the percentage of minority populations in the state of Missouri, as
19 reported in the previous decennial census. Failure to respond on behalf of the department
20 shall result in the notice of intent being deemed approved. A qualified company receiving
21 approval for program benefits may receive additional benefits for subsequent new jobs at the
22 same facility after the full initial project period if the applicable minimum job requirements
23 are met. There shall be no limit on the number of project periods a qualified company may
24 participate in the program, and a qualified company may elect to file a notice of intent to
25 begin a new project period concurrent with an existing project period if the applicable
26 minimum job requirements are achieved, the qualified company provides the department with
27 the required annual reporting, and the qualified company is in compliance with this program
28 and any other state programs in which the qualified company is currently or has previously
29 participated. However, the qualified company shall not receive any further program benefits
30 under the original approval for any new jobs created after the date of the new notice of intent,
31 and any jobs created before the new notice of intent shall not be included as new jobs for
32 purposes of the benefit calculation for the new approval. When a qualified company has filed

33 and received approval of a notice of intent and subsequently files another notice of intent, the
34 department shall apply the definition of project facility under subdivision (24) of section
35 620.2005 to the new notice of intent as well as all previously approved notices of intent and
36 shall determine the application of the definitions of new job, new payroll, project facility base
37 employment, and project facility base payroll accordingly.

38 2. Notwithstanding any provision of law to the contrary, the benefits available to the
39 qualified company under any other state programs for which the company is eligible and
40 which utilize withholding tax from the new or retained jobs of the company shall first be
41 credited to the other state program before the withholding retention level applicable under this
42 program will begin to accrue.

43 (1) If any qualified company also participates in a job training program utilizing
44 withholding tax, the company shall retain no withholding tax under this program, but the
45 department shall issue a refundable tax credit for the full amount of benefit allowed under this
46 program. The calendar year annual maximum amount of tax credits which may be issued to a
47 qualifying company that also participates in a job training program shall be increased by an
48 amount equivalent to the withholding tax retained by that company under **or remitted to the**
49 **state for the purpose of a jobs training program.**

50 (2) **If any qualified company receiving benefits available under subsection 2, 3,**
51 **or 6 of section 620.2010 or section 620.2015 is located in an advanced industrial**
52 **manufacturing zone created under section 68.075 or a targeted industrial**
53 **manufacturing enhancement zone created under section 620.2250, the department**
54 **may authorize the qualified company to receive refundable tax credits instead of**
55 **retaining all or a portion of withholding tax unless otherwise restricted by law. The**
56 **calendar year annual maximum amount of tax credits that may be issued to a qualified**
57 **company that is located in an advanced industrial manufacturing zone or targeted**
58 **industrial manufacturing enhancement zone may be increased by the department in an**
59 **amount equivalent to the amount of withholding tax remitted to the state for the**
60 **purposes of an advanced industrial manufacturing zone or targeted industrial**
61 **manufacturing enhancement zone.**

62 3. A qualified company or qualified military project receiving benefits under this
63 program shall provide an annual report of the number of jobs, along with minority jobs
64 created or retained, and such other information as may be required by the department to
65 document the basis for program benefits available no later than ninety days prior to the end of
66 the qualified company's or industrial development authority's tax year immediately following
67 the tax year for which the benefits provided under the program are attributed. In such annual
68 report, if the average wage is below the applicable percentage of the county average wage, the
69 qualified company or qualified military project has not maintained the employee insurance as

70 required, if the department after a review determines the qualifying company fails to satisfy
71 other aspects of their notice of intent, including failure to make good faith efforts to employ,
72 at a minimum, commensurate with the percentage of minority populations in the state of
73 Missouri, as reported in the previous decennial census, the following: racial minorities,
74 contractors who are racial minorities, and contractors that, in turn, employ at a minimum
75 racial minorities commensurate with the percentage of minority populations in the state of
76 Missouri, as reported in the previous decennial census, or if the number of jobs is below the
77 number required, the qualified company or qualified military project shall not receive tax
78 credits or retain the withholding tax for the balance of the project period. If a statewide state
79 of emergency exists for more than sixteen months, a qualified company or industrial
80 development authority shall be entitled to a one-time suspension of program deadlines equal
81 to the number of months such statewide state of emergency existed with any partial month
82 rounded to the next whole. During such suspension, the qualified company or industrial
83 development authority shall not be entitled to retain any withholding tax as calculated under
84 subdivision (38) of section 620.2005 nor shall it earn any awarded tax credit or receive any
85 tax credit under the program for the suspension period. The suspension period shall run
86 consecutively and be available to a qualified company or industrial development authority
87 that, during the statewide state of emergency, submitted notice of intent that was approved or
88 that was in year one or a subsequent year of benefits under a program agreement with the
89 department. The suspension period that runs consecutively and may be available to a
90 qualified company or industrial development authority as provided in this subsection may
91 apply retroactively. Any qualified company or industrial development authority requesting a
92 suspension pursuant to this subsection shall submit notice to the department on its provided
93 form identifying the requested start and end dates of the suspension, not to exceed the
94 maximum number of months available under this subsection. Such notice shall be submitted
95 to the department not later than the end of the twelfth month following the termination of the
96 state of emergency. No suspension period shall start later than the date on which the state of
97 emergency was terminated. The department and the qualified company or the industrial
98 development authority shall enter into a program agreement or shall amend an existing
99 program agreement, as applicable, stating the deadlines following the suspension period and
100 updating the applicable wage requirements. Failure to timely file the annual report required
101 under this section may result in the forfeiture of tax credits attributable to the year for which
102 the reporting was required and a recapture of withholding taxes retained by the qualified
103 company or qualified military project during such year.

104 4. The department may withhold the approval of any benefits under this program until
105 it is satisfied that proper documentation has been provided, and shall reduce the benefits to
106 reflect any reduction in full-time employees or payroll. Upon approval by the department, the

107 qualified company may begin the retention of the withholding taxes when it reaches the
108 required number of jobs and the average wage meets or exceeds the applicable percentage of
109 county average wage. Tax credits, if any, may be issued upon satisfaction by the department
110 that the qualified company has exceeded the applicable percentage of county average wage
111 and the required number of jobs; provided that, tax credits awarded under subsection 7 of
112 section 620.2010 may be issued following the qualified company's acceptance of the
113 department's proposal and pursuant to the requirements set forth in the written agreement
114 between the department and the qualified company under subsection 4 of section 620.2010.

115 5. Any qualified company or qualified military project approved for benefits under
116 this program shall provide to the department, upon request, any and all information and
117 records reasonably required to monitor compliance with program requirements. This
118 program shall be considered a business recruitment tax credit under subdivision (3) of
119 subsection 2 of section 135.800, and any qualified company or qualified military project
120 approved for benefits under this program shall be subject to the provisions of sections
121 135.800 to 135.830.

122 6. Any taxpayer who is awarded benefits under this program who knowingly hires
123 individuals who are not allowed to work legally in the United States shall immediately forfeit
124 such benefits and shall repay the state an amount equal to any state tax credits already
125 redeemed and any withholding taxes already retained.

126 7. (1) The maximum amount of tax credits that may be authorized under this program
127 for any fiscal year shall be limited as follows, less the amount of any tax credits previously
128 obligated for that fiscal year under any of the tax credit programs referenced in subsection
129 ~~[44]~~ **15** of this section:

130 (a) For the fiscal year beginning on July 1, 2013, but ending on or before June 30,
131 2014, no more than one hundred six million dollars in tax credits may be authorized;

132 (b) For the fiscal year beginning on July 1, 2014, but ending on or before June 30,
133 2015, no more than one hundred eleven million dollars in tax credits may be authorized;

134 (c) For fiscal years beginning on or after July 1, 2015, but ending on or before June
135 30, 2020, no more than one hundred sixteen million dollars in tax credits may be authorized
136 for each fiscal year; and

137 (d) For all fiscal years beginning on or after July 1, 2020, **but ending on or before**
138 **June 30, 2025**, no more than one hundred six million dollars in tax credits may be authorized
139 for each fiscal year. The provisions of this paragraph shall not apply to tax credits issued to
140 qualified companies under a notice of intent filed prior to July 1, 2020.

141 (2) For all fiscal years beginning on or after July 1, 2020, **but ending on or before**
142 **June 30, 2025**, in addition to the amount of tax credits that may be authorized under
143 paragraph (d) of subdivision (1) of this subsection, an additional ten million dollars in tax

144 credits may be authorized for each fiscal year for the purpose of the completion of
145 infrastructure projects directly connected with the creation or retention of jobs under the
146 provisions of sections 620.2000 to 620.2020 and an additional ten million dollars in tax
147 credits may be authorized for each fiscal year for a qualified manufacturing company based
148 on a manufacturing capital investment as set forth in section 620.2010.

149 8. For all fiscal years beginning on or after July 1, 2020, **but ending on or before**
150 **June 30, 2025**, the maximum total amount of withholding tax that may be authorized for
151 retention for the creation of new jobs under the provisions of sections 620.2000 to 620.2020
152 by qualified companies with a project facility base employment of at least fifty shall not
153 exceed seventy-five million dollars for each fiscal year. The provisions of this subsection
154 shall not apply to withholding tax authorized for retention for the creation of new jobs by
155 qualified companies with a project facility base employment of less than fifty.

156 **9. For all fiscal years beginning on or after July 1, 2025, the department may**
157 **authorize:**

158 **(1) No more than one hundred eighty-one million dollars in benefits, whether tax**
159 **credits or retained amounts equal to all or a portion of withholding tax, for retention**
160 **and creation of new jobs under the program by qualified companies. The provisions of**
161 **this subdivision shall not apply to withholding tax authorized for retention for the**
162 **creation of new jobs by qualified companies with a project facility base employment of**
163 **fewer than fifty;**

164 **(2) An additional ten million dollars in tax credits for the purpose of the**
165 **completion of infrastructure projects directly connected with the creation or retention**
166 **of jobs under the provisions of the program; and**

167 **(3) An additional ten million dollars in tax credits may be authorized for each**
168 **fiscal year for a qualified manufacturing company based on a manufacturing capital**
169 **investment as set forth in section 620.2010.**

170 ~~[9-]~~ **10.** For tax credits for the creation of new jobs under section 620.2010, the
171 department shall allocate the annual tax credits based on the date of the approval, reserving
172 such tax credits based on the department's best estimate of new jobs and new payroll of the
173 project, and any other applicable factors in determining the amount of benefits available to
174 the qualified company or qualified military project under this program; provided that:

175 **(1) For fiscal years ending on or before June 30, 2025**, the department may reserve
176 up to twenty-one and one-half percent of the maximum annual amount of tax credits that may
177 be authorized under subsection 7 of this section for award under subsection 7 of section
178 620.2010; **and**

179 **(2) For all fiscal years beginning on or after July 1, 2025, the department may**
180 **reserve up to twenty-one percent of the maximum annual amount of benefits that may**

181 **be authorized under subsection 9 of this section for award under subsection 7 of section**
182 **620.2010.**

183

184 However, the annual issuance of tax credits shall be subject to annual verification of actual
185 payroll by the department or, for qualified military projects, annual verification of average
186 salary for the jobs directly created by the qualified military project. Any authorization of tax
187 credits shall expire if, within two years from the date of commencement of operations, or
188 approval if applicable, the qualified company has failed to meet the applicable minimum job
189 requirements. The qualified company may retain authorized amounts from the withholding
190 tax under the project once the applicable minimum job requirements have been met for the
191 duration of the project period. No benefits shall be provided under this program until the
192 qualified company or qualified military project meets the applicable minimum new job
193 requirements or, for benefits awarded under subsection 7 of section 620.2010, until the
194 qualified company has satisfied the requirements set forth in the written agreement between
195 the department and the qualified company under subsection 4 of section 620.2010. In the
196 event the qualified company or qualified military project does not meet the applicable
197 minimum new job requirements, the qualified company or qualified military project may
198 submit a new notice of intent or the department may provide a new approval for a new project
199 of the qualified company or qualified military project at the project facility or other facilities.

200 ~~[10.]~~ **11.** Tax credits provided under this program may be claimed against taxes
201 otherwise imposed by chapters 143 and 148, and may not be carried forward, but shall be
202 claimed within one year of the close of the taxable year for which they were issued. Tax
203 credits provided under this program may be transferred, sold, or assigned by filing a notarized
204 endorsement thereof with the department that names the transferee, the amount of tax credit
205 transferred, and the value received for the credit, as well as any other information reasonably
206 requested by the department. For a qualified company with flow-through tax treatment to its
207 members, partners, or shareholders, the tax credit shall be allowed to members, partners, or
208 shareholders in proportion to their share of ownership on the last day of the qualified
209 company's tax period.

210 ~~[11.]~~ **12.** Prior to the issuance of tax credits or the qualified company beginning to
211 retain withholding taxes, the department shall verify through the department of revenue and
212 any other applicable state department that the tax credit applicant does not owe any
213 delinquent income, sales, or use tax or interest or penalties on such taxes, or any delinquent
214 fees or assessments levied by any state department and through the department of commerce
215 and insurance that the applicant does not owe any delinquent insurance taxes or other fees.
216 Such delinquency shall not affect the approval, except that any tax credits issued shall be first
217 applied to the delinquency and any amount issued shall be reduced by the applicant's tax

218 delinquency. If the department of revenue, the department of commerce and insurance, or any
219 other state department concludes that a taxpayer is delinquent after June fifteenth but before
220 July first of any year and the application of tax credits to such delinquency causes a tax
221 deficiency on behalf of the taxpayer to arise, then the taxpayer shall be granted thirty days to
222 satisfy the deficiency in which interest, penalties, and additions to tax shall be tolled. After
223 applying all available credits toward a tax delinquency, the administering agency shall notify
224 the appropriate department and that department shall update the amount of outstanding
225 delinquent tax owed by the applicant. If any credits remain after satisfying all insurance,
226 income, sales, and use tax delinquencies, the remaining credits shall be issued to the
227 applicant, subject to the restrictions of other provisions of law.

228 ~~[12.]~~ **13.** The director of revenue shall issue a refund to the qualified company to the
229 extent that the amount of tax credits allowed under this program exceeds the amount of the
230 qualified company's tax liability under chapter 143 or 148.

231 ~~[13.]~~ **14.** An employee of a qualified company shall receive full credit for the amount
232 of tax withheld as provided in section 143.211.

233 ~~[14.]~~ **15.** Notwithstanding any provision of law to the contrary, beginning August 28,
234 2013, no new benefits shall be authorized for any project that had not received from the
235 department a proposal or approval for such benefits prior to August 28, 2013, under the
236 development tax credit program created under sections 32.100 to 32.125, the rebuilding
237 communities tax credit program created under section 135.535, the enhanced enterprise zone
238 tax credit program created under sections 135.950 to 135.973, and the Missouri quality jobs
239 program created under sections 620.1875 to 620.1890. The provisions of this subsection shall
240 not be construed to limit or impair the ability of any administering agency to authorize or
241 issue benefits for any project that had received an approval or a proposal from the department
242 under any of the programs referenced in this subsection prior to August 28, 2013, or the
243 ability of any taxpayer to redeem any such tax credits or to retain any withholding tax under
244 an approval issued prior to that date. The provisions of this subsection shall not be construed
245 to limit or in any way impair the ability of any governing authority to provide any local
246 abatement or designate a new zone under the enhanced enterprise zone program created by
247 sections 135.950 to 135.963. Notwithstanding any provision of law to the contrary, no
248 qualified company that is awarded benefits under this program shall:

249 (1) Simultaneously receive benefits under the programs referenced in this subsection
250 at the same capital investment; or

251 (2) Receive benefits under the provisions of section 620.1910 for the same jobs.

252 ~~[15.]~~ **16.** If any provision of sections 620.2000 to 620.2020 or application thereof to
253 any person or circumstance is held invalid, the invalidity shall not affect other provisions or
254 application of these sections which can be given effect without the invalid provisions or

255 application, and to this end, the provisions of sections 620.2000 to 620.2020 are hereby
256 declared severable.

257 ~~[16.]~~ **17.** By no later than January 1, 2014, and the first day of each calendar quarter
258 thereafter, the department shall present a quarterly report to the general assembly detailing the
259 benefits authorized under this program during the immediately preceding calendar quarter to
260 the extent such information may be disclosed under state and federal law. The report shall
261 include, at a minimum:

262 (1) A list of all approved and disapproved applicants for each tax credit;

263 (2) A list of the aggregate amount of new or retained jobs that are directly attributable
264 to the tax credits authorized;

265 (3) A statement of the aggregate amount of new capital investment directly
266 attributable to the tax credits authorized;

267 (4) Documentation of the estimated net state fiscal benefit for each authorized project
268 and, to the extent available, the actual benefit realized upon completion of such project or
269 activity; and

270 (5) The department's response time for each request for a proposed benefit award
271 under this program.

272 ~~[17.]~~ **18.** The department may adopt such rules, statements of policy, procedures,
273 forms, and guidelines as may be necessary to carry out the provisions of sections 620.2000 to
274 620.2020. Any rule or portion of a rule, as that term is defined in section 536.010, that is
275 created under the authority delegated in this section shall become effective only if it complies
276 with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028.
277 This section and chapter 536 are nonseverable and if any of the powers vested with the
278 general assembly pursuant to chapter 536 to review, to delay the effective date, or to
279 disapprove and annul a rule are subsequently held unconstitutional, then the grant of
280 rulemaking authority and any rule proposed or adopted after August 28, 2013, shall be invalid
281 and void.

282 ~~[18.]~~ **19.** Under section 23.253 of the Missouri sunset act:

283 (1) The provisions of the program authorized under sections 620.2000 to 620.2020
284 shall be reauthorized as of August 28, 2018, and shall expire on August 28, 2030; and

285 (2) If such program is reauthorized, the program authorized under this section shall
286 automatically sunset twelve years after the effective date of the reauthorization of sections
287 620.2000 to 620.2020; and

288 (3) Sections 620.2000 to 620.2020 shall terminate on September first of the calendar
289 year immediately following the calendar year in which the program authorized under sections
290 620.2000 to 620.2020 is sunset.

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