

FIRST REGULAR SESSION

# SENATE BILL NO. 454

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR HEGEMAN.

Read 1st time February 27, 2019, and ordered printed.

ADRIANE D. CROUSE, Secretary.

2335S.01I

## AN ACT

To repeal sections 135.305 and 137.1018, RSMo, and to enact in lieu thereof two new sections relating to the extension of expiration dates of certain tax credits.

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

Section A. Sections 135.305 and 137.1018, RSMo, are repealed and two  
2 new sections enacted in lieu thereof, to be known as sections 135.305 and  
3 137.1018, to read as follows:

135.305. A Missouri wood energy producer shall be eligible for a tax credit  
2 on taxes otherwise due under chapter 143, except sections 143.191 to 143.261, as  
3 a production incentive to produce processed wood products in a qualified  
4 wood-producing facility using Missouri forest product residue. The tax credit to  
5 the wood energy producer shall be five dollars per ton of processed material. The  
6 credit may be claimed for a period of five years and is to be a tax credit against  
7 the tax otherwise due. No new tax credits, provided for under sections 135.300  
8 to 135.311, shall be authorized after June 30, [2020] **2026**. In no event shall the  
9 aggregate amount of all tax credits allowed under sections 135.300 to 135.311  
10 exceed six million dollars in any given fiscal year. There shall be no tax credits  
11 authorized under sections 135.300 to 135.311 unless an appropriation is made for  
12 such tax credits.

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

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

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

12           3. Taxes on property of such freight line companies shall be collected at  
13 the state level by the director on behalf of the counties and other local public  
14 taxing entities and shall be distributed in accordance with sections 137.1021 and  
15 137.1024. The director shall tax such property based upon the distributable  
16 assessed valuation attributable to Missouri of each freight line company, using  
17 the average tax rate for the preceding year of the railroad and street railway  
18 companies certified by the commission. Such tax shall be due and payable on or  
19 before December thirty-first of the year levied and, if it becomes delinquent, shall  
20 be subject to a penalty equal to that specified in section 140.100.

21           4. (1) As used in this subsection, the following terms mean:

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

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

26           (2) For all taxable years beginning on or after January 1, 2009, a freight  
27 line company shall, subject to appropriation, be allowed a credit against the tax  
28 levied under this section for the applicable tax year. The tax credit amount shall  
29 be equal to the amount of eligible expenses incurred during the calendar year  
30 immediately preceding the tax year for which the credit under this section is  
31 claimed. The amount of the tax credit issued shall not exceed the freight line  
32 company's liability for the tax levied under this section for the tax year for which  
33 the credit is claimed.

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

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

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

40           (1) The program authorized under this section shall expire on August 28,  
41 [2020] **2026**; and

42           (2) This section shall terminate on September 1, [2021] **2027**.

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