

SENATE BILL NO. 656

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR CRAWFORD.

3731S.03I

ADRIANE D. CROUSE, Secretary

AN ACT

To amend chapters 143 and 148, RSMo, by adding thereto two new sections relating to a tax deduction for financial institutions that provide loans in rural areas.

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

Section A. Chapters 143 and 148, RSMo, are amended by
2 adding thereto two new sections, to be known as sections
3 143.1121 and 148.731, to read as follows:

**143.1121. 1. This section and section 148.731 shall
2 be known as the "Missouri Rural Credit Opportunity Act".**

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

**4 (1) "Deduction", an amount subtracted from a qualified
5 taxpayer's Missouri taxable income for a given tax year;**

**6 (2) "Qualified agricultural real estate loans", loans
7 made on Missouri real property that is substantially used
8 for production of one or more agricultural products and that:**

**9 (a) Have maturities of no less than five years and no
10 more than forty years;**

**11 (b) Are secured by a first lien interest in real
12 property, except that the loans may be secured by a second
13 lien if the institution also holds the first lien on the
14 property; and**

**15 (c) Have an outstanding loan balance when made that is
16 less than eighty-five percent of the appraised value of the
17 real property, except that loans for which private mortgage
18 insurance is obtained may exceed eighty-five percent of the**

19 appraised value of the real property to the extent the loan
20 amount in excess of eighty-five percent is covered by such
21 insurance;

22 (3) "Qualified interest income amount", the amount of
23 interest income received by a qualified taxpayer in a given
24 tax year from qualified agricultural real estate loans
25 attributed to Missouri and from qualified rural single-
26 family residence loans attributed to Missouri;

27 (4) "Qualified rural single-family residence", a
28 residence that is:

29 (a) The principal residence of the occupant;

30 (b) Located in Missouri in a rural area as defined by
31 the United States Department of Agriculture that is not
32 within a metropolitan statistical area and has two thousand
33 five hundred or fewer inhabitants as determined by the most
34 recent decennial census; and

35 (c) Purchased or improved with the proceeds of a loan;

36 (5) "Qualified taxpayer", a national banking
37 association, state bank, trust company, or savings and loan
38 association with an income tax liability under this chapter,
39 excluding the withholding tax imposed by sections 143.191 to
40 143.265.

41 3. For all tax years beginning on and after January 1,
42 2023, in addition to all other deductions and modifications
43 allowed by law, a qualified taxpayer shall be allowed a
44 deduction in an amount equal to the qualified taxpayer's
45 total qualified interest income amount.

46 4. The department of revenue may promulgate all
47 necessary rules and regulations for the administration of
48 this section. Any rule or portion of a rule, as that term
49 is defined in section 536.010, that is created under the
50 authority delegated in this section shall become effective

51 only if it complies with and is subject to all of the
52 provisions of chapter 536 and, if applicable, section
53 536.028. This section and chapter 536 are nonseverable, and
54 if any of the powers vested with the general assembly
55 pursuant to chapter 536 to review, to delay the effective
56 date, or to disapprove and annul a rule are subsequently
57 held unconstitutional, then the grant of rulemaking
58 authority and any rule proposed or adopted after August 28,
59 2022, shall be invalid and void.

60 5. Under section 23.253 of the Missouri sunset act:

61 (1) The provisions of the new program authorized under
62 this section shall automatically sunset eight years after
63 the effective date of this section unless reauthorized by an
64 act of the general assembly;

65 (2) If such program is reauthorized, the program
66 authorized under this section shall automatically sunset
67 twelve years after the effective date of the reauthorization
68 of this section; and

69 (3) This section shall terminate on September first of
70 the calendar year immediately following the calendar year in
71 which the program authorized under this section is sunset.
72 The termination of the program as described in this
73 subsection shall not be construed to preclude any qualified
74 taxpayer who claims any benefit under any program that is
75 sunset under this subsection from claiming such benefit for
76 all allowable activities related to such claim that were
77 completed before the program was sunset, or to eliminate any
78 responsibility of the department to verify the continued
79 eligibility of qualified individuals receiving tax credits
80 and to enforce other requirements of law that applied before
81 the program was sunset.

148.731. 1. This section and section 143.1121 shall
2 be known as the "Missouri Rural Credit Opportunity Act".

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

5 (1) "Deduction", an amount subtracted from a qualified
6 taxpayer's gross income under this chapter for a given tax
7 year;

8 (2) "Qualified agricultural real estate loans", loans
9 made on Missouri real property that is substantially used
10 for production of one or more agricultural products and that:

11 (a) Have maturities of no less than five years and no
12 more than forty years;

13 (b) Are secured by a first lien interest in real
14 property, except that the loans may be secured by a second
15 lien if the institution also holds the first lien on the
16 property; and

17 (c) Have an outstanding loan balance when made that is
18 less than eighty-five percent of the appraised value of the
19 real property, except that loans for which private mortgage
20 insurance is obtained may exceed eighty-five percent of the
21 appraised value of the real property to the extent the loan
22 amount in excess of eighty-five percent is covered by such
23 insurance;

24 (3) "Qualified interest income amount", the amount of
25 interest income received by a qualified taxpayer in a given
26 tax year from qualified agricultural real estate loans
27 attributed to Missouri and from qualified rural single-
28 family residence loans attributed to Missouri;

29 (4) "Qualified rural single-family residence", a
30 residence that is:

31 (a) The principal residence of the occupant;

32 (b) Located in Missouri in a rural area as defined by
33 the United States Department of Agriculture that is not
34 within a metropolitan statistical area and has two thousand
35 five hundred or fewer inhabitants as determined by the most
36 recent decennial census; and

37 (c) Purchased or improved with the proceeds of a loan;

38 (5) "Qualified taxpayer", a national banking
39 association, state bank, trust company, or savings and loan
40 association with a tax liability under this chapter.

41 3. For all tax years beginning on or after January 1,
42 2023, in addition to all other deductions and modifications
43 allowed by law, a qualified taxpayer shall be allowed a
44 deduction in an amount equal to the qualified taxpayer's
45 total qualified interest income amount.

46 4. The department of revenue may promulgate all
47 necessary rules and regulations for the administration of
48 this section. Any rule or portion of a rule, as that term
49 is defined in section 536.010, that is created under the
50 authority delegated in this section shall become effective
51 only if it complies with and is subject to all of the
52 provisions of chapter 536 and, if applicable, section
53 536.028. This section and chapter 536 are nonseverable, and
54 if any of the powers vested with the general assembly
55 pursuant to chapter 536 to review, to delay the effective
56 date, or to disapprove and annul a rule are subsequently
57 held unconstitutional, then the grant of rulemaking
58 authority and any rule proposed or adopted after August 28,
59 2022, shall be invalid and void.

60 5. Under section 23.253 of the Missouri sunset act:

61 (1) The provisions of the new program authorized under
62 this section shall automatically sunset eight years after

63 the effective date of this section unless reauthorized by an
64 act of the general assembly;

65 (2) If such program is reauthorized, the program
66 authorized under this section shall automatically sunset
67 twelve years after the effective date of the reauthorization
68 of this section; and

69 (3) This section shall terminate on September first of
70 the calendar year immediately following the calendar year in
71 which the program authorized under this section is sunset.
72 The termination of the program as described in this
73 subsection shall not be construed to preclude any qualified
74 taxpayer who claims any benefit under any program that is
75 sunset under this subsection from claiming such benefit for
76 all allowable activities related to such claim that were
77 completed before the program was sunset, or to eliminate any
78 responsibility of the department to verify the continued
79 eligibility of qualified individuals receiving tax credits
80 and to enforce other requirements of law that applied before
81 the program was sunset.

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