

FIRST REGULAR SESSION

HOUSE BILL NO. 889

91ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE RIZZO.

Read 1st time February 27, 2001, and 1000 copies ordered printed.

TED WEDEL, Chief Clerk

1886L.011

AN ACT

To repeal section 135.230, RSMo 2000, relating to tax credits for new or expanded business facilities, and to enact in lieu thereof one new section relating to the same subject.

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

Section A. Section 135.230, RSMo 2000, is repealed and one new section enacted in lieu thereof, to be known as section 135.230, to read as follows:

135.230. 1. The exemption or credit established and allowed by section 135.220 and the credits allowed and established by subdivisions (1), (2), (3) and (4) of subsection 1 of section 135.225 shall be granted with respect to any new business facility located within an enterprise zone for a vested period not to exceed ten years following the date upon which the new business facility commences operation within the enterprise zone and such exemption shall be calculated, for each succeeding year of eligibility, in accordance with the formulas applied in the initial year in which the new business facility is certified as such, subject, however, to the limitation that all such credits allowed in sections 135.225 and 135.235 and the exemption allowed in section 135.220 shall be removed not later than fifteen years after the enterprise zone is designated as such. No credits shall be allowed pursuant to subdivision (1), (2), (3) or (4) of subsection 1 of section 135.225 or section 135.235 and no exemption shall be allowed pursuant to section 135.220 unless the number of new business facility employees engaged or maintained in employment at the new business facility for the taxable year for which the credit is claimed equals or exceeds two or the new business facility is a revenue-producing enterprise as defined in paragraph (d) of subdivision (6) of section 135.200. In order to qualify for either the exemption pursuant to section 135.220 or the credit pursuant to subdivision (4) of subsection 1 of section 135.225, or both, it shall be required that at least thirty percent of new business facility employees, as determined by subsection 4 of section 135.110, meet the criteria established in

19 section 135.240 or are residents of an enterprise zone or some combination thereof, except
20 taxpayers who establish a new business facility by operating a revenue-producing enterprise as
21 defined in paragraph (d) of subdivision (6) of section 135.200 or any taxpayer that is an
22 insurance company that established a new business facility satisfying the requirements of
23 subdivision (8) of section 135.100 located within an enterprise zone after June 30, 1993, and
24 before December 31, 1994, and that employs in excess of three hundred fifty new business
25 facility employees at such facility each tax period for which the credits allowable pursuant to
26 subdivisions (1) to (4) of subsection 1 of section 135.225 are claimed shall not be required to
27 meet such requirement. A new business facility described as SIC 3751 shall be required to
28 employ fifteen percent of such employees instead of the required thirty percent. For the purpose
29 of satisfying the thirty-percent requirement, residents must have lived in the enterprise zone for
30 a period of at least one full calendar month and must have been employed at the new business
31 facility for at least one full calendar month, and persons qualifying because they meet the
32 requirements of section 135.240 must have satisfied such requirement at the time they were
33 employed by the new business facility and must have been employed at the new business facility
34 for at least one full calendar month. The director may temporarily reduce or waive this
35 requirement for any business in an enterprise zone with ten or less full-time employees, and for
36 businesses with eleven to twenty full-time employees this requirement may be temporarily
37 reduced. No reduction or waiver may be granted for more than one tax period and shall not be
38 renewable. The exemptions allowed in sections 135.215 and 135.220 and the credits allowed
39 in sections 135.225 and 135.235 and the refund established and authorized in section 135.245
40 shall not be allowed to any "public utility", as such term is defined in section 386.020, RSMo.

41 2. Notwithstanding the provisions of subsection 1 of this section, motor carriers, barge
42 lines or railroads engaged in transporting property for hire or any interexchange
43 telecommunications company that establish a new business facility shall be eligible to qualify
44 for the exemptions allowed in sections 135.215 and 135.220, and the credits allowed in sections
45 135.225 and 135.235 and the refund established and authorized in section 135.245, except that
46 trucks, truck-trailers, truck semitrailers, rail or barge vehicles or other rolling stock for hire,
47 track, switches, bridges, barges, tunnels, rail yards and spurs shall not constitute new business
48 facility investment nor shall truck drivers or rail or barge vehicle operators constitute new
49 business facility employees.

50 3. Notwithstanding any other provision of sections 135.200 to 135.256 to the contrary,
51 motor carriers establishing a new business facility on or after January 1, 1993, but before January
52 1, 1995, may qualify for the tax credits available pursuant to sections 135.225 and 135.235 and
53 the exemption provided in section 135.220, even if such new business facility has not satisfied
54 the employee criteria, provided that such taxpayer employs an average of at least two hundred

55 persons at such facility, exclusive of truck drivers and provided that such taxpayer maintains an
56 average investment of at least ten million at such facility, exclusive of rolling stock, during the
57 tax period for which such credits and exemption are being claimed.

58 4. Any governing authority having jurisdiction of an area that has been designated an
59 enterprise zone may petition the department to expand the boundaries of such existing enterprise
60 zone. The director may approve such expansion if the director finds that:

61 (1) The area to be expanded meets the requirements prescribed in section 135.207 or
62 135.210, whichever is applicable;

63 (2) The area to be expanded is contiguous to the existing enterprise zone;

64 (3) The number of expansions do not exceed three after August 28, 1994.

65 5. Notwithstanding the fifteen-year limitation as prescribed in subsection 1 of this
66 section, any governing authority having jurisdiction of an area that has been designated as an
67 enterprise zone by the director, except one designated pursuant to this subsection, may file a
68 petition, as prescribed by the director, for redesignation of such area for an additional period not
69 to exceed seven years following the fifteenth anniversary of the enterprise zone's initial
70 designation date; provided:

71 (1) The petition is filed with the director within three years prior to the date the tax
72 credits authorized in sections 135.225 and 135.235 and the exemption allowed in section
73 135.220 are required to be removed pursuant to subsection 1 of this section;

74 (2) The governing authority identifies and conforms the boundaries of the area to be
75 designated a new enterprise zone to the political boundaries established by the latest decennial
76 census, unless otherwise approved by the director;

77 (3) The area satisfies the requirements prescribed in subdivisions (3), (4) and (5) of
78 section 135.205 according to the latest decennial census or other appropriate source as approved
79 by the director;

80 (4) The governing authority satisfies the requirements prescribed in sections 135.210,
81 135.215 and 135.255;

82 (5) The director finds that the area is unlikely to support reasonable tax assessment or
83 to experience reasonable economic growth without such designation; and

84 (6) The director's recommendation that the area be designated as an enterprise zone, is
85 approved by the joint committee on economic development policy and planning, as otherwise
86 required in subsection 3 of section 135.210.

87 6. Any taxpayer having established a new business facility in an enterprise zone except
88 one designated pursuant to subsection 5 of this section, who did not earn the tax credits
89 authorized in sections 135.225 and 135.235 and the exemption allowed in section 135.220 for
90 the full ten-year period because of the fifteen-year limitation as prescribed in subsection 1 of this

91 section, shall be granted such benefits for ten tax years, less the number of tax years the benefits
92 were claimed or could have been claimed prior to the expiration of the original fifteen-year
93 period, except that such tax benefits shall not be earned for more than seven tax periods during
94 the ensuing seven-year period, provided the taxpayer continues to operate the new business
95 facility in an area that is designated an enterprise zone pursuant to subsection 5 of this section.
96 Any taxpayer who establishes a new business facility subsequent to the commencement of the
97 ensuing seven-year period, as authorized in subsection 5 of this section, may qualify for the tax
98 credits authorized in sections 135.225 and 135.235, and the exemptions authorized in sections
99 135.215 and 135.220, pursuant to the same terms and conditions as prescribed in sections
100 135.100 to 135.256. The designation of any enterprise zone pursuant to subsection 5 of this
101 section shall not be subject to the fifty enterprise zone limitation imposed in subsection 4 of
102 section 135.210.

103 **7. Any employee of a new business facility with an SIC 3751 as described in this**
104 **section who was a resident of an enterprise zone for at least one full calendar month on the**
105 **date of employment and who has been employed at the new business facility, may be**
106 **counted as an enterprise zone resident for the purposes of this section regardless of**
107 **whether such person continues to reside in an enterprise zone, as long as the employee**
108 **remains employed by the new business facility and resides in Missouri.**