

SENATE BILL NO. 1360

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR BROWN (16).

5342S.01H

KRISTINA MARTIN, Secretary

AN ACT

To amend chapter 620, RSMo, by adding thereto one new section relating to incentives for converting a business to produce certain chemicals, gases, metals, and minerals.

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

Section A. Chapter 620, RSMo, is amended by adding thereto
2 one new section, to be known as section 620.1641, to read as
3 follows:

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

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

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

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

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

17 (4) "Qualified conversion costs", costs a qualified
18 company incurs in converting such company to produce

19 chemicals, metals, gases, or rare earth minerals that will
20 be used for projects designed to decrease or eliminate
21 reliance on foreign-produced chemicals, metals, gases, or
22 rare earth minerals used in the production of energy
23 projects or Department of Defense projects;

24 (5) "Tax credit", tax credits issued by the department
25 to offset the state taxes imposed by chapters 143 and 148,
26 excluding the withholding tax imposed under sections 143.191
27 to 143.265.

28 3. (1) For all tax years beginning on or after
29 January 1, 2025, a qualified company shall be allowed to
30 claim a tax credit against the qualified company's state tax
31 liability in an amount equal to the qualified company's
32 qualified amount, subject to the limitations provided in
33 this subsection.

34 (2) The total qualified amount a qualified company
35 shall be allowed to claim under this section shall not
36 exceed fifteen percent of the cumulative amount of tax
37 credits allowed under subsection 4 of this section. One-
38 fourth of such total qualified amount a qualified company is
39 eligible to receive shall be issued in each of the four tax
40 years immediately following the tax year for which the
41 qualified company claimed the tax credit.

42 4. The cumulative amount of tax credits allowed to all
43 taxpayers under this section shall not exceed forty million
44 dollars per tax year. If the amount of tax credits claimed
45 in a tax year under this section exceeds forty million
46 dollars, tax credits shall be allowed based on the order in
47 which they are claimed.

48 5. (1) Tax credits issued under the provisions of
49 this section shall not be refundable.

50 (2) No tax credit claimed under this section shall be
51 carried forward to any subsequent tax year.

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

54 6. (1) There is hereby created in the state treasury
55 the "Grants for Independence from Foreign Influence Fund",
56 which shall consist of at least ten million dollars
57 appropriated by the general assembly and any gifts,
58 contributions, grants, or bequests received from federal,
59 private, or other sources. The state treasurer shall be
60 custodian of the fund. In accordance with sections 30.170
61 and 30.180, the state treasurer may approve disbursements.
62 The fund shall be a dedicated fund and, upon appropriation,
63 moneys in the fund shall be used solely as provided in
64 subsection 7 of this section.

65 (2) Notwithstanding the provisions of section 33.080
66 to the contrary, any moneys remaining in the fund at the end
67 of the biennium shall not revert to the credit of the
68 general revenue fund.

69 (3) The state treasurer shall invest moneys in the
70 fund in the same manner as other funds are invested. Any
71 interest and moneys earned on such investments shall be
72 credited to the fund.

73 7. (1) The department shall develop and implement
74 grants for independence from foreign influence as provided
75 in this subsection.

76 (2) The department shall establish procedures for the
77 solicitation, evaluation, and approval of grant applications
78 received from a qualified company. A qualified company may
79 submit a grant application for the award of moneys for
80 qualified conversion costs incurred by the qualified company
81 as provided in this subsection.

82 (3) The department shall evaluate each application and
83 approve or reject such application. Subject to
84 appropriations, upon approval of an application, the
85 department shall administer a grant award of moneys from the
86 grants for independence from foreign influence fund in an
87 amount not to exceed five hundred thousand dollars per grant
88 application.

89 (4) Moneys granted to a qualified company under this
90 section shall be used solely for qualified conversion costs
91 incurred before the completion of the conversion of the
92 qualified company.

93 8. The department shall promulgate all necessary rules
94 and regulations for the administration of this section
95 including, but not limited to, rules relating to the
96 verification of a qualified company's qualified amount and
97 qualified conversion costs. Any rule or portion of a rule,
98 as that term is defined in section 536.010, that is created
99 under the authority delegated in this section shall become
100 effective only if it complies with and is subject to all of
101 the provisions of chapter 536 and, if applicable, section
102 536.028. This section and chapter 536 are nonseverable and
103 if any of the powers vested with the general assembly
104 pursuant to chapter 536 to review, to delay the effective
105 date, or to disapprove and annul a rule are subsequently
106 held unconstitutional, then the grant of rulemaking
107 authority and any rule proposed or adopted after August 28,
108 2024, shall be invalid and void.

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

110 (1) The provisions of the new program authorized under
111 this section shall automatically sunset six years after the
112 effective date of this section unless reauthorized by an act
113 of the general assembly;

114 (2) If such program is reauthorized, the program
115 authorized under this section shall automatically sunset
116 twelve years after the effective date of the reauthorization
117 of this section; and

118 (3) This section shall terminate on September first of
119 the calendar year immediately following the calendar year in
120 which the provisions authorized under this section is sunset.

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