

FIRST REGULAR SESSION

SENATE BILL NO. 407

96TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR CROWELL.

Read 1st time March 1, 2011, and ordered printed.

TERRY L. SPIELER, Secretary.

1707S.02I

AN ACT

To repeal sections 100.286, 135.010, 135.020, 135.025, 135.030, 135.352, 208.798, and 253.559, RSMo, and to enact in lieu thereof eight new sections relating to the provision of sufficient funding to continue the MO RX prescription drug program, with an emergency clause.

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

Section A. Sections 100.286, 135.010, 135.020, 135.025, 135.030, 135.352, 208.798, and 253.559, RSMo, are repealed and eight new sections enacted in lieu thereof, to be known as sections 100.286, 135.010, 135.020, 135.025, 135.030, 135.352, 208.798, and 253.559, to read as follows:

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

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

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

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

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

(5) Does not exceed five million dollars;

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

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.

65 The board shall not certify the tax credit until the property is deeded to the
66 board. Such credit shall not apply to reserve participation fees paid by borrowers
67 under sections 100.250 to 100.297. The portion of earned tax credits which
68 exceeds the taxpayer's tax liability may be carried forward for up to five years.

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

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

77 (2) In an amount not to exceed one hundred percent of annual earned
78 credits. The taxpayer acquiring earned credits, hereinafter the assignee for the
79 purpose of this subsection, may use the acquired credits to offset up to one
80 hundred percent of the tax liabilities otherwise imposed by chapter 143, excluding
81 withholding tax imposed by sections 143.191 to 143.261, chapter 147, or chapter
82 148. Unused credits in the hands of the assignee may be carried forward for up
83 to five years, provided all such credits shall be claimed within ten years following
84 the tax years in which the contribution was made. The assignor shall enter into
85 a written agreement with the assignee establishing the terms and conditions of
86 the agreement and shall perfect such transfer by notifying the board in writing
87 within thirty calendar days following the effective day of the transfer and shall

88 provide any information as may be required by the board to administer and carry
89 out the provisions of this section. Notwithstanding any other provision of law to
90 the contrary, the amount received by the assignor of such tax credit shall be
91 taxable as income of the assignor, and the excess of the par value of such credit
92 over the amount paid by the assignee for such credit shall be taxable as income
93 of the assignee.

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

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

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

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

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

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

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

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

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

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

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

80 (e) Interest on the obligations of the United States, any state, or any of

81 their subdivisions and instrumentalities;

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

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

135.020. **Subject to appropriation**, a credit for property taxes shall be
2 allowed for the amount provided in section 135.030. If the amount allowable as
3 a credit exceeds the income tax reduced by other credits, then the excess shall be
4 considered an overpayment of the income tax.

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.

135.030. 1. As used in this section:

2 (1) The term "maximum upper limit" shall, for each calendar year after
 3 December 31, 1997, but before calendar year 2008, be the sum of twenty-five
 4 thousand dollars. For all calendar years beginning on or after January 1, 2008,
 5 the maximum upper limit shall be the sum of twenty-seven thousand five
 6 hundred dollars. In the case of a homestead owned and occupied for the entire
 7 year by the claimant, the maximum upper limit shall be the sum of thirty
 8 thousand dollars;

9 (2) The term "minimum base" shall, for each calendar year after December
 10 31, 1997, but before calendar year 2008, be the sum of thirteen thousand
 11 dollars. For all calendar years beginning on or after January 1, 2008, the
 12 minimum base shall be the sum of fourteen thousand three hundred dollars.

13 2. If the income on a return is equal to or less than the maximum upper
 14 limit for the calendar year for which the return is filed, the property tax credit
 15 shall be determined from a table of credits based upon the amount by which the
 16 total property tax described in section 135.025 exceeds the percent of income in
 17 the following list:

18 If the income on the return is:	The percent is:
19 Not over the minimum base	0 percent with credit
20	not to exceed \$1,100
21	in actual property tax
22	[or rent equivalent] paid
23	up to \$750
24 Over the minimum base but	1/16 percent accumulative
25 not over the maximum upper	per \$300 from 0 percent
26 limit	to 4 percent.

27 The director of revenue shall prescribe a table based upon the preceding
 28 sentences. The property tax shall be in increments of twenty-five dollars and the
 29 income in increments of three hundred dollars. The credit shall be the amount
 30 rounded to the nearest whole dollar computed on the basis of the property tax
 31 and income at the midpoints of each increment. As used in this subsection, the
 32 term "accumulative" means an increase by continuous or repeated application of
 33 the percent to the income increment at each three hundred dollar level.

34 3. Notwithstanding subsection 4 of section 32.057, the department of
 35 revenue or any duly authorized employee or agent shall determine whether any

36 taxpayer filing a report or return with the department of revenue who has not
37 applied for the credit allowed pursuant to section 135.020 may qualify for the
38 credit, and shall notify any qualified claimant of the claimant's potential
39 eligibility, where the department determines such potential eligibility exists.

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. The director of the department may promulgate rules and regulations
34 necessary to administer the provisions of this section. No rule or portion of a rule
35 promulgated pursuant to the authority of this section shall become effective
36 unless it has been promulgated pursuant to the provisions of section 536.024.

37 **8. Notwithstanding any provision of law to the contrary, no tax**
38 **credits provided under this section shall be authorized on or after the**
39 **effective date of this act. The provisions of this subsection shall not be**
40 **construed to limit or in any way impair the department's ability to**
41 **issue tax credits authorized prior to the effective date of this act, or a**
42 **taxpayer's ability to redeem such tax credits.**

208.798. 1. [The provisions of sections 208.550 to 208.568 shall terminate
2 following notice to the revisor of statutes by the Missouri RX plan advisory
3 commission that the Medicare Prescription Drug, Improvement and
4 Modernization Act of 2003 has been fully implemented.] **The provisions of**
5 **sections 208.780 to 208.798 shall be funded by the cost savings realized**
6 **by the repeal and reenactment of sections 100.286, 135.010, 135.025,**
7 **135.030, 135.352, and 253.559 contained in this act.**

8 2. [Pursuant to section 23.253 of the Missouri sunset act, the provisions
9 of the new program authorized under sections 208.780 to 208.798 shall
10 automatically sunset August 28, 2011, unless reauthorized by an act of the
11 general assembly.] **The provisions of sections 208.780 to 208.798 shall**
12 **expire on August 28, 2014.**

13 **3. Notwithstanding the provisions of section 1.140, the repeal**
14 **and reenactment of sections 100.286, 135.010, 135.025, 135.030, 135.352,**
15 **and 253.559, and this section shall not be severable. In the event a**
16 **court of competent jurisdiction rules that any part of this act is**
17 **unenforceable, the entire act shall be rendered null and void.**

253.559. 1. To obtain approval for tax credits allowed under sections
2 253.545 to 253.559, a taxpayer shall submit an application for tax credits to the
3 department of economic development. Each application for approval, including
4 any applications received for supplemental allocations of tax credits as provided
5 under subsection 8 of this section, shall be prioritized for review and approval,
6 in the order of the date on which the application was postmarked, with the oldest
7 postmarked date receiving priority. Applications postmarked on the same day
8 shall go through a lottery process to determine the order in which such
9 applications shall be reviewed.

10 2. Each application shall be reviewed by the department of economic
11 development for approval. In order to receive approval, an application, other
12 than applications submitted under the provisions of subsection 8 of this section,
13 shall include:

14 (1) Proof of ownership or site control. Proof of ownership shall include
15 evidence that the taxpayer is the fee simple owner of the eligible property, such
16 as a warranty deed or a closing statement. Proof of site control may be evidenced
17 by a leasehold interest or an option to acquire such an interest. If the taxpayer
18 is in the process of acquiring fee simple ownership, proof of site control shall
19 include an executed sales contract or an executed option to purchase the eligible
20 property;

21 (2) Floor plans of the existing structure, architectural plans, and, where
22 applicable, plans of the proposed alterations to the structure, as well as proposed
23 additions;

24 (3) The estimated cost of rehabilitation, the anticipated total costs of the
25 project, the actual basis of the property, as shown by proof of actual acquisition
26 costs, the anticipated total labor costs, the estimated project start date, and the
27 estimated project completion date;

28 (4) Proof that the property is an eligible property and a certified historic
29 structure or a structure in a certified historic district; and

30 (5) Any other information which the department of economic development
31 may reasonably require to review the project for approval. Only the property for
32 which a property address is provided in the application shall be reviewed for
33 approval. Once selected for review, a taxpayer shall not be permitted to request
34 the review of another property for approval in the place of the property contained
35 in such application. Any disapproved application shall be removed from the
36 review process. If an application is removed from the review process, the
37 department of economic development shall notify the taxpayer in writing of the
38 decision to remove such application. Disapproved applications shall lose priority
39 in the review process. A disapproved application, which is removed from the
40 review process, may be resubmitted, but shall be deemed to be a new submission
41 for purposes of the priority procedures described in this section.

42 3. If the department of economic development deems the application
43 sufficient, the taxpayer shall be notified in writing of the approval for an amount
44 of tax credits equal to the amount provided under section 253.550 less any
45 amount of tax credits previously approved. Such approvals shall be granted to

46 applications in the order of priority established under this section and shall
47 require full compliance thereafter with all other requirements of law as a
48 condition to any claim for such credits.

49 4. Following approval of an application, the identity of the taxpayer
50 contained in such application shall not be modified except:

51 (1) The taxpayer may add partners, members, or shareholders as part of
52 the ownership structure, so long as the principal remains the same, provided
53 however, that subsequent to the commencement of renovation and the
54 expenditure of at least ten percent of the proposed rehabilitation budget, removal
55 of the principal for failure to perform duties and the appointment of a new
56 principal thereafter shall not constitute a change of the principal; or

57 (2) Where the ownership of the project is changed due to a foreclosure,
58 deed in lieu of a foreclosure or voluntary conveyance, or a transfer in bankruptcy.

59 5. In the event that the department of economic development grants
60 approval for tax credits equal to the total amount available under subsection 2
61 of section 253.550, or sufficient that when totaled with all other approvals, the
62 amount available under subsection 2 of section 253.550 is exhausted, all
63 taxpayers with applications then awaiting approval or thereafter submitted for
64 approval shall be notified by the department of economic development that no
65 additional approvals shall be granted during the fiscal year and shall be notified
66 of the priority given to such taxpayer's application then awaiting approval. Such
67 applications shall be kept on file by the department of economic development and
68 shall be considered for approval for tax credits in the order established in this
69 section in the event that additional credits become available due to the rescission
70 of approvals or when a new fiscal year's allocation of credits becomes available
71 for approval.

72 6. All taxpayers with applications receiving approval on or after the
73 effective date of this act shall commence rehabilitation within two years of the
74 date of issuance of the letter from the department of economic development
75 granting the approval for tax credits. "Commencement of rehabilitation" shall
76 mean that as of the date in which actual physical work, contemplated by the
77 architectural plans submitted with the application, has begun, the taxpayer has
78 incurred no less than ten percent of the estimated costs of rehabilitation provided
79 in the application. Taxpayers with approval of a project shall submit evidence of
80 compliance with the provisions of this subsection. If the department of economic
81 development determines that a taxpayer has failed to comply with the

82 requirements provided under this section, the approval for the amount of tax
83 credits for such taxpayer shall be rescinded and such amount of tax credits shall
84 then be included in the total amount of tax credits, provided under subsection 2
85 of section 253.550, from which approvals may be granted. Any taxpayer whose
86 approval shall be subject to rescission shall be notified of such from the
87 department of economic development and, upon receipt of such notice, may submit
88 a new application for the project.

89 7. To claim the credit authorized under sections 253.550 to 253.559, a
90 taxpayer with approval shall apply for final approval and issuance of tax credits
91 from the department of economic development which, in consultation with the
92 department of natural resources, shall determine the final amount of eligible
93 rehabilitation costs and expenses and whether the completed rehabilitation meets
94 the standards of the Secretary of the United States Department of the Interior
95 for rehabilitation as determined by the state historic preservation officer of the
96 Missouri department of natural resources. For financial institutions credits
97 authorized pursuant to sections 253.550 to 253.561 shall be deemed to be
98 economic development credits for purposes of section 148.064. The approval of
99 all applications and the issuing of certificates of eligible credits to taxpayers shall
100 be performed by the department of economic development. The department of
101 economic development shall inform a taxpayer of final approval by letter and
102 shall issue, to the taxpayer, tax credit certificates. The taxpayer shall attach the
103 certificate to all Missouri income tax returns on which the credit is claimed.

104 8. Except as expressly provided in this subsection, tax credit certificates
105 shall be issued in the final year that costs and expenses of rehabilitation of the
106 project are incurred, or within the twelve-month period immediately following the
107 conclusion of such rehabilitation. In the event the amount of eligible
108 rehabilitation costs and expenses incurred by a taxpayer would result in the
109 issuance of an amount of tax credits in excess of the amount provided under such
110 taxpayer's approval granted under subsection 3 of this section, such taxpayer may
111 apply to the department for issuance of tax credits in an amount equal to such
112 excess. Applications for issuance of tax credits in excess of the amount provided
113 under a taxpayer's application shall be made on a form prescribed by the
114 department. Such applications shall be subject to all provisions regarding
115 priority provided under subsection 1 of this section.

116 9. The department of economic development shall determine, on an annual
117 basis, the overall economic impact to the state from the rehabilitation of eligible

118 property.

119 **10. Notwithstanding any provision of law to the contrary, no tax**
120 **credits provided under sections 253.545 to 253.559 shall be authorized**
121 **on or after the effective date of this act. The provisions of this**
122 **subsection shall not be construed to limit or in any way impair the**
123 **department's ability to issue tax credits authorized prior to the**
124 **effective date of this act, or a taxpayer's ability to redeem such tax**
125 **credits.**

 Section B. Due to the need to ensure adequate state funding for necessary
2 services provided by the state, section A of this act is deemed necessary for the
3 immediate preservation of the public health, welfare, peace and safety, and is
4 hereby declared to be an emergency act within the meaning of the constitution,
5 and section A of this act shall be in full force and effect upon its passage and
6 approval.

✓

Bill

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