

SENATE SUBSTITUTE
FOR
SENATE COMMITTEE SUBSTITUTE
FOR
HOUSE COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 529

AN ACT

To amend chapter 135, RSMo, by adding thereto two new sections relating to a tax credit for the sale of certain fuel.

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

Section A. Chapter 135, RSMo, is amended by adding thereto
2 two new sections, to be known as sections 135.755 and 135.775,
3 to read as follows:

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

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

4 (2) "Higher ethanol blend", a fuel capable of being
5 dispensed directly into motor vehicle fuel tanks for
6 consumption that is comprised of at least fifteen percent
7 but not more than eighty-five percent ethanol;

8 (3) "Retail dealer", a person that owns or operates a
9 retail service station;

10 (4) "Retail service station", a location from which
11 higher ethanol blend is sold to the general public and is
12 dispensed directly into motor vehicle fuel tanks for
13 consumption.

14 2. For all tax years beginning on or after January 1,
15 2022, a retail dealer that sells higher ethanol blend at
16 such retail dealer's retail service station shall be allowed
17 a tax credit to be taken against the retail dealer's state

18 income tax liability. The amount of the credit shall equal
19 five cents per gallon of higher ethanol blend sold by the
20 retail dealer and dispensed through metered pumps at the
21 retail dealer's retail service station during the tax year
22 in which the tax credit is claimed. Tax credits authorized
23 pursuant to this section shall not be transferred, sold, or
24 assigned. If the amount of the tax credit exceeds the
25 taxpayer's state tax liability, the difference shall not be
26 refundable, but may be carried forward to any of the five
27 subsequent tax years. The total amount of tax credits
28 authorized pursuant to this section for any given fiscal
29 year shall not exceed four million dollars.

30 3. The tax credit allowed by this section shall be
31 claimed by such taxpayer at the time such taxpayer files a
32 return and shall be applied against the income tax liability
33 imposed by chapter 143 after reduction for all other credits
34 allowed thereon. The department may require any
35 documentation it deems necessary to implement the provisions
36 of this section.

37 4. Nothing in this section shall be construed to
38 mandate the sale of higher ethanol blends in Missouri.

39 5. The department shall promulgate rules to implement
40 the provisions of this section. Any rule or portion of a
41 rule, as that term is defined in section 536.010, that is
42 created under the authority delegated in this section shall
43 become effective only if it complies with and is subject to
44 all of the provisions of chapter 536 and, if applicable,
45 section 536.028. This section and chapter 536 are
46 nonseverable and if any of the powers vested with the
47 general assembly pursuant to chapter 536 to review, to delay
48 the effective date, or to disapprove and annul a rule are
49 subsequently held unconstitutional, then the grant of

50 rulemaking authority and any rule proposed or adopted after
51 August 28, 2021, shall be invalid and void.

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

54 (1) The provisions of this section shall automatically
55 sunset on December 31, 2027, unless reauthorized by an act
56 of the general assembly; and

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

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

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

3 (1) "Biodiesel blend", a blend of diesel fuel and
4 biodiesel fuel between five percent and twenty percent for
5 on-road and off-road diesel-fueled vehicle use. Biodiesel
6 blend shall comply with the ASTM International specification
7 D7467-19, or the most recent specifications;

8 (2) "Biodiesel fuel", a renewable, biodegradable, mono
9 alkyl ester combustible liquid fuel that is derived from
10 agricultural and other plant oils or animal fats and that
11 meets the ASTM International specification D6751-19, or the
12 most recent specification, for Biodiesel Fuel (B100) or
13 (B99) Blend Stock for Distillate Fuels. Biodiesel produced
14 from palm oil is not biodiesel fuel for the purposes of this
15 section, unless the palm oil is contained within waste oil
16 and grease collected within the United States;

17 (3) "Department", the Missouri department of revenue;

18 (4) "Retail dealer", a person that owns or operates a
19 retail service station;

20 (5) "Retail service station", a location from which
21 biodiesel blend is sold to the general public and is
22 dispensed directly into motor vehicle fuel tanks for
23 consumption.

24 2. For all tax years beginning on or after January 1,
25 2022, a retail dealer that sells a biodiesel blend at a
26 retail service station shall be allowed a tax credit to be
27 taken against the retail dealer's state income tax
28 liability. The amount of the tax credit shall be as follows:

29 (1) Two cents per gallon of biodiesel blend of at
30 least five percent but not more than ten percent sold by a
31 retail dealer at a retail service station during the tax
32 year for which the tax credit is claimed; or

33 (2) Five cents per gallon of biodiesel blend in excess
34 of ten percent sold by a retail dealer at a retail service
35 station during the tax year for which the tax credit is
36 claimed.

37 Tax credits authorized pursuant to this section shall not be
38 transferred, sold, or assigned. If the amount of the tax
39 credit exceeds the taxpayer's state tax liability, the
40 difference shall be refundable. The total amount of tax
41 credits authorized pursuant to this section for any given
42 fiscal year shall not exceed twenty million dollars.

43 3. In the event the total amount of tax credits
44 claimed under this section exceeds the amount of available
45 tax credits, the tax credits shall be apportioned equally to
46 all eligible retail dealers claiming the credit by April
47 fifteenth of the fiscal year in which the tax credit is
48 claimed.

49 4. The tax credit allowed by this section shall be
50 claimed by such taxpayer at the time such taxpayer files a
51 return and shall be applied against the income tax liability
52 imposed by chapter 143 after reduction for all other credits

53 allowed thereon. The department may require any
54 documentation it deems necessary to implement the provisions
55 of this section.

56 5. The department may work with the division of
57 weights and measures within the department of agriculture to
58 validate that the biodiesel blend a retail dealer claims for
59 the tax credit authorized under this section contains a
60 sufficient percentage of biodiesel fuel.

61 6. The department shall promulgate rules to implement
62 the provisions of this section. Any rule or portion of a
63 rule, as that term is defined in section 536.010, that is
64 created under the authority delegated in this section shall
65 become effective only if it complies with and is subject to
66 all of the provisions of chapter 536 and, if applicable,
67 section 536.028. This section and chapter 536 are
68 nonseverable and if any of the powers vested with the
69 general assembly pursuant to chapter 536 to review, to delay
70 the effective date, or to disapprove and annul a rule are
71 subsequently held unconstitutional, then the grant of
72 rulemaking authority and any rule proposed or adopted after
73 August 28, 2021, shall be invalid and void.

74 7. Nothing in this section shall be construed to
75 mandate the sale of biodiesel blends in Missouri.

76 8. Pursuant to section 23.253 of the Missouri sunset
77 act:

78 (1) The provisions of this section shall automatically
79 sunset on December 31, 2027, unless reauthorized by an act
80 of the general assembly; and

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

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