

FIRST EXTRAORDINARY SESSION

# SENATE BILL NO. 2

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOUGH.

5976S.011

ADRIANE D. CROUSE, Secretary

## AN ACT

To repeal sections 135.305, 135.686, 137.1018, 144.030, 348.436, and 348.500, RSMo, and section 143.011 as enacted by senate bills nos. 153 & 97, one hundred first general assembly, first regular session, and to enact in lieu thereof fourteen new sections relating to tax relief, with an effective date for a certain section and an emergency clause for certain sections.

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

Section A. Sections 135.305, 135.686, 137.1018, 144.030,  
2 348.436, and 348.500, RSMo, and section 143.011 as enacted by  
3 senate bills nos. 153 & 97, one hundred first general assembly,  
4 first regular session, are repealed and fourteen new sections  
5 enacted in lieu thereof, to be known as sections 135.305,  
6 135.686, 135.755, 135.775, 135.778, 135.1610, 137.1018,  
7 143.011, 143.803, 144.030, 348.436, 348.491, 348.493, and  
8 348.500, to read as follows:

135.305. A Missouri wood energy producer shall be  
2 eligible for a tax credit on taxes otherwise due under  
3 chapter 143, except sections 143.191 to 143.261, as a  
4 production incentive to produce processed wood products in a  
5 qualified wood-producing facility using Missouri forest  
6 product residue. The tax credit to the wood energy producer  
7 shall be five dollars per ton of processed material. The  
8 credit may be claimed for a period of five years and is to  
9 be a tax credit against the tax otherwise due. No new tax  
10 credits, provided for under sections 135.300 to 135.311,

**EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

11 shall be authorized after [June 30, 2020] **December 31,**  
12 **2028.** In no event shall the aggregate amount of all tax  
13 credits allowed under sections 135.300 to 135.311 exceed six  
14 million dollars in any given fiscal year. There shall be no  
15 tax credits authorized under sections 135.300 to 135.311  
16 unless an appropriation is made for such tax credits.

135.686. 1. This section shall be known and may be  
2 cited as the "Meat Processing Facility Investment Tax Credit  
3 Act".

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

5 (1) "Authority", the agricultural and small business  
6 development authority established in chapter 348;

7 (2) "Meat processing facility", any commercial plant,  
8 as defined under section 265.300, at which livestock are  
9 slaughtered or at which meat or meat products are processed  
10 for sale commercially and for human consumption;

11 (3) "Meat processing modernization or expansion",  
12 constructing, improving, or acquiring buildings or  
13 facilities, or acquiring equipment for meat processing  
14 including the following, if used exclusively for meat  
15 processing and if acquired and placed in service in this  
16 state during tax years beginning on or after January 1,  
17 2017, but ending on or before December 31, [2021] **2028:**

18 (a) Building construction including livestock  
19 handling, product intake, storage, and warehouse facilities;

20 (b) Building additions;

21 (c) Upgrades to utilities including water, electric,  
22 heat, refrigeration, freezing, and waste facilities;

23 (d) Livestock intake and storage equipment;

24 (e) Processing and manufacturing equipment including  
25 cutting equipment, mixers, grinders, sausage stuffers, meat

26 smokers, curing equipment, cooking equipment, pipes, motors,  
27 pumps, and valves;

28 (f) Packaging and handling equipment including  
29 sealing, bagging, boxing, labeling, conveying, and product  
30 movement equipment;

31 (g) Warehouse equipment including storage and curing  
32 racks;

33 (h) Waste treatment and waste management equipment  
34 including tanks, blowers, separators, dryers, digesters, and  
35 equipment that uses waste to produce energy, fuel, or  
36 industrial products;

37 (i) Computer software and hardware used for managing  
38 the claimant's meat processing operation including software  
39 and hardware related to logistics, inventory management,  
40 production plant controls, and temperature monitoring  
41 controls; and

42 (j) Construction or expansion of retail facilities or  
43 the purchase or upgrade of retail equipment for the  
44 commercial sale of meat products if the retail facility is  
45 located at the same location as the meat processing facility;

46 (4) "Tax credit", a credit against the tax otherwise  
47 due under chapter 143, excluding withholding tax imposed  
48 under sections 143.191 to 143.265, or otherwise due under  
49 chapter 147;

50 (5) "Taxpayer", any individual or entity who:

51 (a) Is subject to the tax imposed under chapter 143,  
52 excluding withholding tax imposed under sections 143.191 to  
53 143.265, or the tax imposed under chapter 147;

54 (b) In the case of an individual, is a resident of  
55 this state as verified by a 911 address or, in the absence  
56 of a 911 system, a physical address; and

57 (c) Owns a meat processing facility located in this  
58 state **and employs a combined total of fewer than five**  
59 **hundred individuals in all meat processing facilities owned**  
60 **by the individual or entity in this country;**

61 (6) "Used exclusively", used to the exclusion of all  
62 other uses except for use not exceeding five percent of  
63 total use.

64 3. For all tax years beginning on or after January 1,  
65 2017, but ending on or before December 31, [2021] 2028, a  
66 taxpayer shall be allowed a tax credit for meat processing  
67 modernization or expansion related to the taxpayer's meat  
68 processing facility. The tax credit amount shall be equal  
69 to twenty-five percent of the amount the taxpayer paid in  
70 the tax year for meat processing modernization or expansion.

71 4. The amount of the tax credit claimed shall not  
72 exceed the amount of the taxpayer's state tax liability for  
73 the tax year for which the credit is claimed. No tax credit  
74 claimed under this section shall be refundable. The tax  
75 credit shall be claimed in the tax year in which the meat  
76 processing modernization or expansion expenses were paid,  
77 but any amount of credit that the taxpayer is prohibited by  
78 this section from claiming in a tax year may be carried  
79 forward to any of the taxpayer's four subsequent tax years.  
80 The total amount of tax credits that any taxpayer may claim  
81 shall not exceed seventy-five thousand dollars per year. If  
82 two or more persons own and operate the meat processing  
83 facility, each person may claim a credit under this section  
84 in proportion to [his or her] **such person's** ownership  
85 interest; except that, the aggregate amount of the credits  
86 claimed by all persons who own and operate the meat  
87 processing facility shall not exceed seventy-five thousand  
88 dollars per year. The amount of tax credits authorized in

89 this section [and section 135.679] in a calendar year shall  
90 not exceed two million dollars. Tax credits shall be issued  
91 on an as-received application basis until the calendar year  
92 limit is reached. Any credits not issued in any calendar  
93 year shall expire and shall not be issued in any subsequent  
94 year.

95 5. To claim the tax credit allowed under this section,  
96 the taxpayer shall submit to the authority an application  
97 for the tax credit on a form provided by the authority and  
98 any application fee imposed by the authority. The  
99 application shall be filed with the authority at the end of  
100 each calendar year in which a meat processing modernization  
101 or expansion project was completed and for which a tax  
102 credit is claimed under this section. The application shall  
103 include any certified documentation, proof of meat  
104 processing modernization or expansion, and any other  
105 information required by the authority. All required  
106 information obtained by the authority shall be confidential  
107 and not disclosed except by court order, subpoena, or as  
108 otherwise provided by law. If the taxpayer and the meat  
109 processing modernization or expansion meet all criteria  
110 required by this section and approval is granted by the  
111 authority, the authority shall issue a tax credit  
112 certificate in the appropriate amount. Tax credit  
113 certificates issued under this section may be assigned,  
114 transferred, sold, or otherwise conveyed, and the new owner  
115 of the tax credit certificate shall have the same rights in  
116 the tax credit as the original taxpayer. If a tax credit  
117 certificate is assigned, transferred, sold, or otherwise  
118 conveyed, a notarized endorsement shall be filed with the  
119 authority specifying the name and address of the new owner

120 of the tax credit certificate and the value of the tax  
121 credit.

122 6. Any information provided under this section shall  
123 be confidential information, to be shared with no one except  
124 state and federal animal health officials, except as  
125 provided in subsection 5 of this section.

126 7. The authority shall promulgate rules establishing a  
127 process for verifying that a facility's modernization or  
128 expansion for which tax credits were allowed under this  
129 section has in fact expanded the facility's production  
130 within three years of the issuance of the tax credit and if  
131 not, the authority shall promulgate through rulemaking a  
132 process by which the taxpayer shall repay the authority an  
133 amount equal to that of the tax credit allowed.

134 8. The authority shall, at least annually, submit a  
135 report to the Missouri general assembly reviewing the costs  
136 and benefits of the program established under this section.

137 9. The authority may promulgate rules to implement the  
138 provisions of this section. Any rule or portion of a rule,  
139 as that term is defined in section 536.010, that is created  
140 under the authority delegated in this section shall become  
141 effective only if it complies with and is subject to all of  
142 the provisions of chapter 536 and, if applicable, section  
143 536.028. This section and chapter 536 are nonseverable and  
144 if any of the powers vested with the general assembly  
145 pursuant to chapter 536 to review, to delay the effective  
146 date, or to disapprove and annul a rule are subsequently  
147 held unconstitutional, then the grant of rulemaking  
148 authority and any rule proposed or adopted after August 28,  
149 2016, shall be invalid and void.

150 10. This section shall not be subject to the Missouri  
151 sunset act, sections 23.250 to 23.298.

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

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

(2) "Distributor", a person, firm, or corporation doing business in this state that:

(a) Produces, refines, blends, compounds, or manufactures motor fuel;

(b) Imports motor fuel into the state; or

(c) Is engaged in distribution of motor fuel;

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

(4) "Retail dealer", a person, firm, or corporation doing business in this state that owns or operates a retail service station in this state;

(5) "Retail service station", a location in this state from which higher ethanol blend is sold to the general public and is dispensed directly into motor vehicle fuel tanks for consumption.

2. For all tax years beginning on or after January 1, 2023, a retail dealer that sells higher ethanol blend at such retail dealer's retail service station or a distributor that sells higher ethanol blend directly to the final user located in this state shall be allowed a tax credit to be taken against the retail dealer's or distributor's state income tax liability. The amount of the credit shall equal five cents per gallon of higher ethanol blend sold by the retail dealer and dispensed through metered pumps at the retail dealer's retail service station or by a distributor directly to the final user located in this state during the tax year in which the tax credit is claimed. Tax credits

33 authorized pursuant to this section shall not be  
34 transferred, sold, or assigned. If the amount of the tax  
35 credit exceeds the taxpayer's state tax liability, the  
36 difference shall not be refundable but may be carried  
37 forward to any of the five subsequent tax years. The total  
38 amount of tax credits authorized pursuant to this section  
39 for any given fiscal year shall not exceed five million  
40 dollars.

41 3. In the event the total amount of tax credits  
42 claimed under this section exceeds the amount of available  
43 tax credits, the tax credits shall be apportioned among all  
44 eligible retail dealers and distributors claiming a tax  
45 credit by April fifteenth, or as directed by section  
46 143.851, of the fiscal year in which the tax credit is  
47 claimed.

48 4. The tax credit allowed by this section shall be  
49 claimed by such taxpayer at the time such taxpayer files a  
50 return and shall be applied against the income tax liability  
51 imposed by chapter 143, excluding the withholding tax  
52 imposed by sections 143.191 to 143.265, after reduction for  
53 all other credits allowed thereon. The department may  
54 require any documentation it deems necessary to implement  
55 the provisions of this section.

56 5. The department shall promulgate rules to implement  
57 the provisions of this section. Any rule or portion of a  
58 rule, as that term is defined in section 536.010, that is  
59 created under the authority delegated in this section shall  
60 become effective only if it complies with and is subject to  
61 all of the provisions of chapter 536 and, if applicable,  
62 section 536.028. This section and chapter 536 are  
63 nonseverable, and if any of the powers vested with the  
64 general assembly pursuant to chapter 536 to review, to delay



65 the effective date, or to disapprove and annul a rule are  
66 subsequently held unconstitutional, then the grant of  
67 rulemaking authority and any rule proposed or adopted after  
68 the effective date of this section, shall be invalid and  
69 void.

70 6. Under section 23.253 of the Missouri sunset act:

71 (1) The provisions of this section shall automatically  
72 sunset on December 31, 2028, unless reauthorized by an act  
73 of the general assembly; and

74 (2) If such program is reauthorized, the program  
75 authorized under this section shall automatically sunset  
76 twelve years after the effective date of the reauthorization  
77 of this section; and

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

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

3 (1) "Biodiesel blend", a blend of diesel fuel and  
4 biodiesel fuel of at least five percent and not more than  
5 twenty percent for on-road and off-road diesel-fueled  
6 vehicle use;

7 (2) "Biodiesel fuel", a renewable, biodegradable, mono  
8 alkyl ester combustible liquid fuel that is derived from  
9 agricultural and other plant oils or animal fats and that  
10 meets the most recent version of the ASTM International  
11 D6751 Standard Specification for Biodiesel Fuel Blend  
12 Stock. A fuel shall be deemed to be biodiesel fuel if the  
13 fuel consists of a pure B100 or B99 ratio. Biodiesel  
14 produced from palm oil is not biodiesel fuel for the  
15 purposes of this section unless the palm oil is contained

16 within waste oil and grease collected within the United  
17 States;

18 (3) "B99", a blend of ninety-nine percent biodiesel  
19 fuel that meets the most recent version of the ASTM  
20 International D6751 Standard Specification for Biodiesel  
21 Fuel Blend Stock with a minimum of one-tenth of one percent  
22 and maximum of one percent diesel fuel that meets the most  
23 recent version of the ASTM International D975 Standard  
24 Specification for Diesel Fuel;

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

26 (5) "Distributor", a person, firm, or corporation  
27 doing business in this state that:

28 (a) Produces, refines, blends, compounds, or  
29 manufactures motor fuel;

30 (b) Imports motor fuel into the state; or

31 (c) Is engaged in distribution of motor fuel;

32 (6) "Retail dealer", a person, firm, or corporation  
33 doing business in this state that owns or operates a retail  
34 service station in this state;

35 (7) "Retail service station", a location in this state  
36 from which biodiesel blend is sold to the general public and  
37 is dispensed directly into motor vehicle fuel tanks for  
38 consumption at retail.

39 2. For all tax years beginning on or after January 1,  
40 2023, a retail dealer that sells a biodiesel blend at a  
41 retail service station or a distributor that sells a  
42 biodiesel blend directly to the final user located in this  
43 state shall be allowed a tax credit to be taken against the  
44 retail dealer or distributor's state income tax liability.  
45 The amount of the credit shall be equal to:

46 (1) Two cents per gallon of biodiesel blend of at  
47 least five percent but not more than ten percent sold by the

48 retail dealer at a retail service station or by a  
49 distributor directly to the final user located in this state  
50 during the tax year in which the tax credit is claimed; and

51 (2) Five cents per gallon of biodiesel blend in excess  
52 of ten percent but not more than twenty percent sold by the  
53 retail dealer at a retail service station or by a  
54 distributor directly to the final user located in this state  
55 during the tax year in which the tax credit is claimed.

56 3. Tax credits authorized under this section shall not  
57 be transferred, sold, or assigned. If the amount of the tax  
58 credit exceeds the taxpayer's state tax liability, the  
59 difference shall be refundable. The total amount of tax  
60 credits authorized under this section for any given fiscal  
61 year shall not exceed sixteen million dollars.

62 4. In the event the total amount of tax credits  
63 claimed under this section exceeds the amount of available  
64 tax credits, the tax credits shall be apportioned among all  
65 eligible retail dealers and distributors claiming a tax  
66 credit by April fifteenth, or as directed by section  
67 143.851, of the fiscal year in which the tax credit is  
68 claimed.

69 5. The tax credit allowed by this section shall be  
70 claimed by such taxpayer at the time such taxpayer files a  
71 return and shall be applied against the income tax liability  
72 imposed by chapter 143, excluding the withholding tax  
73 imposed by sections 143.191 to 143.265, after reduction for  
74 all other credits allowed thereon. The department may  
75 require any documentation it deems necessary to administer  
76 the provisions of this section.

77 6. Notwithstanding any other provision of law to the  
78 contrary, if the maximum amount of tax credits authorized by  
79 this section are not claimed, the remaining amount of tax

80 credits available to claim shall be applied to the tax  
81 credit in section 135.778 if the maximum amount of tax  
82 credits authorized by section 135.778 have been claimed.

83 7. Notwithstanding the provisions of section 32.057 to  
84 the contrary, the department may work with the division of  
85 weights and measures within the department of agriculture to  
86 validate that the biodiesel blend a retail dealer or  
87 distributor claims for the tax credit authorized under this  
88 section contains a sufficient percentage of biodiesel fuel.

89 8. The department shall promulgate rules to implement  
90 and administer the provisions of this section. Any rule or  
91 portion of a rule, as that term is defined in section  
92 536.010, that is created pursuant to the authority delegated  
93 in this section shall become effective only if it complies  
94 with and is subject to all of the provisions of chapter 536  
95 and, if applicable, section 536.028. This section and  
96 chapter 536 are nonseverable, and if any of the powers  
97 vested with the general assembly pursuant to chapter 536 to  
98 review, to delay the effective date, or to disapprove and  
99 annul a rule are subsequently held unconstitutional, then  
100 the grant of rulemaking authority and any rule proposed or  
101 adopted after the effective date of this section, shall be  
102 invalid and void.

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

104 (1) The provisions of the program authorized under  
105 this section shall automatically sunset on December 31,  
106 2028, unless reauthorized by an act of the general assembly;

107 (2) If such program is reauthorized, the program  
108 authorized under this section shall automatically sunset  
109 twelve years after the effective date of the reauthorization  
110 of this section;

111           (3) This section shall terminate on September first of  
112 the calendar year immediately following the calendar year in  
113 which the program authorized under this section is sunset;  
114 and

115           (4) The termination of the program as described in  
116 this subsection shall not be construed to preclude any  
117 qualified taxpayer who claims any benefit under any program  
118 that is sunset under this subsection from claiming such  
119 benefit for all allowable activities related to such claim  
120 that were completed before the program was sunset or to  
121 eliminate any responsibility of the department to verify the  
122 continued eligibility of qualified individuals receiving tax  
123 credits and to enforce other requirements of law that  
124 applied before the program was sunset.

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

3           (1) "Biodiesel fuel", a renewable, biodegradable, mono  
4 alkyl ester combustible liquid fuel that is derived from  
5 agricultural and other plant oils or animal fats and that  
6 meets the most recent version of the ASTM International  
7 D6751 Standard Specification for Biodiesel Fuel Blend  
8 Stock. A fuel shall be deemed to be biodiesel fuel if the  
9 fuel consists of a pure B100 or B99 ratio. Biodiesel  
10 produced from palm oil is not biodiesel fuel for the  
11 purposes of this section unless the palm oil is contained  
12 within waste oil and grease collected within the United  
13 States;

14           (2) "B99", a blend of ninety-nine percent biodiesel  
15 fuel that meets the most recent version of the ASTM  
16 International D6751 Standard Specification for Biodiesel  
17 Fuel Blend Stock with a minimum of one-tenth of one percent  
18 and maximum of one percent diesel fuel that meets the most

19 recent version of the ASTM International D975 Standard  
20 Specification for Diesel Fuel;

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

22 (4) "Missouri biodiesel producer", a person, firm, or  
23 corporation doing business in this state that produces  
24 biodiesel fuel in this state, is registered with the United  
25 States Environmental Protection Agency according to the  
26 requirements of 40 CFR Part 79, and has begun construction  
27 on such facility or has been selling biodiesel fuel produced  
28 at such facility on or before the effective date of this  
29 section.

30 2. For all tax years beginning on or after January 1,  
31 2023, a Missouri biodiesel producer shall be allowed a tax  
32 credit to be taken against the producer's state income tax  
33 liability. The amount of the tax credit shall be two cents  
34 per gallon of biodiesel fuel produced by the Missouri  
35 biodiesel producer.

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

42 4. In the event the total amount of tax credits  
43 claimed under this section exceeds the amount of available  
44 tax credits, the tax credits shall be apportioned among all  
45 eligible Missouri biodiesel producers claiming the credit by  
46 April fifteenth, or as directed by section 143.851, of the  
47 fiscal year in which the tax credit is claimed.

48 5. The tax credit authorized under this section shall  
49 be claimed by such taxpayer at the time such taxpayer files  
50 a return and shall be applied against the income tax

51 liability imposed by chapter 143 after reduction for all  
52 other credits allowed thereon. The department may require  
53 any documentation it deems necessary to administer the  
54 provisions of this section.

55 6. Notwithstanding any other provision of law to the  
56 contrary, if the maximum amount of tax credits authorized by  
57 this section are not claimed, the remaining amount of tax  
58 credits available to claim shall be applied to the tax  
59 credit in section 135.775 if the maximum amount of tax  
60 credits authorized by section 135.775 have been claimed.

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

75 8. Under section 23.253 of the Missouri sunset act:

76 (1) The provisions of the new program authorized under  
77 this section shall automatically sunset on December 31,  
78 2028, unless reauthorized by an act of the general assembly;

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

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

87           (4) The termination of the program as described in  
88 this subsection shall not be construed to preclude any  
89 qualified taxpayer who claims any benefit under any program  
90 that is sunset under this subsection from claiming such  
91 benefit for all allowable activities related to such claim  
92 that were completed before the program was sunset, or to  
93 eliminate any responsibility of the department to verify the  
94 continued eligibility of qualified individuals receiving tax  
95 credits and to enforce other requirements of law that  
96 applied before the program was sunset.

          135.1610. 1. As used in this section, the following  
2 terms mean:

3           (1) "Eligible expenses", expenses incurred in the  
4 construction or development of establishing or improving an  
5 urban farm in an urban area. The term "eligible expenses"  
6 shall not include any expense for labor or any expense  
7 incurred to grow medical marijuana or industrial hemp;

8           (2) "Tax credit", a credit against the tax otherwise  
9 due under chapter 143, excluding withholding tax imposed  
10 under sections 143.191 to 143.265;

11           (3) "Taxpayer", any individual, partnership, or  
12 corporation as described under section 143.441 or 143.471  
13 that is subject to the tax imposed under chapter 143,  
14 excluding withholding tax imposed under sections 143.191 to  
15 143.265, or any charitable organization that is exempt from  
16 federal income tax and whose Missouri unrelated business  
17 taxable income, if any, would be subject to the state income  
18 tax imposed under chapter 143;



19           (4) "Urban area", an urbanized area as defined by the  
20 United States Census Bureau;

21           (5) "Urban farm", an agricultural plot or facility in  
22 an urban area that produces agricultural food products used  
23 solely for distribution to the public by sale or donation.  
24 "Urban farm" shall include community-run gardens. "Urban  
25 farm" shall not include personal farms or residential lots  
26 for personal use.

27           2. For all tax years beginning on or after January 1,  
28 2023, a taxpayer shall be allowed to claim a tax credit  
29 against the taxpayer's state tax liability in an amount  
30 equal to fifty percent of the taxpayer's eligible expenses  
31 for establishing or improving an urban farm that focuses on  
32 food production.

33           3. The amount of the tax credit claimed shall not  
34 exceed the amount of the taxpayer's state tax liability in  
35 the tax year for which the credit is claimed, and the  
36 taxpayer shall not be allowed to claim a tax credit under  
37 this section in excess of five thousand dollars for each  
38 urban farm. The total amount of tax credits that may be  
39 authorized for all taxpayers for eligible expenses incurred  
40 on any given urban farm shall not exceed twenty-five  
41 thousand dollars. Any tax credit that cannot be claimed in  
42 the tax year the contribution was made may be carried over  
43 to the next three succeeding tax years until the full credit  
44 is claimed.

45           4. The total amount of tax credits that may be  
46 authorized under this section shall not exceed two hundred  
47 thousand dollars in any calendar year.

48           5. Tax credits issued under the provisions of this  
49 section shall not be transferred, sold, or assigned.

50           6. The Missouri agriculture and small business  
51 authority shall recapture the amount of tax credits issued  
52 to any taxpayer who, after receiving such tax credit, uses  
53 the urban farm for the personal benefit of the taxpayer  
54 instead of for producing agricultural food products used  
55 solely for distribution to the public by sale or donation.

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

70           8. Under section 23.253 of the Missouri sunset act:

71           (1) The program authorized under this section shall  
72 automatically sunset on December thirty-first six years  
73 after the effective date of this section unless reauthorized  
74 by an act of the general assembly;

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

79           (3) This section shall terminate on September first of  
80 the calendar year immediately following the calendar year in

81 **which the program authorized under this section is sunset;**  
82 **and**

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

137.1018. 1. The commission shall ascertain the  
2 statewide average rate of property taxes levied the  
3 preceding year, based upon the total assessed valuation of  
4 the railroad and street railway companies and the total  
5 property taxes levied upon the railroad and street railway  
6 companies. It shall determine total property taxes levied  
7 from reports prescribed by the commission from the railroad  
8 and street railway companies. Total taxes levied shall not  
9 include revenues from the surtax on subclass three real  
10 property.

11 2. The commission shall report its determination of  
12 average property tax rate for the preceding year, together  
13 with the taxable distributable assessed valuation of each  
14 freight line company for the current year to the director no  
15 later than October first of each year.

16 3. Taxes on property of such freight line companies  
17 shall be collected at the state level by the director on  
18 behalf of the counties and other local public taxing  
19 entities and shall be distributed in accordance with  
20 sections 137.1021 and 137.1024. The director shall tax such  
21 property based upon the distributable assessed valuation  
22 attributable to Missouri of each freight line company, using  
23 the average tax rate for the preceding year of the railroad  
24 and street railway companies certified by the commission.  
25 Such tax shall be due and payable on or before December  
26 thirty-first of the year levied and, if it becomes

27 delinquent, shall be subject to a penalty equal to that  
28 specified in section 140.100.

29 4. (1) As used in this subsection, the following  
30 terms mean:

31 (a) "Eligible expenses", expenses incurred in this  
32 state to manufacture, maintain, or improve a freight line  
33 company's qualified rolling stock;

34 (b) "Qualified rolling stock", any freight, stock,  
35 refrigerator, or other railcars subject to the tax levied  
36 under this section.

37 (2) For all taxable years beginning on or after  
38 January 1, 2009, a freight line company shall, subject to  
39 appropriation, be allowed a credit against the tax levied  
40 under this section for the applicable tax year. The tax  
41 credit amount shall be equal to the amount of eligible  
42 expenses incurred during the calendar year immediately  
43 preceding the tax year for which the credit under this  
44 section is claimed. The amount of the tax credit issued  
45 shall not exceed the freight line company's liability for  
46 the tax levied under this section for the tax year for which  
47 the credit is claimed.

48 (3) A freight line company may apply for the credit by  
49 submitting to the commission an application in the form  
50 prescribed by the state tax commission.

51 (4) Subject to appropriation, the state shall  
52 reimburse, on an annual basis, any political subdivision of  
53 this state for any decrease in revenue due to the provisions  
54 of this subsection.

55 5. Pursuant to section 23.253 of the Missouri sunset  
56 act:

57 (1) The program authorized under **subsection 4 of** this  
 58 section shall expire on [August 28, 2020] **December 31, 2028;**  
 59 and

60 (2) **Subsection 4 of** this section shall terminate on  
 61 [September 1, 2021] **December 31, 2029.**

143.011. 1. A tax is hereby imposed for every taxable  
 2 year on the Missouri taxable income of every resident. The  
 3 tax shall be determined by applying the tax table or the  
 4 rate provided in section 143.021, which is based upon the  
 5 following rates:

6 If the Missouri taxable 7 income is:	The tax is:
8 Not over \$1,000.00 9	1 1/2% of the Missouri taxable income
10 Over \$1,000 but not over 11 \$2,000	\$15 plus 2% of excess over \$1,000
12 Over \$2,000 but not over 13 \$3,000	\$35 plus 2 1/2% of excess over \$2,000
14 Over \$3,000 but not over 15 \$4,000	\$60 plus 3% of excess over \$3,000
16 Over \$4,000 but not over 17 \$5,000	\$90 plus 3 1/2% of excess over \$4,000
18 Over \$5,000 but not over 19 \$6,000	\$125 plus 4% of excess over \$5,000
20 Over \$6,000 but not over 21 \$7,000	\$165 plus 4 1/2% of excess over \$6,000
22 Over \$7,000 but not over 23 \$8,000	\$210 plus 5% of excess over \$7,000
24 Over \$8,000 but not over 25 \$9,000	\$260 plus 5 1/2% of excess over \$8,000

<p>26 27</p>	<p>Over \$9,000</p>	<p>\$315 plus 6% of excess over \$9,000</p>
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28           2. (1) Beginning with the 2017 calendar year, the top  
 29 rate of tax under subsection 1 of this section may be  
 30 reduced over a period of years. Each reduction in the top  
 31 rate of tax shall be by one-tenth of a percent and no more  
 32 than one reduction shall occur in a calendar year. No more  
 33 than seven reductions shall be made under this subsection.  
 34 Reductions in the rate of tax shall take effect on January  
 35 first of a calendar year and such reduced rates shall  
 36 continue in effect until the next reduction occurs.

37           (2) A reduction in the rate of tax shall only occur if  
 38 the amount of net general revenue collected in the previous  
 39 fiscal year exceeds the highest amount of net general  
 40 revenue collected in any of the three fiscal years prior to  
 41 such fiscal year by at least one hundred fifty million  
 42 dollars.

43           (3) Any modification of tax rates under this  
 44 subsection shall only apply to tax years that begin on or  
 45 after a modification takes effect.

46           (4) The director of the department of revenue shall,  
 47 by rule, adjust the tax tables under subsection 1 of this  
 48 section to effectuate the provisions of this subsection.  
 49 The bracket for income subject to the top rate of tax shall  
 50 be eliminated once the top rate of tax has been reduced to  
 51 five and one-half percent, and the top remaining rate of tax  
 52 shall apply to all income in excess of the income in the  
 53 second highest remaining income bracket.

54           (5) Notwithstanding the provisions of subdivision (1)  
 55 of this subsection to the contrary, there shall be no

56 reduction under this subsection in the 2024 calendar year.  
57 However, such reductions shall continue after the 2024  
58 calendar year for subsequent calendar years.

59 3. (1) In addition to the rate reductions under  
60 subsection 2 of this section, beginning with the 2019  
61 calendar year, the top rate of tax under subsection 1 of  
62 this section shall be reduced by four-tenths of one  
63 percent. Such reduction in the rate of tax shall take  
64 effect on January first of the 2019 calendar year.

65 (2) The modification of tax rates under this  
66 subsection shall only apply to tax years that begin on or  
67 after the date the modification takes effect.

68 (3) The director of the department of revenue shall,  
69 by rule, adjust the tax tables under subsection 1 of this  
70 section to effectuate the provisions of this subsection.

71 4. (1) In addition to the rate reductions under  
72 subsections 2 and 3 of this section, beginning with the 2024  
73 calendar year, the top rate of tax under subsection 1 of  
74 this section shall be reduced by one-tenth of one percent.

75 (2) The modification of tax rates under this  
76 subsection shall apply only to tax years that begin on or  
77 after the date the modification takes effect.

78 (3) The director of the department of revenue shall,  
79 by rule, adjust the tax tables under subsection 1 of this  
80 section to effectuate the provisions of this subsection.

81 **5. (1) In addition to the rate reductions under**  
82 **subsections 2 to 4 of this section, beginning with the**  
83 **calendar year following the calendar year in which the final**  
84 **reduction in the top rate of tax is made pursuant to**  
85 **subsection 2 of this section, the top rate of tax under**  
86 **subsection 1 of this section may be further reduced over a**  
87 **period of years. Each reduction in the top rate of tax**

88 shall be by one-tenth of a percent and no more than one  
89 reduction shall occur in a calendar year. No more than  
90 three reductions shall be made under this subsection.  
91 Reductions in the rate of tax shall take effect on January  
92 first of a calendar year and such reduced rates shall  
93 continue in effect until the next reduction occurs.

94 (2) (a) A reduction in the rate of tax shall only  
95 occur if the amount of net general revenue collected in the  
96 previous fiscal year exceeds the highest amount of net  
97 general revenue collected in any of the three fiscal years  
98 prior to such fiscal year by at least two hundred fifty  
99 million dollars.

100 (b) Beginning in the first calendar year in which a  
101 reduction is made pursuant to this subsection, the required  
102 amount of net general revenue collected to make a reduction  
103 pursuant to this subsection shall be adjusted annually by  
104 the percent increase in inflation.

105 (3) Any modification of tax rates under this  
106 subsection shall only apply to tax years that begin on or  
107 after a modification takes effect.

108 (4) The director of the department of revenue shall,  
109 by rule, adjust the tax tables under subsection 1 of this  
110 section to effectuate the provisions of this subsection.

111 [5.] 6. Beginning with the 2017 calendar year, the  
112 brackets of Missouri taxable income identified in subsection  
113 1 of this section shall be adjusted annually by the percent  
114 increase in inflation. The director shall publish such  
115 brackets annually beginning on or after October 1, 2016.  
116 Modifications to the brackets shall take effect on January  
117 first of each calendar year and shall apply to tax years  
118 beginning on or after the effective date of the new brackets.



119 [6.] 7. As used in this section, the following terms  
120 mean:

121 (1) "CPI", the Consumer Price Index for All Urban  
122 Consumers for the United States as reported by the Bureau of  
123 Labor Statistics, or its successor index;

124 (2) "CPI for the preceding calendar year", the average  
125 of the CPI as of the close of the twelve month period ending  
126 on August thirty-first of such calendar year;

127 (3) "Net general revenue collected", all revenue  
128 deposited into the general revenue fund, less refunds and  
129 revenues originally deposited into the general revenue fund  
130 but designated by law for a specific distribution or  
131 transfer to another state fund;

132 (4) "Percent increase in inflation", the percentage,  
133 if any, by which the CPI for the preceding calendar year  
134 exceeds the CPI for the year beginning September 1, 2014,  
135 and ending August 31, 2015.

**143.803. 1. For the tax year beginning on or after  
2 January 1, 2021, and ending on or before December 31, 2021,  
3 each taxpayer shall be entitled to a tax credit equal to the  
4 following amounts:**

5 (1) **For a taxpayer with a filing status of single,  
6 married filing separately, or head of household, and with a  
7 Missouri adjusted gross income of less than one hundred  
8 fifty thousand dollars, three hundred twenty-five dollars;  
9 and**

10 (2) **For a taxpayer with a filing status of married  
11 filing jointly, and with a Missouri adjusted gross income of  
12 less than three hundred thousand dollars, six hundred fifty  
13 dollars.**

14 **2. The department of revenue shall automatically apply  
15 the tax credit authorized by this section to a taxpayer's**

16 tax liability, and a taxpayer shall not be required to apply  
17 for such tax credit or to amend a return to claim such tax  
18 credit.

19 3. Tax credits authorized by this section shall be  
20 considered a refund of an overpayment of taxes, and such  
21 refunds shall be remitted to a taxpayer no later than  
22 December 1, 2022.

23 4. The provisions of this section shall expire on  
24 December 31, 2023.

144.030. 1. There is hereby specifically exempted  
2 from the provisions of sections 144.010 to 144.525 and from  
3 the computation of the tax levied, assessed or payable  
4 pursuant to sections 144.010 to 144.525 such retail sales as  
5 may be made in commerce between this state and any other  
6 state of the United States, or between this state and any  
7 foreign country, and any retail sale which the state of  
8 Missouri is prohibited from taxing pursuant to the  
9 Constitution or laws of the United States of America, and  
10 such retail sales of tangible personal property which the  
11 general assembly of the state of Missouri is prohibited from  
12 taxing or further taxing by the constitution of this state.

13 2. There are also specifically exempted from the  
14 provisions of the local sales tax law as defined in section  
15 32.085, section 238.235, and sections 144.010 to 144.525 and  
16 144.600 to 144.761 and from the computation of the tax  
17 levied, assessed or payable pursuant to the local sales tax  
18 law as defined in section 32.085, section 238.235, and  
19 sections 144.010 to 144.525 and 144.600 to 144.745:

20 (1) Motor fuel or special fuel subject to an excise  
21 tax of this state, unless all or part of such excise tax is  
22 refunded pursuant to section 142.824; or upon the sale at  
23 retail of fuel to be consumed in manufacturing or creating

24 gas, power, steam, electrical current or in furnishing water  
25 to be sold ultimately at retail; or feed for livestock or  
26 poultry; or grain to be converted into foodstuffs which are  
27 to be sold ultimately in processed form at retail; or seed,  
28 limestone or fertilizer which is to be used for seeding,  
29 liming or fertilizing crops which when harvested will be  
30 sold at retail or will be fed to livestock or poultry to be  
31 sold ultimately in processed form at retail; economic  
32 poisons registered pursuant to the provisions of the  
33 Missouri pesticide registration law, sections 281.220 to  
34 281.310, which are to be used in connection with the growth  
35 or production of crops, fruit trees or orchards applied  
36 before, during, or after planting, the crop of which when  
37 harvested will be sold at retail or will be converted into  
38 foodstuffs which are to be sold ultimately in processed form  
39 at retail;

40 (2) Materials, manufactured goods, machinery and parts  
41 which when used in manufacturing, processing, compounding,  
42 mining, producing or fabricating become a component part or  
43 ingredient of the new personal property resulting from such  
44 manufacturing, processing, compounding, mining, producing or  
45 fabricating and which new personal property is intended to  
46 be sold ultimately for final use or consumption; and  
47 materials, including without limitation, gases and  
48 manufactured goods, including without limitation slagging  
49 materials and firebrick, which are ultimately consumed in  
50 the manufacturing process by blending, reacting or  
51 interacting with or by becoming, in whole or in part,  
52 component parts or ingredients of steel products intended to  
53 be sold ultimately for final use or consumption;

54 (3) Materials, replacement parts and equipment  
55 purchased for use directly upon, and for the repair and

56 maintenance or manufacture of, motor vehicles, watercraft,  
57 railroad rolling stock or aircraft engaged as common  
58 carriers of persons or property;

59 (4) Replacement machinery, equipment, and parts and  
60 the materials and supplies solely required for the  
61 installation or construction of such replacement machinery,  
62 equipment, and parts, used directly in manufacturing,  
63 mining, fabricating or producing a product which is intended  
64 to be sold ultimately for final use or consumption; and  
65 machinery and equipment, and the materials and supplies  
66 required solely for the operation, installation or  
67 construction of such machinery and equipment, purchased and  
68 used to establish new, or to replace or expand existing,  
69 material recovery processing plants in this state. For the  
70 purposes of this subdivision, a "material recovery  
71 processing plant" means a facility that has as its primary  
72 purpose the recovery of materials into a usable product or a  
73 different form which is used in producing a new product and  
74 shall include a facility or equipment which are used  
75 exclusively for the collection of recovered materials for  
76 delivery to a material recovery processing plant but shall  
77 not include motor vehicles used on highways. For purposes  
78 of this section, the terms motor vehicle and highway shall  
79 have the same meaning pursuant to section 301.010. For the  
80 purposes of this subdivision, subdivision (5) of this  
81 subsection, and section 144.054, as well as the definition  
82 in subdivision (9) of subsection 1 of section 144.010, the  
83 term "product" includes telecommunications services and the  
84 term "manufacturing" shall include the production, or  
85 production and transmission, of telecommunications  
86 services. The preceding sentence does not make a  
87 substantive change in the law and is intended to clarify

88 that the term "manufacturing" has included and continues to  
89 include the production and transmission of  
90 "telecommunications services", as enacted in this  
91 subdivision and subdivision (5) of this subsection, as well  
92 as the definition in subdivision (9) of subsection 1 of  
93 section 144.010. The preceding two sentences reaffirm  
94 legislative intent consistent with the interpretation of  
95 this subdivision and subdivision (5) of this subsection in  
96 *Southwestern Bell Tel. Co. v. Director of Revenue*, 78 S.W.3d  
97 763 (Mo. banc 2002) and *Southwestern Bell Tel. Co. v.*  
98 *Director of Revenue*, 182 S.W.3d 226 (Mo. banc 2005), and  
99 accordingly abrogates the Missouri supreme court's  
100 interpretation of those exemptions in *IBM Corporation v.*  
101 *Director of Revenue*, 491 S.W.3d 535 (Mo. banc 2016) to the  
102 extent inconsistent with this section and *Southwestern Bell*  
103 *Tel. Co. v. Director of Revenue*, 78 S.W.3d 763 (Mo. banc  
104 2002) and *Southwestern Bell Tel. Co. v. Director of Revenue*,  
105 182 S.W.3d 226 (Mo. banc 2005). The construction and  
106 application of this subdivision as expressed by the Missouri  
107 supreme court in *DST Systems, Inc. v. Director of Revenue*,  
108 43 S.W.3d 799 (Mo. banc 2001); *Southwestern Bell Tel. Co. v.*  
109 *Director of Revenue*, 78 S.W.3d 763 (Mo. banc 2002); and  
110 *Southwestern Bell Tel. Co. v. Director of Revenue*, 182  
111 S.W.3d 226 (Mo. banc 2005), is hereby affirmed. Material  
112 recovery is not the reuse of materials within a  
113 manufacturing process or the use of a product previously  
114 recovered. The material recovery processing plant shall  
115 qualify under the provisions of this section regardless of  
116 ownership of the material being recovered;

117 (5) Machinery and equipment, and parts and the  
118 materials and supplies solely required for the installation  
119 or construction of such machinery and equipment, purchased

120 and used to establish new or to expand existing  
121 manufacturing, mining or fabricating plants in the state if  
122 such machinery and equipment is used directly in  
123 manufacturing, mining or fabricating a product which is  
124 intended to be sold ultimately for final use or  
125 consumption. The construction and application of this  
126 subdivision as expressed by the Missouri supreme court in  
127 DST Systems, Inc. v. Director of Revenue, 43 S.W.3d 799 (Mo.  
128 banc 2001); Southwestern Bell Tel. Co. v. Director of  
129 Revenue, 78 S.W.3d 763 (Mo. banc 2002); and Southwestern  
130 Bell Tel. Co. v. Director of Revenue, 182 S.W.3d 226 (Mo.  
131 banc 2005), is hereby affirmed;

132 (6) Tangible personal property which is used  
133 exclusively in the manufacturing, processing, modification  
134 or assembling of products sold to the United States  
135 government or to any agency of the United States government;

136 (7) Animals or poultry used for breeding or feeding  
137 purposes, or captive wildlife;

138 (8) Newsprint, ink, computers, photosensitive paper  
139 and film, toner, printing plates and other machinery,  
140 equipment, replacement parts and supplies used in producing  
141 newspapers published for dissemination of news to the  
142 general public;

143 (9) The rentals of films, records or any type of sound  
144 or picture transcriptions for public commercial display;

145 (10) Pumping machinery and equipment used to propel  
146 products delivered by pipelines engaged as common carriers;

147 (11) Railroad rolling stock for use in transporting  
148 persons or property in interstate commerce and motor  
149 vehicles licensed for a gross weight of twenty-four thousand  
150 pounds or more or trailers used by common carriers, as

151 defined in section 390.020, in the transportation of persons  
152 or property;

153       (12) Electrical energy used in the actual primary  
154 manufacture, processing, compounding, mining or producing of  
155 a product, or electrical energy used in the actual secondary  
156 processing or fabricating of the product, or a material  
157 recovery processing plant as defined in subdivision (4) of  
158 this subsection, in facilities owned or leased by the  
159 taxpayer, if the total cost of electrical energy so used  
160 exceeds ten percent of the total cost of production, either  
161 primary or secondary, exclusive of the cost of electrical  
162 energy so used or if the raw materials used in such  
163 processing contain at least twenty-five percent recovered  
164 materials as defined in section 260.200. There shall be a  
165 rebuttable presumption that the raw materials used in the  
166 primary manufacture of automobiles contain at least twenty-  
167 five percent recovered materials. For purposes of this  
168 subdivision, "processing" means any mode of treatment, act  
169 or series of acts performed upon materials to transform and  
170 reduce them to a different state or thing, including  
171 treatment necessary to maintain or preserve such processing  
172 by the producer at the production facility;

173       (13) Anodes which are used or consumed in  
174 manufacturing, processing, compounding, mining, producing or  
175 fabricating and which have a useful life of less than one  
176 year;

177       (14) Machinery, equipment, appliances and devices  
178 purchased or leased and used solely for the purpose of  
179 preventing, abating or monitoring air pollution, and  
180 materials and supplies solely required for the installation,  
181 construction or reconstruction of such machinery, equipment,  
182 appliances and devices;

183           (15) Machinery, equipment, appliances and devices  
184 purchased or leased and used solely for the purpose of  
185 preventing, abating or monitoring water pollution, and  
186 materials and supplies solely required for the installation,  
187 construction or reconstruction of such machinery, equipment,  
188 appliances and devices;

189           (16) Tangible personal property purchased by a rural  
190 water district;

191           (17) All amounts paid or charged for admission or  
192 participation or other fees paid by or other charges to  
193 individuals in or for any place of amusement, entertainment  
194 or recreation, games or athletic events, including museums,  
195 fairs, zoos and planetariums, owned or operated by a  
196 municipality or other political subdivision where all the  
197 proceeds derived therefrom benefit the municipality or other  
198 political subdivision and do not inure to any private  
199 person, firm, or corporation, provided, however, that a  
200 municipality or other political subdivision may enter into  
201 revenue-sharing agreements with private persons, firms, or  
202 corporations providing goods or services, including  
203 management services, in or for the place of amusement,  
204 entertainment or recreation, games or athletic events, and  
205 provided further that nothing in this subdivision shall  
206 exempt from tax any amounts retained by any private person,  
207 firm, or corporation under such revenue-sharing agreement;

208           (18) All sales of insulin, and all sales, rentals,  
209 repairs, and parts of durable medical equipment, prosthetic  
210 devices, and orthopedic devices as defined on January 1,  
211 1980, by the federal Medicare program pursuant to Title  
212 XVIII of the Social Security Act of 1965, including the  
213 items specified in Section 1862(a)(12) of that act, and also  
214 specifically including hearing aids and hearing aid supplies



215 and all sales of drugs which may be legally dispensed by a  
216 licensed pharmacist only upon a lawful prescription of a  
217 practitioner licensed to administer those items, including  
218 samples and materials used to manufacture samples which may  
219 be dispensed by a practitioner authorized to dispense such  
220 samples and all sales or rental of medical oxygen, home  
221 respiratory equipment and accessories including parts, and  
222 hospital beds and accessories and ambulatory aids including  
223 parts, and all sales or rental of manual and powered  
224 wheelchairs including parts, and stairway lifts, Braille  
225 writers, electronic Braille equipment and, if purchased or  
226 rented by or on behalf of a person with one or more physical  
227 or mental disabilities to enable them to function more  
228 independently, all sales or rental of scooters including  
229 parts, and reading machines, electronic print enlargers and  
230 magnifiers, electronic alternative and augmentative  
231 communication devices, and items used solely to modify motor  
232 vehicles to permit the use of such motor vehicles by  
233 individuals with disabilities or sales of over-the-counter  
234 or nonprescription drugs to individuals with disabilities,  
235 and drugs required by the Food and Drug Administration to  
236 meet the over-the-counter drug product labeling requirements  
237 in 21 CFR 201.66, or its successor, as prescribed by a  
238 health care practitioner licensed to prescribe;

239 (19) All sales made by or to religious and charitable  
240 organizations and institutions in their religious,  
241 charitable or educational functions and activities and all  
242 sales made by or to all elementary and secondary schools  
243 operated at public expense in their educational functions  
244 and activities;

245 (20) All sales of aircraft to common carriers for  
246 storage or for use in interstate commerce and all sales made

247 by or to not-for-profit civic, social, service or fraternal  
248 organizations, including fraternal organizations which have  
249 been declared tax-exempt organizations pursuant to Section  
250 501(c)(8) or (10) of the 1986 Internal Revenue Code, as  
251 amended, in their civic or charitable functions and  
252 activities and all sales made to eleemosynary and penal  
253 institutions and industries of the state, and all sales made  
254 to any private not-for-profit institution of higher  
255 education not otherwise excluded pursuant to subdivision  
256 (19) of this subsection or any institution of higher  
257 education supported by public funds, and all sales made to a  
258 state relief agency in the exercise of relief functions and  
259 activities;

260 (21) All ticket sales made by benevolent, scientific  
261 and educational associations which are formed to foster,  
262 encourage, and promote progress and improvement in the  
263 science of agriculture and in the raising and breeding of  
264 animals, and by nonprofit summer theater organizations if  
265 such organizations are exempt from federal tax pursuant to  
266 the provisions of the Internal Revenue Code and all  
267 admission charges and entry fees to the Missouri state fair  
268 or any fair conducted by a county agricultural and  
269 mechanical society organized and operated pursuant to  
270 sections 262.290 to 262.530;

271 (22) All sales made to any private not-for-profit  
272 elementary or secondary school, all sales of feed additives,  
273 medications or vaccines administered to livestock or poultry  
274 in the production of food or fiber, all sales of pesticides  
275 used in the production of crops, livestock or poultry for  
276 food or fiber, all sales of bedding used in the production  
277 of livestock or poultry for food or fiber, all sales of  
278 propane or natural gas, electricity or diesel fuel used

279 exclusively for drying agricultural crops, natural gas used  
280 in the primary manufacture or processing of fuel ethanol as  
281 defined in section 142.028, natural gas, propane, and  
282 electricity used by an eligible new generation cooperative  
283 or an eligible new generation processing entity as defined  
284 in section 348.432, and all sales of farm machinery and  
285 equipment, other than airplanes, motor vehicles and  
286 trailers, and any freight charges on any exempt item. As  
287 used in this subdivision, the term "feed additives" means  
288 tangible personal property which, when mixed with feed for  
289 livestock or poultry, is to be used in the feeding of  
290 livestock or poultry. As used in this subdivision, the term  
291 "pesticides" includes adjuvants such as crop oils,  
292 surfactants, wetting agents and other assorted pesticide  
293 carriers used to improve or enhance the effect of a  
294 pesticide and the foam used to mark the application of  
295 pesticides and herbicides for the production of crops,  
296 livestock or poultry. As used in this subdivision, the term  
297 "farm machinery and equipment" [means] **shall mean:**

298       **(a)** New or used farm tractors and such other new or  
299 used farm machinery and equipment, **including utility**  
300 **vehicles used for any agricultural use**, and repair or  
301 replacement parts thereon and any accessories for and  
302 upgrades to such farm machinery and equipment[, ] **and** rotary  
303 mowers used [exclusively] for **any** agricultural purposes[, ]  
304 **and**];

305       **(b)** Supplies and lubricants used exclusively, solely,  
306 and directly for producing crops, raising and feeding  
307 livestock, fish, poultry, pheasants, chukar, quail, or for  
308 producing milk for ultimate sale at retail, including field  
309 drain tile[, ]; and

310           (c) One-half of each purchaser's purchase of diesel  
311 fuel therefor which is:

312           [(a)] a. Used exclusively for agricultural purposes;

313           [(b)] b. Used on land owned or leased for the purpose  
314 of producing farm products; and

315           [(c)] c. Used directly in producing farm products to  
316 be sold ultimately in processed form or otherwise at retail  
317 or in producing farm products to be fed to livestock or  
318 poultry to be sold ultimately in processed form at retail.

319           **For the purposes of this subdivision, "utility vehicle"**  
320 **shall mean any motorized vehicle manufactured and used**  
321 **exclusively for off-highway use which is more than fifty**  
322 **inches but no more than eighty inches in width, measured**  
323 **from outside of tire rim to outside of tire rim, with an**  
324 **unladen dry weight of three thousand five hundred pounds or**  
325 **less, traveling on four or six wheels;**

326           (23) Except as otherwise provided in section 144.032,  
327 all sales of metered water service, electricity, electrical  
328 current, natural, artificial or propane gas, wood, coal or  
329 home heating oil for domestic use and in any city not within  
330 a county, all sales of metered or unmetered water service  
331 for domestic use:

332           (a) "Domestic use" means that portion of metered water  
333 service, electricity, electrical current, natural,  
334 artificial or propane gas, wood, coal or home heating oil,  
335 and in any city not within a county, metered or unmetered  
336 water service, which an individual occupant of a residential  
337 premises uses for nonbusiness, noncommercial or  
338 nonindustrial purposes. Utility service through a single or  
339 master meter for residential apartments or condominiums,  
340 including service for common areas and facilities and vacant

341 units, shall be deemed to be for domestic use. Each seller  
342 shall establish and maintain a system whereby individual  
343 purchases are determined as exempt or nonexempt;

344 (b) Regulated utility sellers shall determine whether  
345 individual purchases are exempt or nonexempt based upon the  
346 seller's utility service rate classifications as contained  
347 in tariffs on file with and approved by the Missouri public  
348 service commission. Sales and purchases made pursuant to  
349 the rate classification "residential" and sales to and  
350 purchases made by or on behalf of the occupants of  
351 residential apartments or condominiums through a single or  
352 master meter, including service for common areas and  
353 facilities and vacant units, shall be considered as sales  
354 made for domestic use and such sales shall be exempt from  
355 sales tax. Sellers shall charge sales tax upon the entire  
356 amount of purchases classified as nondomestic use. The  
357 seller's utility service rate classification and the  
358 provision of service thereunder shall be conclusive as to  
359 whether or not the utility must charge sales tax;

360 (c) Each person making domestic use purchases of  
361 services or property and who uses any portion of the  
362 services or property so purchased for a nondomestic use  
363 shall, by the fifteenth day of the fourth month following  
364 the year of purchase, and without assessment, notice or  
365 demand, file a return and pay sales tax on that portion of  
366 nondomestic purchases. Each person making nondomestic  
367 purchases of services or property and who uses any portion  
368 of the services or property so purchased for domestic use,  
369 and each person making domestic purchases on behalf of  
370 occupants of residential apartments or condominiums through  
371 a single or master meter, including service for common areas  
372 and facilities and vacant units, under a nonresidential

373 utility service rate classification may, between the first  
374 day of the first month and the fifteenth day of the fourth  
375 month following the year of purchase, apply for credit or  
376 refund to the director of revenue and the director shall  
377 give credit or make refund for taxes paid on the domestic  
378 use portion of the purchase. The person making such  
379 purchases on behalf of occupants of residential apartments  
380 or condominiums shall have standing to apply to the director  
381 of revenue for such credit or refund;

382 (24) All sales of handicraft items made by the seller  
383 or the seller's spouse if the seller or the seller's spouse  
384 is at least sixty-five years of age, and if the total gross  
385 proceeds from such sales do not constitute a majority of the  
386 annual gross income of the seller;

387 (25) Excise taxes, collected on sales at retail,  
388 imposed by Sections 4041, 4071, 4081, 4091, 4161, 4181,  
389 4251, 4261 and 4271 of Title 26, United States Code. The  
390 director of revenue shall promulgate rules pursuant to  
391 chapter 536 to eliminate all state and local sales taxes on  
392 such excise taxes;

393 (26) Sales of fuel consumed or used in the operation  
394 of ships, barges, or waterborne vessels which are used  
395 primarily in or for the transportation of property or cargo,  
396 or the conveyance of persons for hire, on navigable rivers  
397 bordering on or located in part in this state, if such fuel  
398 is delivered by the seller to the purchaser's barge, ship,  
399 or waterborne vessel while it is afloat upon such river;

400 (27) All sales made to an interstate compact agency  
401 created pursuant to sections 70.370 to 70.441 or sections  
402 238.010 to 238.100 in the exercise of the functions and  
403 activities of such agency as provided pursuant to the  
404 compact;

405           (28) Computers, computer software and computer  
406 security systems purchased for use by architectural or  
407 engineering firms headquartered in this state. For the  
408 purposes of this subdivision, "headquartered in this state"  
409 means the office for the administrative management of at  
410 least four integrated facilities operated by the taxpayer is  
411 located in the state of Missouri;

412           (29) All livestock sales when either the seller is  
413 engaged in the growing, producing or feeding of such  
414 livestock, or the seller is engaged in the business of  
415 buying and selling, bartering or leasing of such livestock;

416           (30) All sales of barges which are to be used  
417 primarily in the transportation of property or cargo on  
418 interstate waterways;

419           (31) Electrical energy or gas, whether natural,  
420 artificial or propane, water, or other utilities which are  
421 ultimately consumed in connection with the manufacturing of  
422 cellular glass products or in any material recovery  
423 processing plant as defined in subdivision (4) of this  
424 subsection;

425           (32) Notwithstanding other provisions of law to the  
426 contrary, all sales of pesticides or herbicides used in the  
427 production of crops, aquaculture, livestock or poultry;

428           (33) Tangible personal property and utilities  
429 purchased for use or consumption directly or exclusively in  
430 the research and development of agricultural/biotechnology  
431 and plant genomics products and prescription pharmaceuticals  
432 consumed by humans or animals;

433           (34) All sales of grain bins for storage of grain for  
434 resale;

435           (35) All sales of feed which are developed for and  
436 used in the feeding of pets owned by a commercial breeder

437 when such sales are made to a commercial breeder, as defined  
438 in section 273.325, and licensed pursuant to sections  
439 273.325 to 273.357;

440 (36) All purchases by a contractor on behalf of an  
441 entity located in another state, provided that the entity is  
442 authorized to issue a certificate of exemption for purchases  
443 to a contractor under the provisions of that state's laws.  
444 For purposes of this subdivision, the term "certificate of  
445 exemption" shall mean any document evidencing that the  
446 entity is exempt from sales and use taxes on purchases  
447 pursuant to the laws of the state in which the entity is  
448 located. Any contractor making purchases on behalf of such  
449 entity shall maintain a copy of the entity's exemption  
450 certificate as evidence of the exemption. If the exemption  
451 certificate issued by the exempt entity to the contractor is  
452 later determined by the director of revenue to be invalid  
453 for any reason and the contractor has accepted the  
454 certificate in good faith, neither the contractor or the  
455 exempt entity shall be liable for the payment of any taxes,  
456 interest and penalty due as the result of use of the invalid  
457 exemption certificate. Materials shall be exempt from all  
458 state and local sales and use taxes when purchased by a  
459 contractor for the purpose of fabricating tangible personal  
460 property which is used in fulfilling a contract for the  
461 purpose of constructing, repairing or remodeling facilities  
462 for the following:

463 (a) An exempt entity located in this state, if the  
464 entity is one of those entities able to issue project  
465 exemption certificates in accordance with the provisions of  
466 section 144.062; or

467 (b) An exempt entity located outside the state if the  
468 exempt entity is authorized to issue an exemption



469 certificate to contractors in accordance with the provisions  
470 of that state's law and the applicable provisions of this  
471 section;

472 (37) All sales or other transfers of tangible personal  
473 property to a lessor who leases the property under a lease  
474 of one year or longer executed or in effect at the time of  
475 the sale or other transfer to an interstate compact agency  
476 created pursuant to sections 70.370 to 70.441 or sections  
477 238.010 to 238.100;

478 (38) Sales of tickets to any collegiate athletic  
479 championship event that is held in a facility owned or  
480 operated by a governmental authority or commission, a quasi-  
481 governmental agency, a state university or college or by the  
482 state or any political subdivision thereof, including a  
483 municipality, and that is played on a neutral site and may  
484 reasonably be played at a site located outside the state of  
485 Missouri. For purposes of this subdivision, "neutral site"  
486 means any site that is not located on the campus of a  
487 conference member institution participating in the event;

488 (39) All purchases by a sports complex authority  
489 created under section 64.920, and all sales of utilities by  
490 such authority at the authority's cost that are consumed in  
491 connection with the operation of a sports complex leased to  
492 a professional sports team;

493 (40) All materials, replacement parts, and equipment  
494 purchased for use directly upon, and for the modification,  
495 replacement, repair, and maintenance of aircraft, aircraft  
496 power plants, and aircraft accessories;

497 (41) Sales of sporting clays, wobble, skeet, and trap  
498 targets to any shooting range or similar places of business  
499 for use in the normal course of business and money received  
500 by a shooting range or similar places of business from

501 patrons and held by a shooting range or similar place of  
502 business for redistribution to patrons at the conclusion of  
503 a shooting event;

504 (42) All sales of motor fuel, as defined in section  
505 142.800, used in any watercraft, as defined in section  
506 306.010;

507 (43) Any new or used aircraft sold or delivered in  
508 this state to a person who is not a resident of this state  
509 or a corporation that is not incorporated in this state, and  
510 such aircraft is not to be based in this state and shall not  
511 remain in this state more than ten business days subsequent  
512 to the last to occur of:

513 (a) The transfer of title to the aircraft to a person  
514 who is not a resident of this state or a corporation that is  
515 not incorporated in this state; or

516 (b) The date of the return to service of the aircraft  
517 in accordance with 14 CFR 91.407 for any maintenance,  
518 preventive maintenance, rebuilding, alterations, repairs, or  
519 installations that are completed contemporaneously with the  
520 transfer of title to the aircraft to a person who is not a  
521 resident of this state or a corporation that is not  
522 incorporated in this state;

523 (44) Motor vehicles registered in excess of fifty-four  
524 thousand pounds, and the trailers pulled by such motor  
525 vehicles, that are actually used in the normal course of  
526 business to haul property on the public highways of the  
527 state, and that are capable of hauling loads commensurate  
528 with the motor vehicle's registered weight; and the  
529 materials, replacement parts, and equipment purchased for  
530 use directly upon, and for the repair and maintenance or  
531 manufacture of such vehicles. For purposes of this

532 subdivision, "motor vehicle" and "public highway" shall have  
533 the meaning as ascribed in section 390.020;

534 (45) All internet access or the use of internet access  
535 regardless of whether the tax is imposed on a provider of  
536 internet access or a buyer of internet access. For purposes  
537 of this subdivision, the following terms shall mean:

538 (a) "Direct costs", costs incurred by a governmental  
539 authority solely because of an internet service provider's  
540 use of the public right-of-way. The term shall not include  
541 costs that the governmental authority would have incurred if  
542 the internet service provider did not make such use of the  
543 public right-of-way. Direct costs shall be determined in a  
544 manner consistent with generally accepted accounting  
545 principles;

546 (b) "Internet", computer and telecommunications  
547 facilities, including equipment and operating software, that  
548 comprises the interconnected worldwide network that employ  
549 the transmission control protocol or internet protocol, or  
550 any predecessor or successor protocols to that protocol, to  
551 communicate information of all kinds by wire or radio;

552 (c) "Internet access", a service that enables users to  
553 connect to the internet to access content, information, or  
554 other services without regard to whether the service is  
555 referred to as telecommunications, communications,  
556 transmission, or similar services, and without regard to  
557 whether a provider of the service is subject to regulation  
558 by the Federal Communications Commission as a common carrier  
559 under 47 U.S.C. Section 201, et seq. For purposes of this  
560 subdivision, internet access also includes: the purchase,  
561 use, or sale of communications services, including  
562 telecommunications services as defined in section 144.010,  
563 to the extent the communications services are purchased,

564 used, or sold to provide the service described in this  
565 subdivision or to otherwise enable users to access content,  
566 information, or other services offered over the internet;  
567 services that are incidental to the provision of a service  
568 described in this subdivision, when furnished to users as  
569 part of such service, including a home page, electronic  
570 mail, and instant messaging, including voice-capable and  
571 video-capable electronic mail and instant messaging, video  
572 clips, and personal electronic storage capacity; a home page  
573 electronic mail and instant messaging, including voice-  
574 capable and video-capable electronic mail and instant  
575 messaging, video clips, and personal electronic storage  
576 capacity that are provided independently or that are not  
577 packed with internet access. As used in this subdivision,  
578 internet access does not include voice, audio, and video  
579 programming or other products and services, except services  
580 described in this paragraph or this subdivision, that use  
581 internet protocol or any successor protocol and for which  
582 there is a charge, regardless of whether the charge is  
583 separately stated or aggregated with the charge for services  
584 described in this paragraph or this subdivision;

585 (d) "Tax", any charge imposed by the state or a  
586 political subdivision of the state for the purpose of  
587 generating revenues for governmental purposes and that is  
588 not a fee imposed for a specific privilege, service, or  
589 benefit conferred, except as described as otherwise under  
590 this subdivision, or any obligation imposed on a seller to  
591 collect and to remit to the state or a political subdivision  
592 of the state any gross retail tax, sales tax, or use tax  
593 imposed on a buyer by such a governmental entity. The term  
594 tax shall not include any franchise fee or similar fee  
595 imposed or authorized under section 67.1830 or 67.2689;

596 Section 622 or 653 of the Communications Act of 1934, 47  
597 U.S.C. Section 542 and 47 U.S.C. Section 573; or any other  
598 fee related to obligations of telecommunications carriers  
599 under the Communications Act of 1934, 47 U.S.C. Section 151,  
600 et seq., except to the extent that:

601 a. The fee is not imposed for the purpose of  
602 recovering direct costs incurred by the franchising or other  
603 governmental authority from providing the specific  
604 privilege, service, or benefit conferred to the payer of the  
605 fee; or

606 b. The fee is imposed for the use of a public right-of-  
607 way based on a percentage of the service revenue, and the  
608 fee exceeds the incremental direct costs incurred by the  
609 governmental authority associated with the provision of that  
610 right-of-way to the provider of internet access service.

611 Nothing in this subdivision shall be interpreted as an  
612 exemption from taxes due on goods or services that were  
613 subject to tax on January 1, 2016;

614 (46) All purchases by a company of solar photovoltaic  
615 energy systems, components used to construct a solar  
616 photovoltaic energy system, and all purchases of materials  
617 and supplies used directly to construct or make improvements  
618 to such systems, provided that such systems:

619 (a) Are sold or leased to an end user; or

620 (b) Are used to produce, collect and transmit  
621 electricity for resale or retail.

622 3. Any ruling, agreement, or contract, whether written  
623 or oral, express or implied, between a person and this  
624 state's executive branch, or any other state agency or  
625 department, stating, agreeing, or ruling that such person is  
626 not required to collect sales and use tax in this state

627 despite the presence of a warehouse, distribution center, or  
628 fulfillment center in this state that is owned or operated  
629 by the person or an affiliated person shall be null and void  
630 unless it is specifically approved by a majority vote of  
631 each of the houses of the general assembly. For purposes of  
632 this subsection, an "affiliated person" means any person  
633 that is a member of the same controlled group of  
634 corporations as defined in Section 1563(a) of the Internal  
635 Revenue Code of 1986, as amended, as the vendor or any other  
636 entity that, notwithstanding its form of organization, bears  
637 the same ownership relationship to the vendor as a  
638 corporation that is a member of the same controlled group of  
639 corporations as defined in Section 1563(a) of the Internal  
640 Revenue Code, as amended.

348.436. The provisions of sections 348.430 to 348.436  
2 shall **be reauthorized as of the effective date of this act**  
3 **and shall** expire December 31, [2021] 2028.

348.491. 1. **This section shall be known and may be**  
2 **cited as the "Specialty Agricultural Crops Act".**

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

4 (1) **"Authority", the Missouri agricultural and small**  
5 **business development authority created in section 348.020;**

6 (2) **"Family farmer", a farmer who is a Missouri**  
7 **resident and who has less than one hundred thousand dollars**  
8 **in agricultural sales per year;**

9 (3) **"Lender", the same definition as in section**  
10 **348.015;**

11 (4) **"Specialty crop", fruits and vegetables, tree**  
12 **nuts, dried fruits, and horticulture and nursery crops**  
13 **including, but not limited to, floriculture. "Specialty**  
14 **crop" shall not include medical marijuana or industrial hemp.**

15           3. The authority shall establish a specialty  
16 agricultural crops loan program for family farmers for the  
17 purchase of specialty crop seeds, seedlings, or trees; soil  
18 amendments including compost; irrigation equipment; fencing;  
19 row covers; trellising; season extension equipment;  
20 refrigeration equipment; and equipment for planting and  
21 harvesting.

22           4. To participate in the loan program, a family farmer  
23 shall first obtain approval for a specialty agricultural  
24 crops loan from a lender. Each family farmer shall be  
25 eligible for only one specialty agricultural crops loan per  
26 family.

27           5. The maximum amount of the specialty agricultural  
28 crops loan for a family farmer shall be thirty-five thousand  
29 dollars.

30           6. Family farmers under the program:

31           (1) Shall use the proceeds of the specialty  
32 agricultural crops loan to acquire the farming resources  
33 described in subsection 3 of this section;

34           (2) Shall not finance more than ninety percent of the  
35 anticipated cost of the purchase of such farming resources  
36 through the specialty agricultural crops loan; and

37           (3) Shall not be charged interest by the lender for  
38 the first year of the qualified specialty agricultural crops  
39 loan.

40           7. Upon approval of the specialty agricultural crops  
41 loan by a lender under subsection 4 of this section, the  
42 loan shall be submitted for approval by the authority. The  
43 authority shall promulgate rules establishing eligibility  
44 under this section, taking into consideration:

45           (1) The eligible borrower's ability to repay the  
46 specialty agricultural crops loan;

47           (2) The general economic conditions of the area in  
48 which the farm is located;

49           (3) The prospect of a financial return for the family  
50 farmer for the type of farming resource for which the  
51 specialty agricultural crops loan is sought; and

52           (4) Such other factors as the authority may establish.

53           8. For family farmers participating in the program,  
54 the authority shall be responsible for reviewing the  
55 purchase price of any farming resources to be purchased by  
56 an eligible borrower under the program to determine whether  
57 the price to be paid is appropriate for the type of farming  
58 resources purchased. The authority may impose a one-time  
59 loan review fee of one percent, which shall be collected by  
60 the lender at the time of the loan and paid to the authority.

61           9. Nothing in this section shall be construed to  
62 preclude a family farmer from participating in any other  
63 agricultural program.

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

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

77           (1) The provisions of the new program authorized under  
78 this section shall automatically sunset six years after the



79 effective date of this section 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.

348.493. 1. As used in this section, "state tax  
2 liability" means any state tax liability incurred by a  
3 taxpayer under the provisions of chapters 143 and 148,  
4 exclusive of the provisions relating to the withholding of  
5 tax as provided for in sections 143.191 to 143.265 and  
6 related provisions.

7 2. Any eligible lender under the specialty  
8 agricultural crops loan program under section 348.491 shall  
9 be entitled to receive a tax credit equal to one hundred  
10 percent of the amount of interest waived by the lender under  
11 section 348.491 on a qualifying loan for the first year of  
12 the loan only. The tax credit shall be evidenced by a tax  
13 credit certificate issued by the Missouri agricultural and  
14 small business development authority and may be used to  
15 satisfy the state tax liability of the owner of such  
16 certificate that becomes due in the tax year in which the  
17 interest on a qualified loan is waived by the lender under  
18 section 348.491. No lender shall receive a tax credit under  
19 this section unless such lender presents a tax credit  
20 certificate to the department of revenue for payment of such  
21 state tax liability. The amount of the tax credits that may  
22 be issued to all eligible lenders claiming tax credits

23 authorized in this section in a fiscal year shall not exceed  
24 three hundred thousand dollars.

25 3. The Missouri agricultural and small business  
26 development authority shall be responsible for the  
27 administration and issuance of the certificate of tax  
28 credits authorized by this section. The authority shall  
29 issue a certificate of tax credit at the request of any  
30 lender. Each request shall include a true copy of the loan  
31 documents, the name of the lender who is to receive a  
32 certificate of tax credit, the type of state tax liability  
33 against which the tax credit is to be used, and the amount  
34 of the certificate of tax credit to be issued to the lender  
35 based on the interest waived by the lender under section  
36 348.491 on the loan for the first year.

37 4. The department of revenue shall accept a  
38 certificate of tax credit in lieu of other payment in such  
39 amount as is equal to the lesser of the amount of the tax or  
40 the remaining unused amount of the credit as indicated on  
41 the certificate of tax credit and shall indicate on the  
42 certificate of tax credit the amount of tax thereby paid and  
43 the date of such payment.

44 5. The following provisions shall apply to tax credits  
45 authorized under this section:

46 (1) Tax credits claimed in a tax year may be claimed  
47 on a quarterly basis and applied to the estimated quarterly  
48 tax of the lender;

49 (2) Any amount of tax credit that exceeds the tax due,  
50 including any estimated quarterly taxes paid by the lender  
51 under subdivision (1) of this subsection that results in an  
52 overpayment of taxes for a tax year, shall not be refunded  
53 but may be carried over to any subsequent tax year, not to

54 exceed a total of three years for which a tax credit may be  
55 taken for a qualified specialty agricultural crops loan;

56 (3) Notwithstanding any provision of law to the  
57 contrary, a lender may assign, transfer, sell, or otherwise  
58 convey tax credits authorized under this section, with the  
59 new owner of the tax credit receiving the same rights in the  
60 tax credit as the lender. For any tax credits assigned,  
61 transferred, sold, or otherwise conveyed, a notarized  
62 endorsement shall be filed by the lender with the authority  
63 specifying the name and address of the new owner of the tax  
64 credit and the value of such tax credit; and

65 (4) Notwithstanding any other provision of this  
66 section to the contrary, any commercial bank may use tax  
67 credits created under this section as provided in section  
68 148.064 and receive a net tax credit against taxes actually  
69 paid in the amount of the first year's interest on loans  
70 made under this section. If such first year tax credits  
71 reduce taxes due as provided in section 148.064 to zero, the  
72 remaining tax credits may be carried over as otherwise  
73 provided in this section and used as provided in section  
74 148.064 in subsequent years.

75 6. Under section 23.253 of the Missouri sunset act:

76 (1) The provisions of the new program authorized under  
77 this section shall automatically sunset six years after the  
78 effective date of this section unless reauthorized by an act  
79 of the general assembly; and

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

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

348.500. 1. This section shall be known and may be  
2 cited as the "Family Farms Act".

3           2. As used in this section, "small farmer" means a  
4 farmer who is a Missouri resident and who has less than [two  
5 hundred fifty] **five hundred** thousand dollars in gross sales  
6 per year.

7           3. The agricultural and small business development  
8 authority shall establish a family farm breeding livestock  
9 loan program for small farmers for the purchase of beef  
10 cattle, dairy cattle, sheep and goats, and swine only.

11           4. To participate in the loan program, a small farmer  
12 shall first obtain approval for a family farm livestock loan  
13 from a lender as defined in section 348.015. [Each small  
14 farmer shall be eligible for only one family farm livestock  
15 loan per family and for only one type of livestock.]

16           5. The maximum amount of the family farm livestock  
17 loan for each type of livestock shall be as follows:

18           (1) [Seventy-five] **One hundred fifty** thousand dollars  
19 for beef cattle;

20           (2) [Seventy-five] **One hundred fifty** thousand dollars  
21 for dairy cattle;

22           (3) [Thirty-five] **Seventy** thousand dollars for swine;  
23 and

24           (4) [Thirty] **Sixty** thousand dollars for sheep and  
25 goats.

26           6. Eligible borrowers under the program:

27           (1) Shall use the proceeds of the family farm loan to  
28 acquire breeding livestock;

29           (2) Shall not finance more than ninety percent of the  
30 anticipated cost of the purchase of such livestock through  
31 the family farm livestock loan; and

32           (3) Shall not be charged interest by the lender, as  
33 defined in section 348.015, for the first year of the  
34 qualified family farm livestock loan.

35           7. Upon approval of the family farm livestock loan by  
36 a lender under subsection 4 of this section, the loan shall  
37 be submitted for approval by the agricultural and small  
38 business development authority. The authority shall  
39 promulgate rules establishing eligibility under this  
40 section, taking into consideration:

41           (1) The eligible borrower's ability to repay the  
42 family farm livestock loan;

43           (2) The general economic conditions of the area in  
44 which the farm is located;

45           (3) The prospect of a financial return for the small  
46 farmer for the type of livestock for which the family farm  
47 livestock loan is sought; and

48           (4) Such other factors as the authority may establish.

49           8. For eligible borrowers participating in the  
50 program, the authority shall be responsible for reviewing  
51 the purchase price of any livestock to be purchased by an  
52 eligible borrower under the program to determine whether the  
53 price to be paid is appropriate for the type of livestock  
54 purchased. The authority may impose a one-time loan review  
55 fee of one percent which shall be collected by the lender at  
56 the time of the loan and paid to the authority.

57           9. Nothing in this section shall preclude a small  
58 farmer from participating in any other agricultural program.

59           10. Any rule or portion of a rule, as that term is  
60 defined in section 536.010, that is created under the

61 authority delegated in this section shall become effective  
62 only if it complies with and is subject to all of the  
63 provisions of chapter 536 and, if applicable, section  
64 536.028. This section and chapter 536 are nonseverable and  
65 if any of the powers vested with the general assembly  
66 pursuant to chapter 536 to review, to delay the effective  
67 date, or to disapprove and annul a rule are subsequently  
68 held unconstitutional, then the grant of rulemaking  
69 authority and any rule proposed or adopted after August 28,  
70 2006, shall be invalid and void.

Section B. The repeal and reenactment of section  
2 143.011 of this act shall become effective on January 1,  
3 2023.

Section C. Because immediate action is necessary to  
2 maintain agricultural production and provide meaningful tax  
3 relief to all Missourians, the repeal and reenactment of  
4 sections 135.305, 135.686, 137.1018, 144.030, 348.436, and  
5 348.500, and the enactment of sections 135.755, 135.775,  
6 135.778, 135.1610, 143.803, 348.491, and 348.493 of this act  
7 is deemed necessary for the immediate preservation of the  
8 public health, welfare, peace, and safety, and is hereby  
9 declared to be an emergency act within the meaning of the  
10 constitution, and the repeal and reenactment of sections  
11 135.305, 135.686, 137.1018, 144.030, 348.436, and 348.500,  
12 and the enactment of sections 135.755, 135.775, 135.778,  
13 135.1610, 143.803, 348.491, and 348.493 of this act shall be  
14 in full force and effect upon its passage and approval.

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