

SECOND REGULAR SESSION

SENATE BILL NO. 1112

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR RICHARD.

Read 1st time February 29, 2016, and ordered printed.

ADRIANE D. CROUSE, Secretary.

6651S.011

AN ACT

To repeal section 253.550, RSMo, and to enact in lieu thereof three new sections relating to historic buildings, with an emergency clause.

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

Section A. Section 253.550, RSMo, is repealed and three new sections
2 enacted in lieu thereof, to be known as sections 253.550, 620.3200, and 620.3210,
3 to read as follows:

253.550. 1. Any taxpayer incurring costs and expenses for the
2 rehabilitation of eligible property, which is a certified historic structure or
3 structure in a certified historic district, may, subject to the provisions of this
4 section and section 253.559, receive a credit against the taxes imposed pursuant
5 to chapters 143 and 148, except for sections 143.191 to 143.265, on such taxpayer
6 in an amount equal to twenty-five percent of the total costs and expenses of
7 rehabilitation incurred after January 1, 1998, which shall include, but not be
8 limited to, qualified rehabilitation expenditures as defined under section
9 47(c)(2)(A) of the Internal Revenue Code of 1986, as amended, and the related
10 regulations thereunder, provided the rehabilitation costs associated with
11 rehabilitation and the expenses exceed fifty percent of the total basis in the
12 property and the rehabilitation meets standards consistent with the standards
13 of the Secretary of the United States Department of the Interior for rehabilitation
14 as determined by the state historic preservation officer of the Missouri
15 department of natural resources.

16 2. During the period beginning on January 1, 2010, but ending on or after
17 June 30, 2010, the department of economic development shall not approve
18 applications for tax credits under the provisions of subsections 3 and 8 of section
19 253.559 which, in the aggregate, exceed seventy million dollars, increased by any

20 amount of tax credits for which approval shall be rescinded under the provisions
21 of section 253.559. For each fiscal year beginning on or after July 1, 2010, **but**
22 **ending before December 31, 2016**, the department of economic development
23 shall not approve applications for tax credits under the provisions of subsections
24 3 and 8 of section 253.559 which, in the aggregate, exceed one hundred forty
25 million dollars, increased by any amount of tax credits for which approval shall
26 be rescinded under the provisions of section 253.559. **For each fiscal year**
27 **beginning on or after July 1, 2016, the department of economic**
28 **development shall not approve applications for tax credits under the**
29 **provisions of subsections 3 and 8 of section 253.559 which, in the**
30 **aggregate, exceed one hundred twenty million dollars, increased by any**
31 **amount of tax credits for which approval shall be rescinded under the**
32 **provisions of section 253.559.** The limitations provided under this subsection
33 shall not apply to applications approved under the provisions of subsection 3 of
34 section 253.559 for projects to receive less than two hundred seventy-five
35 thousand dollars in tax credits.

36 3. For all applications for tax credits approved on or after January 1,
37 2010, no more than two hundred fifty thousand dollars in tax credits may be
38 issued for eligible costs and expenses incurred in the rehabilitation of an eligible
39 property which is a nonincome producing single-family, owner-occupied
40 residential property and is either a certified historic structure or a structure in
41 a certified historic district.

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

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

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

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

53 (b) Has received certification, by the state historic preservation officer,
54 that the rehabilitation plan meets the standards consistent with the standards
55 of the Secretary of the United States Department of the Interior, and the

56 rehabilitation costs and expenses associated with such rehabilitation shall exceed
57 fifty percent of the total basis in the property.

**620.3200. The department of economic development may, in
2 addition to the fees provided under section 620.1900, charge a fee to the
3 recipient of any tax credits issued by the department under the
4 provisions of chapter 253 in an amount not to exceed one percent of the
5 amount of tax credits issued. The fee shall be payable to the Missouri
6 development finance board for the benefit of the capitol complex fund
7 established pursuant to section 620.3210 and shall be paid by the
8 recipient upon the issuance of the tax credits. The department of
9 economic development shall issue invoices for fees payable under this
10 section.**

**620.3210. 1. This section shall be known and may be cited as the
2 "Capitol Complex Tax Credit Act".**

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

**4 (1) "Board", the Missouri development finance board, a body
5 corporate and politic created under sections 100.250 to 100.297 and
6 100.700 to 100.850;**

**7 (2) "Capitol complex", the following buildings located in Jefferson
8 City, Missouri:**

9 (a) State capitol building, 201 West Capitol Avenue;

10 (b) Supreme court building, 207 West High Street;

11 (c) Old Federal Courthouse, 131 West High Street;

12 (d) Highway building, 105 Capitol Avenue;

13 (e) Governor's mansion, 100 Madison Street;

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

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

**17 (5) "Eligible artifact", any items of personal property or former
18 fixtures which were previously owned by the state and used within the
19 capitol complex, but which had been removed. The board of public
20 buildings shall, in their sole discretion, make all determinations as to
21 which items are eligible artifacts and may employ such experts as may
22 be useful to them in making such a determination;**

**23 (6) "Eligible artifact donation", a donation of an eligible artifact
24 to the board of public buildings. The value of such donation shall be
25 set by the board of public buildings who may employ such experts as**

26 may be useful to them in making such a determination. The board of
27 public buildings shall, in their sole discretion, determine if an artifact
28 is to be accepted;

29 (7) "Eligible monetary donation", donations received from a
30 taxpayer to the capitol complex fund, created in this section, that are
31 to be used solely for projects to restore, renovate, improve, and
32 maintain buildings in the capitol complex. Eligible donations may
33 include;

34 (a) Cash, including checks, money orders, credit card payments,
35 or similar cash equivalents valued at the face value of the
36 currency. Currency of other nations shall be valued based on the
37 exchange rate on the date of the gift. The date of the donation shall be
38 the date that cash or check is received by the applicant or the date
39 posted to the donor's account in the case of credit or debit cards;

40 (b) Stocks from a publicly traded company;

41 (c) Bonds which are publicly traded;

42 (8) "Qualified donor", any of the following individuals or entities
43 who make an eligible monetary donation or eligible artifact donation
44 to the capitol complex fund:

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

48 (b) A corporation subject to the annual corporation franchise tax
49 imposed in chapter 147;

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

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

54 (e) An individual subject to the state income tax imposed in
55 chapter 143;

56 (f) Any charitable organization, including foundations, or not-for-
57 profit corporation, which is exempt from federal income tax and whose
58 Missouri unrelated business taxable income, if any, would be subject to
59 the state income tax imposed under chapter 143.

60 3. There is hereby created a fund to be known as the "Capitol
61 Complex Fund", separate and distinct from all other board funds, which
62 is hereby authorized to receive any eligible monetary donation as

63 provided in this section and revenues derived from fees imposed
64 pursuant to section 620.3200. The capitol complex fund shall be
65 segregated into two accounts: a rehabilitation and renovation account
66 and a maintenance account. Ninety percent of the revenues received
67 from eligible donations pursuant to the provisions of this section and
68 fees collected pursuant to section 620.3000 shall be deposited in the
69 rehabilitation and renovation account and seven and one-half percent
70 of such revenues shall be deposited in the maintenance account. The
71 assets of these accounts, together with any interest which may accrue
72 thereon, shall be used by the board solely for the purposes of
73 restoration and maintenance of the building of the capitol complex as
74 defined in this section, and for no other purpose. The remaining two
75 and one-half percent of the revenues deposited into the fund may be
76 used for the purposes of soliciting donations to the fund, advertising
77 and promoting the fund, and administrative costs of administering the
78 fund. Any amounts not used for those purposes shall be deposited back
79 into the rehabilitation and renovation account and the maintenance
80 account divided in the manner set forth in this section. The board may,
81 as administrative cost, use the funds to hire fund raising professionals
82 and such other experts or advisors as may be necessary to carry out the
83 board's duties under this section. The choice of projects for which the
84 money is to be used, as well as the determination of the methods of
85 carrying out the project and the procurement of goods and services
86 thereon shall be made by the commissioner of administration. No
87 monies shall be released for the fund for any expense without the
88 approval of the commissioner of administration, who may delegate that
89 authority as deemed appropriate. All contracts for rehabilitation,
90 renovation, or maintenance work shall be the responsibility of the
91 commissioner of administration. A memorandum of understanding may
92 be executed between the commissioner of administration and the board
93 determining the processes for obligation, reservation, and payment of
94 eligible costs from the fund. The commission of administration shall
95 not obligate costs in excess of the fund balance. The board shall not be
96 responsible for any costs obligated in excess of available funds and
97 shall be held harmless in any contracts related to rehabilitation,
98 renovation, and maintenance of capitol complex buildings. No other
99 board funds shall be used to pay obligations made by the commissioner

100 of administration related to activities under this section.

101 4. For all taxable years beginning on or after January 1, 2016,
102 any qualified donor shall be allowed a credit against the taxes
103 otherwise due under chapters 143 and 148, except for sections 143.191
104 to 143.265 in an amount of fifty percent of the eligible monetary
105 donation. The amount of the tax credit claimed may exceed the amount
106 of the donor's state income tax liability in the tax year for which the
107 credit is claimed. Any amount of credit that exceeds the qualified
108 donor's state income tax liability may be refundable or may be carried
109 forward to any of the taxpayer's four subsequent taxable years.

110 5. For all taxable years beginning on or after January 1, 2016,
111 any qualified donor shall be allowed a credit against the taxes
112 otherwise due under chapters 143 and 148, except for sections 143.191
113 to 143.265 in an amount of thirty percent of the eligible artifact
114 donation. The amount of the tax credit claimed may not exceed the
115 amount of the qualified donor's state income tax liability in the tax
116 year for which the credit is claimed. Any amount of credit that exceeds
117 the qualified donor's state income tax liability shall not be refundable
118 but may be carried forward to any other taxpayer's four subsequent
119 taxable years.

120 6. To claim a credit for an authorized monetary donation as set
121 forth in subsection 4 of this section, a qualified donor shall make an
122 eligible monetary contribution to the board as custodian of the capitol
123 complex fund. Upon receipt of such donation, the board shall issue to
124 the qualified donor a statement evidencing receipt of such donation,
125 including the value of such donation, with a copy to the
126 department. Upon receipt of the statement from the board, the
127 department shall issue a tax credit certificate equal to fifty percent of
128 the amount of the donation, to the qualified donor, as indicated in the
129 statement from the board.

130 7. To claim a credit for an eligible artifact donation as set forth
131 in subsection 5 of this section, a qualified donor shall donate an eligible
132 artifact to the board of public buildings. If the board of public
133 buildings determines that artifact is an eligible artifact and has
134 determined to accept the artifact, it shall issue a statement of donation
135 to the eligible donor specifying the value placed on the artifact by the
136 board of public buildings, with a copy to the department. Upon

137 receiving a statement from the board of public buildings, the
138 department shall issue a tax credit certificate equal to thirty percent
139 of the amount of the donation, to the qualified donor as indicated in the
140 statement from the board of public buildings.

141 8. The department shall not authorize more than ten million
142 dollars in tax credits provided under this section in any calendar
143 year. Donations shall be processed for tax credits on a first come, first
144 serve basis. Donations received in excess of the tax credit cap shall be
145 placed in line for tax credits issued the following year or shall be given
146 the opportunity to complete their donation without the expectation of
147 a tax credit, or shall request to have their donation returned.

148 9. Tax credits issued under the provisions of this section shall
149 not be subject to the payment of any fee required under the provisions
150 of section 620.1900.

151 10. Tax credits issued under this section may be assigned,
152 transferred, sold, or otherwise conveyed, and the new owner of the tax
153 credit shall have the same rights in the credit as the
154 taxpayer. Whenever a certificate is assigned, transferred, sold, or
155 otherwise conveyed, a notarized endorsement shall be filed with the
156 department specifying the name and address of the new owner of the
157 tax credit and the value of the credit.

158 11. The department may promulgate rules to implement the
159 provisions of this section. Any rule or portion of a rule, as that term is
160 defined in section 536.010 that is created under the authority delegated
161 in this section shall become effective only if it complies with and is
162 subject to all of the provisions of chapter 536, and, if applicable, section
163 536.028. This section and chapter 536 are nonseverable and if any of
164 the powers vested with the general assembly pursuant to chapter 536,
165 to review, to delay the effective date, or to disapprove and annul a rule
166 are subsequently held unconstitutional, then the grant of rulemaking
167 authority and any rule proposed or adopted after August 28, 2016, shall
168 be invalid and void.

169 12. Pursuant to section 23.253 of the Missouri sunset act:

170 (1) The provisions of the new program authorized under this
171 section shall sunset automatically six years after August 28, 2016 unless
172 reauthorized by an act of the general assembly; and

173 (2) If such program is reauthorized, the program authorized

174 **under this section shall sunset automatically twelve years after August**
175 **28, 2016; and**

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

Section B. Because of the need to provide for the maintenance and upkeep
2 of the capitol complex, section A of this act is deemed necessary for the immediate
3 preservation of the public health, welfare, peace and safety, and is hereby
4 declared to be an emergency act within the meaning of the constitution, and
5 section A of this act shall be in full force and effect upon its passage and
6 approval.

✓

Bill

Copy