

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILLS NOS. 285 & 17
99TH GENERAL ASSEMBLY

Reported from the Committee on Ways and Means, February 16, 2017, with recommendation that the Senate Committee Substitute do pass.

0881S.06C

ADRIANE D. CROUSE, Secretary.

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348.300, 348.302, 348.304, 348.306, 348.308, 348.310, 348.312, 348.316, 348.318, 447.708, and 620.1039, RSMo, are repealed and fourteen new sections enacted in lieu thereof, to be known as sections 32.105, 32.110, 32.115, 100.286, 100.850, 135.010, 135.025, 135.352, 135.403,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
26		Geographic Area Family
27	Size of Household	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
42		Geographic Area Family
43	Size of Household	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 pursuant to sections 32.100
54 to 32.125 exceed [thirty-two] **fifteen** million dollars in any one fiscal year, of
55 which six million shall be credits allowed pursuant to section 135.460. If six
56 million dollars in credits are not approved, then the remaining credits may be
57 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 authorized 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 in any calendar year
54 beginning after January 1, 1994, shall not be the greater of ten million dollars or
55 five percent of the average growth in general revenue receipts in the preceding
56 three fiscal years. This limit may be exceeded only upon joint agreement by the
57 commissioner of administration, the director of the department of economic
58 development, and the director of the department of revenue that such action is
59 essential to ensure retention or attraction of investment in Missouri. If the board
60 receives, as a contribution, real property, the contributor at such contributor's
61 own expense shall have two independent appraisals conducted by appraisers
62 certified by the Master Appraisal Institute. Both appraisals shall be submitted
63 to the board, and the tax credit certified by the board to the contributor shall be
64 based upon the value of the lower of the two appraisals. The board shall not
65 certify the tax credit until the property is deeded to the board. Such credit shall
66 not apply to reserve participation fees paid by borrowers under sections 100.250
67 to 100.297. The portion of earned tax credits which exceeds the taxpayer's tax
68 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 annually. The limitation on tax
98 credit authorization and approval provided under this subsection may be exceeded
99 only upon mutual agreement, evidenced by a signed and properly notarized letter,
100 by the commissioner of the office of administration, the director of the department
101 of economic development, and the director of the department of revenue that such
102 action is essential to ensure retention or attraction of investment in Missouri
103 provided, however, that in no case shall more than [twenty-five] **twenty** million
104 dollars in tax credits be authorized or approved during such year. Taxpayers
105 shall file, with the board, an application for tax credits authorized under this
106 section on a form provided by the board. The provisions of this subsection shall
107 not be construed to limit or in any way impair the ability of the board to
108 authorize tax credits for issuance for projects authorized or approved, by a vote
109 of the board, on or before the thirtieth day following the effective date of this act,
110 or a taxpayer's ability to redeem such 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 by
20 subsection 4 of this section exceed twenty-five million dollars annually. Of such
21 amount, nine hundred fifty thousand dollars shall be reserved for an approved
22 project for a world headquarters of a business whose primary function is tax
23 return preparation that is located in any home rule city with more than four
24 hundred thousand inhabitants and located in more than one county, which
25 amount reserved shall end in the year of the final maturity of the certificates
26 issued for such approved project. **For all tax years beginning on or after**
27 **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 entireties, 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 authorized**
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 authorized**
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 authorized**
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 authorized 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 authorized 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 **authorized under the provisions of subsections 3 and 8 of section**
29 **253.559 shall not exceed fifty million dollars.** The limitations provided
30 under this subsection shall not apply to applications approved under the
31 provisions of subsection 3 of section 253.559 for projects to receive less than two
32 hundred 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
following terms mean:

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

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

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

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

25 (5) "Qualified economic development organization", any
26 corporation organized under the provisions of chapter 355 which
27 has as of January 1, 1991, obtained a contract with the department
28 of economic development to operate an innovation center to
29 promote, assist and coordinate the research and development of
30 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.]

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

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

 3. The director of economic development shall prescribe the
24 manner in which the tax credit may be applied for. The tax credit
25 authorized by this section may be claimed by the taxpayer to offset
26
27

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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