

FIRST REGULAR SESSION

# SENATE BILL NO. 285

99TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR KOENIG.

Read 1st time January 11, 2017, and ordered printed.

ADRIANE D. CROUSE, Secretary.

0881S.04I

## AN ACT

To repeal sections 32.105, 32.110, 32.115, 100.286, 100.850, 135.010, 135.025, 135.352, 135.403, 135.484, 135.766, 135.825, 143.071, 253.550, 348.300, 348.302, 348.304, 348.306, 348.308, 348.310, 348.312, 348.316, 348.318, 447.708, and 620.1039, RSMo, and to enact in lieu thereof fourteen new sections relating to taxation.

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

Section A. Sections 32.105, 32.110, 32.115, 100.286, 100.850, 135.010, 135.025, 135.352, 135.403, 135.484, 135.766, 135.825, 143.071, 253.550, 348.300, 348.302, 348.304, 348.306, 348.308, 348.310, 348.312, 348.316, 348.318, 447.708, and 620.1039, RSMo, are repealed and fourteen new sections enacted in lieu thereof, to be known as sections 32.105, 32.110, 32.115, 100.286, 100.850, 135.010, 135.025, 135.352, 135.403, 135.484, 135.825, 143.071, 253.550, and 447.708, to read as follows:

32.105. As used in sections 32.100 to 32.125, the following terms mean:

(1) "Affordable housing assistance activities", money, real or personal property, or professional services expended or devoted to the construction, or rehabilitation of affordable housing units;

(2) "Affordable housing unit", a residential unit generally occupied by persons and families with incomes at or below the levels described in this subdivision and bearing a cost to the occupant no greater than thirty percent of the maximum eligible household income for the affordable housing unit. In the case of owner-occupied units, the cost to the occupant shall be considered the amount of the gross monthly mortgage payment, including casualty insurance, mortgage insurance, and taxes. In the case of rental units, the cost to the

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

12 occupant shall be considered the amount of the gross rent. The cost to the  
 13 occupant shall include the cost of any utilities, other than telephone. If any  
 14 utilities are paid directly by the occupant, the maximum cost that may be paid  
 15 by the occupant is to be reduced by a utility allowance prescribed by the  
 16 commission. For rental units, persons or families are eligible occupants of  
 17 affordable housing units if the household combined, adjusted gross income as  
 18 defined by the commission is equal to or less than the following percentages of  
 19 the median family income for the geographic area in which the residential unit  
 20 is located, or the median family income for the state of Missouri, whichever is  
 21 larger; ("geographic area", as used in this subdivision, means the metropolitan  
 22 area or county designated as an area by the federal Department of Housing and  
 23 Urban Development under Section 8 of the United States Housing Act of 1937, as  
 24 amended, for purposes of determining fair market rental rates):

25	Percent of State or Geographic Area Family
26	
27	Median Income
28	One Person 35%
29	Two Persons 40%
30	Three Persons 45%
31	Four Persons 50%
32	Five Persons 54%
33	Six Persons 58%
34	Seven Persons 62%
35	Eight Persons 66%

36 For owner-occupied units, persons or families are eligible occupants of affordable  
 37 housing units if the household combined, adjusted gross income as defined by the  
 38 commission is equal to or less than the following percentages of the median  
 39 family income for the geographic area in which the residential unit is located, or  
 40 the median family income for the state of Missouri, whichever is larger:

41	Percent of State or Geographic Area Family
42	
43	Median Income
44	One Person 70%
45	Two Persons 80%
46	Three Persons 90%
47	Four Persons 100%

48	Five Persons	108%
49	Six Persons	116%
50	Seven Persons	124%
51	Eight Persons	132%

52 (3) "Business firm", person, firm, a partner in a firm, corporation or a  
53 shareholder in an S corporation doing business in the state of Missouri and  
54 subject to the state income tax imposed by the provisions of chapter 143,  
55 including any charitable organization that is exempt from federal income tax and  
56 whose Missouri unrelated business taxable income, if any, would be subject to the  
57 state income tax imposed under such chapter, or a corporation subject to the  
58 annual corporation franchise tax imposed by the provisions of chapter 147, or an  
59 insurance company paying an annual tax on its gross premium receipts in this  
60 state, or other financial institution paying taxes to the state of Missouri or any  
61 political subdivision of this state pursuant to the provisions of chapter 148, or an  
62 express company which pays an annual tax on its gross receipts in this state;

63 (4) "Commission", the Missouri housing development commission;

64 (5) "Community services", any type of counseling and advice, emergency  
65 assistance or medical care furnished to individuals or groups in the state of  
66 Missouri or transportation services at below-cost rates as provided in sections  
67 208.250 to 208.275\*;

68 (6) "Crime prevention", any activity which aids in the reduction of crime  
69 in the state of Missouri;

70 (7) "Defense industry contractor", a person, corporation or other entity  
71 which will be or has been negatively impacted as a result of its status as a prime  
72 contractor of the Department of Defense or as a second or third tier contractor.  
73 A "second tier contractor" means a person, corporation or other entity which  
74 contracts to perform manufacturing, maintenance or repair services for a prime  
75 contractor of the Department of Defense, and a "third tier contractor" means a  
76 person, corporation or other entity which contracts with a person, corporation or  
77 other entity which contracts with a prime contractor of the Department of  
78 Defense;

79 (8) "Doing business", among other methods of doing business in the state  
80 of Missouri, a partner in a firm or a shareholder in an S corporation shall be  
81 deemed to be doing business in the state of Missouri if such firm or S corporation,  
82 as the case may be, is doing business in the state of Missouri;

83 (9) ["Economic development", the acquisition, renovation, improvement,

84 or the furnishing or equipping of existing buildings and real estate in distressed  
85 or blighted areas of the state when such acquisition, renovation, improvement, or  
86 the furnishing or equipping of the business development projects will result in the  
87 creation or retention of jobs within the state. Only neighborhood organizations,  
88 as defined in subdivision (13) of this section, may apply to conduct economic  
89 development projects. Prior to the approval of an economic development project,  
90 the neighborhood organization shall enter into a contractual agreement with the  
91 department of economic development. Credits approved for economic development  
92 projects may not exceed six million dollars from within any one fiscal year's  
93 allocation. Neighborhood assistance program tax credits for economic  
94 development projects and affordable housing assistance as defined in section  
95 32.111 may be transferred, sold or assigned by a notarized endorsement thereof  
96 naming the transferee;

97 (10) "Education", any type of scholastic instruction or scholarship  
98 assistance to an individual who resides in the state of Missouri that enables the  
99 individual to prepare himself or herself for better opportunities or community  
100 awareness activities rendered by a statewide organization established for the  
101 purpose of archeological education and preservation;

102 [(11)] (10) "Homeless assistance pilot project", the program established  
103 pursuant to section 32.117;

104 [(12)] (11) "Job training", any type of instruction to an individual who  
105 resides in the state of Missouri that enables the individual to acquire vocational  
106 skills so that the individual can become employable or be able to seek a higher  
107 grade of employment;

108 [(13)] (12) "Neighborhood organization", any organization performing  
109 community services or economic development activities in the state of Missouri  
110 and:

111 (a) Holding a ruling from the Internal Revenue Service of the United  
112 States Department of the Treasury that the organization is exempt from income  
113 taxation pursuant to the provisions of the Internal Revenue Code; or

114 (b) Incorporated in the state of Missouri as a not-for-profit corporation  
115 pursuant to the provisions of chapter 355; or

116 (c) Designated as a community development corporation by the United  
117 States government pursuant to the provisions of Title VII of the Economic  
118 Opportunity Act of 1964;

119 [(14)] (13) "Physical revitalization", furnishing financial assistance,

120 labor, material, or technical advice to aid in the physical improvement or  
121 rehabilitation of any part or all of a neighborhood area;

122        [(15)] (14) "S corporation", a corporation described in Section 1361(a)(1)  
123 of the United States Internal Revenue Code and not subject to the taxes imposed  
124 by section 143.071 by reason of section 143.471;

125        [(16)] (15) "Workfare renovation project", any project initiated pursuant  
126 to sections 215.340 to 215.355.

32.110. Any business firm which engages in the activities of providing  
2 physical revitalization, [economic development,] job training or education for  
3 individuals, community services, or crime prevention in the state of Missouri  
4 shall receive a tax credit as provided in section 32.115 if the director of the  
5 department of economic development annually approves the proposal of the  
6 business firm; except that, no proposal shall be approved which does not have the  
7 endorsement of the agency of local government within the area in which the  
8 business firm is engaging in such activities which has adopted an overall  
9 community or neighborhood development plan that the proposal is consistent with  
10 such plan. The proposal shall set forth the program to be conducted, the  
11 neighborhood area to be served, why the program is needed, the estimated  
12 amount to be contributed to the program and the plans for implementing the  
13 program. If, in the opinion of the director of the department of economic  
14 development, a business firm's contribution can more consistently with the  
15 purposes of sections 32.100 to 32.125 be made through contributions to a  
16 neighborhood organization as defined in subdivision (13) of section 32.105, tax  
17 credits may be allowed as provided in section 32.115. The director of the  
18 department of economic development is hereby authorized to promulgate rules  
19 and regulations for establishing criteria for evaluating such proposals by business  
20 firms for approval or disapproval and for establishing priorities for approval or  
21 disapproval of such proposals by business firms with the assistance and approval  
22 of the director of the department of revenue. The total amount of tax credit  
23 granted for programs approved pursuant to sections 32.100 to 32.125 shall not  
24 exceed fourteen million dollars in fiscal year 1999 and twenty-six million dollars  
25 in fiscal year 2000, and any subsequent fiscal year, except as otherwise provided  
26 for proposals approved pursuant to section 32.111, 32.112 or 32.117. All tax  
27 credits authorized pursuant to the provisions of sections 32.100 to 32.125 may be  
28 used as a state match to secure additional federal funding.

32.115. 1. The department of revenue shall grant a tax credit, to be

2 applied in the following order until used, against:

3 (1) The annual tax on gross premium receipts of insurance companies in  
4 chapter 148;

5 (2) The tax on banks determined pursuant to subdivision (2) of subsection  
6 2 of section 148.030;

7 (3) The tax on banks determined in subdivision (1) of subsection 2 of  
8 section 148.030;

9 (4) The tax on other financial institutions in chapter 148;

10 (5) The corporation franchise tax in chapter 147;

11 (6) The state income tax in chapter 143; and

12 (7) The annual tax on gross receipts of express companies in chapter 153.

13 2. For proposals approved pursuant to section 32.110:

14 (1) The amount of the tax credit shall not exceed fifty percent of the total  
15 amount contributed during the taxable year by the business firm or, in the case  
16 of a financial institution, where applicable, during the relevant income period in  
17 programs approved pursuant to section 32.110;

18 (2) Except as provided in subsection 2 or 5 of this section, a tax credit of  
19 up to seventy percent may be allowed for contributions to programs where  
20 activities fall within the scope of special program priorities as defined with the  
21 approval of the governor in regulations promulgated by the director of the  
22 department of economic development;

23 (3) Except as provided in subsection 2 or 5 of this section, the tax credit  
24 allowed for contributions to programs located in any community shall be equal to  
25 seventy percent of the total amount contributed where such community is a city,  
26 town or village which has fifteen thousand or less inhabitants as of the last  
27 decennial census and is located in a county which is either located in:

28 (a) An area that is not part of a standard metropolitan statistical area;

29 (b) A standard metropolitan statistical area but such county has only one  
30 city, town or village which has more than fifteen thousand inhabitants; or

31 (c) A standard metropolitan statistical area and a substantial number of  
32 persons in such county derive their income from agriculture.

33 Such community may also be in an unincorporated area in such county as  
34 provided in subdivision (1), (2) or (3) of this subsection. Except in no case shall  
35 the total economic benefit of the combined federal and state tax savings to the  
36 taxpayer exceed the amount contributed by the taxpayer during the tax year;

37 (4) Such tax credit allocation, equal to seventy percent of the total amount

38 contributed, shall not exceed four million dollars in fiscal year 1999 and six  
39 million dollars in fiscal year 2000 and any subsequent fiscal year. When the  
40 maximum dollar limit on the seventy percent tax credit allocation is committed,  
41 the tax credit allocation for such programs shall then be equal to fifty percent  
42 credit of the total amount contributed. Regulations establishing special program  
43 priorities are to be promulgated during the first month of each fiscal year and at  
44 such times during the year as the public interest dictates. Such credit shall not  
45 exceed two hundred and fifty thousand dollars annually except as provided in  
46 subdivision (5) of this subsection. No tax credit shall be approved for any bank,  
47 bank and trust company, insurance company, trust company, national bank,  
48 savings association, or building and loan association for activities that are a part  
49 of its normal course of business. Any tax credit not used in the period the  
50 contribution was made may be carried over the next five succeeding calendar or  
51 fiscal years until the full credit has been claimed. Except as otherwise provided  
52 for proposals approved pursuant to section 32.111, 32.112 or 32.117, in no event  
53 shall the total amount of all other tax credits [allowed] **redeemed** pursuant to  
54 sections 32.100 to 32.125 exceed [thirty-two] **fifteen** million dollars in any one  
55 fiscal year, of which six million shall be credits allowed pursuant to section  
56 135.460. If six million dollars in credits are not approved, then the remaining  
57 credits may be used for programs approved pursuant to sections 32.100 to 32.125;

58 (5) The credit may exceed two hundred fifty thousand dollars annually  
59 and shall not be limited if community services, crime prevention, education, job  
60 training, physical revitalization or economic development, as defined by section  
61 32.105, is rendered in an area defined by federal or state law as an impoverished,  
62 economically distressed, or blighted area or as a neighborhood experiencing  
63 problems endangering its existence as a viable and stable neighborhood, or if the  
64 community services, crime prevention, education, job training, physical  
65 revitalization or economic development is limited to impoverished persons.

66 3. For proposals approved pursuant to section 32.111:

67 (1) The amount of the tax credit shall not exceed fifty-five percent of the  
68 total amount invested in affordable housing assistance activities or market rate  
69 housing in distressed communities as defined in section 135.530 by a business  
70 firm. Whenever such investment is made in the form of an equity investment or  
71 a loan, as opposed to a donation alone, tax credits may be claimed only where the  
72 loan or equity investment is accompanied by a donation which is eligible for  
73 federal income tax charitable deduction, and where the total value of the tax

74 credits herein plus the value of the federal income tax charitable deduction is less  
75 than or equal to the value of the donation. Any tax credit not used in the period  
76 for which the credit was approved may be carried over the next ten succeeding  
77 calendar or fiscal years until the full credit has been allowed. If the affordable  
78 housing units or market rate housing units in distressed communities for which  
79 a tax is claimed are within a larger structure, parts of which are not the subject  
80 of a tax credit claim, then expenditures applicable to the entire structure shall  
81 be reduced on a prorated basis in proportion to the ratio of the number of square  
82 feet devoted to the affordable housing units or market rate housing units in  
83 distressed communities, for purposes of determining the amount of the tax  
84 credit. The total amount of tax credit granted for programs approved pursuant  
85 to section 32.111 for the fiscal year beginning July 1, 1991, shall not exceed two  
86 million dollars, to be increased by no more than two million dollars each  
87 succeeding fiscal year, until the total tax credits that may be approved reaches  
88 ten million dollars in any fiscal year. **For all fiscal years beginning on or**  
89 **after July 1, 2018, the total amount of tax credits redeemed for**  
90 **programs approved pursuant to section 32.111 shall not exceed seven**  
91 **million dollars in any fiscal year. Tax credits issued pursuant to**  
92 **section 32.111 may be transferred, sold, or assigned by a notarized**  
93 **endorsement thereof naming the transferee;**

94 (2) For any year during the compliance period indicated in the land use  
95 restriction agreement, the owner of the affordable housing rental units for which  
96 a credit is being claimed shall certify to the commission that all tenants renting  
97 claimed units are income eligible for affordable housing units and that the rentals  
98 for each claimed unit are in compliance with the provisions of sections 32.100 to  
99 32.125. The commission is authorized, in its discretion, to audit the records and  
100 accounts of the owner to verify such certification;

101 (3) In the case of owner-occupied affordable housing units, the qualifying  
102 owner occupant shall, before the end of the first year in which credits are  
103 claimed, certify to the commission that the occupant is income eligible during the  
104 preceding two years, and at the time of the initial purchase contract, but not  
105 thereafter. The qualifying owner occupant shall further certify to the commission,  
106 before the end of the first year in which credits are claimed, that during the  
107 compliance period indicated in the land use restriction agreement, the cost of the  
108 affordable housing unit to the occupant for the claimed unit can reasonably be  
109 projected to be in compliance with the provisions of sections 32.100 to 32.125. Any



110 succeeding owner occupant acquiring the affordable housing unit during the  
111 compliance period indicated in the land use restriction agreement shall make the  
112 same certification;

113 (4) If at any time during the compliance period the commission determines  
114 a project for which a proposal has been approved is not in compliance with the  
115 applicable provisions of sections 32.100 to 32.125 or rules promulgated therefor,  
116 the commission may within one hundred fifty days of notice to the owner either  
117 seek injunctive enforcement action against the owner, or seek legal damages  
118 against the owner representing the value of the tax credits, or foreclose on the  
119 lien in the land use restriction agreement, selling the project at a public sale, and  
120 paying to the owner the proceeds of the sale, less the costs of the sale and less the  
121 value of all tax credits allowed herein. The commission shall remit to the director  
122 of revenue the portion of the legal damages collected or the sale proceeds  
123 representing the value of the tax credits. However, except in the event of  
124 intentional fraud by the taxpayer, the proposal's certificate of eligibility for tax  
125 credits shall not be revoked.

126 4. For proposals approved pursuant to section 32.112, the amount of the  
127 tax credit shall not exceed fifty-five percent of the total amount contributed to a  
128 neighborhood organization by business firms. Any tax credit not used in the  
129 period for which the credit was approved may be carried over the next ten  
130 succeeding calendar or fiscal years until the full credit has been allowed. The  
131 total amount of tax credit granted for programs approved pursuant to section  
132 32.112 shall not exceed one million dollars for each fiscal year.

133 5. The total amount of tax credits used for market rate housing in  
134 distressed communities pursuant to sections 32.100 to 32.125 shall not exceed  
135 thirty percent of the total amount of all tax credits authorized pursuant to  
136 sections 32.111 and 32.112.

100.286. 1. Within the discretion of the board, the development and  
2 reserve fund, the infrastructure development fund or the export finance fund may  
3 be pledged to secure the payment of any bonds or notes issued by the board, or  
4 to secure the payment of any loan made by the board or a participating lender  
5 which loan:

6 (1) Is requested to finance any project or export trade activity;

7 (2) Is requested by a borrower who is demonstrated to be financially  
8 responsible;

9 (3) Can reasonably be expected to provide a benefit to the economy of this

10 state;

11 (4) Is otherwise secured by a mortgage or deed of trust on real or personal  
12 property or other security satisfactory to the board; provided that loans to finance  
13 export trade activities may be secured by export accounts receivable or  
14 inventories of exportable goods satisfactory to the board;

15 (5) Does not exceed five million dollars;

16 (6) Does not have a term longer than five years if such loan is made to  
17 finance export trade activities; and

18 (7) Is, when used to finance export trade activities, made to small or  
19 medium size businesses or agricultural businesses, as may be defined by the  
20 board.

21 2. The board shall prescribe standards for the evaluation of the financial  
22 condition, business history, and qualifications of each borrower and the terms and  
23 conditions of loans which may be secured, and may require each application to  
24 include a financial report and evaluation by an independent certified public  
25 accounting firm, in addition to such examination and evaluation as may be  
26 conducted by any participating lender.

27 3. Each application for a loan secured by the development and reserve  
28 fund, the infrastructure development fund or the export finance fund shall be  
29 reviewed in the first instance by any participating lender to whom the application  
30 was submitted. If satisfied that the standards prescribed by the board are met  
31 and that the loan is otherwise eligible to be secured by the development and  
32 reserve fund, the infrastructure development fund or the export finance fund, the  
33 participating lender shall certify the same and forward the application for final  
34 approval to the board.

35 4. The securing of any loans by the development and reserve fund, the  
36 infrastructure development fund or the export finance fund shall be conditioned  
37 upon approval of the application by the board, and receipt of an annual reserve  
38 participation fee, as prescribed by the board, submitted by or on behalf of the  
39 borrower.

40 5. The securing of any loan by the export finance fund for export trade  
41 activities shall be conditioned upon the board's compliance with any applicable  
42 treaties and international agreements, such as the general agreement on tariffs  
43 and trade and the subsidies code, to which the United States is then a party.

44 6. Any taxpayer, including any charitable organization that is exempt  
45 from federal income tax and whose Missouri unrelated business taxable income,

46 if any, would be subject to the state income tax imposed under chapter 143, may,  
47 subject to the limitations provided under subsection 8 of this section, receive a tax  
48 credit against any tax otherwise due under the provisions of chapter 143,  
49 excluding withholding tax imposed by sections 143.191 to 143.261, chapter 147,  
50 or chapter 148, in the amount of fifty percent of any amount contributed in money  
51 or property by the taxpayer to the development and reserve fund, the  
52 infrastructure development fund or the export finance fund during the taxpayer's  
53 tax year, provided, however, the total tax credits [awarded] **redeemed** in any  
54 calendar year beginning after January 1, 1994, shall not be the greater of ten  
55 million dollars or five percent of the average growth in general revenue receipts  
56 in the preceding three fiscal years. This limit may be exceeded only upon joint  
57 agreement by the commissioner of administration, the director of the department  
58 of economic development, and the director of the department of revenue that such  
59 action is essential to ensure retention or attraction of investment in Missouri. If  
60 the board receives, as a contribution, real property, the contributor at such  
61 contributor's own expense shall have two independent appraisals conducted by  
62 appraisers certified by the Master Appraisal Institute. Both appraisals shall be  
63 submitted to the board, and the tax credit certified by the board to the  
64 contributor shall be based upon the value of the lower of the two appraisals. The  
65 board shall not certify the tax credit until the property is deeded to the  
66 board. Such credit shall not apply to reserve participation fees paid by borrowers  
67 under sections 100.250 to 100.297. The portion of earned tax credits which  
68 exceeds the taxpayer's tax liability may be carried forward for up to five years.

69         7. Notwithstanding any provision of law to the contrary, any taxpayer  
70 may sell, assign, exchange, convey or otherwise transfer tax credits allowed in  
71 subsection 6 of this section under the terms and conditions prescribed in  
72 subdivisions (1) and (2) of this subsection. Such taxpayer, hereinafter the  
73 assignor for the purpose of this subsection, may sell, assign, exchange or  
74 otherwise transfer earned tax credits:

75             (1) For no less than seventy-five percent of the par value of such credits;  
76 and

77             (2) In an amount not to exceed one hundred percent of annual earned  
78 credits.

79 The taxpayer acquiring earned credits, hereinafter the assignee for the purpose  
80 of this subsection, may use the acquired credits to offset up to one hundred  
81 percent of the tax liabilities otherwise imposed by chapter 143, excluding

82 withholding tax imposed by sections 143.191 to 143.261, chapter 147, or chapter  
83 148. Unused credits in the hands of the assignee may be carried forward for up  
84 to five years, provided all such credits shall be claimed within ten years following  
85 the tax years in which the contribution was made. The assignor shall enter into  
86 a written agreement with the assignee establishing the terms and conditions of  
87 the agreement and shall perfect such transfer by notifying the board in writing  
88 within thirty calendar days following the effective day of the transfer and shall  
89 provide any information as may be required by the board to administer and carry  
90 out the provisions of this section. Notwithstanding any other provision of law to  
91 the contrary, the amount received by the assignor of such tax credit shall be  
92 taxable as income of the assignor, and the excess of the par value of such credit  
93 over the amount paid by the assignee for such credit shall be taxable as income  
94 of the assignee.

95 8. Provisions of subsections 1 to 7 of this section to the contrary  
96 notwithstanding, no more than ten million dollars in tax credits provided under  
97 this section, may be [authorized or approved] **redeemed** annually. The  
98 limitation on tax credit authorization and approval provided under this  
99 subsection may be exceeded only upon mutual agreement, evidenced by a signed  
100 and properly notarized letter, by the commissioner of the office of administration,  
101 the director of the department of economic development, and the director of the  
102 department of revenue that such action is essential to ensure retention or  
103 attraction of investment in Missouri provided, however, that in no case shall more  
104 than [twenty-five] **twenty** million dollars in tax credits be [authorized or  
105 approved] **redeemed** during such year. Taxpayers shall file, with the board, an  
106 application for tax credits authorized under this section on a form provided by the  
107 board. The provisions of this subsection shall not be construed to limit or in any  
108 way impair the ability of the board to authorize tax credits for issuance for  
109 projects authorized or approved, by a vote of the board, on or before the thirtieth  
110 day following the effective date of this act, or a taxpayer's ability to redeem such  
111 tax credits.

100.850. 1. The approved company shall remit to the board a job  
2 development assessment fee, not to exceed five percent of the gross wages of each  
3 eligible employee whose job was created as a result of the economic development  
4 project, or not to exceed ten percent if the economic development project is located  
5 within a distressed community as defined in section 135.530, for the purpose of  
6 retiring bonds which fund the economic development project.

7           2. Any approved company remitting an assessment as provided in  
8 subsection 1 of this section shall make its payroll books and records available to  
9 the board at such reasonable times as the board shall request and shall file with  
10 the board documentation respecting the assessment as the board may require.

11           3. Any assessment remitted pursuant to subsection 1 of this section shall  
12 cease on the date the bonds are retired.

13           4. Any approved company which has paid an assessment for debt  
14 reduction shall be allowed a tax credit equal to the amount of the  
15 assessment. The tax credit may be claimed against taxes otherwise imposed by  
16 chapters 143 and 148, except withholding taxes imposed under the provisions of  
17 sections 143.191 to 143.265, which were incurred during the tax period in which  
18 the assessment was made.

19           5. In no event shall the aggregate amount of tax credits [authorized]  
20 **redeemed** by subsection 4 of this section exceed twenty-five million dollars  
21 annually. Of such amount, nine hundred fifty thousand dollars shall be reserved  
22 for an approved project for a world headquarters of a business whose primary  
23 function is tax return preparation that is located in any home rule city with more  
24 than four hundred thousand inhabitants and located in more than one county,  
25 which amount reserved shall end in the year of the final maturity of the  
26 certificates issued for such approved project. **For all tax years beginning on  
27 or after January 1, 2018, no new tax credits shall be authorized under  
28 subsection 4 of this section. The provisions of this subsection shall not  
29 be construed to limit or impair the ability of any administering agency  
30 to issue tax credits for any project that had received authorization  
31 under sections 100.700 to 100.850 prior to January 1, 2018, or the ability  
32 of any taxpayer to redeem any such tax credits issued prior to that  
33 date.**

34           6. The director of revenue shall issue a refund to the approved company  
35 to the extent that the amount of credits allowed in subsection 4 of this section  
36 exceeds the amount of the approved company's income tax.

135.010. As used in sections 135.010 to 135.030 the following words and  
2 terms mean:

3           (1) "Claimant", a person or persons claiming a credit under sections  
4 135.010 to 135.030. If the persons are eligible to file a joint federal income tax  
5 return and reside at the same address at any time during the taxable year, then  
6 the credit may only be allowed if claimed on a combined Missouri income tax

7 return or a combined claim return reporting their combined incomes and property  
8 taxes. A claimant shall not be allowed a property tax credit unless the claimant  
9 or spouse has attained the age of sixty-five on or before the last day of the  
10 calendar year and the claimant or spouse was a resident of Missouri for the entire  
11 year, or the claimant or spouse is a veteran of any branch of the Armed Forces  
12 of the United States or this state who became one hundred percent disabled as  
13 a result of such service, or the claimant or spouse is disabled as defined in  
14 subdivision (2) of this section, and such claimant or spouse provides proof of such  
15 disability in such form and manner, and at such times, as the director of revenue  
16 may require, or if the claimant has reached the age of sixty on or before the last  
17 day of the calendar year and such claimant received surviving spouse Social  
18 Security benefits during the calendar year and the claimant provides proof, as  
19 required by the director of revenue, that the claimant received surviving spouse  
20 Social Security benefits during the calendar year for which the credit will be  
21 claimed. A claimant shall not be allowed a property tax credit if the claimant  
22 filed a valid claim for a credit under section 137.106 in the year following the  
23 year for which the property tax credit is claimed. The residency requirement  
24 shall be deemed to have been fulfilled for the purpose of determining the  
25 eligibility of a surviving spouse for a property tax credit if a person of the age of  
26 sixty-five years or older who would have otherwise met the requirements for a  
27 property tax credit dies before the last day of the calendar year. The residency  
28 requirement shall also be deemed to have been fulfilled for the purpose of  
29 determining the eligibility of a claimant who would have otherwise met the  
30 requirements for a property tax credit but who dies before the last day of the  
31 calendar year;

32 (2) "Disabled", the inability to engage in any substantial gainful activity  
33 by reason of any medically determinable physical or mental impairment which  
34 can be expected to result in death or which has lasted or can be expected to last  
35 for a continuous period of not less than twelve months. A claimant shall not be  
36 required to be gainfully employed prior to such disability to qualify for a property  
37 tax credit;

38 (3) ["Gross rent", amount paid by a claimant to a landlord for the rental,  
39 at arm's length, of a homestead during the calendar year, exclusive of charges for  
40 health and personal care services and food furnished as part of the rental  
41 agreement, whether or not expressly set out in the rental agreement. If the  
42 director of revenue determines that the landlord and tenant have not dealt at

43 arm's length, and that the gross rent is excessive, then he shall determine the  
44 gross rent based upon a reasonable amount of rent. Gross rent shall be deemed  
45 to be paid only if actually paid prior to the date a return is filed. The director of  
46 revenue may prescribe regulations requiring a return of information by a landlord  
47 receiving rent, certifying for a calendar year the amount of gross rent received  
48 from a tenant claiming a property tax credit and shall, by regulation, provide a  
49 method for certification by the claimant of the amount of gross rent paid for any  
50 calendar year for which a claim is made. The regulations authorized by this  
51 subdivision may require a landlord or a tenant or both to provide data relating  
52 to health and personal care services and to food. Neither a landlord nor a tenant  
53 may be required to provide data relating to utilities, furniture, home furnishings  
54 or appliances;

55 (4) "Homestead", the dwelling in Missouri owned [or rented] by the  
56 claimant and not to exceed five acres of land surrounding it as is reasonably  
57 necessary for use of the dwelling as a home. It may consist of part of a  
58 multidwelling or multipurpose building and part of the land upon which it is  
59 built. "Owned" includes a vendee in possession under a land contract and one or  
60 more tenants by the entirety, joint tenants, or tenants in common and includes  
61 a claimant actually in possession if he was the immediate former owner of record,  
62 if a lineal descendant is presently the owner of record, and if the claimant  
63 actually pays all taxes upon the property. It may include a mobile home;

64 [(5)] (4) "Income", Missouri adjusted gross income as defined in section  
65 143.121 less two thousand dollars, or in the case of a homestead owned and  
66 occupied, for the entire year, by the claimant, less four thousand dollars as an  
67 exemption for the claimant's spouse residing at the same address, and increased,  
68 where necessary, to reflect the following:

69 (a) Social Security, railroad retirement, and veterans payments and  
70 benefits unless the claimant is a one hundred percent service-connected, disabled  
71 veteran or a spouse of a one hundred percent service-connected, disabled  
72 veteran. The one hundred percent service-connected disabled veteran shall not  
73 be required to list veterans payments and benefits;

74 (b) The total amount of all other public and private pensions and  
75 annuities;

76 (c) Public relief, public assistance, and unemployment benefits received  
77 in cash, other than benefits received under this chapter;

78 (d) No deduction being allowed for losses not incurred in a trade or

79 business;

80 (e) Interest on the obligations of the United States, any state, or any of  
81 their subdivisions and instrumentalities;

82 [(6)] (5) "Property taxes accrued", property taxes paid, exclusive of  
83 special assessments, penalties, interest, and charges for service levied on a  
84 claimant's homestead in any calendar year. Property taxes shall qualify for the  
85 credit only if actually paid prior to the date a return is filed. The director of  
86 revenue shall require a tax receipt or other proof of property tax payment. If a  
87 homestead is owned only partially by claimant, then "property taxes accrued" is  
88 that part of property taxes levied on the homestead which was actually paid by  
89 the claimant. For purposes of this subdivision, property taxes are "levied" when  
90 the tax roll is delivered to the director of revenue for collection. If a claimant  
91 owns a homestead part of the preceding calendar year and rents it or a different  
92 homestead for part of the same year, "property taxes accrued" means only taxes  
93 levied on the homestead both owned and occupied by the claimant, multiplied by  
94 the percentage of twelve months that such property was owned and occupied as  
95 the homestead of the claimant during the year. When a claimant owns and  
96 occupies two or more different homesteads in the same calendar year, property  
97 taxes accrued shall be the sum of taxes allocable to those several properties  
98 occupied by the claimant as a homestead for the year. If a homestead is an  
99 integral part of a larger unit such as a farm, or multipurpose or multidwelling  
100 building, property taxes accrued shall be that percentage of the total property  
101 taxes accrued as the value of the homestead is of the total value. For purposes  
102 of this subdivision "unit" refers to the parcel of property covered by a single tax  
103 statement of which the homestead is a part[;

104 (7) "Rent constituting property taxes accrued", twenty percent of the gross  
105 rent paid by a claimant and spouse in the calendar year].

135.025. The property taxes accrued [and rent constituting property taxes  
2 accrued] on each return shall be totaled. This total, up to [seven hundred fifty  
3 dollars in rent constituting property taxes actually paid or] eleven hundred  
4 dollars in actual property tax paid, shall be used in determining the property tax  
5 credit. The director of revenue shall prescribe regulations providing for  
6 allocations where part of a claimant's homestead is rented to another or used for  
7 nondwelling purposes or where a homestead is owned or rented or used as a  
8 dwelling for part of a year.

135.352. 1. A taxpayer owning an interest in a qualified Missouri project



2 shall, subject to the limitations provided under the provisions of subsection 3 of  
3 this section, be allowed a state tax credit, whether or not allowed a federal tax  
4 credit, to be termed the Missouri low-income housing tax credit, if the commission  
5 issues an eligibility statement for that project.

6         2. For qualified Missouri projects placed in service after January 1, 1997,  
7 the Missouri low-income housing tax credit available to a project shall be such  
8 amount as the commission shall determine is necessary to ensure the feasibility  
9 of the project, up to an amount equal to the federal low-income housing tax credit  
10 for a qualified Missouri project, for a federal tax period, and such amount shall  
11 be subtracted from the amount of state tax otherwise due for the same tax period.

12         3. No more than six million dollars in tax credits shall be authorized each  
13 fiscal year for projects financed through tax-exempt bond issuance.

14         4. The Missouri low-income housing tax credit shall be taken against the  
15 taxes and in the order specified pursuant to section 32.115. The credit authorized  
16 by this section shall not be refundable. Any amount of credit that exceeds the tax  
17 due for a taxpayer's taxable year may be carried back to any of the taxpayer's  
18 three prior taxable years or carried forward to any of the taxpayer's five  
19 subsequent taxable years.

20         5. All or any portion of Missouri tax credits issued in accordance with the  
21 provisions of sections 135.350 to 135.362 may be allocated to parties who are  
22 eligible pursuant to the provisions of subsection 1 of this section. Beginning  
23 January 1, 1995, for qualified projects which began on or after January 1, 1994,  
24 an owner of a qualified Missouri project shall certify to the director the amount  
25 of credit allocated to each taxpayer. The owner of the project shall provide to the  
26 director appropriate information so that the low-income housing tax credit can be  
27 properly allocated.

28         6. In the event that recapture of Missouri low-income housing tax credits  
29 is required pursuant to subsection 2 of section 135.355, any statement submitted  
30 to the director as provided in this section shall include the proportion of the state  
31 credit required to be recaptured, the identity of each taxpayer subject to the  
32 recapture and the amount of credit previously allocated to such taxpayer.

33         7. **(1) For the fiscal year beginning on or after July 1, 2017, but**  
34 **ending on or before June 30, 2018, no tax credits shall be redeemed**  
35 **under the provisions of sections 135.350 to 135.363 which, in the**  
36 **aggregate, exceed one hundred sixty million dollars, increased by any**  
37 **amount of tax credits that are recaptured under the provisions of**

38 **section 135.355.**

39 **(2) For the fiscal year beginning on or after July 1, 2018, but**  
40 **ending on or before June 30, 2019, no tax credits shall be redeemed**  
41 **under the provisions of sections 135.350 to 135.363 which, in the**  
42 **aggregate, exceed one hundred forty million dollars, increased by any**  
43 **amount of tax credits that are recaptured under the provisions of**  
44 **section 135.355.**

45 **(3) For the fiscal year beginning on or after July 1, 2019, but**  
46 **ending on or before June 30, 2020, no tax credits shall be redeemed**  
47 **under the provisions of sections 135.350 to 135.363 which, in the**  
48 **aggregate, exceed one hundred twenty million dollars, increased by any**  
49 **amount of tax credits that are recaptured under the provisions of**  
50 **section 135.355.**

51 **(4) For each fiscal year beginning on or after July 1, 2020, no tax**  
52 **credits shall be redeemed under the provisions of sections 135.350 to**  
53 **135.363 which, in the aggregate, exceed ninety million dollars,**  
54 **increased by any amount of tax credits that are recaptured under the**  
55 **provisions of section 135.355.**

56 **8.** The director of the department may promulgate rules and regulations  
57 necessary to administer the provisions of this section. No rule or portion of a rule  
58 promulgated pursuant to the authority of this section shall become effective  
59 unless it has been promulgated pursuant to the provisions of section 536.024.

135.403. 1. Any investor who makes a qualified investment in a Missouri  
2 small business shall be entitled to receive a tax credit equal to forty percent of  
3 the amount of the investment or, in the case of a qualified investment in a  
4 Missouri small business in a distressed community as defined by section 135.530,  
5 a credit equal to sixty percent of the amount of the investment, and any investor  
6 who makes a qualified investment in a community bank or a community  
7 development corporation shall be entitled to receive a tax credit equal to fifty  
8 percent of the amount of the investment if the investment is made in a  
9 community bank or community development corporation for direct  
10 investment. The total amount of tax credits available for qualified investments  
11 in Missouri small businesses shall not exceed thirteen million dollars and at least  
12 four million dollars of the amount authorized by this section and certified by the  
13 department of economic development shall be for investment in Missouri small  
14 businesses in distressed communities. Authorization for all or any part of this

15 four-million-dollar amount shall in no way restrict the eligibility of Missouri  
16 small businesses in distressed communities, as defined in section 135.530, for the  
17 remaining amounts authorized within this section. No more than twenty percent  
18 of the tax credits available each year for investments in community banks or  
19 community development corporations for direct investment shall be certified for  
20 any one project, as defined in section 135.400. The tax credit shall be evidenced  
21 by a tax credit certificate in accordance with the provisions of sections 135.400  
22 to 135.430 and may be used to satisfy the state tax liability of the owner of the  
23 certificate that becomes due in the tax year in which the qualified investment is  
24 made, or in any of the ten tax years thereafter. When the qualified small  
25 business is in a distressed community, as defined in section 135.530, the tax  
26 credit may also be used to satisfy the state tax liability of the owner of the  
27 certificate that was due during each of the previous three years in addition to the  
28 year in which the investment is made and any of the ten years thereafter. No  
29 investor may receive a tax credit pursuant to sections 135.400 to 135.430 unless  
30 that person presents a tax credit certificate to the department of revenue for  
31 payment of such state tax liability. The department of revenue shall grant tax  
32 credits in the same order as established by subsection 1 of section  
33 32.115. Subject to the provisions of sections 135.400 to 135.430, certificates of tax  
34 credit issued in accordance with these sections may be transferred, sold or  
35 assigned by notarized endorsement thereof which names the transferee.

36 2. [Five hundred thousand dollars in tax credits shall be available  
37 annually from the total amount of tax credits authorized by section 32.110 and  
38 subdivision (4) of subsection 2 of section 32.115 as a result of investments in  
39 community banks or community development corporations.] Aggregate  
40 investments eligible for tax credits in any one Missouri small business shall not  
41 be more than one million dollars. Aggregate investments eligible for tax credits  
42 in any one Missouri small business shall not be less than five thousand dollars  
43 as of the date of issuance of the first tax credit certificate for investment in that  
44 business.

45 3. **For all fiscal years beginning on or after July 1, 2018, no tax**  
46 **credits shall be authorized as a result of investments in community**  
47 **banks or community development corporations.**

48 4. This section and section 620.1039 shall become effective January 1,  
49 2001.

135.484. 1. Beginning January 1, 2000, tax credits shall be allowed

2 pursuant to section 135.481 in an amount not to exceed sixteen million dollars  
3 per year. Of this total amount of tax credits in any given year, eight million  
4 dollars shall be set aside for projects in areas described in subdivision (6) of  
5 section 135.478 and eight million dollars for projects in areas described in  
6 subdivision (10) of section 135.478. The maximum tax credit for a project  
7 consisting of multiple-unit qualifying residences in a distressed community shall  
8 not exceed three million dollars. **Beginning January 1, 2018, the aggregate**  
9 **amount of tax credits redeemed pursuant to section 135.481 shall not**  
10 **exceed one million dollars per calendar year. Of this total amount of**  
11 **tax credits in any given year, five hundred thousand dollars shall be set**  
12 **aside for projects in areas described in subdivision (6) of section**  
13 **135.478 and five hundred thousand dollars for projects in areas**  
14 **described in subdivision (10) of section 135.478.**

15           2. Any amount of credit which exceeds the tax liability of a taxpayer for  
16 the tax year in which the credit is first claimed may be carried back to any of the  
17 taxpayer's three prior tax years and carried forward to any of the taxpayer's five  
18 subsequent tax years. A certificate of tax credit issued to a taxpayer by the  
19 department may be assigned, transferred, sold or otherwise conveyed. Whenever  
20 a certificate of tax credit is assigned, transferred, sold or otherwise conveyed, a  
21 notarized endorsement shall be filed with the department specifying the name  
22 and address of the new owner of the tax credit and the value of the credit.

23           3. The tax credits allowed pursuant to sections 135.475 to 135.487 may  
24 not be claimed in addition to any other state tax credits, with the exception of the  
25 historic structures rehabilitation tax credit authorized pursuant to sections  
26 253.545 to 253.559, which insofar as sections 135.475 to 135.487 are concerned  
27 may be claimed only in conjunction with the tax credit allowed pursuant to  
28 subsection 4 of section 135.481. In order for a taxpayer eligible for the historic  
29 structures rehabilitation tax credit to claim the tax credit allowed pursuant to  
30 subsection 4 of section 135.481, the taxpayer must comply with the requirements  
31 of sections 253.545 to 253.559, and in such cases, the amount of the tax credit  
32 pursuant to subsection 4 of section 135.481 shall be limited to the lesser of twenty  
33 percent of the taxpayer's eligible costs or forty thousand dollars.

135.825. 1. The administering agencies for all tax credit programs shall,  
2 in cooperation with the department of revenue, implement a system for tracking  
3 the amount of tax credits authorized, issued, and redeemed. Any such agency  
4 may promulgate rules for the implementation of this section.

5           2. **(1) The department of revenue shall prepare and submit an**  
6 **annual report to the general assembly that shall include information on**  
7 **each tax credit program, including the administering agency and the**  
8 **number and amount of tax credits authorized, issued, and redeemed for**  
9 **each program. Such report shall be submitted by December 31 of each**  
10 **calendar year.**

11           **(2) The annual report prepared under subdivision (1) of this**  
12 **subsection shall also include a list of taxpayers or other entities that**  
13 **in the previous calendar year received business recruitment tax credits**  
14 **or that received the affordable housing tax credit or neighborhood**  
15 **assistance tax credit created pursuant to sections 32.100 to 32.125, the**  
16 **infrastructure tax credit created pursuant to subsection 6 of section**  
17 **100.286, the business use incentives for large-scale development**  
18 **programs created pursuant to sections 100.700 to 100.850, the**  
19 **low-income housing tax credit created pursuant to sections 135.350 to**  
20 **135.363, the neighborhood preservation tax credit created pursuant to**  
21 **sections 135.475 to 135.487, or the historic preservation tax credit**  
22 **created pursuant to sections 253.545 to 253.559.**

23           3. The provisions of this section shall not apply to any credit that is  
24 issued and redeemed simultaneously.

25           [3.] 4. Any rule or portion of a rule, as that term is defined in section  
26 536.010, that is created under the authority delegated in this section shall  
27 become effective only if it complies with and is subject to all of the provisions of  
28 chapter 536 and, if applicable, section 536.028. This section and chapter 536 are  
29 nonseverable and if any of the powers vested with the general assembly pursuant  
30 to chapter 536 to review, to delay the effective date, or to disapprove and annul  
31 a rule are subsequently held unconstitutional, then the grant of rulemaking  
32 authority and any rule proposed or adopted after August 28, 2004, shall be  
33 invalid and void.

143.071. 1. For all tax years beginning before September 1, 1993, a tax  
2 is hereby imposed upon the Missouri taxable income of corporations in an amount  
3 equal to five percent of Missouri taxable income.

4           2. For all tax years beginning on or after September 1, 1993, a tax is  
5 hereby imposed upon the Missouri taxable income of corporations in an amount  
6 equal to six and one-fourth percent of Missouri taxable income.

7           3. **(1) Beginning with the tax year beginning on or after January**

8 **1, 2019, the rate of tax under subsection 2 of this section shall be**  
9 **reduced over a period of years. The first reduction in the rate of tax**  
10 **shall be by one and one-fourth of a percent and each subsequent**  
11 **reduction shall be by one percent, provided that no more than one**  
12 **reduction shall occur in a calendar year, and provided further that the**  
13 **rate of tax shall not be reduced below four percent. Reductions in the**  
14 **rate of tax shall take effect on January first of a calendar year and**  
15 **such reduced rates shall continue in effect until the next reduction**  
16 **occurs.**

17 **(2) A reduction in the rate of tax shall only occur if the amount**  
18 **of net general revenue collected in the previous fiscal year exceeds the**  
19 **highest amount of net general revenue collected in any of the three**  
20 **fiscal years prior to such fiscal year by at least one hundred fifty**  
21 **million dollars.**

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

24 **4. The provisions of this section shall not apply to out-of-state businesses**  
25 **operating under sections 190.270 to 190.285.**

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

16 **2. During the period beginning on January 1, 2010, but ending on or after**  
17 **June 30, 2010, the department of economic development shall not approve**  
18 **applications for tax credits under the provisions of subsections 3 and 8 of section**

19 253.559 which, in the aggregate, exceed seventy million dollars, increased by any  
20 amount of tax credits for which approval shall be rescinded under the provisions  
21 of section 253.559. For each fiscal year beginning on or after July 1, 2010, **but**  
22 **ending on or before June 30, 2017**, the department of economic development  
23 shall not approve applications for tax credits under the provisions of subsections  
24 3 and 8 of section 253.559 which, in the aggregate, exceed one hundred forty  
25 million dollars, increased by any amount of tax credits for which approval shall  
26 be rescinded under the provisions of section 253.559. **For each fiscal year**  
27 **beginning on or after July 1, 2017, the aggregate amount of tax credits**  
28 **redeemed under the provisions of subsections 3 and 8 of section 253.559**  
29 **shall not exceed fifty million dollars.** The limitations provided under this  
30 subsection shall not apply to applications approved under the provisions of  
31 subsection 3 of section 253.559 for projects to receive less than two hundred  
32 seventy-five thousand dollars in tax credits.

33 3. For all applications for tax credits approved on or after January 1,  
34 2010, no more than two hundred fifty thousand dollars in tax credits may be  
35 issued for eligible costs and expenses incurred in the rehabilitation of an eligible  
36 property which is a nonincome producing single-family, owner-occupied  
37 residential property and is either a certified historic structure or a structure in  
38 a certified historic district.

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

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

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

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

50 (b) Has received certification, by the state historic preservation officer,  
51 that the rehabilitation plan meets the standards consistent with the standards  
52 of the Secretary of the United States Department of the Interior, and the  
53 rehabilitation costs and expenses associated with such rehabilitation shall exceed  
54 fifty percent of the total basis in the property.

447.708. 1. For eligible projects, the director of the department of  
2 economic development, with notice to the directors of the departments of natural  
3 resources and revenue, and subject to the other provisions of sections 447.700 to  
4 447.718, may not create a new enterprise zone but may decide that a prospective  
5 operator of a facility being remedied and renovated pursuant to sections 447.700  
6 to 447.718 may receive the tax credits and exemptions pursuant to sections  
7 135.100 to 135.150 and sections 135.200 to 135.257. The tax credits allowed  
8 pursuant to this subsection shall be used to offset the tax imposed by chapter  
9 143, excluding withholding tax imposed by sections 143.191 to 143.265, or the tax  
10 otherwise imposed by chapter 147, or the tax otherwise imposed by chapter  
11 148. For purposes of this subsection:

12 (1) For receipt of the ad valorem tax abatement pursuant to section  
13 135.215, the eligible project must create at least ten new jobs or retain businesses  
14 which supply at least twenty-five existing jobs. The city, or county if the eligible  
15 project is not located in a city, must provide ad valorem tax abatement of at least  
16 fifty percent for a period not less than ten years and not more than twenty-five  
17 years;

18 (2) For receipt of the income tax exemption pursuant to section 135.220  
19 and tax credit for new or expanded business facilities pursuant to sections  
20 135.100 to 135.150, and 135.225, the eligible project must create at least ten new  
21 jobs or retain businesses which supply at least twenty-five existing jobs, or  
22 combination thereof. For purposes of sections 447.700 to 447.718, the tax credits  
23 described in section 135.225 are modified as follows: the tax credit shall be four  
24 hundred dollars per employee per year, an additional four hundred dollars per  
25 year for each employee exceeding the minimum employment thresholds of ten and  
26 twenty-five jobs for new and existing businesses, respectively, an additional four  
27 hundred dollars per year for each person who is a person difficult to employ as  
28 defined by section 135.240, and investment tax credits at the same amounts and  
29 levels as provided in subdivision (4) of subsection 1 of section 135.225;

30 (3) For eligibility to receive the income tax refund pursuant to section  
31 135.245, the eligible project must create at least ten new jobs or retain businesses  
32 which supply at least twenty-five existing jobs, or combination thereof, and  
33 otherwise comply with the provisions of section 135.245 for application and use  
34 of the refund and the eligibility requirements of this section;

35 (4) The eligible project operates in compliance with applicable  
36 environmental laws and regulations, including permitting and registration



37 requirements, of this state as well as the federal and local requirements;

38 (5) The eligible project operator shall file such reports as may be required  
39 by the director of economic development or the director's designee;

40 (6) The taxpayer may claim the state tax credits authorized by this  
41 subsection and the state income exemption for a period not in excess of ten  
42 consecutive tax years. For the purpose of this section, "taxpayer" means an  
43 individual proprietorship, partnership or corporation described in section 143.441  
44 or 143.471 who operates an eligible project. The director shall determine the  
45 number of years the taxpayer may claim the state tax credits and the state  
46 income exemption based on the projected net state economic benefits attributed  
47 to the eligible project;

48 (7) For the purpose of meeting the new job requirement prescribed in  
49 subdivisions (1), (2) and (3) of this subsection, it shall be required that at least  
50 ten new jobs be created and maintained during the taxpayer's tax period for  
51 which the credits are earned, in the case of an eligible project that does not  
52 replace a similar facility in Missouri. "New job" means a person who was not  
53 previously employed by the taxpayer or related taxpayer within the twelve-month  
54 period immediately preceding the time the person was employed by that taxpayer  
55 to work at, or in connection with, the eligible project on a full-time  
56 basis. "Full-time basis" means the employee works an average of at least  
57 thirty-five hours per week during the taxpayer's tax period for which the tax  
58 credits are earned. For the purposes of this section, "related taxpayer" has the  
59 same meaning as defined in subdivision (10) of section 135.100;

60 (8) For the purpose of meeting the existing job retention requirement, if  
61 the eligible project replaces a similar facility that closed elsewhere in Missouri  
62 prior to the end of the taxpayer's tax period in which the tax credits are earned,  
63 it shall be required that at least twenty-five existing jobs be retained at, and in  
64 connection with the eligible project, on a full-time basis during the taxpayer's tax  
65 period for which the credits are earned. "Retained job" means a person who was  
66 previously employed by the taxpayer or related taxpayer, at a facility similar to  
67 the eligible project that closed elsewhere in Missouri prior to the end of the  
68 taxpayer's tax period in which the tax credits are earned, within the tax period  
69 immediately preceding the time the person was employed by the taxpayer to work  
70 at, or in connection with, the eligible project on a full-time basis. "Full-time  
71 basis" means the employee works an average of at least thirty-five hours per week  
72 during the taxpayer's tax period for which the tax credits are earned;

73 (9) In the case where an eligible project replaces a similar facility that  
74 closed elsewhere in Missouri prior to the end of the taxpayer's tax period in which  
75 the tax credits are earned, the owner and operator of the eligible project shall  
76 provide the director with a written statement explaining the reason for  
77 discontinuing operations at the closed facility. The statement shall include a  
78 comparison of the activities performed at the closed facility prior to the date the  
79 facility ceased operating, to the activities performed at the eligible project, and  
80 a detailed account describing the need and rationale for relocating to the eligible  
81 project. If the director finds the relocation to the eligible project significantly  
82 impaired the economic stability of the area in which the closed facility was  
83 located, and that such move was detrimental to the overall economic development  
84 efforts of the state, the director may deny the taxpayer's request to claim tax  
85 benefits;

86 (10) Notwithstanding any provision of law to the contrary, for the purpose  
87 of this section, the number of new jobs created and maintained, the number of  
88 existing jobs retained, and the value of new qualified investment used at the  
89 eligible project during any tax year shall be determined by dividing by twelve, in  
90 the case of jobs, the sum of the number of individuals employed at the eligible  
91 project, or in the case of new qualified investment, the value of new qualified  
92 investment used at the eligible project, on the last business day of each full  
93 calendar month of the tax year. If the eligible project is in operation for less than  
94 the entire tax year, the number of new jobs created and maintained, the number  
95 of existing jobs retained, and the value of new qualified investment created at the  
96 eligible project during any tax year shall be determined by dividing the sum of  
97 the number of individuals employed at the eligible project, or in the case of new  
98 qualified investment, the value of new qualified investment used at the eligible  
99 project, on the last business day of each full calendar month during the portion  
100 of the tax year during which the eligible project was in operation, by the number  
101 of full calendar months during such period;

102 (11) For the purpose of this section, "new qualified investment" means  
103 new business facility investment as defined and as determined in subdivision (8)  
104 of section 135.100 which is used at and in connection with the eligible  
105 project. New qualified investment shall not include small tools, supplies and  
106 inventory. "Small tools" means tools that are portable and can be hand held.

107 2. The determination of the director of economic development pursuant  
108 to subsection 1 of this section shall not affect requirements for the prospective

109 purchaser to obtain the approval of the granting of real property tax abatement  
110 by the municipal or county government where the eligible project is located.

111 3. (1) The director of the department of economic development, with the  
112 approval of the director of the department of natural resources, may, in addition  
113 to the tax credits allowed in subsection 1 of this section, grant a remediation tax  
114 credit to the applicant for up to one hundred percent of the costs of materials,  
115 supplies, equipment, labor, professional engineering, consulting and architectural  
116 fees, permitting fees and expenses, demolition, asbestos abatement, and direct  
117 utility charges for performing the voluntary remediation activities for the  
118 preexisting hazardous substance contamination and releases, including, but not  
119 limited to, the costs of performing operation and maintenance of the remediation  
120 equipment at the property beyond the year in which the systems and equipment  
121 are built and installed at the eligible project and the costs of performing the  
122 voluntary remediation activities over a period not in excess of four tax years  
123 following the taxpayer's tax year in which the system and equipment were first  
124 put into use at the eligible project, provided the remediation activities are the  
125 subject of a plan submitted to, and approved by, the director of natural resources  
126 pursuant to sections 260.565 to 260.575. The tax credit may also include up to  
127 one hundred percent of the costs of demolition that are not directly part of the  
128 remediation activities, provided that the demolition is on the property where the  
129 voluntary remediation activities are occurring, the demolition is necessary to  
130 accomplish the planned use of the facility where the remediation activities are  
131 occurring, and the demolition is part of a redevelopment plan approved by the  
132 municipal or county government and the department of economic  
133 development. The demolition may occur on an adjacent property if the project is  
134 located in a municipality which has a population less than twenty thousand and  
135 the above conditions are otherwise met. The adjacent property shall  
136 independently qualify as abandoned or underutilized. The amount of the credit  
137 available for demolition not associated with remediation cannot exceed the total  
138 amount of credits approved for remediation including demolition required for  
139 remediation.

140 (2) The amount of remediation tax credits issued shall be limited to the  
141 least amount necessary to cause the project to occur, as determined by the  
142 director of the department of economic development.

143 (3) The director may, with the approval of the director of natural  
144 resources, extend the tax credits allowed for performing voluntary remediation

145 maintenance activities, in increments of three-year periods, not to exceed five  
146 consecutive three-year periods. The tax credits allowed in this subsection shall  
147 be used to offset the tax imposed by chapter 143, excluding withholding tax  
148 imposed by sections 143.191 to 143.265, or the tax otherwise imposed by chapter  
149 147, or the tax otherwise imposed by chapter 148. The remediation tax credit  
150 may be taken in the same tax year in which the tax credits are received or may  
151 be taken over a period not to exceed twenty years.

152 (4) The project facility shall be projected to create at least ten new jobs  
153 or at least twenty-five retained jobs, or a combination thereof, as determined by  
154 the department of economic development, to be eligible for tax credits pursuant  
155 to this section.

156 (5) No more than seventy-five percent of earned remediation tax credits  
157 may be issued when the remediation costs were paid, and the remaining  
158 percentage may be issued when the department of natural resources issues a  
159 letter of completion letter or covenant not to sue following completion of the  
160 voluntary remediation activities. It shall not include any costs associated with  
161 ongoing operational environmental compliance of the facility or remediation costs  
162 arising out of spills, leaks, or other releases arising out of the ongoing business  
163 operations of the facility. In the event the department of natural resources issues  
164 a letter of completion for a portion of a property, an impacted media such as soil  
165 or groundwater, or for a site or a portion of a site improvement, a prorated  
166 amount of the remaining percentage may be released based on the percentage of  
167 the total site receiving a letter of completion.

168 4. In the exercise of the sound discretion of the director of the department  
169 of economic development or the director's designee, the tax credits and  
170 exemptions described in this section may be terminated, suspended or revoked if  
171 the eligible project fails to continue to meet the conditions set forth in this  
172 section. In making such a determination, the director shall consider the severity  
173 of the condition violation, actions taken to correct the violation, the frequency of  
174 any condition violations and whether the actions exhibit a pattern of conduct by  
175 the eligible facility owner and operator. The director shall also consider changes  
176 in general economic conditions and the recommendation of the director of the  
177 department of natural resources, or his or her designee, concerning the severity,  
178 scope, nature, frequency and extent of any violations of the environmental  
179 compliance conditions. The taxpayer or person claiming the tax credits or  
180 exemptions may appeal the decision regarding termination, suspension or

181 revocation of any tax credit or exemption in accordance with the procedures  
182 outlined in subsections 4 and 5 of section 135.250. The director of the  
183 department of economic development shall notify the directors of the departments  
184 of natural resources and revenue of the termination, suspension or revocation of  
185 any tax credits as determined in this section or pursuant to the provisions of  
186 section 447.716.

187         5. Notwithstanding any provision of law to the contrary, no taxpayer shall  
188 earn the tax credits, exemptions or refund otherwise allowed in subdivisions (2),  
189 (3) and (4) of subsection 1 of this section and the tax credits otherwise allowed in  
190 section 135.110, or the tax credits, exemptions and refund otherwise allowed in  
191 sections 135.215, 135.220, 135.225 and 135.245, respectively, for the same facility  
192 for the same tax period.

193         6. The total amount of the tax credits allowed in subsection 1 of this  
194 section may not exceed the greater of:

195             (1) That portion of the taxpayer's income attributed to the eligible project;  
196 or

197             (2) One hundred percent of the total business' income tax if the eligible  
198 facility does not replace a similar facility that closed elsewhere in Missouri prior  
199 to the end of the taxpayer's tax period in which the tax credits are earned, and  
200 further provided the taxpayer does not operate any other facilities besides the  
201 eligible project in Missouri; fifty percent of the total business' income tax if the  
202 eligible facility replaces a similar facility that closed elsewhere in Missouri prior  
203 to the end of the taxpayer's tax period in which the credits are earned, and  
204 further provided the taxpayer does not operate any other facilities besides the  
205 eligible project in Missouri; or twenty-five percent of the total business income if  
206 the taxpayer operates, in addition to the eligible facility, any other facilities in  
207 Missouri. In no case shall a taxpayer operating more than one eligible project in  
208 Missouri be allowed to offset more than twenty-five percent of the taxpayer's  
209 business income in any tax period. That portion of the taxpayer's income  
210 attributed to the eligible project as referenced in subdivision (1) of this  
211 subsection, for which the credits allowed in sections 135.110 and 135.225 and  
212 subsection 3 of this section may apply, shall be determined in the same manner  
213 as prescribed in subdivision (5) of section 135.100. That portion of the taxpayer's  
214 franchise tax attributed to the eligible project for which the remediation tax  
215 credit may offset, shall be determined in the same manner as prescribed in  
216 paragraph (a) of subdivision (5) of section 135.100.

217           7. Taxpayers claiming the state tax benefits allowed in subdivisions (2)  
218 and (3) of subsection 1 of this section shall be required to file all applicable tax  
219 credit applications, forms and schedules prescribed by the director during the  
220 taxpayer's tax period immediately after the tax period in which the eligible  
221 project was first put into use. Otherwise, the taxpayer's right to claim such state  
222 tax benefits shall be forfeited. Unused business facility and enterprise zone tax  
223 credits shall not be carried forward but shall be initially claimed for the tax  
224 period during which the eligible project was first capable of being used, and  
225 during any applicable subsequent tax periods.

226           8. Taxpayers claiming the remediation tax credit allowed in subsection 3  
227 of this section shall be required to file all applicable tax credit applications, forms  
228 and schedules prescribed by the director during the taxpayer's tax period  
229 immediately after the tax period in which the eligible project was first put into  
230 use, or during the taxpayer's tax period immediately after the tax period in which  
231 the voluntary remediation activities were performed.

232           9. The recipient of remediation tax credits, for the purpose of this  
233 subsection referred to as assignor, may assign, sell or transfer, in whole or in  
234 part, the remediation tax credit allowed in subsection 3 of this section to any  
235 other person, for the purpose of this subsection referred to as assignee. To perfect  
236 the transfer, the assignor shall provide written notice to the director of the  
237 assignor's intent to transfer the tax credits to the assignee, the date the transfer  
238 is effective, the assignee's name, address and the assignee's tax period and the  
239 amount of tax credits to be transferred. The number of tax periods during which  
240 the assignee may subsequently claim the tax credits shall not exceed twenty tax  
241 periods, less the number of tax periods the assignor previously claimed the credits  
242 before the transfer occurred.

243           10. In the case where an operator and assignor of an eligible project has  
244 been certified to claim state tax benefits allowed in subdivisions (2) and (3) of  
245 subsection 1 of this section, and sells or otherwise transfers title of the eligible  
246 project to another taxpayer or assignee who continues the same or substantially  
247 similar operations at the eligible project, the director shall allow the assignee to  
248 claim the credits for a period of time to be determined by the director; except  
249 that, the total number of tax periods the tax credits may be earned by the  
250 assignor and the assignee shall not exceed ten. To perfect the transfer, the  
251 assignor shall provide written notice to the director of the assignor's intent to  
252 transfer the tax credits to the assignee, the date the transfer is effective, the

253 assignee's name, address, and the assignee's tax period, and the amount of tax  
254 credits to be transferred.

255           11. For the purpose of the state tax benefits described in this section, in  
256 the case of a corporation described in section 143.471 or partnership, in  
257 computing Missouri's tax liability, such state benefits shall be allowed to the  
258 following:

259           (1) The shareholders of the corporation described in section 143.471;

260           (2) The partners of the partnership.

261 The credit provided in this subsection shall be apportioned to the entities  
262 described in subdivisions (1) and (2) of this subsection in proportion to their share  
263 of ownership on the last day of the taxpayer's tax period.

264           [12. Notwithstanding any provision of law to the contrary, in any county  
265 of the first classification that has a charter form of government and that has a  
266 population of over nine hundred thousand inhabitants, all demolition costs  
267 incurred during the redevelopment of any former automobile manufacturing plant  
268 shall be allowable costs eligible for tax credits under sections 447.700 to 447.718  
269 so long as the redevelopment of such former automobile manufacturing plant  
270 shall be projected to create at least two hundred fifty new jobs or at least three  
271 hundred retained jobs, or a combination thereof, as determined by the department  
272 of economic development. The amount of allowable costs eligible for tax credits  
273 shall be limited to the least amount necessary to cause the project to occur, as  
274 determined by the director of the department of economic development, provided  
275 that no tax credit shall be issued under this subsection until July 1, 2017. For  
276 purposes of this subsection, "former automobile manufacturing plant" means a  
277 redevelopment area that qualifies as an eligible project under section 447.700,  
278 that consists of at least one hundred acres, and that was used primarily for the  
279 manufacture of automobiles but, after 2007, ceased such manufacturing.]

          [135.766. An eligible small business, as defined in Section  
2           44 of the Internal Revenue Code, shall be allowed a credit against  
3           the tax otherwise due pursuant to chapter 143, not including  
4           sections 143.191 to 143.265, in an amount equal to any amount  
5           paid by the eligible small business to the United States Small  
6           Business Administration as a guaranty fee pursuant to obtaining  
7           Small Business Administration guaranteed financing and to  
8           programs administered by the United States Department of  
9           Agriculture for rural development or farm service agencies. No tax

10 credits provided under this section shall be authorized on or after  
11 the thirtieth day following the effective date of this act. The  
12 provisions of this subsection shall not be construed to limit or in  
13 any way impair the department's ability to issue tax credits  
14 authorized prior to the thirtieth day following the effective date of  
15 this act, or a taxpayer's ability to redeem such tax credits.]

2 [348.300. As used in sections 348.300 to 348.318, the  
3 following terms mean:

4 (1) "Commercial activity located in Missouri", any research,  
5 development, prototype fabrication, and subsequent  
6 precommercialization activity, or any activity related thereto,  
7 conducted in Missouri for the purpose of producing a service or a  
8 product or process for manufacture, assembly or sale or developing  
9 a service based on such a product or process by any person,  
10 corporation, partnership, joint venture, unincorporated association,  
11 trust or other organization doing business in Missouri. Subsequent  
12 to January 1, 1999, a commercial activity located in Missouri shall  
13 mean only such activity that is located within a distressed  
14 community, as defined in section 135.530;

15 (2) "Follow-up capital", capital provided to a commercial  
16 activity located in Missouri in which a qualified fund has  
17 previously invested seed capital or start-up capital and which does  
18 not exceed ten times the amount of such seed and start-up capital;

19 (3) "Person", any individual, corporation, partnership, or  
20 other entity, including any charitable corporation which is exempt  
21 from federal income tax and whose Missouri unrelated business  
22 taxable income, if any, would be subject to the state income tax  
23 imposed under chapter 143;

24 (4) "Qualified contribution", cash contribution to a qualified  
25 fund;

26 (5) "Qualified economic development organization", any  
27 corporation organized under the provisions of chapter 355 which  
28 has as of January 1, 1991, obtained a contract with the department  
29 of economic development to operate an innovation center to  
30 promote, assist and coordinate the research and development of  
new services, products or processes in the state of Missouri; and



31 the Missouri technology corporation organized pursuant to the  
32 provisions of sections 348.250 to 348.275;

33 (6) "Qualified fund", any corporation, partnership, joint  
34 venture, unincorporated association, trust or other organization  
35 which is established under the laws of Missouri after December 31,  
36 1985, which meets all of the following requirements established by  
37 this subdivision. The fund shall have as its sole purpose and  
38 business the making of investments, of which at least ninety  
39 percent of the dollars invested shall be qualified investments. The  
40 fund shall enter into a contract with one or more qualified  
41 economic development organizations which shall entitle the  
42 qualified economic development organizations to receive not less  
43 than ten percent of all distributions of equity and dividends or  
44 other earnings of the fund. Such contracts shall require the  
45 qualified fund to transfer to the Missouri technology corporation  
46 organized pursuant to the provisions of sections 348.250 to 348.275  
47 this interest and make corresponding distributions thereto in the  
48 event the qualified economic development organization holding  
49 such interest is dissolved or ceases to do business for a period of  
50 one year or more;

51 (7) "Qualified investment", any investment of seed capital,  
52 start-up capital, or follow-up capital in any commercial activity  
53 located in Missouri;

54 (8) "Seed capital", capital provided to a commercial activity  
55 located in Missouri for research, development and  
56 precommercialization activities to prove a concept for a new  
57 product or process or service, and for activities related thereto;

58 (9) "Start-up capital", capital provided to a commercial  
59 activity located in Missouri for use in preproduction product  
60 development or service development or initial marketing thereof,  
61 and for activities related thereto;

62 (10) "State tax liability", any state tax liability incurred by  
63 a taxpayer under the provisions of chapters 143, 147 and 148,  
64 exclusive of the provisions relating to the withholding of tax as  
65 provided for in sections 143.191 to 143.265 and related provisions;

66 (11) "Uninvested capital", the amount of any distribution,

67 other than of earnings, by a qualified fund made within five years  
68 of the issuance of a certificate of tax credit as provided by sections  
69 348.300 to 348.318; or the portion of all qualified contributions to  
70 a qualified fund which are not invested as qualified investments  
71 within five years of the issuance of a certificate of tax credit as  
72 provided by sections 348.300 to 348.318 to the extent that the  
73 amount not so invested exceeds ten percent of all such qualified  
74 contributions.]

[348.302. 1. Any person who makes a qualified contribution  
2 to a qualified fund shall be entitled to receive a tax credit equal to  
3 fifty percent of the amount of the qualified contribution. The tax  
4 credit shall be evidenced by a tax credit certificate in accordance  
5 with the provisions of sections 348.300 to 348.318 and may be used  
6 to satisfy the state tax liability of the owner of such certificate that  
7 becomes due in the tax year in which the qualified contribution is  
8 made, or in any of the ten tax years thereafter. No person may  
9 receive a tax credit pursuant to sections 348.300 to 348.318 unless  
10 that person presents a tax credit certificate to the department of  
11 revenue for payment of such state tax liability.

12 2. The amount of such qualified contributions which can be  
13 made is limited so that the aggregate of all tax credits authorized  
14 under the provisions of sections 348.300 to 348.318 shall not exceed  
15 nine million dollars. All tax credits authorized under the  
16 provisions of this section may be transferred, sold or assigned.]

[348.304. The total amount of credit evidenced by  
2 certificates of tax credit issued to taxpayers at the request of any  
3 one qualified economic development organization shall not exceed  
4 two million dollars; except that, this two-million-dollar limitation  
5 shall not apply to certificates of tax credit issued after January 1,  
6 1996. Prior to January 1, 1996, any qualified economic  
7 development organization may enter into a contractual agreement  
8 with any other qualified economic development organization to  
9 allocate to the latter any portion of the two million dollars of tax  
10 credits which it is authorized to issue to taxpayers under the  
11 provisions of this section. The certificate of tax credit may be  
12 issued in one aggregate certificate or in a reasonable number of

13 multiple certificates in regard to one qualified contribution. Any  
14 issued certificate may be surrendered in exchange for new  
15 certificates not to exceed in value the value of the issued  
16 certificate. The number and denomination of multiple certificates,  
17 if issued, shall be determined by the director of the department of  
18 economic development.]

[348.306. No person shall receive, by issuance, transfer or  
2 assignment, certificates of tax credit issued under the provisions of  
3 sections 348.300 to 348.318 in an amount in excess of one million  
4 dollars. Subject to the provisions of this section, certificates of tax  
5 credit issued in accordance with sections 348.300 to 348.318 may  
6 be transferred or assigned by notarized endorsement thereof which  
7 names the transferee.]

[348.308. 1. The director of the department of economic  
2 development shall be responsible for the administration and  
3 issuance of the certificate of tax credits authorized by sections  
4 348.300 to 348.318. The director of the department of economic  
5 development shall issue a certificate of tax credit at the request of  
6 any qualified economic development organization. Each request  
7 shall include a true copy of the documents creating the qualified  
8 fund and the interest of the qualified economic development  
9 organization in the qualified fund, the name of the person who is  
10 to receive a certificate of tax credit, the type of state tax liability,  
11 as specified in subdivision (10) of section 348.300, against which  
12 the tax credit is to be used, and the amount of the certificate of tax  
13 credit to be issued to the person making the qualified  
14 contribution. Each request shall be acknowledged under oath by  
15 the person making the qualified contribution and the president of  
16 the qualified economic development organization.

17 2. In the event that two or more qualified economic  
18 development organizations have an interest in a qualified fund,  
19 either or both of such qualified economic development organizations  
20 may request issuance of certificates of tax credit in accordance with  
21 the provisions of sections 348.300 to 348.318 to persons  
22 contributing to qualified funds.]

[348.310. The Missouri department of revenue shall accept

2 a certificate of tax credit in lieu of other payment in such amount  
3 as is equal to the lesser of the amount of the tax or the remaining  
4 unused amount of the credit as indicated on the certificate of tax  
5 credit; and shall indicate on the certificate of tax credit the amount  
6 of tax thereby paid, the date of such payment, and the remainder  
7 of the unused credit available to the taxpayer after such  
8 payment. The certificate of tax credit shall be returned to the  
9 director of the department of economic development. The director  
10 of the department of economic development shall issue a new  
11 certificate to the proper owner for any unused balance.]

[348.312. No provision of sections 348.300 to 348.318 shall  
2 be construed to require a qualified economic development  
3 organization to accept an interest in any fund, nor shall any  
4 provision of sections 348.300 to 348.318 be construed to limit or  
5 restrict the terms and conditions on which a qualified economic  
6 development organization may agree to accept an interest in any  
7 fund.]

[348.316. 1. Each qualified fund, on or before the due date  
2 of its federal income tax return, shall make a report for a period  
3 corresponding to the qualified fund's federal income tax year. The  
4 report shall be made on a form required by the department of  
5 economic development. It shall be verified by the affidavit of the  
6 fund's president, or another authorized officer, to the department  
7 of economic development. It shall state the amount of all  
8 uninvested capital, whether distributions of equity or funds not  
9 invested in qualified investments, and it shall contain other such  
10 information as may be required by the director of the department  
11 of economic development.

12 2. Upon the receipt of such returns, the director of the  
13 department of economic development shall verify the same and  
14 certify the amount of tax due from the various funds to the director  
15 of revenue within sixty days from the date of the return. The  
16 director of revenue shall send each qualified fund a notice of tax  
17 due within thirty days of the date of certification by the  
18 department of economic development. The qualified fund shall pay  
19 the tax as provided in the notice within thirty days of the date of

20 such notice.]

2 [348.318. Except as otherwise specifically provided in  
3 sections 348.300 to 348.318, interest and penalty provisions and  
4 procedural matters under the provisions of sections 348.300 to  
5 348.318 shall be determined pursuant to and in the manner  
6 prescribed in the following sections of the revised statutes of  
7 Missouri, the state income tax law, governing similar procedures  
8 thereunder: sections 143.271 to 143.301, 143.511, 143.551 to  
9 143.571, 143.611 to 143.751, 143.771, 143.791 to 143.861, 143.881  
to 143.971, and 143.986.]

2 [620.1039. 1. As used in this section, the term "taxpayer"  
3 means an individual, a partnership, or any charitable organization  
4 which is exempt from federal income tax and whose Missouri  
5 unrelated business taxable income, if any, would be subject to the  
6 state income tax imposed under chapter 143, or a corporation as  
7 described in section 143.441 or 143.471, or section 148.370, and the  
8 term "qualified research expenses" has the same meaning as  
prescribed in 26 U.S.C. 41.

9 2. For tax years beginning on or after January 1, 2001, the  
10 director of the department of economic development may authorize  
11 a taxpayer to receive a tax credit against the tax otherwise due  
12 pursuant to chapter 143, or chapter 148, other than the taxes  
13 withheld pursuant to sections 143.191 to 143.265, in an amount up  
14 to six and one-half percent of the excess of the taxpayer's qualified  
15 research expenses, as certified by the director of the department of  
16 economic development, within this state during the taxable year  
17 over the average of the taxpayer's qualified research expenses  
18 within this state over the immediately preceding three taxable  
19 years; except that, no tax credit shall be allowed on that portion of  
20 the taxpayer's qualified research expenses incurred within this  
21 state during the taxable year in which the credit is being claimed,  
22 to the extent such expenses exceed two hundred percent of the  
23 taxpayer's average qualified research expenses incurred during the  
24 immediately preceding three taxable years.

25 3. The director of economic development shall prescribe the  
26 manner in which the tax credit may be applied for. The tax credit

27 authorized by this section may be claimed by the taxpayer to offset  
28 the tax liability imposed by chapter 143 or chapter 148 that  
29 becomes due in the tax year during which such qualified research  
30 expenses were incurred. Where the amount of the credit exceeds  
31 the tax liability, the difference between the credit and the tax  
32 liability may only be carried forward for the next five succeeding  
33 taxable years or until the full credit has been claimed, whichever  
34 first occurs. The application for tax credits authorized by the  
35 director pursuant to subsection 2 of this section shall be made no  
36 later than the end of the taxpayer's tax period immediately  
37 following the tax period for which the credits are being claimed.

38 4. Certificates of tax credit issued pursuant to this section  
39 may be transferred, sold or assigned by filing a notarized  
40 endorsement thereof with the department which names the  
41 transferee and the amount of tax credit transferred. The director  
42 of economic development may allow a taxpayer to transfer, sell or  
43 assign up to forty percent of the amount of the certificates of tax  
44 credit issued to and not claimed by such taxpayer pursuant to this  
45 section during any tax year commencing on or after January 1,  
46 1996, and ending not later than December 31, 1999. Such taxpayer  
47 shall file, by December 31, 2001, an application with the  
48 department which names the transferee, the amount of tax credit  
49 desired to be transferred, and a certification that the funds  
50 received by the applicant as a result of the transfer, sale or  
51 assignment of the tax credit shall be expended within three years  
52 at the state university for the sole purpose of conducting research  
53 activities agreed upon by the department, the taxpayer and the  
54 state university. Failure to expend such funds in the manner  
55 prescribed pursuant to this section shall cause the applicant to be  
56 subject to the provisions of section 620.017.

57 5. No rule or portion of a rule promulgated under the  
58 authority of this section shall become effective unless it has been  
59 promulgated pursuant to the provisions of chapter 536. All  
60 rulemaking authority delegated prior to June 27, 1997, is of no  
61 force and effect and repealed; however, nothing in this section shall  
62 be interpreted to repeal or affect the validity of any rule filed or

63 adopted prior to June 27, 1997, if such rule complied with the  
64 provisions of chapter 536. The provisions of this section and  
65 chapter 536 are nonseverable and if any of the powers vested with  
66 the general assembly pursuant to chapter 536, including the ability  
67 to review, to delay the effective date, or to disapprove and annul a  
68 rule or portion of a rule, are subsequently held unconstitutional,  
69 then the purported grant of rulemaking authority and any rule so  
70 proposed and contained in the order of rulemaking shall be invalid  
71 and void.

72 6. The aggregate of all tax credits authorized pursuant to  
73 this section shall not exceed nine million seven hundred thousand  
74 dollars in any year.

75 7. For all tax years beginning on or after January 1, 2005,  
76 no tax credits shall be approved, awarded, or issued to any person  
77 or entity claiming any tax credit under this section.]

Bill ✓

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