

FIRST REGULAR SESSION  
[PERFECTED]  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 675**  
**102ND GENERAL ASSEMBLY**

1633H.02P

DANA RADEMAN MILLER, Chief Clerk

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**AN ACT**

To repeal section 135.750, RSMo, and to enact in lieu thereof two new sections relating to tax credits for the production of certain entertainment, with an effective date for a certain section.

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

Section A. Section 135.750, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 135.750 and 135.753, to read as follows:

135.750. 1. **This section shall be known and may be referred to as the "Show MO Act".**

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

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

**"Above-the-line individual", any individual hired or credited on-screen for a qualified motion media production project as any type of producer, principal cast that is at a Screen Actors Guild Schedule F and above payment rate, screenwriter, and the director;**

(2) **"Qualified [film] motion media production project", any film[, video, commercial, or television production] or series production, including videos,**

**commercials, video games, webisodes, music videos, content-based mobile applications, virtual reality, augmented reality, multi-media, and new media, as well**

**as standalone visual effects and post-production for such motion media production project, as approved by the department of economic development and the office of the**

**Missouri film commission, that features a statement and logo designated by the division of tourism within the department of economic development in the credits of the**

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.

17 **completed production indicating that the project was filmed in Missouri and** that is  
18 under thirty minutes in length with ~~[an]~~ expected ~~[in-state expenditure budget]~~ **qualifying**  
19 **expenses** in excess of fifty thousand dollars~~;~~ or ~~[that]~~ is over thirty minutes in length with  
20 ~~[an]~~ expected ~~[in-state expenditure budget]~~ **qualifying expenses** in excess of one hundred  
21 thousand dollars. Regardless of the production costs, "qualified ~~[film production]~~ **motion**  
22 **media production** project" shall not include any:

- 23 (a) News or current events programming;  
24 (b) Talk show;  
25 (c) Production produced primarily for industrial, corporate, or institutional purposes,  
26 and for internal use;  
27 (d) Sports event or sports program;  
28 (e) Gala presentation or awards show;  
29 (f) Infomercial or any production that directly solicits funds;  
30 (g) Political ad;  
31 (h) Production that is considered obscene, as defined in section 573.010;

32 (3) "Qualifying expenses", the sum of the total amount spent in this state for the  
33 following by a production company in connection with a qualified ~~[film]~~ **motion media**  
34 production project:

35 (a) Goods and services leased or purchased by the production company. For goods  
36 with a purchase price of twenty-five thousand dollars or more, the amount included in  
37 qualifying expenses shall be the purchase price less the fair market value of the goods at the  
38 time the production is completed;

39 (b) Compensation and wages paid by the production company on which the  
40 production company remitted withholding payments to the department of revenue under  
41 chapter 143. For purposes of this section, compensation and wages ~~[shall not include any~~  
42 ~~amounts paid to a highly compensated individual]~~ **paid to all above-the-line individuals**  
43 **shall be limited to twenty-five percent of the overall qualifying expenses;**

44 (4) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding  
45 withholding tax imposed by sections 143.191 to 143.265, or otherwise due under chapter 148;

46 (5) "Taxpayer", any individual, partnership, or corporation as described in section  
47 143.441, 143.471, or section 148.370 that is subject to the tax imposed in chapter 143,  
48 excluding withholding tax imposed by sections 143.191 to 143.265, or the tax imposed in  
49 chapter 148, or any charitable organization which is exempt from federal income tax and  
50 whose Missouri unrelated business taxable income, if any, would be subject to the state  
51 income tax imposed under chapter 143.

52 ~~[2. For all taxable years beginning on or after January 1, 1999, but ending on or~~  
53 ~~before December 31, 2007, a taxpayer shall be granted a tax credit for up to fifty percent of~~

54 ~~the amount of investment in production or production-related activities in any film production~~  
55 ~~project with an expected in-state expenditure budget in excess of three hundred thousand~~  
56 ~~dollars. For all taxable years beginning on or after January 1, 2008, a taxpayer shall be~~  
57 ~~allowed a tax credit for up to thirty five percent of the amount of qualifying expenses in a~~  
58 ~~qualified film production project. Each film production company shall be limited to one~~  
59 ~~qualified film production project per year.]~~

60 **3. (1) For all tax years beginning on or after January 1, 2023, a taxpayer shall be**  
61 **allowed a tax credit equal to twenty percent of qualifying expenses.**

62 **(2) An additional five percent may be earned for qualifying expenses if at least**  
63 **fifty percent of the qualified motion media production project is filmed in Missouri.**

64 **(3) An additional five percent may be earned for qualifying expenses if at least**  
65 **fifteen percent of the qualified motion media production project that is filmed in**  
66 **Missouri is filmed in a rural or blighted area in Missouri.**

67 **(4) An additional five percent may be earned for qualifying expenses if at least**  
68 **three departments of the qualified motion media production project hire a Missouri**  
69 **resident ready to advance to the next level in a specialized craft position or learn a new**  
70 **skillset.**

71 **(5) An additional five percent may be earned for qualifying expenses if the**  
72 **department of economic development determines that the script of the qualified motion**  
73 **media production project positively markets a city or region of the state, the entire state,**  
74 **or a tourist attraction located in the state, and the qualified motion media production**  
75 **project provides no less than five high resolution photographs containing cast with the**  
76 **rights cleared for promotional use by the Missouri film commission, accompanied by a**  
77 **list with the title of production, location, names, and titles of the individuals shown in**  
78 **the photography and photographer credit.**

79 **(6) The total dollar amount of tax credits authorized pursuant to subdivision (1)**  
80 **of this subsection shall be increased by ten percent for qualified motion media**  
81 **production projects located in a county of the second, third, or fourth class.**

82 **(7) Activities qualifying a taxpayer for the tax credit pursuant to this subsection shall**  
83 **be approved by the office of the Missouri film commission and the department of economic**  
84 **development.**

85 **[3-] 4. A qualified motion media production project shall not be eligible for tax**  
86 **credits pursuant to this section unless such project employs at least the following**  
87 **number of Missouri registered apprentices or veterans residing in Missouri with**  
88 **transferable skills:**

89 **(1) If the qualifying expenses are less than five million dollars, two;**

90           **(2) If the qualifying expenses are at least five million dollars but less than ten**  
91 **million dollars, three;**

92           **(3) If the qualifying expenses are at least ten million dollars but less than fifteen**  
93 **million dollars, six; or**

94           **(4) If the qualifying expenses are at least fifteen million dollars, eight.**

95           **5.** Taxpayers shall apply for the ~~[film]~~ **motion media** production tax credit by  
96 submitting an application to the department of economic development, on a form provided by  
97 the department. As part of the application, the expected ~~[in-state expenditures]~~ **qualifying**  
98 **expenses** of the qualified ~~[film]~~ **motion media** production project shall be documented. In  
99 addition, the application shall include an economic impact statement, showing the economic  
100 impact from the activities of the ~~[film]~~ **qualified motion media** production project. Such  
101 economic impact statement shall indicate the impact on the region of the state in which the  
102 ~~[film]~~ **qualified motion media** production **project** or production-related activities are located  
103 and on the state as a whole. **Final applications shall be accompanied by a report by a**  
104 **certified public accountant located in and licensed by the state of Missouri, prepared at**  
105 **the expense of the applicant, attesting that the amounts in the final application are**  
106 **qualifying expenses.**

107           ~~[4. For all taxable years ending on or before December 31, 2007, tax credits certified~~  
108 ~~pursuant to subsection 2 of this section shall not exceed one million dollars per taxpayer per~~  
109 ~~year, and shall not exceed a total for all tax credits certified of one million five hundred~~  
110 ~~thousand dollars per year.]~~ **6.** For all ~~[taxable]~~ **tax** years beginning on or after January 1,  
111 ~~[2008]~~ **2023, the total amount of tax credits [certified under subsection 1 of] authorized by**  
112 **this section for film production shall not exceed a total [for all tax credits certified] of [four]**  
113 **eight million [five hundred thousand] dollars per year, and the total amount of all tax**  
114 **credits authorized by this section for series production shall not exceed a total of eight**  
115 **million dollars per year.** Taxpayers may carry forward unused credits for up to five tax  
116 periods, provided all such credits shall be claimed within ten tax periods following the tax  
117 period in which the ~~[film]~~ **qualified motion media** production or production-related activities  
118 for which the credits are certified by the department occurred.

119           ~~[5.]~~ **7.** Notwithstanding any provision of law to the contrary, any taxpayer may sell,  
120 assign, exchange, convey or otherwise transfer tax credits allowed in subsection ~~[2]~~ **3** of this  
121 section. The taxpayer acquiring the tax credits may use the acquired credits to offset the tax  
122 liabilities otherwise imposed by chapter 143, excluding withholding tax imposed by sections  
123 143.191 to 143.265, or chapter 148. Unused acquired credits may be carried forward for up to  
124 five tax periods, provided all such credits shall be claimed within ten tax periods following  
125 the tax period in which the ~~[film]~~ **qualified motion media** production **project** or production  
126 **project-related** activities for which the credits are certified by the department occurred.

127           **8. The tax credit authorized by this section shall be considered a business**  
128 **recruitment tax credit, as defined in section 135.800, and shall be subject to the**  
129 **provisions of sections 135.800 to 135.830.**

130           **9. The department of economic development may adopt such rules, statements of**  
131 **policy, procedures, forms, and guidelines as may be necessary to implement the**  
132 **provisions of this section. Any rule or portion of a rule, as that term is defined in section**  
133 **536.010, that is created under the authority delegated in this section shall become**  
134 **effective only if it complies with and is subject to all of the provisions of chapter 536 and,**  
135 **if applicable, section 536.028. This section and chapter 536 are nonseverable and if any**  
136 **of the powers vested with the general assembly pursuant to chapter 536 to review, to**  
137 **delay the effective date, or to disapprove and annul a rule are subsequently held**  
138 **unconstitutional, then the grant of rulemaking authority and any rule proposed or**  
139 **adopted after August 28, 2023, shall be invalid and void.**

140           ~~[6.]~~ **10. Under section 23.253 of the Missouri sunset act:**

141           (1) The provisions of the ~~[new]~~ program authorized under this section shall  
142 automatically sunset ~~[six years after November 28, 2007]~~ **on December 31, 2029**, unless  
143 reauthorized by an act of the general assembly; and

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

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

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

153           **11. (1) Notwithstanding the provisions of subsection 10 of this section to the**  
154 **contrary, the provisions of this section shall automatically terminate and expire one year**  
155 **after the department of economic development determines that all other state and local**  
156 **governments in the United States of America have terminated or let lapse their tax**  
157 **credit or other governmental incentive program for the film production industry,**  
158 **regardless of whether such credits or programs are now in effect or first commence after**  
159 **the effective date of this section. The department of economic development shall notify**  
160 **the revisor of statutes upon the department's determination that the tax credit**  
161 **authorized by this section shall terminate pursuant to this subsection.**

162           **(2) The provisions of this subsection shall not be construed to limit or in any way**  
163 **impair the ability of any taxpayer that has met the requirements in this section prior to**

164 the termination of this section to participate in the program authorized under this  
165 section. The provisions of this section shall not be construed to limit or in any way  
166 impair the department of revenue's ability to redeem tax credits qualified for on or  
167 before the date the program authorized pursuant to this section expires.

135.753. 1. This section shall be known and may be cited as the "Entertainment  
2 Industry Jobs Act".

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

4 (1) "Base investment", the aggregate funds actually invested and expended by a  
5 Missouri taxpayer as a rehearsal expense or tour expense pursuant to this section;

6 (2) "Concert", a ticketed live performance of music in the physical presence of at  
7 least one thousand individuals who view the performance live. For the purposes of this  
8 subdivision, "ticketed" shall mean a concert where individual tickets for attendance are  
9 offered for sale to the public;

10 (3) "Concert tour equipment", stage, set, scenery, design elements, automation,  
11 rigging, trusses, spotlights, lighting, sound equipment, video equipment, special effects,  
12 cases, communication devices, power distribution equipment, backline and other  
13 miscellaneous equipment, or supplies used during a concert or rehearsal;

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

15 (5) "Expense", any expense, expenditure, cost, charge, or other disbursement or  
16 spending of funds;

17 (6) "Facility", a site with one or more studios. Multiple studios at a single  
18 location shall not be considered separate facilities. A site may include one or more  
19 buildings on the same property or properties within a five-mile radius, provided that the  
20 properties' purpose and operations are interrelated and are owned or operated by the  
21 same owner or operator, as applicable;

22 (7) "Facility full-time equivalent employee", an employee that is scheduled to  
23 work an average of at least thirty-five hours per week and is located at the qualified  
24 rehearsal facility, or a combination of two or more employees that combined, work an  
25 average of at least thirty-five hours per week and are located at the qualified rehearsal  
26 facility. An employee shall be considered to be located at the qualified rehearsal facility  
27 if such employee spends fifty percent or more of the employee's work time at the  
28 qualified rehearsal facility or at a nearby location serving the qualified rehearsal  
29 facility, including a warehouse, located in Missouri and owned by the same owner or  
30 operator, as applicable, of the qualified rehearsal facility. An employee that spends less  
31 than fifty percent of the employee's work time at the qualified rehearsal facility or  
32 nearby location shall be considered to be located at a qualified rehearsal facility if the

33 **employee receives his or her directions and control from the qualified rehearsal facility**  
34 **and is on the qualified rehearsal facility's payroll;**

35 **(8) "Minimum rehearsal and tour requirements", the occurrence of all of the**  
36 **following during a rehearsal or tour:**

37 **(a) The purchase or rental of concert tour equipment, related services, or both,**  
38 **in an amount of at least one million dollars from a Missouri vendor for use in the**  
39 **rehearsal, on the tour, or both;**

40 **(b) A rehearsal at a qualified rehearsal facility for a minimum of ten days; and**

41 **(c) The holding of at least two concerts in the state of Missouri;**

42 **(9) "Missouri vendor", an individual or entity located in and maintaining a place**  
43 **of business in this state. Only transactions made through a Missouri location of a**  
44 **Missouri vendor shall constitute a transaction with a Missouri vendor for the purposes**  
45 **of this section;**

46 **(10) "Nonresident", the same meaning as defined pursuant to section 143.101;**

47 **(11) "Pass-through entity", any incorporated or unincorporated entity that has**  
48 **or elects pass-through taxation under federal law, including, without limitation, a**  
49 **partnership, S corporation, or unincorporated entity with or that elects pass-through**  
50 **taxation;**

51 **(12) "Qualified rehearsal facility", a facility primarily used for rehearsals**  
52 **located in this state and which meets all of the following criteria:**

53 **(a) Has a minimum of twelve thousand five hundred square feet of column-free,**  
54 **unobstructed floor space in at least one rehearsal studio in the facility;**

55 **(b) Has had a minimum of eight million dollars invested in the facility in land or**  
56 **structure, or a combination of land and structure;**

57 **(c) Has a permanent grid system with a capacity of a minimum of five hundred**  
58 **thousand pounds in at least one rehearsal studio in the facility;**

59 **(d) Has a height from floor to permanent grid of a minimum of fifty feet in at**  
60 **least one rehearsal studio in the facility;**

61 **(e) Has at least one sliding or roll-up access door with a minimum height of**  
62 **fourteen feet in the facility;**

63 **(f) Has a security system which includes seven-days-a-week security cameras**  
64 **and the use of access control identification badges;**

65 **(g) Has a service area with production offices, catering, and dressing rooms with**  
66 **a minimum of five thousand square feet; and**

67 **(h) Is owned or operated by an entity that employs, on average on an annual**  
68 **basis, at least eighty facility full-time equivalent employees;**

69

70 **A qualified rehearsal facility shall not include a facility at which concerts are regularly**  
71 **held;**

72 **(13) "Resident", the same meaning as defined pursuant to section 143.101;**

73 **(14) "Rehearsal", an event or series of events which occur in preparation for a**  
74 **tour prior to the start of the tour or during a tour when additional preparation may be**  
75 **needed;**

76 **(15) "Rehearsal expenses", includes all of the following when incurred or when**  
77 **such expenses will be incurred during a rehearsal:**

78 **(a) Total aggregate payroll;**

79 **(b) Payment to a personal service corporation representing individual talent;**

80 **(c) Payment to a pass-through entity representing individual talent;**

81 **(d) Expenses related to construction, operations, editing, photography, staging,**  
82 **lighting, wardrobe, and accessories;**

83 **(e) The leasing of vehicles from a Missouri vendor;**

84 **(f) The transportation of people or concert tour equipment to or from a train**  
85 **station, bus depot, airport, or other transportation location, or from a residence or**  
86 **business entity;**

87 **(g) Insurance coverage for an entire tour if the insurance coverage is purchased**  
88 **or will be purchased through an insurance agent that is a Missouri vendor;**

89 **(h) Food and lodging from a Missouri vendor;**

90 **(i) The purchase or rental of concert tour equipment from a Missouri vendor;**

91 **(j) The rental of a qualified rehearsal facility; and**

92 **(k) Emergency or medical support services required to conduct a rehearsal;**

93 **(16) "Total aggregate payroll", the total sum expended on salaries paid to**  
94 **resident employees, regardless of whether such resident is working within or outside of**  
95 **this state, or nonresident employees working within this state in one or more tours or**  
96 **rehearsals, including, without limitation, payments to a loan-out company. For the**  
97 **purposes of this subdivision:**

98 **(a) With respect to a single employee, the portion of any salary which exceeds**  
99 **two million dollars in the aggregate for a single tour shall not be included when**  
100 **calculating total aggregate payroll;**

101 **(b) All payments to a single employee and any legal entity in which the employee**  
102 **has any direct or indirect ownership interest shall be considered as having been paid to**  
103 **the employee and shall be aggregated regardless of the means of payment or**  
104 **distribution; and**

105 **(c) Total aggregate payroll shall include payments to a loan-out company that**  
106 **has met its withholding tax obligations as provided in this paragraph. The taxpayer**



107 **claiming the credit authorized pursuant to this section shall withhold Missouri income**  
108 **tax at the rate imposed pursuant to section 143.071 on all payments to loan-out**  
109 **companies for services performed in Missouri. Any amounts so withheld shall be**  
110 **deemed to have been withheld by the loan-out company on wages paid to its employees**  
111 **for services performed in Missouri, notwithstanding any exclusions under Missouri law**  
112 **for short-term employment of nonresident workers, out-of-state businesses, or**  
113 **otherwise. The amounts so withheld shall be allocated to the loan-out company's**  
114 **employees based on the payments made to the loan-out company's employees for**  
115 **services performed in Missouri. For the purposes of this section, loan-out company**  
116 **nonresident employees performing services in Missouri shall be considered taxable**  
117 **nonresidents and the loan-out company shall be subject to income taxation in the**  
118 **taxable year in which the loan-out company's employees perform services in Missouri,**  
119 **notwithstanding any other provisions of chapter 143. Such withholding liability shall be**  
120 **subject to penalties and interest in the same manner as the employee withholding taxes**  
121 **imposed under chapter 143, and the department of revenue shall provide by regulation**  
122 **the manner in which such liability shall be assessed and collected;**

123 (17) **"Tour", a series of concerts or other performances performed or to be**  
124 **performed by a musical or other live performer, including at least one rehearsal, in one**  
125 **or more locations over multiple days;**

126 (18) **"Tour expenses", expenses incurred or which will be incurred during a tour**  
127 **including venues located in this state, including:**

128 (a) **Total aggregate payroll;**

129 (b) **The transportation of people or concert tour equipment to or from a train**  
130 **station, bus depot, airport, or other transportation location, or from a residence or**  
131 **business entity located in this state, or which is purchased or will be purchased from a**  
132 **Missouri vendor;**

133 (c) **The leasing of vehicles provided by a Missouri vendor;**

134 (d) **The purchasing or rental of facilities and equipment from or through a**  
135 **Missouri vendor;**

136 (e) **Food and lodging which is incurred or will be incurred from a Missouri**  
137 **vendor;**

138 (f) **Marketing or advertising a tour at venues located within this state;**

139 (g) **Merchandise which is purchased or will be purchased from a Missouri**  
140 **vendor and used on the tour;**

141 (h) **Payments made or that will be made to a personal service corporation**  
142 **representing individual talent if income tax will be paid or accrued on the net income of**  
143 **the corporation for the taxable year pursuant to chapter 143; and**

144 (i) Payments made or that will be made to a pass-through entity representing  
145 individual talent for which withholding tax will be withheld by the pass-through entity  
146 on the payment as required pursuant to chapter 143;

147

148 "Tour expenses" shall not include development expenses, including the writing of music  
149 or lyrics, or any expenses claimed by a taxpayer as rehearsal expenses.

150 3. (1) For all tax years beginning on or after January 1, 2024, a taxpayer shall be  
151 allowed a tax credit for rehearsal expenses and tour expenses incurred by the taxpayer.  
152 The amount of the tax credit shall be equal to thirty percent of the taxpayer's base  
153 investment, subject to the limitations provided in subsection 6 of this section. No tax  
154 credit shall be authorized for rehearsal expenses or tour expenses related to a rehearsal  
155 or tour that does not meet the minimum rehearsal and tour requirements.

156 (2) Tax credits issued pursuant to this section shall not be refundable. Any  
157 amount of tax credit that exceeds the tax liability for a taxpayer's tax year may be  
158 carried forward to any of the taxpayer's five subsequent taxable years.

159 4. (1) Tax credits authorized pursuant to this section may be transferred or sold  
160 in whole or in part by the taxpayer that claimed the tax credit, provided that the tax  
161 credit is transferred or sold to another Missouri taxpayer.

162 (2) A transferor may make one or more transfers or sales of tax credits claimed  
163 in a taxable year, and such transfers or sales may involve one or more transferees.

164 (3) A transferor shall submit to the department and to the department of  
165 revenue a written notification of any transfer or sale of tax credits within thirty days  
166 after the transfer or sale of such tax credits. Such notification shall include the amount  
167 of the transferor's unredeemed tax credits prior to transfer, the tax credit identifying  
168 certificate number or other relevant identifying information, the remaining amount of  
169 unredeemed tax credits after transfer, all tax identification numbers for each transferee,  
170 the date of transfer, the amount transferred, and any other information required by the  
171 department or the department of revenue.

172 (4) The transfer or sale of a tax credit authorized pursuant to this section shall  
173 not extend the time in which such tax credit may be redeemed. The carry-forward  
174 period for a tax credit that is transferred or sold shall begin on the date on which the tax  
175 credit was originally issued.

176 (5) A transferee shall have only such rights to claim and redeem the tax credits  
177 that were available to such transferor at the time of the transfer, except for the transfer  
178 use of the tax credit authorized in subdivision (1) of this subsection. To the extent that  
179 such transferor did not have rights to claim or redeem the tax credit at the time of the  
180 transfer, the department of revenue shall either disallow the tax credit claimed by the

181 transferee or recapture the tax credit from the transferee. The transferee's recourse  
182 shall be against such transferor.

183 (6) Tax credits shall not be transferred or sold for less than sixty percent of the  
184 value of such tax credits.

185 (7) A taxpayer failing to comply with the provisions of this subsection shall not  
186 be able to redeem a tax credit until such taxpayer is in full compliance.

187 5. The tax credits authorized pursuant to this section shall be subject to the  
188 following conditions and limitations:

189 (1) The tax credit may be taken beginning with the taxable year in which the  
190 taxpayer earning the tax credit has met the requirements provided pursuant to this  
191 section. For each year in which such taxpayer either claims or transfers the tax credit,  
192 the taxpayer shall attach a schedule to the taxpayer's Missouri income tax return which  
193 shall include the following information:

194 (a) A description of the qualifying activities and expenses;

195 (b) A detailed listing of the employee names, Social Security numbers, and  
196 Missouri wages when salaries are included in the base investment;

197 (c) The amount of the tax credit claimed pursuant to this section for the tax year;

198 (d) Any tax credit previously taken by the taxpayer against Missouri income tax  
199 liabilities;

200 (e) The amount of the tax credit carried over from prior years;

201 (f) The amount of the tax credit utilized by the taxpayer claiming the tax credit  
202 in the current taxable year; and

203 (g) The amount of the tax credit to be carried over to subsequent tax years;

204 (2) In the initial tax year in which the taxpayer claims the credit authorized  
205 pursuant to this section, the taxpayer shall include a description of the qualifying  
206 activities and expenses that demonstrates that the minimum rehearsal and tour  
207 requirements are met; and

208 (3) Any taxpayer claiming, transferring, or selling a tax credit pursuant to this  
209 section shall be required to reimburse the department of revenue for any department-  
210 initiated audits relating to the tax credit. The provisions of this subdivision shall not  
211 apply to routine tax audits of a taxpayer which may include the review of the tax credit  
212 authorized pursuant to this section.

213 6. (1) The aggregate amount of tax credits that may be authorized in a given  
214 fiscal year pursuant to this section shall not exceed eight million dollars. If the amount  
215 of tax credits applied for by taxpayers exceeds such amount, the department may, at its  
216 discretion, authorize additional tax credits in an amount not to exceed two million  
217 dollars in such fiscal year, provided that the maximum amount of tax credits that may

218 be authorized during the subsequent fiscal year shall be reduced by the amount of  
219 additional tax credits that the department authorizes.

220 (2) Notwithstanding the provisions of subdivision (1) of subsection 3 of this  
221 section to the contrary, the amount of tax credits claimed by a taxpayer pursuant to this  
222 section during a fiscal year shall not exceed the following amounts:

223 (a) If a taxpayer's base investment is less than four million dollars, the taxpayer  
224 shall not be awarded more than one million dollars in tax credits in a fiscal year;

225 (b) If a taxpayer's base investment is at least four million dollars but less than  
226 eight million dollars, the taxpayer shall not be awarded more than two million dollars in  
227 tax credits in a fiscal year; and

228 (c) If a taxpayer's base investment is at least eight million dollars, the taxpayer  
229 shall not be awarded more than three million dollars in tax credits in a fiscal year.

230 7. The department shall promulgate such rules and regulations as are necessary  
231 to implement and administer the provisions of this section. Any rule or portion of a  
232 rule, as that term is defined in section 536.010, that is created under the authority  
233 delegated in this section shall become effective only if it complies with and is subject to  
234 all of the provisions of chapter 536 and, if applicable, section 536.028. This section and  
235 chapter 536 are nonseverable and if any of the powers vested with the general assembly  
236 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul  
237 a rule are subsequently held unconstitutional, then the grant of rulemaking authority  
238 and any rule proposed or adopted after August 28, 2023, shall be invalid and void.

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

240 (1) The program authorized pursuant to this section shall automatically sunset  
241 on December 31, 2030, unless reauthorized by an act of the general assembly;

242 (2) If such program is reauthorized, the program authorized pursuant to this  
243 section shall automatically sunset on December thirty-first, twelve years after the  
244 effective date of the reauthorization;

245 (3) This section shall terminate on September first of the calendar year  
246 immediately following the calendar year in which the program authorized pursuant to  
247 this section is sunset; and

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

252 9. (1) Notwithstanding the provisions of subsection 8 of this section, the  
253 provisions of this section shall automatically terminate and expire ninety days after the  
254 department determines that all other state and local governments in the United States of

255 **America have terminated or let lapse their tax credit or other governmental incentive**  
256 **program for the music or performance entertainment industries, regardless of whether**  
257 **such credits or programs are now in effect or first commence after the effective date of**  
258 **this section. The department shall notify the revisor of statutes upon the department's**  
259 **determination that the tax credit authorized by this section shall terminate pursuant to**  
260 **this subsection.**

261 **(2) The provisions of this subsection shall not be construed to limit or in any way**  
262 **impair the ability of any taxpayer that has met the requirements in this section prior to**  
263 **the termination of this section to participate in the program authorized under this**  
264 **section. The provisions of this section shall not be construed to limit or in any way**  
265 **impair the department's ability to redeem tax credits qualified for on or before the date**  
266 **the program authorized pursuant to this section expires.**

Section B. The enactment of section 135.753 of this act shall become effective  
2 January 1, 2024.

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