

SECOND REGULAR SESSION

HOUSE BILL NO. 2026

95TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES HOBBS (Sponsor), KELLY,
NOLTE AND WEBBER (Co-sponsors).

4908L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 135.950, 135.953, 135.957, 135.960, 135.963, 135.967, 135.968, 135.970, and 135.973, RSMo, and to enact in lieu thereof ten new sections relating to enhanced enterprise zones.

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

Section A. Sections 135.950, 135.953, 135.957, 135.960, 135.963, 135.967, 135.968, 135.970, and 135.973, RSMo, are repealed and ten new sections enacted in lieu thereof, to be known as sections 135.950, 135.953, 135.957, 135.960, 135.963, 135.967, 135.968, 135.969, 135.970, and 135.973, to read as follows:

135.950. The following terms, whenever used in sections 135.950 to [135.970] **135.973** mean:

(1) "Average wage", the new payroll divided by the number of new jobs;

(2) "Blighted area", an area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use;

(3) "Board", an enhanced enterprise zone board established pursuant to section 135.957 **or a commission formed by a municipality under section 99.820;**

(4) "**Certified industrial zone**", an area of real property that:

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

13 (a) **Encompasses not less than one hundred acres that has been approved as a**
14 **certified site by the department;**

15 (b) **Has been found by ordinance to be blighted by the governing authority; and**

16 (c) **Is located in a census tract which has a poverty rate of twenty percent or more,**
17 **or for which the median income that is below eighty percent of the greater than:**

18 **a. Statewide median income; or**

19 **b. Metropolitan median income for the metropolitan statistical area in which the**
20 **certified industrial zone is located;**

21 (5) "Commencement of commercial operations" shall be deemed to occur during the first
22 taxable year for which the new business facility is first put into use by the taxpayer in the
23 enhanced business enterprise in which the taxpayer intends to use the new business facility;

24 [(5)] (6) "County average wage", the average wages in each county as determined by the
25 department for the most recently completed full calendar year. However, if the computed county
26 average wage is above the statewide average wage, the statewide average wage shall be deemed
27 the county average wage for such county for the purpose of determining eligibility. The
28 department shall publish the county average wage for each county at least annually.
29 Notwithstanding the provisions of this subdivision to the contrary, for any taxpayer that in
30 conjunction with their project is relocating employees from a Missouri county with a higher
31 county average wage, such taxpayer shall obtain the endorsement of the governing body of the
32 community from which jobs are being relocated or the county average wage for their project shall
33 be the county average wage for the county from which the employees are being relocated;

34 [(6)] (7) "Department", the department of economic development;

35 [(7)] (8) "Director", the director of the department of economic development;

36 [(8)] (9) "Employee", a person employed by the enhanced business enterprise that is
37 scheduled to work an average of at least one thousand hours per year, and such person at all
38 times has health insurance offered to him or her, which is partially paid for by the employer;

39 [(9)] (10) "Enhanced business enterprise", an industry or one of a cluster of industries
40 that [is either]:

41 (a) **Has been identified by the department as critical to the state's economic security and**
42 **growth, and in the case of a business enterprise located in a certified industrial zone, will**
43 **include data processing, hosting, and related services (NAICS 518210) and internet**
44 **publishing, broadcasting, and web search portals (NAICS 519130); [or]**

45 (b) Will have an impact on industry cluster development, as identified by the governing
46 authority in its application for designation of an enhanced enterprise zone and approved by the
47 department; but excluding gambling establishments (NAICS industry group 7132), retail trade
48 (NAICS sectors 44 and 45), [educational services (NAICS sector 61),] religious organizations

49 (NAICS industry group 8131), public administration (NAICS sector 92), and food and drinking
50 places (NAICS subsector 722), however, notwithstanding provisions of this section to the
51 contrary, headquarters or administrative offices of an otherwise excluded business may qualify
52 for benefits if the offices serve a multistate territory. In the event a national, state, or regional
53 headquarters operation is not the predominant activity of a project facility, the new jobs and
54 investment of such headquarters operation is considered eligible for benefits under this section
55 if the other requirements are satisfied. Service industries may be eligible only if a majority of
56 its annual revenues will be derived from out of the state; **or**

57 **(c) In the case of a certified industrial zone, will include a public or private entity**
58 **that has improved all or a portion of the area within an enhanced enterprise zone to**
59 **prepare the site for a business enterprise that otherwise qualifies under paragraph (a) or**
60 **(b) of this subdivision;**

61 [(10)] **(11)** "Existing business facility", any facility in this state which was employed by
62 the taxpayer claiming the credit in the operation of an enhanced business enterprise immediately
63 prior to an expansion, acquisition, addition, or replacement;

64 [(11)] **(12)** "Facility", any building used as an enhanced business enterprise located
65 within an enhanced enterprise zone, including the land on which the facility is located and all
66 machinery, equipment, and other real and depreciable tangible personal property acquired for use
67 at and located at or within such facility and used in connection with the operation of such
68 facility;

69 [(12)] **(13)** "Facility base employment", the greater of the number of employees located
70 at the facility on the date of the notice of intent, or for the twelve-month period prior to the date
71 of the notice of intent, the average number of employees located at the facility, or in the event
72 the project facility has not been in operation for a full twelve-month period, the average number
73 of employees for the number of months the facility has been in operation prior to the date of the
74 notice of intent;

75 [(13)] **(14)** "Facility base payroll", the total amount of taxable wages paid by the
76 enhanced business enterprise to employees of the enhanced business enterprise located at the
77 facility in the twelve months prior to the notice of intent, not including the payroll of owners of
78 the enhanced business enterprise unless the enhanced business enterprise is participating in an
79 employee stock ownership plan. For the purposes of calculating the benefits under this program,
80 the amount of base payroll shall increase each year based on the consumer price index or other
81 comparable measure, as determined by the department;

82 [(14)] **(15)** "Governing authority", the body holding primary legislative authority over
83 a county or incorporated municipality;

84 [(15)] (16) "Megaproject", any [manufacturing or assembling] facility, approved by the
85 department for construction and operation within an enhanced enterprise zone, which satisfies
86 the following:

87 (a) The new capital investment is projected to exceed three hundred million dollars over
88 a period of eight years from the date of approval by the department;

89 (b) The number of new jobs is projected to exceed one thousand over a period of eight
90 years beginning on the date of approval by the department;

91 (c) The average wage of new jobs to be created shall exceed the county average wage;

92 (d) The taxpayer shall offer health insurance to all new jobs and pay at least eighty
93 percent of such insurance premiums; and

94 (e) An acceptable plan of repayment, to the state, of the tax credits provided for the
95 megaproject has been provided by the taxpayer.

96

97 **In the case of an enhanced enterprise zone under subsection 4 of section 135.953, a**
98 **megaproject shall include any facility to be constructed and operated within such enhanced**
99 **enterprise zone so long as such facility satisfies paragraphs (b) to (e) of this subdivision;**

100 [(16)] (17) "NAICS", the [1997] 2007 edition of the North American Industry
101 Classification System as prepared by the Executive Office of the President, Office of
102 Management and Budget. Any NAICS sector, subsector, industry group or industry identified
103 in this section shall include its corresponding classification in subsequent federal industry
104 classification systems;

105 [(17)] (18) "New business facility", a facility that satisfies the following requirements:

106 (a) Such facility is employed by the taxpayer in the operation of an enhanced business
107 enterprise. Such facility shall not be considered a new business facility in the hands of the
108 taxpayer if the taxpayer's only activity with respect to such facility is to lease it to another person
109 or persons. If the taxpayer employs only a portion of such facility in the operation of an
110 enhanced business enterprise, and leases another portion of such facility to another person or
111 persons or does not otherwise use such other portions in the operation of an enhanced business
112 enterprise, the portion employed by the taxpayer in the operation of an enhanced business
113 enterprise shall be considered a new business facility, if the requirements of paragraphs (b), (c),
114 and (d) of this subdivision are satisfied;

115 (b) Such facility is acquired by, or leased to, the taxpayer after December 31, 2004. A
116 facility shall be deemed to have been acquired by, or leased to, the taxpayer after December 31,
117 2004, if the transfer of title to the taxpayer, the transfer of possession pursuant to a binding
118 contract to transfer title to the taxpayer, or the commencement of the term of the lease to the
119 taxpayer occurs after December 31, 2004;

120 (c) If such facility was acquired by the taxpayer from another taxpayer and such facility
121 was employed immediately prior to the acquisition by another taxpayer in the operation of an
122 enhanced business enterprise, the operation of the same or a substantially similar enhanced
123 business enterprise is not continued by the taxpayer at such facility; and

124 (d) Such facility is not a replacement business facility, as defined in subdivision [(25)]
125 (27) of this section.

126

127 **Notwithstanding anything to the contrary in this subdivision, in the case of a public or**
128 **private party that has improved a certified industrial zone as described in paragraph (c)**
129 **of subdivision (10) of this section, any such improvements made or constructed to prepare**
130 **all or a portion of the site shall constitute a new business facility, and any party acquiring**
131 **all or a portion of such new business facility may elect to assume the obligations of such**
132 **public or private party upon terms acceptable to the department and shall be deemed to**
133 **constitute the prior taxpayer;**

134 [(18)] (19) "New business facility employee", an employee of the taxpayer in the
135 operation of a new business facility during the taxable year for which the credit allowed by
136 section 135.967 is claimed, except that truck drivers and rail and barge vehicle operators and
137 other operators of rolling stock for hire shall not constitute new business facility employees;

138 [(19)] (20) "New business facility investment", the value of real and depreciable tangible
139 personal property, acquired by the taxpayer as part of the new business facility, which is used by
140 the taxpayer in the operation of the new business facility, during the taxable year for which the
141 credit allowed by 135.967 is claimed, except that trucks, truck-trailers, truck semitrailers, rail
142 vehicles, barge vehicles, aircraft and other rolling stock for hire, track, switches, barges, bridges,
143 tunnels, and rail yards and spurs shall not constitute new business facility investments. The total
144 value of such property during such taxable year shall be:

145 (a) Its original cost if owned by the taxpayer; or

146 (b) Eight times the net annual rental rate, if leased by the taxpayer. The net annual rental
147 rate shall be the annual rental rate paid by the taxpayer less any annual rental rate received by the
148 taxpayer from subrentals. The new business facility investment shall be determined by dividing
149 by twelve the sum of the total value of such property on the last business day of each calendar
150 month of the taxable year. If the new business facility is in operation for less than an entire
151 taxable year, the new business facility investment shall be determined by dividing the sum of the
152 total value of such property on the last business day of each full calendar month during the
153 portion of such taxable year during which the new business facility was in operation by the
154 number of full calendar months during such period;

155 [(20)] (21) "New job", the number of employees located at the facility that exceeds the
156 facility base employment less any decrease in the number of the employees at related facilities
157 below the related facility base employment. No job that was created prior to the date of the
158 notice of intent shall be deemed a new job;

159 [(21)] (22) "Notice of intent", a form developed by the department which is completed
160 by the enhanced business enterprise and submitted to the department which states the enhanced
161 business enterprise's intent to hire new jobs and request benefits under such program;

162 (23) **"Placed in service", occurs during the first taxable year for which any**
163 **personal property is first put into use by the taxpayer in the business facility of the**
164 **enhanced enterprise in which the taxpayer intends to use such personal property;**

165 [(22)] (24) "Related facility", a facility operated by the enhanced business enterprise or
166 a related company in this state that is directly related to the operation of the project facility;

167 [(23)] (25) "Related facility base employment", the greater of:

168 (a) The number of employees located at all related facilities on the date of the notice of
169 intent; or

170 (b) For the twelve-month period prior to the date of the notice of intent, the average
171 number of employees located at all related facilities of the enhanced business enterprise or a
172 related company located in this state;

173 [(24)] (26) "Related taxpayer":

174 (a) A corporation, partnership, trust, or association controlled by the taxpayer;

175 (b) An individual, corporation, partnership, trust, or association in control of the
176 taxpayer; or

177 (c) A corporation, partnership, trust or association controlled by an individual,
178 corporation, partnership, trust or association in control of the taxpayer. "Control of a
179 corporation" shall mean ownership, directly or indirectly, of stock possessing at least fifty
180 percent of the total combined voting power of all classes of stock entitled to vote, "control of a
181 partnership or association" shall mean ownership of at least fifty percent of the capital or profits
182 interest in such partnership or association, and "control of a trust" shall mean ownership, directly
183 or indirectly, of at least fifty percent of the beneficial interest in the principal or income of such
184 trust; ownership shall be determined as provided in Section 318 of the Internal Revenue Code
185 of 1986, as amended;

186 [(25)] (27) "Replacement business facility", a facility otherwise described in subdivision
187 [(17)] (18) of this section, hereafter referred to in this subdivision as "new facility", which
188 replaces another facility, hereafter referred to in this subdivision as "old facility", located within
189 the state, which the taxpayer or a related taxpayer previously operated but discontinued operating
190 on or before the close of the first taxable year for which the credit allowed by this section is

191 claimed. A new facility shall be deemed to replace an old facility if the following conditions are
192 met:

193 (a) The old facility was operated by the taxpayer or a related taxpayer during the
194 taxpayer's or related taxpayer's taxable period immediately preceding the taxable year in which
195 commencement of commercial operations occurs at the new facility; and

196 (b) The old facility was employed by the taxpayer or a related taxpayer in the operation
197 of an enhanced business enterprise and the taxpayer continues the operation of the same or
198 substantially similar enhanced business enterprise at the new facility. Notwithstanding the
199 preceding provisions of this subdivision, a facility shall not be considered a replacement business
200 facility if the taxpayer's new business facility investment, as computed in subdivision [(19)] (20)
201 of this section, in the new facility during the tax period for which the credits allowed in section
202 135.967 are claimed exceed one million dollars and if the total number of employees at the new
203 facility exceeds the total number of employees at the old facility by at least two;

204 [(26)] (28) "Same or substantially similar enhanced business enterprise", an enhanced
205 business enterprise in which the nature of the products produced or sold, or activities conducted,
206 are similar in character and use or are produced, sold, performed, or conducted in the same or
207 similar manner as in another enhanced business enterprise.

135.953. 1. For purposes of sections 135.950 to [135.970] **135.973**, an area shall meet
2 the following criteria in order to qualify as an enhanced enterprise zone:

3 (1) The area shall be a blighted area, have pervasive poverty, unemployment and general
4 distress; and

5 (2) At least sixty percent of the residents living in the area have incomes below ninety
6 percent of the median income of all residents:

7 (a) Within the state of Missouri, according to the last decennial census or other
8 appropriate source as approved by the director; or

9 (b) Within the county or city not within a county in which the area is located, according
10 to the last decennial census or other appropriate source as approved by the director; and

11 (3) The resident population of the area shall be at least five hundred but not more than
12 one hundred thousand at the time of designation as an enhanced enterprise zone if the area lies
13 within a metropolitan statistical area, as established by the United States Census Bureau, or if
14 the area does not lie within a metropolitan statistical area, the resident population of the area at
15 the time of designation shall be at least five hundred but not more than forty thousand
16 inhabitants. If the population of the jurisdiction of the governing authority does not meet the
17 minimum population requirements set forth in this subdivision, the population of the area must
18 be at least fifty percent of the population of the jurisdiction. However, no enhanced enterprise

19 zone shall be created which consists of the total area within the political boundaries of a county;
20 and

21 (4) The level of unemployment of persons, according to the most recent data available
22 from the United States Bureau of Census and approved by the director, within the area is equal
23 to or exceeds the average rate of unemployment for:

24 (a) The state of Missouri over the previous twelve months; or

25 (b) The county or city not within a county over the previous twelve months.

26 2. Notwithstanding the requirements of subsection 1 of this section to the contrary, an
27 enhanced enterprise zone may be established in an area located within a county for which public
28 and individual assistance has been requested by the governor pursuant to Section 401 of the
29 Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq., for
30 an emergency proclaimed by the governor pursuant to section 44.100, RSMo, due to a natural
31 disaster of major proportions, if the area to be designated is blighted and sustained severe
32 damage as a result of such natural disaster, as determined by the state emergency management
33 agency. An application for designation as an enhanced enterprise zone pursuant to this
34 subsection shall be made before the expiration of one year from the date the governor requested
35 federal relief for the area sought to be designated.

36 3. Notwithstanding the requirements of subsection 1 of this section to the contrary, an
37 enhanced enterprise zone may be designated in a county of declining population if it meets the
38 requirements of subdivisions (1), (3) and either (2) or (4) of subsection 1 of this section. For the
39 purposes of this subsection, a "county of declining population" is one that has lost one percent
40 or more of its population as demonstrated by comparing the most recent decennial census
41 population to the next most recent decennial census population for the county.

42 **4. Notwithstanding the requirements of subsection 1 of this section to the contrary,**
43 **a certified industrial zone may be designated as an enhanced enterprise zone if the certified**
44 **industrial zone meets the criteria set forth in subdivision (4) of section 135.950.**

45 **5.** In addition to meeting the requirements of subsection 1, 2, **3**, or [3] **4** of this section,
46 an area, to qualify as an enhanced enterprise zone, shall be demonstrated by the governing
47 authority to have either:

48 (1) The potential to create sustainable jobs in a targeted industry; or

49 (2) A demonstrated impact on local industry cluster development.

135.957. 1. A governing authority planning to seek designation of an enhanced
2 enterprise zone shall establish an enhanced enterprise zone board. The number of members on
3 the board shall be seven. One member of the board shall be appointed by the school district or
4 districts located within the area proposed for designation as an enhanced enterprise zone. One

5 member of the board shall be appointed by other affected taxing districts. The remaining five
6 members shall be chosen by the chief elected official of the county or municipality.

7 2. The school district member and the affected taxing district member shall each have
8 initial terms of five years. Of the five members appointed by the chief elected official, two shall
9 have initial terms of four years, two shall have initial terms of three years, and one shall have an
10 initial term of two years. Thereafter, members shall serve terms of five years. Each
11 commissioner shall hold office until a successor has been appointed. All vacancies shall be filled
12 in the same manner as the original appointment. For inefficiency or neglect of duty or
13 misconduct in office, a member of the board may be removed by the applicable appointing
14 authority.

15 3. A majority of the members shall constitute a quorum of such board for the purpose
16 of conducting business and exercising the powers of the board and for all other purposes. Action
17 may be taken by the board upon a vote of a majority of the members present.

18 4. The members of the board annually shall elect a chair from among the members.

19 5. **In the case of a certified industrial zone regarding which a finding of blight has**
20 **been made as provided in subdivision (1) of subsection 1 of section 99.810, the commission**
21 **created under section 99.820 shall supplant and replace the board established in**
22 **accordance with subsection 1 of this section, and the composition and organization of such**
23 **commission shall be in accordance with section 99.820. The commission shall fulfill the**
24 **duties of the board established under subsection 6 of this section.**

25 6. The role of the board or commission, as described in subsection 5 of this section,
26 shall be to conduct the activities necessary to advise the governing authority on the designation
27 of an enhanced enterprise zone and any other advisory duties as determined by the governing
28 authority. The role of the board after the designation of an enhanced enterprise zone shall be
29 review and assessment of zone activities as it relates to the annual reports as set forth in section
30 135.960.

135.960. 1. Any governing authority that desires to have any portion of a city or
2 unincorporated area of a county under its control designated as an enhanced enterprise zone shall
3 hold a public hearing for the purpose of obtaining the opinion and suggestions of those persons
4 who will be affected by such designation. The governing authority shall notify the director of
5 such hearing at least thirty days prior thereto and shall publish notice of such hearing in a
6 newspaper of general circulation in the area to be affected by such designation at least twenty
7 days prior to the date of the hearing but not more than thirty days prior to such hearing. Such
8 notice shall state the time, location, date, and purpose of the hearing. The director, or the
9 director's designee, shall attend such hearing. **In the alternative, any governing authority that**
10 **has made the necessary findings by ordinance to designate a certified industrial zone as a**

11 **redevelopment area as contemplated under section 99.825 shall not be required to conduct**
12 **a public hearing other than the hearing. The public hearing required under sections**
13 **99.820 and 99.825 shall satisfy the public hearing requirement set forth in this subsection.**
14 **The governing authority shall notify the director of such hearing at least thirty days prior**
15 **thereto.**

16 2. After a public hearing is held as required in subsection 1 of this section, the governing
17 authority may file a petition with the department requesting the designation of a specific area as
18 an enhanced enterprise zone. Such petition shall include, in addition to a description of the
19 physical, social, and economic characteristics of the area:

20 (1) A plan to provide adequate police protection within the area;

21 (2) A specific and practical process for individual businesses to obtain waivers from
22 burdensome local regulations, ordinances, and orders which serve to discourage economic
23 development within the area to be designated an enhanced enterprise zone, except that such
24 waivers shall not substantially endanger the health or safety of the employees of any such
25 business or the residents of the area;

26 (3) A description of what other specific actions will be taken to support and encourage
27 private investment within the area;

28 (4) A plan to ensure that resources are available to assist area residents to participate in
29 increased development through self-help efforts and in ameliorating any negative effects of
30 designation of the area as an enhanced enterprise zone;

31 (5) A statement describing the projected positive and negative effects of designation of
32 the area as an enhanced enterprise zone;

33 (6) A specific plan to provide assistance to any person or business dislocated as a result
34 of activities within the enhanced enterprise zone. Such plan shall determine the need of
35 dislocated persons for relocation assistance; provide, prior to displacement, information about
36 the type, location, and price of comparable housing or commercial property; provide information
37 concerning state and federal programs for relocation assistance and provide other advisory
38 services to displaced persons. Public agencies may choose to provide assistance under the
39 Uniform Relocation and Real Property Acquisition Act, 42 U.S.C. Section 4601, et seq., to meet
40 the requirements of this subdivision; and

41 (7) A description or plan that demonstrates the requirements of subsection 4 of section
42 135.953.

43 3. An enhanced enterprise zone designation shall be effective upon such approval by the
44 department and shall expire in twenty-five years. **Notwithstanding the requirement of**
45 **subsection 2 of this section to the contrary, any certified industrial zone that has been**
46 **designated as a redevelopment area as contemplated under section 99.825 shall be deemed**

47 **approved and designated as an enhanced enterprise zone without further approval of or**
48 **additional action being taken by the department. Such approval of the department of the**
49 **certified industrial zone as an enhanced enterprise zone and the designation of the certified**
50 **industrial zone as an enhanced enterprise zone shall be deemed effective when the**
51 **governing authority provides written notice to the department of its intent to establish such**
52 **enhanced enterprise zone and such notice is accompanied with a petition that includes all**
53 **of the information required by subsection 2 of this section.**

54 4. Each designated enhanced enterprise zone board shall report to the director on an
55 annual basis regarding the status of the zone and business activity within the zone.

135.963. 1. Improvements made to real property as such term is defined in section
2 137.010, RSMo, which are made in an enhanced enterprise zone subsequent to the date such
3 zone or expansion thereto was designated, may, upon approval of an authorizing resolution by
4 the governing authority having jurisdiction of the area in which the improvements are made, be
5 exempt, in whole or in part, from assessment and payment of ad valorem taxes of one or more
6 affected political subdivisions. In addition to enhanced business enterprises, a speculative
7 industrial or warehouse building constructed by a public entity or a private entity if the land is
8 leased by a public entity may be subject to such exemption, **and any improvements undertaken**
9 **by a public or private party in a certified industrial zone designated as an enhanced**
10 **enterprise zone may also be subject to such exemption.**

11 2. Such authorizing resolution shall specify the percent of the exemption to be granted,
12 the duration of the exemption to be granted, and the political subdivisions to which such
13 exemption is to apply and any other terms, conditions, or stipulations otherwise required. A copy
14 of the resolution shall be provided to the director within thirty calendar days following adoption
15 of the resolution by the governing authority.

16 3. No exemption shall be granted until the governing authority holds a public hearing
17 for the purpose of obtaining the opinions and suggestions of residents of political subdivisions
18 to be affected by the exemption from property taxes. The governing authority shall send, by
19 certified mail, a notice of such hearing to each political subdivision in the area to be affected and
20 shall publish notice of such hearing in a newspaper of general circulation in the area to be
21 affected by the exemption at least twenty days prior to the hearing but not more than thirty days
22 prior to the hearing. Such notice shall state the time, location, date, and purpose of the hearing.

23 4. Notwithstanding subsection 1 of this section, at least one-half of the ad valorem taxes
24 otherwise imposed on subsequent improvements to real property located in an enhanced
25 enterprise zone of enhanced business enterprises or speculative industrial or warehouse buildings
26 as indicated in subsection 1 of this section, **including a certified industrial zone of enhanced**
27 **business enterprises**, shall become and remain exempt from assessment and payment of ad

28 valorem taxes of any political subdivision of this state or municipality thereof for a period of not
29 less than ten years following the date such improvements were assessed, provided the improved
30 properties are used for enhanced business enterprises. The exemption for speculative buildings
31 is subject to the approval of the governing authority for a period not to exceed two years if the
32 building is owned by a private entity and five years if the building is owned or ground leased by
33 a public entity. This shall not preclude the building receiving an exemption for the remaining
34 time period established by the governing authority if it was occupied by an enhanced business
35 enterprise. The two- and five-year time periods indicated for speculative buildings shall not be
36 an addition to the local abatement time period for such facility.

37 5. No exemption shall be granted for a period more than twenty-five years following the
38 date on which the original enhanced enterprise zone was designated **or deemed approved** by
39 the department.

40 6. The provisions of subsection 1 of this section shall not apply to improvements made
41 to real property begun prior to August 28, 2004.

42 7. The abatement referred to in this section shall not relieve the assessor or other
43 responsible official from ascertaining the amount of the equalized assessed value of all taxable
44 property annually as required by section 99.855, 99.957, or 99.1042, RSMo, and shall not have
45 the effect of reducing the payments in lieu of taxes referred to in subdivision (2) of subsection
46 1 of section 99.845, RSMo, subdivision (2) of subsection 3 of section 99.957, RSMo, or
47 subdivision (2) of subsection 3 of section 99.1042, RSMo, unless such reduction is set forth in
48 the plan approved by the governing body of the municipality pursuant to subdivision (1) of
49 subsection 1 of section 99.820, section 99.942, or section 99.1027, RSMo.

50 **8. The percentage of cost or value of any personal property subject to assessment,**
51 **after having been placed in service in a certified industrial zone subsequent to the date**
52 **such zone or expansion thereto was approved or designated as an enhanced enterprise**
53 **zone, may, upon approval of an authorizing resolution by the governing authority having**
54 **jurisdiction over the area in which the personal property is placed in service, be set at zero**
55 **with respect to the payment of ad valorem taxes of the political subdivisions in which such**
56 **zone is located. The setting of the percentage of the value of personal property subject to**
57 **assessment shall be established for a period not less than eight years nor more than sixteen**
58 **years following the date on which the enhanced enterprise zone was designated or**
59 **approved. The provisions of this subsection shall not apply to personal property placed**
60 **in service prior to August 28, 2010.**

135.967. 1. A taxpayer who establishes a new business facility may, upon approval by
2 the department, be allowed a credit, each tax year for up to ten tax years, in an amount
3 determined as set forth in this section, against the tax imposed by chapter 143, RSMo, excluding

4 withholding tax imposed by sections 143.191 to 143.265, RSMo. No taxpayer shall receive
5 multiple ten-year periods for subsequent expansions at the same facility. **Notwithstanding the**
6 **provisions of this subsection, the provisions of section 135.969 shall govern the issuance of**
7 **tax credits for a new business facility in a certified industrial zone approved and**
8 **designated as an enhanced enterprise zone, except for the amount of tax credits to be issued**
9 **with respect to such certified industrial zone as provided in subsection 5 of this section.**

10 2. Notwithstanding any provision of law to the contrary, any taxpayer who establishes
11 a new business facility in an enhanced enterprise zone and is awarded state tax credits under this
12 section may not also receive tax credits under sections 135.100 to 135.150, sections 135.200 to
13 135.286, or section 135.535, and may not simultaneously receive tax credits under sections
14 620.1875 to 620.1890, RSMo, at the same facility.

15 3. No credit shall be issued pursuant to this section unless:

16 (1) The number of new business facility employees engaged or maintained in
17 employment at the new business facility for the taxable year for which the credit is claimed
18 equals or exceeds two; and

19 (2) The new business facility investment for the taxable year for which the credit is
20 claimed equals or exceeds one hundred thousand dollars.

21 4. The annual amount of credits allowed for an approved enhanced business enterprise
22 shall be the lesser of:

23 (1) The annual amount authorized by the department for the enhanced business
24 enterprise, which shall be limited to the projected state economic benefit, as determined by the
25 department; or

26 (2) The sum calculated based upon the following:

27 (a) A credit of four hundred dollars for each new business facility employee employed
28 within an enhanced enterprise zone;

29 (b) An additional credit of four hundred dollars for each new business facility employee
30 who is a resident of an enhanced enterprise zone;

31 (c) An additional credit of four hundred dollars for each new business facility employee
32 who is paid by the enhanced business enterprise a wage that exceeds the average wage paid
33 within the county in which the facility is located, as determined by the department; and

34 (d) A credit equal to two percent of new business facility investment within an enhanced
35 enterprise zone.

36 5. Prior to January 1, 2007, in no event shall the department authorize more than four
37 million dollars annually to be issued for all enhanced business enterprises. After December 31,
38 2006, in no event shall the department authorize more than twenty-four million dollars annually
39 to be issued for all enhanced business enterprises **of which ten million dollars shall be**

40 **authorized for issuance only with respect to the certified industrial zones under section**
41 **135.969.**

42 6. If a facility, which does not constitute a new business facility, is expanded by the
43 taxpayer, the expansion shall be considered eligible for the credit allowed by this section if:

44 (1) The taxpayer's new business facility investment in the expansion during the tax
45 period in which the credits allowed in this section are claimed exceeds one hundred thousand
46 dollars and if the number of new business facility employees engaged or maintained in
47 employment at the expansion facility for the taxable year for which credit is claimed equals or
48 exceeds two, and the total number of employees at the facility after the expansion is at least two
49 greater than the total number of employees before the expansion; and

50 (2) The taxpayer's investment in the expansion and in the original facility prior to
51 expansion shall be determined in the manner provided in subdivision [(19)] **(20)** of section
52 135.950.

53 7. The number of new business facility employees during any taxable year shall be
54 determined by dividing by twelve the sum of the number of individuals employed on the last
55 business day of each month of such taxable year. If the new business facility is in operation for
56 less than the entire taxable year, the number of new business facility employees shall be
57 determined by dividing the sum of the number of individuals employed on the last business day
58 of each full calendar month during the portion of such taxable year during which the new
59 business facility was in operation by the number of full calendar months during such period. For
60 the purpose of computing the credit allowed by this section in the case of a facility which
61 qualifies as a new business facility under subsection 6 of this section, and in the case of a new
62 business facility which satisfies the requirements of paragraph (c) of subdivision [(17)] **(18)** of
63 section 135.950, or subdivision [(25)] **(27)** of section 135.950, the number of new business
64 facility employees at such facility shall be reduced by the average number of individuals
65 employed, computed as provided in this subsection, at the facility during the taxable year
66 immediately preceding the taxable year in which such expansion, acquisition, or replacement
67 occurred and shall further be reduced by the number of individuals employed by the taxpayer or
68 related taxpayer that was subsequently transferred to the new business facility from another
69 Missouri facility and for which credits authorized in this section are not being earned, whether
70 such credits are earned because of an expansion, acquisition, relocation, or the establishment of
71 a new facility.

72 8. In the case where a new business facility employee who is a resident of an enhanced
73 enterprise zone for less than a twelve-month period is employed for less than a twelve-month
74 period, the credits allowed by paragraph (b) of subdivision (2) of subsection 4 of this section
75 shall be determined by multiplying four hundred dollars by a fraction, the numerator of which

76 is the number of calendar days during the taxpayer's tax year for which such credits are claimed,
77 in which the employee was a resident of an enhanced enterprise zone, and the denominator of
78 which is three hundred sixty-five.

79 9. For the purpose of computing the credit allowed by this section in the case of a facility
80 which qualifies as a new business facility pursuant to subsection 6 of this section, and in the case
81 of a new business facility which satisfies the requirements of paragraph (c) of subdivision [(17)]
82 **(18)** of section 135.950 or subdivision [(25)] **(27)** of section 135.950, the amount of the
83 taxpayer's new business facility investment in such facility shall be reduced by the average
84 amount, computed as provided in subdivision [(19)] **(20)** of section 135.950 for new business
85 facility investment, of the investment of the taxpayer, or related taxpayer immediately preceding
86 such expansion or replacement or at the time of acquisition. Furthermore, the amount of the
87 taxpayer's new business facility investment shall also be reduced by the amount of investment
88 employed by the taxpayer or related taxpayer which was subsequently transferred to the new
89 business facility from another Missouri facility and for which credits authorized in this section
90 are not being earned, whether such credits are earned because of an expansion, acquisition,
91 relocation, or the establishment of a new facility.

92 10. For a taxpayer with flow-through tax treatment to its members, partners, or
93 shareholders, the credit shall be allowed to members, partners, or shareholders in proportion to
94 their share of ownership on the last day of the taxpayer's tax period.

95 11. Credits may not be carried forward but shall be claimed for the taxable year during
96 which commencement of commercial operations occurs at such new business facility, and for
97 each of the nine succeeding taxable years for which the credit is issued.

98 12. Certificates of tax credit authorized by this section may be transferred, sold, or
99 assigned by filing a notarized endorsement thereof with the department that names the transferee,
100 the amount of tax credit transferred, and the value received for the credit, as well as any other
101 information reasonably requested by the department. The sale price cannot be less than
102 seventy-five percent of the par value of such credits.

103 13. The director of revenue shall issue a refund to the taxpayer to the extent that the
104 amount of credits allowed in this section exceeds the amount of the taxpayer's income tax.

105 14. Prior to the issuance of tax credits, the department shall verify through the
106 department of revenue, or any other state department, that the tax credit applicant does not owe
107 any delinquent income, sales, or use tax or interest or penalties on such taxes, or any delinquent
108 fees or assessments levied by any state department and through the department of insurance,
109 financial institutions and professional registration that the applicant does not owe any delinquent
110 insurance taxes. Such delinquency shall not affect the authorization of the application for such
111 tax credits, except that the amount of credits issued shall be reduced by the applicant's tax

112 delinquency. If the department of revenue or the department of insurance, financial institutions
113 and professional registration, or any other state department, concludes that a taxpayer is
114 delinquent after June fifteenth but before July first of any year and the application of tax credits
115 to such delinquency causes a tax deficiency on behalf of the taxpayer to arise, then the taxpayer
116 shall be granted thirty days to satisfy the deficiency in which interest, penalties, and additions
117 to tax shall be tolled. After applying all available credits toward a tax delinquency, the
118 administering agency shall notify the appropriate department, and that department shall update
119 the amount of outstanding delinquent tax owed by the applicant. If any credits remain after
120 satisfying all insurance, income, sales, and use tax delinquencies, the remaining credits shall be
121 issued to the applicant, subject to the restrictions of other provisions of law.

135.968. 1. A taxpayer who establishes a megaproject, approved by the department,
2 within an enhanced enterprise zone shall, in exchange for the consideration provided by new tax
3 revenues and other economic stimuli that will be generated from the new jobs created by the
4 megaproject, be allowed an income tax credit equal to the percentage of actual new annual
5 payroll of the taxpayer attributable to employees directly related to the [manufacturing and
6 assembly process and administration] **operation of the megaproject**, as provided under
7 subsection 4 of this section. A taxpayer seeking approval of a megaproject shall submit an
8 application to the department. The department shall not approve any megaproject after
9 December 31, 2008. The department shall not approve any credits for megaprojects to be issued
10 prior to January 1, 2013, and in no event shall the department authorize more than forty million
11 dollars to be issued annually for all megaprojects. The total amount of credits issued under this
12 section shall not exceed two hundred forty million dollars.

13 2. In considering applications for approval of megaprojects, the department may approve
14 an application if:

15 (1) The taxpayer's project is financially sound and the taxpayer has adequately
16 demonstrated an ability to successfully undertake and complete the megaproject. This
17 determination shall be supported by a professional third-party market feasibility analysis
18 conducted on behalf of the state by a firm with direct experience with the industry of the
19 proposed megaproject, and by a professional third-party financial analysis of the taxpayer's
20 ability to complete the project;

21 (2) The taxpayer's plan of repayment to the state of the amount of tax credits provided
22 is reasonable and sound;

23 (3) The taxpayer's megaproject will create new jobs that were not jobs previously
24 performed by employees of the taxpayer or a related taxpayer in Missouri;

25 (4) Local taxing entities are providing a significant level of incentives for the
26 megaproject relative to the projected new local tax revenues created by the megaproject;

27 (5) There is at least one other state or foreign country that the taxpayer verifies is being
28 considered for the project, and receiving megaproject tax credits is a major factor in the
29 taxpayer's decision to go forward with the project and not receiving the credit will result in the
30 taxpayer not creating new jobs in Missouri;

31 (6) The megaproject will be located in an enhanced enterprise zone which constitutes
32 an economic or social liability and a detriment to the public health, safety, morals, or welfare in
33 its present condition and use;

34 (7) The completion of the megaproject will serve an essential public municipal purpose
35 by creating a substantial number of new jobs for citizens, increasing their purchasing power,
36 improving their living conditions, and relieving the demand for unemployment and welfare
37 assistance thereby promoting the economic development of the enhanced enterprise zone, the
38 municipality, and the state; and

39 (8) The creation of new jobs will assist the state in providing the services needed to
40 protect the health, safety, and social and economic well-being of the citizens of the state.

41 3. Prior to final approval of an application, a binding contract shall be executed between
42 the taxpayer and the department of economic development which shall include, but not be
43 limited to:

44 (1) A repayment plan providing for cash payment to the state general revenue fund which
45 shall result in a positive internal rate of return to the state and fully comply with the provisions
46 of the World Trade Organization Agreement on Subsidies and Countervailing Measures. The
47 rate of return shall be commercially reasonable and, over the life of the project, exceed one
48 hundred and fifty percent of the state's borrowing costs based on the AAA-rated twenty-year
49 tax-exempt bond rate average over a twenty-year borrowing period. The rate shall be verified
50 by a professional third-party financial analysis;

51 (2) The taxpayer's obligation to construct a facility of at least one million square feet
52 within five years from the date of approval;

53 (3) A requirement that the issuance of tax credits authorized under this section shall
54 cease and the taxpayer shall immediately submit payment, to the state general revenue fund, in
55 an amount equal to all credits previously issued less any amounts previously repaid, increased
56 by an additional amount that shall provide the state a reasonable rate of return, in the event the
57 taxpayer:

58 (a) Fails to construct a facility of at least one million square feet within five years of the
59 date of approval;

60 (b) Fails to make a scheduled payment as required by the repayment plan; or

61 (c) Fails to compensate new jobs at rate equal to or in excess of the county average wage
62 or fails to offer health insurance to all such new jobs and pay at least eighty percent of such
63 premiums; and

64 (4) A requirement that the department shall suspend issuance of tax credits authorized
65 under this section if, at any point, the total amount of tax credits issued less the total amount of
66 repayments received equals one hundred and fifty-five million dollars.

67 4. Upon approval of an application by the department, tax credits shall be issued
68 annually for a period not to exceed eight years from the commencement of commercial
69 operations of the megaproject. The eight-year period for the issuance of megaproject tax credits
70 may extend beyond the expiration of the enhanced enterprise zone. The maximum percentage
71 of the annual payroll of the taxpayer for new jobs located at the megaproject which may be
72 approved or issued by the department for tax credits shall not exceed:

73 (1) Eighty percent for the first three years that tax credits will be issued for the
74 megaproject;

75 (2) Sixty percent for the next two subsequent years;

76 (3) Fifty percent for the next two subsequent years; and

77 (4) Thirty percent for the remaining year. In no event shall the department issue more
78 than forty million dollars annually in megaproject tax credits to any taxpayer. In any given year,
79 the amount of tax credits issued shall be the lesser of forty million dollars, the applicable annual
80 payroll percentage, or the amount of tax credits remaining unissued under the two hundred forty
81 million dollar limitation on megaproject tax credit issuance provided under subsection 1 of this
82 section.

83 5. Tax credits issued under this section may be claimed against the tax imposed by
84 chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo.
85 For taxpayers with flow-through tax treatment of its members, partners, or shareholders, the
86 credit shall be allowed to members, partners, or shareholders in proportion to their share of
87 ownership on the last day of the taxpayer's tax period. The director of revenue shall issue a
88 refund to a taxpayer to the extent the amount of credits allowed in this section exceeds the
89 amount of the taxpayer's income tax liability in the year redemption is authorized. An owner of
90 tax credits issued under this section shall not be required to have any Missouri income tax
91 liability in order to redeem such tax credits and receive a refund. The director of revenue shall
92 prepare a form to permit the owner of such tax credits to obtain a refund.

93 6. Certificates of tax credits authorized under this section may be transferred, sold, or
94 assigned by filing a notarized endorsement thereof with the department that names the transferee,
95 the amount of tax credit transferred, and the value received for the credit, as well as any other
96 information reasonably requested by the department. Upon such transfer, sale, or assignment,

97 the transferee shall be the owner of such tax credits entitled to claim the tax credits or any
98 refunds with respect thereto issued to the taxpayer. Tax credits may not be carried forward past
99 the year of issuance. Tax credits authorized by this section may not be pledged or used to secure
100 any bonds or other indebtedness issued by the state or any political subdivision of the state.
101 Once such tax credits have been issued, nothing shall prohibit the owner of the tax credits from
102 pledging the tax credits to any lender or other third party.

103 7. Any taxpayer issued tax credits under this section shall provide an annual report to the
104 department and the house and senate appropriations committees of the number of new jobs
105 located at the megaproject, the new annual payroll of such new jobs, and such other information
106 as may be required by the department to document the basis for benefits under this section. The
107 department may withhold the approval of the annual issuance of any tax credits until it is
108 satisfied that proper documentation has been provided, and shall reduce the tax credits to reflect
109 any reduction in new payroll. If the department determines the average wage is below the county
110 average wage, or the taxpayer has not maintained employee health insurance as required, the
111 taxpayer shall not receive tax credits for that year.

112 8. Notwithstanding any provision of law to the contrary, any taxpayer who is awarded
113 tax credits under this section shall not also receive tax credits under sections 135.100 to 135.150,
114 sections 135.200 to 135.286, section 135.535, or sections 620.1875 to 620.1890, RSMo.

115 9. Any action brought in any court contesting the approval of a megaproject and the
116 issuance of the tax credits, or any other action undertaken pursuant to this section related to such
117 megaproject, shall be filed within ninety days following approval of the megaproject by the
118 department.

119 10. Records and documents relating to a proposed megaproject shall be deemed closed
120 records until such time as the application has been approved. Provisions of this subsection to
121 the contrary notwithstanding, records containing business plan information which may endanger
122 the competitiveness of the business shall remain closed.

123 11. Notwithstanding any provision of this section to the contrary, no taxpayer who
124 receives megaproject tax credits authorized under this section or any related taxpayer shall
125 employ, prior to January 1, 2022, directly:

126 (1) Any elected public official of this state holding office as of January 1, 2008;

127 (2) Any director, deputy director, division director, or employee directly involved in
128 negotiations between the department of economic development and a taxpayer relative to the
129 megaproject who was employed as of January 1, 2008, by the department.

**135.969. 1. A taxpayer who establishes a new business facility in a certified
2 industrial zone approved or designated as an enhanced enterprise zone may, upon
3 approval by the department, be allowed a credit each tax year for up to ten tax years, in**

4 an amount determined as set forth in this section, against the tax imposed by chapter 143,
5 excluding withholding tax imposed by sections 143.191 to 143.265. No taxpayer shall
6 receive multiple ten-year periods for subsequent expansions at the same facility.

7 2. Notwithstanding any provision of law to the contrary, any taxpayer who
8 establishes a new business facility in a certified industrial zone approved or designated as
9 an enhanced enterprise zone and is awarded state tax credits under this section shall not
10 also receive tax credits under sections 135.100 to 135.150, sections 135.200 to 135.286, or
11 section 135.535, and shall not simultaneously receive tax credits under sections 620.1875
12 to 620.1890 at the same facility.

13 3. No credit shall be issued under this section unless:

14 (1) The number of new business facility employees engaged or maintained in
15 employment at the new business facility for the taxable year for which the credit is claimed
16 equals or exceeds seven; and

17 (2) The new business facility investment for the taxable year for which the credit
18 is claimed equals or exceeds one million dollars.

19 4. The annual amount of tax credits authorized to be issued for a certified
20 industrial zone approved or designated an enhanced business enterprise shall be the sum
21 of the following:

22 (1) A tax credit equal to ten percent of the gross wages of each new business facility
23 employee employed within the enhanced enterprise zone; and

24 (2) A tax credit equal to five percent of new business facility investment within an
25 enhanced enterprise zone.

26 5. As set forth in section 135.967, ten million dollars of tax credits shall be
27 authorized for issuance with respect to the certified industrial zones.

28 6. If a facility, which does not constitute a new business facility, is expanded by the
29 taxpayer, the expansion shall be considered eligible for the credit allowed by this section
30 if:

31 (1) The taxpayer's new business facility investment in the expansion during the tax
32 period in which the credits allowed in this section are claimed exceeds one hundred
33 thousand dollars and if the number of new business facility employees engaged or
34 maintained in employment at the expansion facility for the taxable year for which credit
35 is claimed equals or exceeds two, and the total number of employees at the facility after the
36 expansion is at least two greater than the total number of employees before the expansion;
37 and

38 (2) The taxpayer's investment in the expansion and in the original facility prior to
39 expansion is determined in the manner provided in subdivision (20) of section 135.950.

40 **7. The number of new business facility employees during any taxable year shall be**
41 **determined by dividing by twelve the sum of the number of individuals employed on the**
42 **last business day of each month of such taxable year. If the new business facility is in**
43 **operation for less than the entire taxable year, the number of new business facility**
44 **employees shall be determined by dividing the sum of the number of individuals employed**
45 **on the last business day of each full calendar month during the portion of such taxable year**
46 **during which the new business facility was in operation by the number of full calendar**
47 **months during such period. For the purpose of computing the credit allowed by this**
48 **section in the case of a facility which qualifies as a new business facility under subsection**
49 **6 of this section, and in the case of a new business facility which satisfies the requirements**
50 **of paragraph (c) of subdivision (18) or (27) of section 135.950, the number of new business**
51 **facility employees at such facility shall be reduced by the average number of individuals**
52 **employed, computed as provided in this subsection, at the facility during the taxable year**
53 **immediately preceding the taxable year in which such expansion, acquisition, or**
54 **replacement occurred and shall further be reduced by the number of individuals employed**
55 **by the taxpayer or related taxpayer that was subsequently transferred to the new business**
56 **facility from another Missouri facility and for which credits authorized in this section are**
57 **not being earned, whether such credits are earned because of an expansion, acquisition,**
58 **relocation, or the establishment of a new facility.**

59 **8. For the purpose of computing the credit allowed by this section in the case of a**
60 **facility which qualifies as a new business facility under subsection 6 of this section, and in**
61 **the case of a new business facility which satisfies the requirements of paragraph (c) of**
62 **subdivision (18) or (27) of section 135.950, the amount of the taxpayer's new business**
63 **facility investment in such facility shall be reduced by the average amount, computed as**
64 **provided in subdivision (20) of section 135.950 for new business facility investment, of the**
65 **investment of the taxpayer, or related taxpayer immediately preceding such expansion or**
66 **replacement or at the time of acquisition. Furthermore, the amount of the taxpayer's new**
67 **business facility investment shall also be reduced by the amount of investment employed**
68 **by the taxpayer or related taxpayer which was subsequently transferred to the new**
69 **business facility from another Missouri facility and for which credits authorized in this**
70 **section are not being earned, whether such credits are earned because of an expansion,**
71 **acquisition, relocation, or the establishment of a new facility.**

72 **9. For a taxpayer with flow-through tax treatment to its members, partners, or**
73 **shareholders, the credit shall be allowed to members, partners, or shareholders in**
74 **proportion to their share of ownership on the last day of the taxpayer's tax period.**

75 **10. Credits may not be carried forward but shall be claimed for the taxable year**
76 **during which commencement of commercial operations occurs at such new business**
77 **facility, and for each of the nine succeeding taxable years for which the credit is issued.**

78 **11. Certificates of tax credit authorized by this section may be transferred, sold, or**
79 **assigned by filing a notarized endorsement thereof with the department that names the**
80 **transferee, the amount of tax credit transferred, and the value received for the credit, as**
81 **well as any other information reasonably requested by the department. The sale price**
82 **cannot be less than seventy-five percent of the par value of such credits.**

83 **12. The director of revenue shall issue a refund to the taxpayer to the extent that**
84 **the amount of credits allowed in this section exceeds the amount of the taxpayer's income**
85 **tax.**

86 **13. Prior to the issuance of tax credits, the department shall verify through the**
87 **department of revenue, or any other state department, that the tax credit applicant does**
88 **not owe any delinquent income, sales, or use tax or interest or penalties on such taxes, or**
89 **any delinquent fees or assessments levied by any state department and through the**
90 **department of insurance, financial institutions and professional registration that the**
91 **applicant does not owe any delinquent insurance taxes. Such delinquency shall not affect**
92 **the authorization of the application for such tax credits, except that the amount of credits**
93 **issued shall be reduced by the applicant's tax delinquency. If the department of revenue**
94 **or the department of insurance, financial institutions and professional registration, or any**
95 **other state department, concludes that a taxpayer is delinquent after June fifteenth but**
96 **before July first of any year and the application of tax credits to such delinquency causes**
97 **a tax deficiency on behalf of the taxpayer to arise, then the taxpayer shall be granted thirty**
98 **days to satisfy the deficiency in which interest, penalties, and additions to tax shall be**
99 **tolled. After applying all available credits toward a tax delinquency, the administering**
100 **agency shall notify the appropriate department, and that department shall update the**
101 **amount of outstanding delinquent tax owed by the applicant. If any credits remain after**
102 **satisfying all insurance, income, sales, and use tax delinquencies, the remaining credits**
103 **shall be issued to the applicant, subject to the restrictions of other provisions of law.**

135.970. The department may adopt such rules, statements of policy, procedures, forms,
2 and guidelines as may be necessary to carry out the provisions of sections 135.950 to [135.970]
3 **135.973.** Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that
4 is created under the authority delegated in this section shall become effective only if it complies
5 with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section
6 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers
7 vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the

8 effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the
9 grant of rulemaking authority and any rule proposed or adopted after August 28, 2004, shall be
10 invalid and void.

135.973. After January 1, 2007, all enterprise zones designated before January 1, 2006,
2 shall be eligible to receive the tax benefits under sections 135.950 to [135.970] **135.973**.

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