

HB 1425 -- AGRICULTURAL TAX CREDITS

SPONSOR: Munzlinger

COMMITTEE ACTION: Voted "do pass" by the Special Committee on Agri-Business by a vote of 10 to 0.

Currently, agricultural tax credits are not to exceed \$6 million in the aggregate in any fiscal year. This bill increases the maximum amount to \$12 million.

The Missouri Agricultural and Small Business Development Authority is allowed to issue up to \$1 million in agricultural product utilization tax credits in any fiscal year to individuals contributing cash funds to the authority. The funds are to be used for financial or technical assistance to rural agricultural business concepts approved by the authority.

Eleven million dollars of total tax credits, increased from \$6 million, are authorized annually for the New Generation Cooperative Incentive Tax Credit Program.

The bill extends from December 31, 2010, to December 31, 2016, the expiration date for the authority to issue agricultural tax credits.

FISCAL NOTE: Estimated Effect on General Revenue Fund of an income of \$0 to a cost of \$6,000,000 in FY 2009, FY 2010, and FY 2011. No impact on Other State Funds in FY 2009, FY 2010, and FY 2011.

PROPOSERS: Supporters say that proposed value-added, agri-business projects are currently being delayed because of tax credit unavailability. The program has been very successful and contributes greatly to the growth and stability of agriculture in Missouri.

Testifying for the bill were Representative Munzlinger; Department of Agriculture; Missouri Farm Bureau; Missouri Agribusiness Association; Missouri Corn Growers Association; and Missouri Soybean Association.

OPPOSERS: There was no opposition voiced to the committee.