FIRST REGULAR SESSION

# HOUSE BILL NO. 979

## 96TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES BRATTIN (Sponsor), KOENIG, CONWAY (14), DAVIS, WHITE, JOHNSON, TILLEY, McNARY, SMITH (150), LASATER, BURLISON, LARGENT, KELLEY (126), MOLENDORP, SATER, SOLON AND LONG (Co-sponsors).

1937L.02I D. ADAM CRUMBLISS, Chief Clerk

## AN ACT

To repeal sections 32.115, 99.1205, 100.286, 100.297, 100.850, 135.090, 135.110, 135.220, 135.225, 135.235, 135.279, 135.305, 135.313, 135.327, 135.352, 135.403, 135.460, 135.481, 135.490, 135.503, 135.535, 135.545, 135.550, 135.562, 135.575, 135.600, 135.630, 135.647, 135.679, 135.680, 135.700, 135.710, 135.750, 135.766, 135.967, 135.968, 135.1150, 137.106, 137.1018, 143.011, 143.021, 143.031, 143.106, 143.107, 143.111, 143.113, 143.118, 143.119, 143.121, 143.123, 143.124, 143.125, 143.127, 143.131, 143.141, 143.143, 143.151, 143.161, 143.171, 143.183, 143.351, 143.421, 143.471, 148.064, 148.400, 148.620, 148.655, 148.657, 178.762, 178.894, 191.1056, 208.770, 253.550, 348.302, 348.434, 348.505, 375.774, 376.745, 376.975, 376.980, 447.708, 620.495, 620.650, 620.1881, and 660.055, RSMo, and to enact in lieu thereof eighty-three new sections relating to tax rates and credits.

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

Section A. Sections 32.115, 99.1205, 100.286, 100.297, 100.850, 135.090, 135.110, 135.220, 135.225, 135.235, 135.279, 135.305, 135.313, 135.327, 135.352, 135.403, 135.460, 135.481, 135.490, 135.503, 135.535, 135.545, 135.550, 135.562, 135.575, 135.600, 135.630, 135.647, 135.679, 135.680, 135.700, 135.710, 135.750, 135.766, 135.967, 135.968, 135.1150, 137.106, 137.1018, 143.011, 143.021, 143.031, 143.106, 143.107, 143.111, 143.113, 143.118, 143.119, 143.121, 143.123, 143.124, 143.125, 143.127, 143.131, 143.141, 143.143, 143.151, 143.161, 143.171, 143.183, 143.351, 143.421, 143.471, 148.064, 148.400, 148.620, 148.655, 148.657, 178.762, 178.894, 191.1056, 208.770, 253.550, 348.302, 348.434, 348.505, 375.774, 376.745, 376.975, 376.980, 447.708, 620.495, 620.650, 620.1881, and 660.055, RSMo, are repealed and eighty-three new sections enacted in lieu thereof, to be known as sections 32.115,

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.

99.1205, 100.286, 100.297, 100.850, 135.090, 135.110, 135.220, 135.225, 135.235, 135.279, 135.305, 135.313, 135.327, 135.352, 135.403, 135.460, 135.481, 135.490, 135.503, 135.535, 135.545, 135.550, 135.562, 135.575, 135.600, 135.630, 135.647, 135.679, 135.680, 135.700, 135.710, 135.750, 135.766, 135.967, 135.968, 135.1150, 137.106, 137.1018, 143.011, 143.021, 143.031, 143.111, 143.113, 143.118, 143.119, 143.121, 143.123, 143.124, 143.125, 143.127, 143.131, 143.141, 143.143, 143.151, 143.161, 143.171, 143.183, 143.351, 143.421, 143.471, 148.064, 148.400, 148.620, 148.655, 148.657, 178.762, 178.894, 191.1056, 208.770, 253.550, 348.302, 348.434, 348.505, 375.774, 376.745, 376.975, 376.980, 447.708, 620.495, 620.650, 620.1881, and 660.055, to read as follows:

32.115. 1. The department of revenue shall grant a tax credit, to be applied in the following order until used, against:

(1) The annual tax on gross premium receipts of insurance companies in chapter 148;

(2) The tax on banks determined pursuant to subdivision (2) of subsection 2 of section 148.030;

(3) The tax on banks determined in subdivision (1) of subsection 2 of section 148.030;

(4) The tax on other financial institutions in chapter 148;

(5) The corporation franchise tax in chapter 147;

(6) The state income tax in chapter 143; and

(7) The annual tax on gross receipts of express companies in chapter 153.

2. For proposals approved pursuant to section 32.110:

(1) The amount of the tax credit shall not exceed fifty percent of the total amount contributed during the taxable year by the business firm or, in the case of a financial institution, where applicable, during the relevant income period in programs approved pursuant to section 32.110;

(2) Except as provided in subsection 2 or 5 of this section, a tax credit of up to seventy percent may be allowed for contributions to programs where activities fall within the scope of special program priorities as defined with the approval of the governor in regulations promulgated by the director of the department of economic development;

(3) Except as provided in subsection 2 or 5 of this section, the tax credit allowed for contributions to programs located in any community shall be equal to seventy percent of the total amount contributed where such community is a city, town or village which has fifteen thousand or less inhabitants as of the last decennial census and is located in a county which is either located in:

(a) An area that is not part of a standard metropolitan statistical area;

(b) A standard metropolitan statistical area but such county has only one city, town or village which has more than fifteen thousand inhabitants; or

(c) A standard metropolitan statistical area and a substantial number of persons in such county derive their income from agriculture. Such community may also be in an unincorporated

area in such county as provided in subdivision (1), (2) or (3) of this subsection. Except in no case shall the total economic benefit of the combined federal and state tax savings to the taxpayer exceed the amount contributed by the taxpayer during the tax year;

(4) Such tax credit allocation, equal to seventy percent of the total amount contributed, shall not exceed four million dollars in fiscal year 1999 and six million dollars in fiscal year 2000 and any subsequent fiscal year. When the maximum dollar limit on the seventy percent tax credit allocation is committed, the tax credit allocation for such programs shall then be equal to fifty percent credit of the total amount contributed. Regulations establishing special program priorities are to be promulgated during the first month of each fiscal year and at such times during the year as the public interest dictates. Such credit shall not exceed two hundred and fifty thousand dollars annually except as provided in subdivision (5) of this subsection. No tax credit shall be approved for any bank, bank and trust company, insurance company, trust company, national bank, savings association, or building and loan association for activities that are a part of its normal course of business. Any tax credit not used in the period the contribution was made may be carried over the next five succeeding calendar or fiscal years until the full credit has been claimed. Except as otherwise provided for proposals approved pursuant to section 32.111, 32.112 or 32.117, in no event shall the total amount of all other tax credits allowed pursuant to sections 32.100 to 32.125 exceed thirty-two million dollars in any one fiscal year, of which six million shall be credits allowed pursuant to section 135.460. If six million dollars in credits are not approved, then the remaining credits may be used for programs approved pursuant to sections 32.100 to 32.125;

(5) The credit may exceed two hundred fifty thousand dollars annually and shall not be limited if community services, crime prevention, education, job training, physical revitalization or economic development, as defined by section 32.105, is rendered in an area defined by federal or state law as an impoverished, economically distressed, or blighted area or as a neighborhood experiencing problems endangering its existence as a viable and stable neighborhood, or if the community services, crime prevention, education, job training, physical revitalization or economic development is limited to impoverished persons.

3. For proposals approved pursuant to section 32.111:

(1) The amount of the tax credit shall not exceed fifty-five percent of the total amount invested in affordable housing assistance activities or market rate housing in distressed communities as defined in section 135.530 by a business firm. Whenever such investment is made in the form of an equity investment or a loan, as opposed to a donation alone, tax credits may be claimed only where the loan or equity investment is accompanied by a donation which is eligible for federal income tax charitable deduction, and where the total value of the tax credits herein plus the value of the federal income tax charitable deduction is less than or equal to the value of the donation. Any tax credit not used in the period for which the credit was approved may be carried over the next ten succeeding calendar or fiscal years until the full credit has been

allowed. If the affordable housing units or market rate housing units in distressed communities for which a tax is claimed are within a larger structure, parts of which are not the subject of a tax credit claim, then expenditures applicable to the entire structure shall be reduced on a prorated basis in proportion to the ratio of the number of square feet devoted to the affordable housing units or market rate housing units in distressed communities, for purposes of determining the amount of the tax credit. The total amount of tax credit granted for programs approved pursuant to section 32.111 for the fiscal year beginning July 1, 1991, shall not exceed two million dollars, to be increased by no more than two million dollars each succeeding fiscal year, until the total tax credits that may be approved reaches ten million dollars in any fiscal year;

(2) For any year during the compliance period indicated in the land use restriction agreement, the owner of the affordable housing rental units for which a credit is being claimed shall certify to the commission that all tenants renting claimed units are income eligible for affordable housing units and that the rentals for each claimed unit are in compliance with the provisions of sections 32.100 to 32.125. The commission is authorized, in its discretion, to audit the records and accounts of the owner to verify such certification;

(3) In the case of owner-occupied affordable housing units, the qualifying owner occupant shall, before the end of the first year in which credits are claimed, certify to the commission that the occupant is income eligible during the preceding two years, and at the time of the initial purchase contract, but not thereafter. The qualifying owner occupant shall further certify to the commission, before the end of the first year in which credits are claimed, that during the compliance period indicated in the land use restriction agreement, the cost of the affordable housing unit to the occupant for the claimed unit can reasonably be projected to be in compliance with the provisions of sections 32.100 to 32.125. Any succeeding owner occupant acquiring the affordable housing unit during the compliance period indicated in the land use restriction agreement shall make the same certification;

(4) If at any time during the compliance period the commission determines a project for which a proposal has been approved is not in compliance with the applicable provisions of sections 32.100 to 32.125 or rules promulgated therefor, the commission may within one hundred fifty days of notice to the owner either seek injunctive enforcement action against the owner, or seek legal damages against the owner representing the value of the tax credits, or foreclose on the lien in the land use restriction agreement, selling the project at a public sale, and paying to the owner the proceeds of the sale, less the costs of the sale and less the value of all tax credits allowed herein. The commission shall remit to the director of revenue the portion of the legal damages collected or the sale proceeds representing the value of the tax credits. However, except in the event of intentional fraud by the taxpayer, the proposal's certificate of eligibility for tax credits shall not be revoked.

4. For proposals approved pursuant to section 32.112, the amount of the tax credit shall not exceed fifty-five percent of the total amount contributed to a neighborhood organization by

business firms. Any tax credit not used in the period for which the credit was approved may be carried over the next ten succeeding calendar or fiscal years until the full credit has been allowed. The total amount of tax credit granted for programs approved pursuant to section 32.112 shall not exceed one million dollars for each fiscal year.

5. The total amount of tax credits used for market rate housing in distressed communities pursuant to sections 32.100 to 32.125 shall not exceed thirty percent of the total amount of all tax credits authorized pursuant to sections 32.111 and 32.112.

**6. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under sections 32.100 to 32.125 after December 31, 2011.**

99.1205. 1. This section shall be known and may be cited as the "Distressed Areas Land Assemblage Tax Credit Act".

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

(1) "Acquisition costs", the purchase price for the eligible parcel, costs of environmental assessments, closing costs, real estate brokerage fees, reasonable demolition costs of vacant structures, and reasonable maintenance costs incurred to maintain an acquired eligible parcel for a period of five years after the acquisition of such eligible parcel. Acquisition costs shall not include costs for title insurance and survey, attorney's fees, relocation costs, fines, or bills from a municipality;

(2) "Applicant", any person, firm, partnership, trust, limited liability company, or corporation which has:

(a) Incurred, within an eligible project area, acquisition costs for the acquisition of land sufficient to satisfy the requirements under subdivision (8) of this subsection; and

(b) Been appointed or selected, pursuant to a redevelopment agreement by a municipal authority, as a redeveloper or similar designation, under an economic incentive law, to redevelop an urban renewal area or a redevelopment area that includes all of an eligible project area or whose redevelopment plan or redevelopment area, which encompasses all of an eligible project area, has been approved or adopted under an economic incentive law. In addition to being designated the redeveloper, the applicant shall have been designated to receive economic incentives only after the municipal authority has considered the amount of the tax credits in adopting such economic incentives as provided in subsection 8 of this section. The redevelopment agreement shall provide that:

a. The funds generated through the use or sale of the tax credits issued under this section shall be used to redevelop the eligible project area;

b. No more than seventy-five percent of the urban renewal area identified in the urban renewal plan or the redevelopment area identified in the redevelopment plan may be redeveloped by the applicant; and

c. The remainder of the urban renewal area or the redevelopment area shall be redeveloped by co-redevelopers or redevelopers to whom the applicant has assigned its redevelopment rights and obligations under the urban renewal plan or the redevelopment plan;

(3) "Certificate", a tax credit certificate issued under this section;

(4) "Condemnation proceedings", any action taken by, or on behalf of, an applicant to initiate an action in a court of competent jurisdiction to use the power of eminent domain to acquire a parcel within the eligible project area. Condemnation proceedings shall include any and all actions taken after the submission of a notice of intended acquisition to an owner of a parcel within the eligible project area by a municipal authority or any other person or entity under section 523.250;

(5) "Department", the Missouri department of economic development;

(6) "Economic incentive laws", any provision of Missouri law pursuant to which economic incentives are provided to redevelopers of a parcel or parcels to redevelop the land, such as tax abatement or payments in lieu of taxes, or redevelopment plans or redevelopment projects approved or adopted which include the use of economic incentives to redevelop the land. Economic incentive laws include, but are not limited to, the land clearance for redevelopment authority law under sections 99.300 to 99.660, the real property tax increment allocation redevelopment act under sections 99.800 to 99.865, the Missouri downtown and rural economic stimulus act under sections 99.915 to 99.1060, and the downtown revitalization preservation program under sections 99.1080 to 99.1092;

(7) "Eligible parcel", a parcel:

(a) Which is located within an eligible project area;

(b) Which is to be redeveloped;

(c) On which the applicant has not commenced construction prior to November 28, 2007;

(d) Which has been acquired without the commencement of any condemnation proceedings with respect to such parcel brought by or on behalf of the applicant. Any parcel acquired by the applicant from a municipal authority shall not constitute an eligible parcel; and

(e) On which all outstanding taxes, fines, and bills levied by municipal governments that were levied by the municipality during the time period that the applicant held title to the eligible parcel have been paid in full;

(8) "Eligible project area", an area which shall have satisfied the following requirements:

(a) The eligible project area shall consist of at least seventy-five acres and may include parcels within its boundaries that do not constitute an eligible parcel;

(b) At least eighty percent of the eligible project area shall be located within a Missouri qualified census tract area, as designated by the United States Department of Housing and Urban Development under 26 U.S.C. Section 42, or within a distressed community as that term is defined in section 135.530;

(c) The eligible parcels acquired by the applicant within the eligible project area shall total at least fifty acres, which may consist of contiguous and noncontiguous parcels;

(d) The average number of parcels per acre in an eligible project area shall be four or more;

(e) Less than five percent of the acreage within the boundaries of the eligible project area shall consist of owner-occupied residences which the applicant has identified for acquisition under the urban renewal plan or the redevelopment plan pursuant to which the applicant was appointed or selected as the redeveloper or by which the person or entity was qualified as an applicant under this section on the date of the approval or adoption of such plan;

(9) "Interest costs", interest, loan fees, and closing costs. Interest costs shall not include attorney's fees;

(10) "Maintenance costs", costs of boarding up and securing vacant structures, costs of removing trash, and costs of cutting grass and weeds;

(11) "Municipal authority", any city, town, village, county, public body corporate and politic, political subdivision, or land trust of this state established and authorized to own land within the state;

(12) "Municipality", any city, town, village, or county;

(13) "Parcel", a single lot or tract of land, and the improvements thereon, owned by, or recorded as the property of, one or more persons or entities;

(14) "Redeveloped", the process of undertaking and carrying out a redevelopment plan or urban renewal plan pursuant to which the conditions which provided the basis for an eligible project area to be included in a redevelopment plan or urban renewal plan are to be reduced or eliminated by redevelopment or rehabilitation; and

(15) "Redevelopment agreement", the redevelopment agreement or similar agreement into which the applicant entered with a municipal authority and which is the agreement for the implementation of the urban renewal plan or redevelopment plan pursuant to which the applicant was appointed or selected as the redeveloper or by which the person or entity was qualified as an applicant under this section; and such appointment or selection shall have been approved by an ordinance of the governing body of the municipality, or municipalities, or in the case of any city not within a county, the board of aldermen, in which the eligible project area is located. The redevelopment agreement shall include a time line for redevelopment of the eligible project area. The redevelopment agreement shall state that the named developer shall be subject to the provisions of chapter 290.

3. Any applicant shall be entitled to a tax credit against the taxes imposed under chapters 143, 147, and 148, except for sections 143.191 to 143.265, in an amount equal to fifty percent of the acquisition costs, and one hundred percent of the interest costs incurred for a period of five years after the acquisition of an eligible parcel. No tax credits shall be issued under this section until after January 1, 2008.

4. If the amount of such tax credit exceeds the total tax liability for the year in which the applicant is entitled to receive a tax credit, the amount that exceeds the state tax liability may be carried forward for credit against the taxes imposed under chapters 143, 147, and 148 for the succeeding six years, or until the full credit is used, whichever occurs first. The applicant shall not be entitled to a tax credit for taxes imposed under sections 143.191 to 143.265. Applicants entitled to receive such tax credits may transfer, sell, or assign the tax credits. Tax credits granted to a partnership, a limited liability company taxed as a partnership, or multiple owners of property shall be passed through to the partners, members, or owners respectively pro rata or pursuant to an executed agreement among the partners, members, or owners documenting an alternate distribution method.

5. A purchaser, transferee, or assignee of the tax credits authorized under this section may use acquired tax credits to offset up to one hundred percent of the tax liabilities otherwise imposed under chapters 143, 147, and 148, except for sections 143.191 to 143.265. A seller, transferor, or assignor shall perfect such transfer by notifying the department in writing within thirty calendar days following the effective date of the transfer and shall provide any information as may be required by the department to administer and carry out the provisions of this section.

6. To claim tax credits authorized under this section, an applicant shall submit to the department an application for a certificate. An applicant shall identify the boundaries of the eligible project area in the application. The department shall verify that the applicant has submitted a valid application in the form and format required by the department. The department shall verify that the municipal authority held the requisite hearings and gave the requisite notices for such hearings in accordance with the applicable economic incentive act, and municipal ordinances. On an annual basis, an applicant may file for the tax credit for the acquisition costs, and for the tax credit for the interest costs, subject to the limitations of this section. If an applicant applying for the tax credit meets the criteria required under this section, the department shall issue a certificate in the appropriate amount. If an applicant receives a tax credit for maintenance costs as a part of the applicant's acquisition costs, the department shall post on its Internet website the amount and type of maintenance costs and a description of the redevelopment project for which the applicant received a tax credit within thirty days after the department issues the certificate to the applicant.

7. The total aggregate amount of tax credits authorized under this section shall not exceed ninety-five million dollars. At no time shall the annual amount of the tax credits issued under this section exceed twenty million dollars. If the tax credits that are to be issued under this section exceed, in any year, the twenty million dollar limitation, the department shall either:

(1) Issue tax credits to the applicant in the amount of twenty million dollars, if there is only one applicant entitled to receive tax credits in that year; or

(2) Issue the tax credits on a pro rata basis to all applicants entitled to receive tax credits in that year. Any amount of tax credits, which an applicant is, or applicants are, entitled to

receive on an annual basis and are not issued due to the twenty million dollar limitation, shall be carried forward for the benefit of the applicant or applicants to subsequent years. No tax credits provided under this section shall be authorized after August 28, 2013. Any tax credits which have been authorized on or before August 28, 2013, but not issued, may be issued, subject to the limitations provided under this subsection, until all such authorized tax credits have been issued.

8. Upon issuance of any tax credits pursuant to this section, the department shall report to the municipal authority the applicant's name and address, the parcel numbers of the eligible parcels for which the tax credits were issued, the itemized acquisition costs and interest costs for which tax credits were issued, and the total value of the tax credits issued. The municipal authority and the state shall not consider the amount of the tax credits as an applicant's cost, but shall include the tax credits in any sources and uses and cost benefit analysis reviewed or created for the purpose of awarding other economic incentives. The amount of the tax credits shall not be considered an applicant's cost in the evaluation of the amount of any award of any other economic incentives, but shall be considered in measuring the reasonableness of the rate of return to the applicant with respect to such award of other economic incentives. The municipal authority shall provide the report to any relevant commission, board, or entity responsible for the evaluation and recommendation or approval of other economic incentives to assist in the redevelopment of the eligible project area. Tax credits authorized under this section shall constitute redevelopment tax credits, as such term is defined under section 135.800, and shall be subject to all provisions applicable to redevelopment tax credits provided under sections 135.800 to 135.830.

9. The department may promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

**10. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011.**

100.286. 1. Within the discretion of the board, the development and reserve fund, the infrastructure development fund or the export finance fund may be pledged to secure the payment of any bonds or notes issued by the board, or to secure the payment of any loan made by the board or a participating lender which loan:

(1) Is requested to finance any project or export trade activity;

(2) Is requested by a borrower who is demonstrated to be financially responsible;

(3) Can reasonably be expected to provide a benefit to the economy of this state;

(4) Is otherwise secured by a mortgage or deed of trust on real or personal property or other security satisfactory to the board; provided that loans to finance export trade activities may be secured by export accounts receivable or inventories of exportable goods satisfactory to the board;

(5) Does not exceed five million dollars;

(6) Does not have a term longer than five years if such loan is made to finance export trade activities; and

(7) Is, when used to finance export trade activities, made to small or medium size businesses or agricultural businesses, as may be defined by the board.

2. The board shall prescribe standards for the evaluation of the financial condition, business history, and qualifications of each borrower and the terms and conditions of loans which may be secured, and may require each application to include a financial report and evaluation by an independent certified public accounting firm, in addition to such examination and evaluation as may be conducted by any participating lender.

3. Each application for a loan secured by the development and reserve fund, the infrastructure development fund or the export finance fund shall be reviewed in the first instance by any participating lender to whom the application was submitted. If satisfied that the standards prescribed by the board are met and that the loan is otherwise eligible to be secured by the development and reserve fund, the infrastructure development fund or the export finance fund, the participating lender shall certify the same and forward the application for final approval to the board.

4. The securing of any loans by the development and reserve fund, the infrastructure development fund or the export finance fund shall be conditioned upon approval of the application by the board, and receipt of an annual reserve participation fee, as prescribed by the board, submitted by or on behalf of the borrower.

5. The securing of any loan by the export finance fund for export trade activities shall be conditioned upon the board's compliance with any applicable treaties and international agreements, such as the general agreement on tariffs and trade and the subsidies code, to which the United States is then a party.

6. Any taxpayer, including any charitable organization that is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143, may, subject to the limitations provided under subsection 8 of this section, receive a tax credit against any tax otherwise due under the provisions of chapter 143, excluding withholding tax imposed by sections 143.191 to 143.261, chapter 147, or chapter 148, in the amount of fifty percent of any amount contributed in money or property by the taxpayer to the development and reserve fund, the infrastructure development fund or the export finance fund during the taxpayer's tax year, provided, however, the total tax

credits awarded in any calendar year beginning after January 1, 1994, shall not be the greater of ten million dollars or five percent of the average growth in general revenue receipts in the preceding three fiscal years. This limit may be exceeded only upon joint agreement by the commissioner of administration, the director of the department of economic development, and the director of the department of revenue that such action is essential to ensure retention or attraction of investment in Missouri. If the board receives, as a contribution, real property, the contributor at such contributor's own expense shall have two independent appraisals conducted by appraisers certified by the Master Appraisal Institute. Both appraisals shall be submitted to the board, and the tax credit certified by the board to the contributor shall be based upon the value of the lower of the two appraisals. The board shall not certify the tax credit until the property is deeded to the board. Such credit shall not apply to reserve participation fees paid by borrowers under sections 100.250 to 100.297. The portion of earned tax credits which exceeds the taxpayer's tax liability may be carried forward for up to five years.

7. Notwithstanding any provision of law to the contrary, any taxpayer may sell, assign, exchange, convey or otherwise transfer tax credits allowed in subsection 6 of this section under the terms and conditions prescribed in subdivisions (1) and (2) of this subsection. Such taxpayer, hereinafter the assignor for the purpose of this subsection, may sell, assign, exchange or otherwise transfer earned tax credits:

(1) For no less than seventy-five percent of the par value of such credits; and

(2) In an amount not to exceed one hundred percent of annual earned credits. The taxpayer acquiring earned credits, hereinafter the assignee for the purpose of this subsection, may use the acquired credits to offset up to one hundred percent of the tax liabilities otherwise imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.261, chapter 147, or chapter 148. Unused credits in the hands of the assignee may be carried forward for up to five years, provided all such credits shall be claimed within ten years following the tax years in which the contribution was made. The assignor shall enter into a written agreement with the assignee establishing the terms and conditions of the agreement and shall perfect such transfer by notifying the board in writing within thirty calendar days following the effective day of the transfer and shall provide any information as may be required by the board to administer and carry out the provisions of this section. Notwithstanding any other provision of law to the contrary, the amount received by the assignor of such tax credit shall be taxable as income of the assignor, and the excess of the par value of such credit over the amount paid by the assignee for such credit shall be taxable as income of the assignee.

8. Provisions of subsections 1 to 7 of this section to the contrary notwithstanding, no more than ten million dollars in tax credits provided under this section, may be authorized or approved annually. The limitation on tax credit authorization and approval provided under this subsection may be exceeded only upon mutual agreement, evidenced by a signed and properly notarized letter, by the commissioner of the office of administration, the director of the

department of economic development, and the director of the department of revenue that such action is essential to ensure retention or attraction of investment in Missouri provided, however, that in no case shall more than twenty-five million dollars in tax credits be authorized or approved during such year. Taxpayers shall file, with the board, an application for tax credits authorized under this section on a form provided by the board. The provisions of this subsection shall not be construed to limit or in any way impair the ability of the board to authorize tax credits for issuance for projects authorized or approved, by a vote of the board, on or before the thirtieth day following the effective date of this act, or a taxpayer's ability to redeem such tax credits.

**9. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under sections 100.250 to 100.297 after December 31, 2011.**

100.297. 1. The board may authorize a tax credit, as described in this section, to the owner of any revenue bonds or notes issued by the board pursuant to the provisions of sections 100.250 to 100.297, for infrastructure facilities as defined in subdivision (9) of section 100.255, if, prior to the issuance of such bonds or notes, the board determines that:

(1) The availability of such tax credit is a material inducement to the undertaking of the project in the state of Missouri and to the sale of the bonds or notes;

(2) The loan with respect to the project is adequately secured by a first deed of trust or mortgage or comparable lien, or other security satisfactory to the board.

2. Upon making the determinations specified in subsection 1 of this section, the board may declare that each owner of an issue of revenue bonds or notes shall be entitled, in lieu of any other deduction with respect to such bonds or notes, to a tax credit against any tax otherwise due by such owner pursuant to the provisions of chapter 143, excluding withholding tax imposed by sections 143.191 to 143.261, chapter 147, or chapter 148, in the amount of one hundred percent of the unpaid principal of and unpaid interest on such bonds or notes held by such owner in the taxable year of such owner following the calendar year of the default of the loan by the borrower with respect to the project. The occurrence of a default shall be governed by documents authorizing the issuance of the bonds. The tax credit allowed pursuant to this section shall be available to the original owners of the bonds or notes or any subsequent owner or owners thereof. Once an owner is entitled to a claim, any such tax credits shall be transferable as provided in subsection 7 of section 100.286. Notwithstanding any provision of Missouri law to the contrary, any portion of the tax credit to which any owner of a revenue bond or note is entitled pursuant to this section which exceeds the total income tax liability of such owner of a revenue bond or note shall be carried forward and allowed as a credit against any future taxes imposed on such owner within the next ten years pursuant to the provisions of chapter 143, excluding withholding tax imposed by sections 143.191 to 143.261, chapter 147, or chapter 148. The eligibility of the owner of any revenue bond or note issued pursuant to the provisions of sections 100.250 to 100.297 for the tax credit provided by this section shall be expressly stated on the face of each

such bond or note. The tax credit allowed pursuant to this section shall also be available to any financial institution or guarantor which executes any credit facility as security for bonds issued pursuant to this section to the same extent as if such financial institution or guarantor was an owner of the bonds or notes, provided however, in such case the tax credits provided by this section shall be available immediately following any default of the loan by the borrower with respect to the project. In addition to reimbursing the financial institution or guarantor for claims relating to unpaid principal and interest, such claim may include payment of any unpaid fees imposed by such financial institution or guarantor for use of the credit facility.

3. The aggregate principal amount of revenue bonds or notes outstanding at any time with respect to which the tax credit provided in this section shall be available shall not exceed fifty million dollars.

**4. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011.**

100.850. 1. The approved company shall remit to the board a job development assessment fee, not to exceed five percent of the gross wages of each eligible employee whose job was created as a result of the economic development project, or not to exceed ten percent if the economic development project is located within a distressed community as defined in section 135.530, for the purpose of retiring bonds which fund the economic development project.

2. Any approved company remitting an assessment as provided in subsection 1 of this section shall make its payroll books and records available to the board at such reasonable times as the board shall request and shall file with the board documentation respecting the assessment as the board may require.

3. Any assessment remitted pursuant to subsection 1 of this section shall cease on the date the bonds are retired.

4. Any approved company which has paid an assessment for debt reduction shall be allowed a tax credit equal to the amount of the assessment. The tax credit may be claimed against taxes otherwise imposed by chapters 143 and 148, except withholding taxes imposed under the provisions of sections 143.191 to 143.265, which were incurred during the tax period in which the assessment was made.

5. In no event shall the aggregate amount of tax credits authorized by subsection 4 of this section exceed twenty-five million dollars annually. Of such amount, nine hundred fifty thousand dollars shall be reserved for an approved project for a world headquarters of a business whose primary function is tax return preparation that is located in any home rule city with more than four hundred thousand inhabitants and located in more than one county, which amount reserved shall end in the year of the final maturity of the certificates issued for such approved project.

6. The director of revenue shall issue a refund to the approved company to the extent that the amount of credits allowed in subsection 4 of this section exceeds the amount of the approved company's income tax.

**7. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under sections 100.700 to 100.850 after December 31, 2011.**

135.090. 1. As used in this section, the following terms mean:

(1) "Homestead", the dwelling in Missouri owned by the surviving spouse and not exceeding five acres of land surrounding it as is reasonably necessary for use of the dwelling as a home. As used in this section, "homestead" shall not include any dwelling which is occupied by more than two families;

(2) "Public safety officer", any firefighter, police officer, capitol police officer, parole officer, probation officer, correctional employee, water patrol officer, park ranger, conservation officer, commercial motor **vehicle** enforcement officer, emergency medical technician, first responder, or highway patrolman employed by the state of Missouri or a political subdivision thereof who is killed in the line of duty, unless the death was the result of the officer's own misconduct or abuse of alcohol or drugs;

(3) "Surviving spouse", a spouse, who has not remarried, of a public safety officer.

2. For all tax years beginning on or after January 1, 2008, a surviving spouse shall be allowed a credit against the tax otherwise due under chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, in an amount equal to the total amount of the property taxes on the surviving spouse's homestead paid during the tax year for which the credit is claimed. A surviving spouse may claim the credit authorized under this section for each tax year beginning the year of death of the public safety officer spouse until the tax year in which the surviving spouse remarries. No credit shall be allowed for the tax year in which the surviving spouse remarries. If the amount allowable as a credit exceeds the income tax reduced by other credits, then the excess shall be considered an overpayment of the income tax.

3. The department of revenue shall promulgate rules to implement the provisions of this section.

**[**4.**]** Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

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

(1) The provisions of the new program authorized under this section shall automatically sunset six years after August 28, 2007, unless reauthorized by an act of the general assembly; and

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

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset**] 4. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011**.

135.110. 1. Any taxpayer who shall establish a new business facility shall be allowed a credit, each year for ten years, in an amount determined pursuant to subsection 2 or 3 of this section, whichever is applicable, against the tax imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or an insurance company which shall establish a new business facility by satisfying the requirements in subdivision (7) of section 135.100 shall be allowed a credit against the tax otherwise imposed by chapter 148, and in the case of an insurance company exempt from the thirty percent employee requirement of section 135.230, against any obligation imposed pursuant to section 375.916, except that no taxpayer shall be entitled to multiple ten-year periods for subsequent expansions at the same facility, except as otherwise provided in this section. For the purpose of this section, the term "facility" shall mean, and be limited to, the facility or facilities which are located on the same site in which the new business facility is located, and in which the business conducted at such facility or facilities is directly related to the business conducted at the new business facility. Notwithstanding the provisions of this subsection, a taxpayer may be entitled to an additional ten-year period if a new business facility is expanded in the eighth, ninth or tenth year of the current ten-year period or in subsequent years following the expiration of the ten-year period, if the number of new business facility employees attributed to such expansion is at least twenty-five and the amount of new business facility investment attributed to such expansion is at least one million dollars. Credits may not be carried forward but shall be claimed for the taxable year during which commencement of commercial operations occurs at such new business facility, and for each of the nine succeeding taxable years. A letter of intent, as provided for in section 135.258, must be filed with the department of economic development no later than fifteen days prior to the commencement of commercial operations at the new business facility. The initial application for claiming tax credits must be made in the taxpayer's tax period immediately following the tax period in which commencement of commercial operations began at the new business facility. This provision shall have effect on all initial applications filed on or after August 28, 1992. No credit shall be allowed pursuant to this section 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; except that the number of new business facility employees engaged or maintained in employment by a revenue-producing enterprise other than a revenue-producing enterprise defined in paragraphs (a) to (g) and (i) to (l) of

subdivision (11) of section 135.100 which establishes an office as defined in subdivision (8) of section 135.100 shall equal or exceed twenty-five.

2. For tax periods beginning after August 28, 1991, in the case of a taxpayer operating an existing business facility, the credit allowed by subsection 1 of this section shall offset the greater of:

(1) Some portion of the income tax otherwise imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or in the case of an insurance company, the tax on the direct premiums, as defined in chapter 148, and in the case of an insurance company exempt from the thirty percent employee requirement of section 135.230, against any obligation imposed pursuant to section 375.916 with respect to such taxpayer's new business facility income for the taxable year for which such credit is allowed; or

(2) Up to fifty percent or, in the case of an economic development project located within a distressed community as defined in section 135.530, seventy-five percent of the business income tax otherwise imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or in the case of an insurance company, the tax on the direct premiums, as defined in chapter 148, and in the case of an insurance company exempt from the thirty percent employee requirement of section 135.230, against any obligation imposed pursuant to section 375.916 if the business operates no other facilities in Missouri. In the case of an existing business facility operating more than one facility in Missouri, the credit allowed in subsection 1 of this section shall offset up to the greater of the portion prescribed in subdivision (1) of this subsection or twenty-five percent or, in the case of an economic development project located within a distressed community as defined in section 135.530, thirty-five percent of the business' tax, except that no taxpayer operating more than one facility in Missouri shall be allowed to offset more than twenty-five percent or, in the case of an economic development project located within a distressed community as defined in section 135.530, thirty-five percent of the taxpayer's business income tax in any tax period under the method prescribed in this subdivision. Such credit shall be an amount equal to the sum of one hundred dollars or, in the case of an economic development project located within a distressed community as defined in section 135.530, one hundred fifty dollars for each new business facility employee plus one hundred dollars or, in the case of an economic development project located within a distressed community as defined in section 135.530, one hundred fifty dollars for each one hundred thousand dollars, or major fraction thereof (which shall be deemed to be fifty-one percent or more) in new business facility investment. For the purpose of this section, tax credits earned by a taxpayer, who establishes a new business facility because it satisfies the requirements of paragraph (c) of subdivision (4) of section 135.100, shall offset the greater of the portion prescribed in subdivision (1) of this subsection or up to fifty percent or, in the case of an economic development project located within a distressed community as defined in section 135.530, seventy-five percent of the business' tax provided the business operates no other facilities in Missouri. In the case of a

business operating more than one facility in Missouri, the credit allowed in subsection 1 of this section shall offset up to the greater of the portion prescribed in subdivision (1) of this subsection or twenty-five percent or, in the case of an economic development project located within a distressed community as defined in section 135.530, thirty-five percent of the business' tax, except that no taxpayer operating more than one facility in Missouri shall be allowed to offset more than twenty-five percent or, in the case of an economic development project located within a distressed community as defined in section 135.530, thirty-five percent of the taxpayer's business income tax in any tax period under the method prescribed in this subdivision.

3. For tax periods beginning after August 28, 1991, in the case of a taxpayer not operating an existing business facility, the credit allowed by subsection 1 of this section shall offset the greater of:

(1) Some portion of the income tax otherwise imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or in the case of an insurance company, the tax on the direct premiums, as defined in chapter 148, and in the case of an insurance company exempt from the thirty percent employee requirement of section 135.230, against any obligation imposed pursuant to section 375.916 with respect to such taxpayer's new business facility income for the taxable year for which such credit is allowed; or

(2) Up to one hundred percent of the business income tax otherwise imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or in the case of an insurance company, the tax on the direct premiums, as defined in chapter 148, and in the case of an insurance company exempt from the thirty percent employee requirement of section 135.230, against any obligation imposed pursuant to section 375.916 if the business has no other facilities operating in Missouri. In the case of a taxpayer not operating an existing business and operating more than one facility in Missouri, the credit allowed by subsection 1 of this section shall offset up to the greater of the portion prescribed in subdivision (1) of this subsection or twenty-five percent or, in the case of an economic development project located within a distressed community as defined in section 135.530, thirty-five percent of the business' tax, except that no taxpayer operating more than one facility in Missouri shall be allowed to offset more than twenty-five percent or, in the case of an economic development project located within a distressed community as defined in section 135.530, thirty-five percent of the taxpayer's business income tax in any tax period under the method prescribed in this subdivision. Such credit shall be an amount equal to the sum of seventy-five dollars or, in the case of an economic development project located within a distressed community as defined in section 135.530, one hundred twenty-five dollars for each new business facility employee plus seventy-five dollars or, in the case of an economic development project located within a distressed community as defined in section 135.530, one hundred twenty-five dollars for each one hundred thousand dollars, or major fraction thereof (which shall be deemed to be fifty-one percent or more) in new business facility investment.

4. The number of new business facility employees during any taxable year shall be determined by dividing by twelve the sum of the number of individuals employed on the last business day of each month of such taxable year. If the new business facility is in operation for less than the entire taxable year, the number of new business facility employees shall be determined by dividing the sum of the number of individuals employed on the last business day of each full calendar month during the portion of such taxable year during which the new business facility was in operation by the number of full calendar months during such period. For the purpose of computing the credit allowed by this section in the case of a facility which qualifies as a new business facility because it qualifies as a separate facility pursuant to subsection 6 of this section, and, in the case of a new business facility which satisfies the requirements of paragraph (c) of subdivision (4) of section 135.100, or subdivision (10) of section 135.100, the number of new business facility employees at such facility shall be reduced by the average number of individuals employed, computed as provided in this subsection, at the facility during the taxable year immediately preceding the taxable year in which such expansion, acquisition, or replacement occurred and shall further be reduced by the number of individuals employed by the taxpayer or related taxpayer that was subsequently transferred to the new business facility from another Missouri facility and for which credits authorized in this section are not being earned, whether such credits are earned because of an expansion, acquisition, relocation or the establishment of a new facility.

5. For the purpose of computing the credit allowed by this section in the case of a facility which qualifies as a new business facility because it qualifies as a separate facility pursuant to subsection 6 of this section, and, in the case of a new business facility which satisfies the requirements of paragraph (c) of subdivision (4) of section 135.100 or subdivision (10) of section 135.100, the amount of the taxpayer's new business facility investment in such facility shall be reduced by the average amount, computed as provided in subdivision (7) of section 135.100 for new business facility investment, of the investment of the taxpayer, or related taxpayer immediately preceding such expansion or replacement or at the time of acquisition. Furthermore, the amount of the taxpayer's new business facility investment shall also be reduced by the amount of investment employed by the taxpayer or related taxpayer which was subsequently transferred to the new business facility from another Missouri facility and for which credits authorized in this section are not being earned, whether such credits are earned because of an expansion, acquisition, relocation or the establishment of a new facility.

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

(1) The taxpayer's new business facility investment in the expansion during the tax period in which the credits allowed in this section are claimed exceeds one hundred thousand dollars, or, if less, one hundred percent of the investment in the original facility prior to

expansion and if the number of new business facility employees engaged or maintained in employment at the expansion facility for the taxable year for which credit is claimed equals or exceeds two, except that the number of new business facility employees engaged or maintained in employment at the expansion facility for the taxable year for which the credit is claimed equals or exceeds twenty-five if an office as defined in subdivision (8) of section 135.100 is established by a revenue-producing enterprise other than a revenue-producing enterprise defined in paragraphs (a) to (g) and (i) to (l) of subdivision (11) of section 135.100 and the total number of employees at the facility after the expansion is at least two greater than the total number of employees before the expansion, except that the total number of employees at the facility after the expansion is at least greater than the number of employees before the expansion by twenty-five, if an office as defined in subdivision (8) of section 135.100 is established by a revenue-producing enterprise other than a revenue-producing enterprise defined in paragraphs (a) to (g) and (i) to (l) of subdivision (11) of section 135.100; and

(2) The expansion otherwise constitutes a new business facility. The taxpayer's investment in the expansion and in the original facility prior to expansion shall be determined in the manner provided in subdivision (7) of section 135.100.

7. No credit shall be allowed pursuant to this section to a public utility, as such term is defined in section 386.020. Notwithstanding any provision of this subsection to the contrary, motor carriers, barge lines or railroads engaged in transporting property for hire, or any interexchange telecommunications company or local exchange telecommunications company that establishes a new business facility shall be eligible to qualify for credits allowed in this section.

8. For the purposes of the credit described in this section, in the case of a corporation described in section 143.471 or partnership, in computing Missouri's tax liability, this credit shall be allowed to the following:

(1) The shareholders of the corporation described in section 143.471;

(2) The partners of the partnership. This credit shall be apportioned to the entities described in subdivisions (1) and (2) of this subsection in proportion to their share of ownership on the last day of the taxpayer's tax period.

9. Notwithstanding any provision of law to the contrary, any employee-owned engineering firm classified as SIC 8711, architectural firm as classified SIC 8712, or accounting firm classified SIC 8721 establishing a new business facility because it qualifies as a headquarters as defined in subsection 10 of this section, shall be allowed the credits described in subsection 11 of this section under the same terms and conditions prescribed in sections 135.100 to 135.150; provided:

(1) Such facility maintains an average of at least five hundred new business facility employees as defined in subdivision (5) of section 135.100 during the taxpayer's tax period in which such credits are being claimed; and

(2) Such facility maintains an average of at least twenty million dollars in new business facility investment as defined in subdivision (7) of section 135.100 during the taxpayer's tax period in which such credits are being claimed.

10. For the purpose of the credits allowed in subsection 9 of this section:

(1) "Employee-owned" means the business employees own directly or indirectly, including through an employee stock ownership plan or trust at least:

(a) Seventy-five percent of the total business stock, if the taxpayer is a corporation described in section 143.441; or

(b) One hundred percent of the interest in the business if the taxpayer is a corporation described in section 143.471, a partnership, or a limited liability company; and

(2) "Headquarters" means:

(a) The administrative management of at least three integrated facilities operated by the taxpayer or related taxpayer; and

(b) The taxpayer's business has been headquartered in this state for more than fifty years.

11. The tax credits allowed in subsection 9 of this section shall be the greater of:

(1) Four hundred dollars for each new business facility employee as computed in subsection 4 of this section and four percent of new business facility investment as computed in subsection 5 of this section; or

(2) Five hundred dollars for each new business facility employee as computed in subsection 4 of this section, and five hundred dollars of each one hundred thousand dollars of new business facility investment as computed in subsection 5 of this section.

12. For the purpose of the credit described in subsection 9 of this section, in the case of a small corporation described in section 143.471, or a partnership, or a limited liability company, the credits allowed in subsection 9 of this section shall be apportioned in proportion to the share of ownership of each shareholder, partner or stockholder on the last day of the taxpayer's tax period for which such credits are being claimed.

13. For the purpose of the credit described in subsection 9 of this section, tax credits earned, to the extent such credits exceed the taxpayer's Missouri tax on taxable business income, shall constitute an overpayment of taxes and in such case, be refunded to the taxpayer provided such refunds are used by the taxpayer to purchase specified facility items. For the purpose of the refund as authorized in this subsection, "specified facility items" means equipment, computers, computer software, copiers, tenant finishing, furniture and fixtures installed and in use at the new business facility during the taxpayer's taxable year. The taxpayer shall perfect such refund by attesting in writing to the director, subject to the penalties of perjury, the requirements prescribed in this subsection have been met and submitting any other information the director may require.

14. Notwithstanding any provision of law to the contrary, any taxpayer may sell, assign, exchange, convey or otherwise transfer tax credits allowed in subsection 9 of this section under the terms and conditions prescribed in subdivisions (1) and (2) of this subsection. Such taxpayer,

referred to as the assignor for the purpose of this subsection, may sell, assign, exchange or otherwise transfer earned tax credits:

(1) For no less than seventy-five percent of the par value of such credits; and

(2) In an amount not to exceed one hundred percent of such earned credits. The taxpayer acquiring the earned credits referred to as the assignee for the purpose of this subsection may use the acquired credits to offset up to one hundred percent of the tax liabilities otherwise imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.261, or chapter 148, or in the case of an insurance company exempt from the thirty percent employee requirement of section 135.230, against any obligation imposed pursuant to section 375.916. Unused credits in the hands of the assignee may be carried forward for up to five tax periods, provided all such credits shall be claimed within ten tax periods following the tax period in which commencement of commercial operations occurred at the new business facility. The assignor shall enter into a written agreement with the assignee establishing the terms and conditions of the agreement and shall perfect such transfer by notifying the director in writing within thirty calendar days following the effective date of the transfer and shall provide any information as may be required by the director to administer and carry out the provisions of this subsection. Notwithstanding any other provision of law to the contrary, the amount received by the assignor of such tax credit shall be taxable as income of the assignor, and the difference between the amount paid by the assignee and the par value of the credits shall be taxable as income of the assignee.

**15. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under sections 135.100 to 135.150 after December 31, 2011.**

135.220. 1. The provisions of chapter 143 notwithstanding, one-half of the Missouri taxable income attributed to a new business facility in an enterprise zone which is earned by a taxpayer establishing and operating a new business facility located within an enterprise zone shall be exempt from taxation under chapter 143. A taxpayer operating a revenue producing enterprise as defined in paragraph (d) of subdivision (6) of section 135.200 may elect to exempt from taxation under chapter 143 one-half of the Missouri taxable income attributed to a new business facility in an enterprise zone or may elect to claim a fifty-dollar credit against the tax imposed under chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, for each room constructed for use as a bedroom for each qualifying residential unit. A "bedroom" is defined as a structurally separate room used primarily for sleeping, and not as a living room, dining room, kitchen or closet. That portion of income attributed to the new business facility shall be determined in a manner prescribed in paragraph (b) of subdivision (6) of section 135.100, except that compensation paid to truck drivers, or rail or barge vehicle operators shall be excluded from the fraction.

2. In the case of a small corporation described in section 143.471 or a partnership, in computing the Missouri taxable income of the taxpayers described in subdivisions (1) and (2)

of this subsection, a deduction apportioned in proportion to their share of ownership of the business on the last day of the taxpayer's tax period for which such tax credits are being claimed, shall be allowed from their Missouri adjusted gross income in the amount of one-half of the Missouri taxable income earned by the new business facility, as determined by the method prescribed in subsection 1 of this section located within the enterprise zone, as defined in this section, to the following:

(1) The shareholders of a small corporation described in section 143.471;

(2) The partners in a partnership.

**3. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under sections 135.200 to 135.256 after December 31, 2011.**

135.225. 1. The credits otherwise provided by sections 135.100 to 135.150 shall upon proper application be granted to any taxpayer who shall establish and operate a new business facility located within an enterprise zone, except one designated pursuant to subsection 5 of section 135.230, on the same terms and conditions specified in those sections, except that:

(1) The credit otherwise allowed for each new business facility employee employed within an enterprise zone shall be four hundred dollars;

(2) An additional credit of four hundred dollars shall be granted for each twelve-month period that a new business facility employee is a resident of an enterprise zone;

(3) An additional credit of four hundred dollars shall be granted for each twelve-month period that the person employed as a new business facility employee is a person who, at the time of such employment by the new business facility, met the criteria as set forth in section 135.240;

(4) The credit otherwise allowed for new business facility investment shall be equal to the sum of ten percent of the first ten thousand dollars of such qualifying investment, plus five percent of the next ninety thousand dollars of such qualifying investment, plus two percent of all remaining qualifying investments within an enterprise zone;

(5) In the case of a small corporation described in section 143.471 or a partnership, the credits granted by this section shall be apportioned in proportion to the share of ownership of the taxpayer on the last day of the taxpayer's tax period for which such tax credits are being claimed, to the following:

(a) The shareholders of a small corporation described in section 143.471;

(b) The partners in a partnership;

(6) In the case of financial institutions described pursuant to the provisions of chapter 148, the credits allowed in subdivisions (1), (2), (3) and (4) of this subsection and the credit allowed in section 135.235 may be used to offset the tax imposed by chapter 148 and, in the case of an insurance company exempt from the thirty-percent employee requirement of section 135.230, any obligations imposed pursuant to section 375.916 subject to the same method of apportionment as prescribed for taxes imposed by chapter 143 and as provided in subdivision (6) of section 135.100 and subsections 2 and 3 of section 135.110;

(7) If a facility within an enterprise zone, which does not constitute a new business facility, is expanded or improved by the taxpayer within the enterprise zone, the expansion or improvement shall be considered a separate facility eligible for the credits allowed in this section and section 135.235, and the exemption allowed in section 135.220, if:

(a) The new business facility investment in the expansion or improvement during the tax period in which such credits and the exemption are claimed exceeds one hundred thousand dollars or, if less than one hundred thousand dollars, is twenty-five percent of the investment in the original facility prior to expansion or improvement; and

(b) The expansion or improvement otherwise constitutes a new business facility; and

(c) The number of new business facility employees engaged or maintained in employment at the expanded or improved facility for the taxable year for which the credit is claimed equals or exceeds two and the total number of employees at the facility after expansion or improvement is at least two greater than the total number of employees before expansion or improvement. The taxpayer's investment in the expansion or improvement and in the original facility prior to expansion or improvement shall be determined in the manner provided in subdivision (7) of section 135.100;

(8) For the purpose of sections 135.200 to 135.256, an office as defined in subdivision (8) of section 135.100, when established, must create and maintain at least two new business facility employees as defined in subdivision (5) of section 135.100;

(9) In the case where a person employed by the new business facility is a resident of the enterprise zone for less than a twelve-month period, or in the case where a person employed as a new business facility employee is a person who, at the time of such employment by the new business facility, met the criteria as set forth in section 135.240, is employed for less than a twelve-month period, the credits allowed by subdivisions (2) and (3) of this subsection shall be determined by multiplying four hundred dollars by a fraction, the numerator of which is the number of calendar days during the taxpayer's tax year for which such credits are claimed, in which the person met the requirements prescribed in subdivision (2) or (3) of this subsection, and the denominator of which is three hundred and sixty-five, except that such credit shall not exceed four hundred dollars per employee in any one taxable year;

(10) The deferment of tax credit authorized in section 135.120 shall not be available to taxpayers establishing a new business facility in an enterprise zone;

(11) The allowance for additional ten-year periods to certain new business facilities as prescribed in subsection 1 of section 135.110 shall not be available to taxpayers expanding a new business facility in an enterprise zone, except that any taxpayer who has been eligible to earn enterprise zone tax benefits for ten tax periods, or until the expiration of the fifteen-year period as prescribed in subsection 1 of section 135.230, or for the maximum period otherwise allowed by law, may qualify for the tax credits allowed in section 135.110 if otherwise eligible, pursuant to the same terms and conditions prescribed in sections 135.100 to 135.150;

(12) Taxpayers who establish a new business facility by operating a revenue-producing enterprise as defined in paragraph (d) of subdivision (6) of section 135.200 shall not be required to create and maintain new business facility employees.

2. The tax credits described in subdivisions (1), (2), (3) and (4) of subsection 1 of this section, the training credit allowed in section 135.235, and the income exemption allowed in section 135.220, shall be allowed to any taxpayer, under the same terms and conditions specified in such sections, who establishes a new business facility in an enterprise zone designated pursuant to subsection 5 of section 135.230, except that all such tax benefits shall be removed not later than seven years after the enterprise zone is designated as such.

3. Notwithstanding any provision of law to the contrary, any taxpayer who establishes a new business facility in an enterprise zone, may elect to forfeit the tax credits otherwise allowed in section 135.235 and this section and the exemptions otherwise allowed in sections 135.215 and 135.220 and the refund otherwise allowed in section 135.245, and in lieu thereof, claim the tax credits allowed in section 135.110, pursuant to the same terms and conditions prescribed in sections 135.100 to 135.150. To perfect the election, the taxpayer shall attach written notification of such election to the taxpayer's initial application for claiming tax credits. The election shall be irreversible once perfected.

4. The right to receive the income exemption described in section 135.220, the tax credits described in subsection 1 of this section and the training credit allowed in section 135.235 shall vest in the taxpayer upon commencement of operations of the revenue-producing enterprise, but such vested right shall be waived by the taxpayer for any given year in which the terms and conditions of sections 135.100 to 135.268 are not met. Representations made by the department and relied upon in good faith by the taxpayer shall be binding upon the state of Missouri insofar as they are consistent with the provisions of this chapter. **[**The provisions of this subsection shall apply to all revenue-producing enterprises which are eligible for incentives pursuant to this subsection and which commenced operation on or after January 1, 1996, to the extent such incentives do not exceed the fifteen-year limitation pursuant to subsection 1 of section 135.230 or the seven-year limitation pursuant to subsection 5 of section 135.230.**]** The provisions of this subsection shall apply to all revenue-producing enterprises which are eligible for the incentives set forth in this subsection, and which began operation **on or** after January 1, 1996, to the extent such incentives do not exceed the fifteen-year limitation set forth in subsection 1 of section 135.230, or the seven-year limit set forth in subsection 5 of section 135.230.

**5. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under sections 135.200 to 135.256 after December 31, 2011.**

135.235. **1.** To the extent that expenses incurred by a new business facility in an enterprise zone for the training of persons employed in the operation of the new business facility is not covered by an existing federal, state or local program, such new business facility shall be

eligible for a full tax credit equal to eighty percent of that portion of such training expenses which are in excess of four hundred dollars for each trainee who is a resident of the enterprise zone or who was at the time of such employment at the new business facility unemployable or difficult to employ as defined in section 135.240, provided such credit shall not exceed four hundred dollars for each employee trained. In the case of a small corporation described in section 143.471 or a partnership, all credits allowed by this section shall be apportioned in proportion to the share of ownership of the business to the following:

(1) The shareholders of the corporation described in section 143.471; or

(2) The partners in a partnership.

**2. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under sections 135.200 to 135.256 after December 31, 2011.**

135.279. 1. Any taxpayer that operates an approved retained business facility in an enterprise zone may be allowed a credit, each year for ten years, in an amount determined pursuant to subsection 2 or 3 of this section, whichever is applicable, against the tax imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, as follows:

(1) The credit allowed for each retained business facility employee shall be four hundred dollars, except that for each retained business facility employee that exceeds the level of employment set forth in paragraph (b) of subdivision (7) of section 135.276, the credit shall be five hundred dollars. Transfers from another facility operated by the taxpayer in the state will not count as retained business facility employees;

(2) An additional credit of four hundred dollars shall be granted for each twelve-month period that a retained business facility employee is a resident of an enterprise zone;

(3) An additional credit of four hundred dollars shall be granted for each twelve-month period that the person employed as a retained business facility employee is a person who, at the time of such employment by the new business facility, met the criteria as set forth in section 135.240;

(4) To the extent that expenses incurred by a retained business facility in an enterprise zone for the training of persons employed in the operation of the retained business facility is not covered by an existing federal, state, or local program, such retained business facility shall be eligible for a full tax credit equal to eighty percent of that portion of such training expenses which are in excess of four hundred dollars for each trainee who is a resident of an enterprise zone or who was at the time of such employment at the retained business facility unemployable or difficult to employ as defined in section 135.240, provided such credit shall not exceed four hundred dollars for each employee trained;

(5) The credit allowed for retained business facility investment shall be equal to the sum of ten percent of the first ten thousand dollars of such qualifying investment, plus five percent of the next ninety thousand dollars of such qualifying investment, plus two percent of all remaining qualifying investments within an enterprise zone. The taxpayer's retained business

facility investment shall be reduced by the amount of investment made by the taxpayer or related taxpayer which was subsequently transferred to the retained business facility from another Missouri facility and for which credits authorized in this section are not being earned.

2. The credits allowed by subsection 1 of this section shall offset the greater of:

(1) Some portion of the income tax otherwise imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, with respect to such taxpayer's retained business facility income for the taxable year for which such credit is allowed; or

(2) If the taxpayer operates no other facility in Missouri, the credits allowed in subsection 1 of this section shall offset up to fifty percent or, in the case of an economic development project located within a distressed community as defined in section 135.530, seventy-five percent of the business income tax otherwise imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, if the business operates no other facilities in Missouri;

(3) If the taxpayer operates more than one facility in Missouri, the credits allowed in subsection 1 of this section shall offset up to the greater of the portion prescribed in subdivision (1) of this subsection or twenty-five percent or, in the case of an economic development project located within a distressed community as defined in section 135.530, thirty-five percent of the business' tax, except that no taxpayer operating more than one facility in Missouri shall be allowed to offset more than twenty-five percent or, in the case of an economic development project located within a distressed community as defined in section 135.530, thirty-five percent of the taxpayer's business income tax in any tax period under the method prescribed in this subdivision.

3. In the case where a person employed by the retained business facility is a resident of the enterprise zone for less than a twelve-month period, or in the case where a person employed as a retained business facility employee is a person who, at the time of such employment by the retained business facility, met the criteria as set forth in section 135.240, is employed for less than a twelve-month period, the credits allowed by subdivisions (2) and (3) of subsection 1 of this section shall be determined by multiplying the dollar amount of the credit by a fraction, the numerator of which is the number of calendar days during the taxpayer's tax year for which such credits are claimed, in which the person met the requirements prescribed in subdivision (2) or (3) of this subsection, and the denominator of which is three hundred sixty-five.

4. Notwithstanding any provision of law to the contrary, any taxpayer who claims the exemption and credits allowed in sections 135.276 to 135.283 shall not be eligible to receive the exemption allowed in section 135.220, the credits allowed in sections 135.225 and 135.235, and the refund authorized by section 135.245 or the tax credits allowed in section 135.110. The taxpayer must elect among the options. To perfect the election, the taxpayer shall attach written notification of such election to the taxpayer's initial application for claiming tax credits. The election shall be irreversible once perfected.

5. A taxpayer shall not receive the income exemption described in section 135.276 and the tax credits described in subsection 1 of this section for any year in which the terms and conditions of sections 135.276 to 135.283 are not met. Such incentives shall not exceed the fifteen-year limitation pursuant to subsection 1 of section 135.230 or the seven-year limitation pursuant to subsection 5 of section 135.230.

6. The initial application for claiming tax credits must be made in the taxpayer's tax period immediately following the tax period in which commencement of commercial operations began at the new business facility.

7. Credits may not be carried forward but shall be claimed for the taxable year during which continuation of commercial operations occurs at such retained business facility, and for each of the nine succeeding taxable years.

**8. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under sections 135.276 to 135.283 after December 31, 2011.**

135.305. **1.** A Missouri wood energy producer shall be eligible for a tax credit on taxes otherwise due under chapter 143, except sections 143.191 to 143.261, as a production incentive to produce processed wood products in a qualified wood-producing facility using Missouri forest product residue. The tax credit to the wood energy producer shall be five dollars per ton of processed material. The credit may be claimed for a period of five years and is to be a tax credit against the tax otherwise due. **[**No new tax credits, provided for under sections 135.300 to 135.311, shall be authorized after June 30, 2013.**]**

**2. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under sections 135.300 to 135.311 after December 31, 2011.**

135.313. 1. Any person, firm or corporation who engages in the business of producing charcoal or charcoal products in the state of Missouri shall be eligible for a tax credit on income taxes otherwise due pursuant to chapter 143, except sections 143.191 to 143.261, as an incentive to implement safe and efficient environmental controls. The tax credit shall be equal to fifty percent of the purchase price of the best available control technology equipment connected with the production of charcoal in the state of Missouri or, if the taxpayer manufactures such equipment, fifty percent of the manufacturing cost of the equipment, to and including the year the equipment is put into service. The credit may be claimed for a period of eight years beginning with the 1998 calendar year and is to be a tax credit against the tax otherwise due.

2. Any amount of credit which exceeds the tax due shall not be refunded but may be carried over to any subsequent taxable year, not to exceed seven years.

3. The charcoal producer may elect to assign to a third party the approved tax credit. Certification of assignment and other appropriate forms must be filed with the Missouri department of revenue and the department of economic development.

4. When applying for a tax credit, the charcoal producer specified in subsection 1 of this section shall make application for the credit to the division of environmental quality of the

department of natural resources. The application shall identify the specific best available control technology equipment and the purchase price, or manufacturing cost of such equipment. The director of the department of natural resources is authorized to require permits to construct prior to the installation of best available control technology equipment and other information which he or she deems appropriate.

5. The director of the department of natural resources in conjunction with the department of economic development shall certify to the department of revenue that the best available control technology equipment meets the requirements to obtain a tax credit as specified in this section.

**6. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011.**

135.327. 1. As used in this section, the following terms shall mean:

(1) "CASA", an entity which receives funding from the court-appointed special advocate fund established under section 476.777, including an association based in this state, affiliated with a national association, organized to provide support to entities receiving funding from the court-appointed special advocate fund;

(2) "Child advocacy centers", the regional child assessment centers listed in subsection 2 of section 210.001;

(3) "Contribution", amount of **a** donation to **a** qualified agency;

(4) "Crisis care center", entities contracted with this state which provide temporary care for children whose age ranges from birth through seventeen years of age whose parents or guardian are experiencing an unexpected and unstable or serious condition that requires immediate action resulting in short-term care, usually three to five continuous, uninterrupted days, for children who may be at risk for child abuse, neglect, or in an emergency situation;

(5) "Department", the department of revenue;

(6) "Director", the director of the department of revenue;

(7) "Qualified agency", CASA, child advocacy centers, or a crisis care center;

(8) "Tax liability", the tax due under chapter 143 other than taxes withheld under sections 143.191 to 143.265.

2. Any person residing in this state who legally adopts a special needs child on or after January 1, 1988, and before January 1, 2000, shall be eligible to receive a tax credit of up to ten thousand dollars for nonrecurring adoption expenses for each child adopted that may be applied to taxes due under chapter 143. Any business entity providing funds to an employee to enable that employee to legally adopt a special needs child shall be eligible to receive a tax credit of up to ten thousand dollars for nonrecurring adoption expenses for each child adopted that may be applied to taxes due under such business entity's state tax liability, except that only one ten thousand dollar credit is available for each special needs child that is adopted.

3. Any person residing in this state who proceeds in good faith with the adoption of a special needs child on or after January 1, 2000, shall be eligible to receive a tax credit of up to ten thousand dollars for nonrecurring adoption expenses for each child that may be applied to taxes due under chapter 143; provided, however, that beginning on or after July 1, 2004, two million dollars of the tax credits allowed shall be allocated for the adoption of special needs children who are residents or wards of residents of this state at the time the adoption is initiated. Any business entity providing funds to an employee to enable that employee to proceed in good faith with the adoption of a special needs child shall be eligible to receive a tax credit of up to ten thousand dollars for nonrecurring adoption expenses for each child that may be applied to taxes due under such business entity's state tax liability, except that only one ten thousand dollar credit is available for each special needs child that is adopted.

4. Individuals and business entities may claim a tax credit for their total nonrecurring adoption expenses in each year that the expenses are incurred. A claim for fifty percent of the credit shall be allowed when the child is placed in the home. A claim for the remaining fifty percent shall be allowed when the adoption is final. The total of these tax credits shall not exceed the maximum limit of ten thousand dollars per child. The cumulative amount of tax credits which may be claimed by taxpayers claiming the credit for nonrecurring adoption expenses in any one fiscal year prior to July 1, 2004, shall not exceed two million dollars. The cumulative amount of tax credits that may be claimed by taxpayers claiming the credit for nonrecurring adoption expenses shall not be more than four million dollars but may be increased by appropriation in any fiscal year beginning on or after July 1, 2004; provided, however, that by December thirty-first following each July, if less than two million dollars in credits have been issued for adoption of special needs children who are not residents or wards of residents of this state at the time the adoption is initiated, the remaining amount of the cap shall be available for the adoption of special needs children who are residents or wards of residents of this state at the time the adoption is initiated. For all fiscal years beginning on or after July 1, 2006, applications to claim the adoption tax credit for special needs children who are residents or wards of residents of this state at the time the adoption is initiated shall be filed between July first and April fifteenth of each fiscal year. For all fiscal years beginning on or after July 1, 2006, applications to claim the adoption tax credit for special needs children who are not residents or wards of residents of this state at the time the adoption is initiated shall be filed between July first and December thirty-first of each fiscal year.

5. Notwithstanding any provision of law to the contrary, any individual or business entity may assign, transfer or sell tax credits allowed in this section. Any sale of tax credits claimed pursuant to this section shall be at a discount rate of seventy-five percent or greater of the amount sold.

6. The director of revenue shall establish a procedure by which, for each fiscal year, the cumulative amount of tax credits authorized in this section is equally apportioned among all

taxpayers within the two categories specified in subsection 3 of this section claiming the credit in that fiscal year. To the maximum extent possible, the director of revenue shall establish the procedure described in this subsection in such a manner as to ensure that taxpayers within each category can claim all the tax credits possible up to the cumulative amount of tax credits available for the fiscal year.

7. For all tax years beginning on or after January 1, 2006, a tax credit may be claimed in an amount equal to up to fifty percent of a verified contribution to a qualified agency and shall be named the children in crisis tax credit. The minimum amount of any tax credit issued shall not be less than fifty dollars and shall be applied to taxes due under chapter 143, excluding sections 143.191 to 143.265. A contribution verification shall be issued to the taxpayer by the agency receiving the contribution. Such contribution verification shall include the taxpayer's name, Social Security number, amount of tax credit, amount of contribution, the name and address of the agency receiving the credit, and the date the contribution was made. The tax credit provided under this subsection shall be initially filed for the year in which the verified contribution is made.

8. The cumulative amount of the tax credits redeemed shall not exceed the unclaimed portion of the resident adoption category allocation as described in this section. The director of revenue shall determine the unclaimed portion available. The amount available shall be equally divided among the three qualified agencies: CASA, child advocacy centers, or crisis care centers to be used towards tax credits issued. In the event tax credits claimed under one agency do not total the allocated amount for that agency, the unused portion for that agency will be made available to the remaining agencies equally. In the event the total amount of tax credits claimed for any one agency exceeds the amount available for that agency, the amount redeemed shall and will be apportioned equally to all eligible taxpayers claiming the credit under that agency. After all children in crisis tax credits have been claimed, any remaining unclaimed portion of the reserved allocation for adoptions of special needs children who are residents or wards of residents of this state shall then be made available for adoption tax credit claims of special needs children who are not residents or wards of residents of this state at the time the adoption is initiated.

9. Prior to December thirty-first of each year, **[**the entities listed under the definition of**]** **each** qualified agency shall apply to the department of social services in order to verify their qualified agency status. Upon a determination that the agency is eligible to be a qualified agency, the department of social services shall provide a letter of eligibility to such agency. No later than February first of each year, the department of social services shall provide a list of qualified agencies to the department of revenue. All tax credit applications to claim the children in crisis tax credit shall be filed between July first and April fifteenth of each fiscal year. A taxpayer shall apply for the children in crisis tax credit by attaching a copy of the contribution verification provided by a qualified agency to such taxpayer's income tax return.

10. The tax credits provided under this section shall be subject to the provisions of section 135.333.

11. (1) In the event a credit denial**[**, due to lack of available funds,**]** causes a balance-due notice to be generated by the department of revenue**[**,**]** or any other redeeming agency **due to a lack of available funds**, the taxpayer will not be held liable for any penalty or interest, provided the balance is paid, or approved payment arrangements have been made, within sixty days from the notice of denial.

(2) In the event the balance is not paid within sixty days from the notice of denial, the remaining balance shall be due and payable under the provisions of chapter 143.

12. The director shall calculate the level of appropriation necessary to issue all tax credits for nonresident special needs adoptions applied for under this section and provide such calculation to the speaker of the house of representatives, the president pro tempore of the senate, and the director of the division of budget and planning in the office of administration by January thirty-first of each year.

13. The department may promulgate such rules or regulations as are necessary to administer the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2006, shall be invalid and void.

14. **[**Pursuant to section 23.253 of the Missouri sunset act:

(1) The provisions of the new program authorized under subsections 7 to 12 of this section shall automatically sunset six years after August 28, 2006, unless reauthorized by an act of the general assembly; and

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

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset**]** **Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under sections 135.325 to 135.339 after December 31, 2011**.

135.352. 1. A taxpayer owning an interest in a qualified Missouri project shall, subject to the limitations provided under the provisions of subsection 3 of this section, be allowed a state tax credit, whether or not allowed a federal tax credit, to be termed the Missouri low-income housing tax credit, if the commission issues an eligibility statement for that project.

2. For qualified Missouri projects placed in service after January 1, 1997, the Missouri low-income housing tax credit available to a project shall be such amount as the commission shall determine is necessary to ensure the feasibility of the project, up to an amount equal to the federal low-income housing tax credit for a qualified Missouri project, for a federal tax period, and such amount shall be subtracted from the amount of state tax otherwise due for the same tax period.

3. No more than six million dollars in tax credits shall be authorized each fiscal year for projects financed through tax-exempt bond issuance.

4. The Missouri low-income housing tax credit shall be taken against the taxes and in the order specified pursuant to section 32.115. The credit authorized by this section shall not be refundable. Any amount of credit that exceeds the tax due for a taxpayer's taxable year may be carried back to any of the taxpayer's three prior taxable years or carried forward to any of the taxpayer's five subsequent taxable years.

5. All or any portion of Missouri tax credits issued in accordance with the provisions of sections 135.350 to 135.362 may be allocated to parties who are eligible pursuant to the provisions of subsection 1 of this section. Beginning January 1, 1995, for qualified projects which began on or after January 1, 1994, an owner of a qualified Missouri project shall certify to the director the amount of credit allocated to each taxpayer. The owner of the project shall provide to the director appropriate information so that the low-income housing tax credit can be properly allocated.

6. In the event that recapture of Missouri low-income housing tax credits is required pursuant to subsection 2 of section 135.355, any statement submitted to the director as provided in this section shall include the proportion of the state credit required to be recaptured, the identity of each taxpayer subject to the recapture and the amount of credit previously allocated to such taxpayer.

7. The director of the department may promulgate rules and regulations necessary to administer the provisions of this section. No rule or portion of a rule promulgated pursuant to the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of section 536.024.

**8. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under sections 135.350 to 135.363 after December 31, 2011.**

135.403. 1. Any investor who makes a qualified investment in a Missouri small business shall be entitled to receive a tax credit equal to forty percent of the amount of the investment or, in the case of a qualified investment in a Missouri small business in a distressed community as defined by section 135.530, a credit equal to sixty percent of the amount of the investment, and any investor who makes a qualified investment in a community bank or a community development corporation shall be entitled to receive a tax credit equal to fifty percent of the amount of the investment if the investment is made in a community bank or community

development corporation for direct investment. The total amount of tax credits available for qualified investments in Missouri small businesses shall not exceed thirteen million dollars and at least four million dollars of the amount authorized by this section and certified by the department of economic development shall be for investment in Missouri small businesses in distressed communities. Authorization for all or any part of this four-million-dollar amount shall in no way restrict the eligibility of Missouri small businesses in distressed communities, as defined in section 135.530, for the remaining amounts authorized within this section. No more than twenty percent of the tax credits available each year for investments in community banks or community development corporations for direct investment shall be certified for any one project, as defined in section 135.400. The tax credit shall be evidenced by a tax credit certificate in accordance with the provisions of sections 135.400 to 135.430 and may be used to satisfy the state tax liability of the owner of the certificate that becomes due in the tax year in which the qualified investment is made, or in any of the ten tax years thereafter. When the qualified small business is in a distressed community, as defined in section 135.530, the tax credit may also be used to satisfy the state tax liability of the owner of the certificate that was due during each of the previous three years in addition to the year in which the investment is made and any of the ten years thereafter. No investor may receive a tax credit pursuant to sections 135.400 to 135.430 unless that person presents a tax credit certificate to the department of revenue for payment of such state tax liability. The department of revenue shall grant tax credits in the same order as established by subsection 1 of section 32.115. Subject to the provisions of sections 135.400 to 135.430, certificates of tax credit issued in accordance with these sections may be transferred, sold or assigned by notarized endorsement thereof which names the transferee.

2. Five hundred thousand dollars in tax credits shall be available annually from the total amount of tax credits authorized by section 32.110 and subdivision (4) of subsection 2 of section 32.115 as a result of investments in community banks or community development corporations. Aggregate investments eligible for tax credits in any one Missouri small business shall not be more than one million dollars. Aggregate investments eligible for tax credits in any one Missouri small business shall not be less than five thousand dollars as of the date of issuance of the first tax credit certificate for investment in that business.

3. This section and section 620.1039 shall become effective January 1, 2001.

**4. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under sections 135.400 to 135.430 after December 31, 2011.**

135.460. 1. This section and sections 620.1100 and 620.1103 shall be known and may be cited as the "Youth Opportunities and Violence Prevention Act".

2. As used in this section, the term "taxpayer" shall include corporations as defined in section 143.441 or 143.471, any charitable organization which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state

income tax imposed under chapter 143, and individuals, individual proprietorships and partnerships.

3. A taxpayer shall be allowed a tax credit against the tax otherwise due pursuant to chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, chapter 147, chapter 148, or chapter 153 in an amount equal to thirty percent for property contributions and fifty percent for monetary contributions of the amount such taxpayer contributed to the programs described in subsection 5 of this section, not to exceed two hundred thousand dollars per taxable year, per taxpayer; except as otherwise provided in subdivision (5) of subsection 5 of this section. The department of economic development shall prescribe the method for claiming the tax credits allowed in this section. No rule or portion of a rule promulgated under the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of chapter 536. All rulemaking authority delegated prior to June 27, 1997, is of no force and effect and repealed; however, nothing in this section shall be interpreted to repeal or affect the validity of any rule filed or adopted prior to June 27, 1997, if such rule complied with the provisions of chapter 536. The provisions of this section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, including the ability to review, to delay the effective date, or to disapprove and annul a rule or portion of a rule, are subsequently held unconstitutional, then the purported grant of rulemaking authority and any rule so proposed and contained in the order of rulemaking shall be invalid and void.

4. The tax credits allowed by this section shall be claimed by the taxpayer to offset the taxes that become due in the taxpayer's tax period in which the contribution was made. Any tax credit not used in such tax period may be carried over the next five succeeding tax periods.

5. The tax credit allowed by this section may only be claimed for monetary or property contributions to public or private programs authorized to participate pursuant to this section by the department of economic development and may be claimed for the development, establishment, implementation, operation, and expansion of the following activities and programs:

(1) An adopt-a-school program. Components of the adopt-a-school program shall include donations for school activities, seminars, and functions; school-business employment programs; and the donation of property and equipment of the corporation to the school;

(2) Expansion of programs to encourage school dropouts to reenter and complete high school or to complete a graduate equivalency degree program;

(3) Employment programs. Such programs shall initially, but not exclusively, target unemployed youth living in poverty and youth living in areas with a high incidence of crime;

(4) New or existing youth clubs or associations;

(5) Employment/internship/apprenticeship programs in business or trades for persons less than twenty years of age, in which case the tax credit claimed pursuant to this section shall

be equal to one-half of the amount paid to the intern or apprentice in that tax year, except that such credit shall not exceed ten thousand dollars per person;

(6) Mentor and role model programs;

(7) Drug and alcohol abuse prevention training programs for youth;

(8) Donation of property or equipment of the taxpayer to schools, including schools which primarily educate children who have been expelled from other schools, or donation of the same to municipalities, or not-for-profit corporations or other not-for-profit organizations which offer programs dedicated to youth violence prevention as authorized by the department;

(9) Not-for-profit, private or public youth activity centers;

(10) Nonviolent conflict resolution and mediation programs;

(11) Youth outreach and counseling programs.

6. Any program authorized in subsection 5 of this section shall, at least annually, submit a report to the department of economic development outlining the purpose and objectives of such program, the number of youth served, the specific activities provided pursuant to such program, the duration of such program and recorded youth attendance where applicable.

7. The department of economic development shall, at least annually submit a report to the Missouri general assembly listing the organizations participating, services offered and the number of youth served as the result of the implementation of this section.

8. The tax credit allowed by this section shall apply to all taxable years beginning after December 31, 1995.

9. For the purposes of the credits described in this section, in the case of a corporation described in section 143.471, partnership, limited liability company described in section 347.015, cooperative, marketing enterprise, or partnership, in computing Missouri's tax liability, such credits shall be allowed to the following:

(1) The shareholders of the corporation described in section 143.471;

(2) The partners of the partnership;

(3) The members of the limited liability company; and

(4) Individual members of the cooperative or marketing enterprise. Such credits shall be apportioned to the entities described in subdivisions (1) and (2) of this subsection in proportion to their share of ownership on the last day of the taxpayer's tax period.

**10. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011.**

135.481. 1. (1) Any taxpayer who incurs eligible costs for a new residence located in a distressed community or within a census block group as described in subdivision (10) of section 135.478, or for a multiple unit condominium described in subdivision (2) of this subsection, shall receive a tax credit equal to fifteen percent of such costs against his or her tax liability. The tax credit shall not exceed forty thousand dollars per new residence in any ten-year period.

(2) For the purposes of this section, a "multiple unit condominium" is one that is intended to be owner occupied, which is constructed on property subject to an industrial development contract as defined in section 100.310 and which lies within an area with a city zoning classification of urban redevelopment district established after January 1, 2000, and before December 31, 2001, and which is constructed in connection with the qualified rehabilitation of a structure more than ninety years old eligible for the historic structures rehabilitation tax credit described in sections 253.545 to 253.559, and is under way by January 1, 2000, and completed by January 1, 2002.

2. Any taxpayer who incurs eligible costs for a new residence located within a census block as described in subdivision (6) of section 135.478 shall receive a tax credit equal to fifteen percent of such costs against his or her tax liability. The tax credit shall not exceed twenty-five thousand dollars per new residence in any ten-year period.

3. Any taxpayer who is not performing substantial rehabilitation and who incurs eligible costs for rehabilitation of an eligible residence or a qualifying residence shall receive a tax credit equal to twenty-five percent of such costs against his or her tax liability. The minimum eligible costs for rehabilitation of an eligible residence shall be ten thousand dollars. The minimum eligible costs for rehabilitation of a qualifying residence shall be five thousand dollars. The tax credit shall not exceed twenty-five thousand dollars in any ten-year period.

4. Any taxpayer who incurs eligible costs for substantial rehabilitation of a qualifying residence shall receive a tax credit equal to thirty-five percent of such costs against his or her tax liability. The minimum eligible costs for substantial rehabilitation of a qualifying residence shall be ten thousand dollars. The tax credit shall not exceed seventy thousand dollars in any ten-year period.

5. A taxpayer shall be eligible to receive tax credits for new construction or rehabilitation pursuant to only one subsection of this section.

6. No tax credit shall be issued pursuant to this section for any structure which is in violation of any municipal or county property, maintenance or zoning code.

7. No tax credit shall be issued pursuant to sections 135.475 to 135.487 for the construction or rehabilitation of rental property.

**8. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under sections 135.475 to 135.487 after December 31, 2011.**

135.490. 1. In order to encourage and foster community improvement, an eligible small business, as defined in Section 44 of the Internal Revenue Code, shall be allowed a credit not to exceed five thousand dollars against the tax otherwise due pursuant to chapter 143, not including sections 143.191 to 143.265, in an amount equal to fifty percent of all eligible access expenditures exceeding the monetary cap provided by Section 44 of the Internal Revenue Code. For purposes of this section, "eligible access expenditures" means amounts paid or incurred by the taxpayer in order to comply with applicable access requirements provided by the Americans

With Disabilities Act of 1990, as further defined in Section 44 of the Internal Revenue Code and federal rulings interpreting Section 44 of the Internal Revenue Code.

2. The tax credit allowed by this section shall be claimed by the taxpayer at the time such taxpayer files a return. Any amount of tax credit which exceeds the tax due shall be carried over to any subsequent taxable year, but shall not be refunded and shall not be transferable.

3. The director of the department of economic development and the director of the department of revenue shall jointly administer the tax credit authorized by this section. Both the director of the department of economic development and the director of the department of revenue are authorized to promulgate rules and regulations necessary to administer the provisions of this section. No rule or portion of a rule promulgated pursuant to the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of chapter 536.

4. The provisions of this section shall become effective on January 1, 2000, and shall apply to all taxable years beginning after December 31, 1999.

**5. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011.**

135.503. 1. Any investor that makes an investment of certified capital shall, in the year of investment, earn a vested credit against state premium tax liability equal to the applicable percentage of the investor's investment of certified capital. An investor shall be entitled to take up to ten percent of the vested credit in any taxable year of the investor. Any time after three years after August 28, 1996, the director, with the approval of the commissioner of administration, may reduce the applicable percentage on a prospective basis. Any such reduction in the applicable percentage by the director shall not have any effect on credits against state premium tax liability which have been claimed or will be claimed by any investor with respect to credits which have been earned and vested pursuant to an investment of certified capital prior to the effective date of any such change.

2. An insurance company claiming a state premium tax credit earned through an investment in a certified capital company shall not be required to pay any additional retaliatory tax levied pursuant to section 375.916 as a result of claiming such credit.

3. The credit against state premium tax liability which is described in subsection 1 of this section may not exceed the state premium tax liability of the investor for any taxable year. All such credits against state premium tax liability may be carried forward indefinitely until the credits are utilized. The maximum amount of certified capital in one or more certified capital companies for which earned and vested tax credits will be allowed in any year to any one investor or its affiliates shall be limited to ten million dollars.

4. Except as provided in subsection 5 of this section, the aggregate amount of certified capital for which earned and vested credits against state premium tax liability are allowed for all persons pursuant to sections 135.500 to 135.529 shall not exceed the following amounts: for calendar year 1996, $0.00; for calendar year 1997, an amount which would entitle all Missouri

certified capital company investors to take aggregate credits of five million dollars; and for any year thereafter, an additional amount to be determined by the director but not to exceed aggregate credits of ten million dollars for any year with the approval of the commissioner of administration and reported to the general assembly as provided in subsection 2 of section 33.282, provided that the amount so determined shall not impair the ability of an investor with earned and vested credits which have been allowed in previous years to take them, pursuant to subsection 1 of this section. During any calendar year in which the limitation described in this subsection will limit the amount of certified capital for which earned and vested credits against state premium tax liability are allowed, certified capital for which credits are allowed will be allocated in order of priority based upon the date of filing of information described in subdivision (1) of subsection 5 of section 135.516. Certified capital limited in any calendar year by the application of the provisions of this subsection shall be allowed and allocated in the immediately succeeding calendar year in the order of priority set forth in this subsection. The department shall make separate allocations of certified capital for which credits are allowed under the limitations described in this subsection and under the limitations described in subsection 5 of this section.

5. In addition to the maximum amount pursuant to subsection 4 of this section, the aggregate amount of certified capital for which earned and vested credits against state premium tax liability are allowed for persons pursuant to sections 135.500 to 135.529 shall be the following: for calendar year 1999 and for any year thereafter, an amount to be determined by the director which would entitle all Missouri certified capital company investors to take aggregate credits not to exceed four million dollars for any year with the approval of the commissioner of administration and reported to the general assembly as provided in subsection 2 of section 33.282, provided that the amount so determined shall not impair the ability of an investor with earned and vested credits which have been allowed in previous years or pursuant to the provisions of subsection 4 of this section to take them, pursuant to subsection 1 of this section. For purposes of any requirement regarding the schedule of qualified investments for certified capital for which earned and vested credits against state premium tax liability are allowed pursuant to this subsection only, the definition of a "qualified Missouri business" as set forth in subdivision (14) of subsection 2 of section 135.500 means a Missouri business that is located in a distressed community as defined in section 135.530, and meets all of the requirements of subdivision (14) of subsection 2 of section 135.500. During any calendar year in which the limitation described in this subsection limits the amount of additional certified capital for which earned and vested credits against state premium tax liability are allowed, additional certified capital for which credits are allowed shall be allocated in order of priority based upon the date of filing of information described in subdivision (1) of subsection 5 of section 135.516 with respect to such additional certified capital. The department shall make separate allocations of certified capital for which credits are allowed under the limitations described in this subsection

and under the limitations described in subsection 4 of this section. No limitation applicable to any certified capital company with respect to certified capital for which credits are allowed pursuant to subsection 4 of this section shall limit the amount of certified capital for which credits are allowed pursuant to this subsection. No limitation applicable to any certified capital company with respect to certified capital for which credits are allowed pursuant to this subsection shall limit the amount of certified capital for which credits are allowed pursuant to subsection 4 of this section.

6. The department shall advise any Missouri certified capital company, in writing, within fifteen days after receiving the filing described in subdivision (1) of subsection 5 of section 135.516 whether the limitations of subsection 3 of this section then in effect will be applicable with respect to the investments and credits described in such filing with the department.

**7. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under sections 135.500 to 135.529 after December 31, 2011.**

135.535. 1. A corporation, limited liability corporation, partnership or sole proprietorship, which moves its operations from outside Missouri or outside a distressed community into a distressed community, or which commences operations in a distressed community on or after January 1, 1999, and in either case has more than seventy-five percent of its employees at the facility in the distressed community, and which has fewer than one hundred employees for whom payroll taxes are paid, and which is a manufacturing, biomedical, medical devices, scientific research, animal research, computer software design or development, computer programming, including Internet, web hosting, and other information technology, wireless or wired or other telecommunications or a professional firm shall receive a forty percent credit against income taxes owed pursuant to chapter 143, 147 or 148, other than taxes withheld pursuant to sections 143.191 to 143.265, for each of the three years after such move, if approved by the department of economic development, which shall issue a certificate of eligibility if the department determines that the taxpayer is eligible for such credit. The maximum amount of credits per taxpayer set forth in this subsection shall not exceed one hundred twenty-five thousand dollars for each of the three years for which the credit is claimed. The department of economic development, by means of rule or regulation promulgated pursuant to the provisions of chapter 536, shall assign appropriate North American Industry Classification System numbers to the companies which are eligible for the tax credits provided for in this section. Such three-year credits shall be awarded only one time to any company which moves its operations from outside of Missouri or outside of a distressed community into a distressed community or to a company which commences operations within a distressed community. A taxpayer shall file an application for certification of the tax credits for the first year in which credits are claimed and for each of the two succeeding taxable years for which credits are claimed.

2. Employees of such facilities physically working and earning wages for that work within a distressed community whose employers have been approved for tax credits pursuant to

subsection 1 of this section by the department of economic development for whom payroll taxes are paid shall also be eligible to receive a tax credit against individual income tax, imposed pursuant to chapter 143, equal to one and one-half percent of their gross salary paid at such facility earned for each of the three years that the facility receives the tax credit provided by this section, so long as they were qualified employees of such entity. The employer shall calculate the amount of such credit and shall report the amount to the employee and the department of revenue.

3. A tax credit against income taxes owed pursuant to chapter 143, 147 or 148, other than the taxes withheld pursuant to sections 143.191 to 143.265, in lieu of the credit against income taxes as provided in subsection 1 of this section, may be taken by such an entity in a distressed community in an amount of forty percent of the amount of funds expended for computer equipment and its maintenance, medical laboratories and equipment, research laboratory equipment, manufacturing equipment, fiber optic equipment, high speed telecommunications, wiring or software development expense up to a maximum of seventy-five thousand dollars in tax credits for such equipment or expense per year per entity and for each of three years after commencement in or moving operations into a distressed community.

4. A corporation, partnership or sole partnership, which has no more than one hundred employees for whom payroll taxes are paid, which is already located in a distressed community and which expends funds for such equipment pursuant to subsection 3 of this section in an amount exceeding its average of the prior two years for such equipment, shall be eligible to receive a tax credit against income taxes owed pursuant to chapters 143, 147 and 148 in an amount equal to the lesser of seventy-five thousand dollars or twenty-five percent of the funds expended for such additional equipment per such entity. Tax credits allowed pursuant to this subsection or subsection 1 of this section may be carried back to any of the three prior tax years and carried forward to any of the **next** five tax years.

5. An existing corporation, partnership or sole proprietorship that is located within a distressed community and that relocates employees from another facility outside of the distressed community to its facility within the distressed community, and an existing business located within a distressed community that hires new employees for that facility may both be eligible for the tax credits allowed by subsections 1 and 3 of this section. To be eligible for such tax credits, such a business, during one of its tax years, shall employ within a distressed community at least twice as many employees as were employed at the beginning of that tax year. A business hiring employees shall have no more than one hundred employees before the addition of the new employees. This subsection shall only apply to a business which is a manufacturing, biomedical, medical devices, scientific research, animal research, computer software design or development, computer programming or telecommunications business, or a professional firm.

6. Tax credits shall be approved for applicants meeting the requirements of this section in the order that such applications are received. Certificates of tax credits issued in accordance

with this section may be transferred, sold or assigned by notarized endorsement which names the transferee.

7. The tax credits allowed pursuant to subsections 1, 2, 3, 4 and 5 of this section shall be for an amount of no more than ten million dollars for each year beginning in 1999. To the extent there are available tax credits remaining under the ten million dollar cap provided in this section, up to one hundred thousand dollars in the remaining credits shall first be used for tax credits authorized under section 135.562. The total maximum credit for all entities already located in distressed communities and claiming credits pursuant to subsection 4 of this section shall be seven hundred and fifty thousand dollars. The department of economic development in approving taxpayers for the credit as provided for in subsection 6 of this section shall use information provided by the department of revenue regarding taxes paid in the previous year, or projected taxes for those entities newly established in the state, as the method of determining when this maximum will be reached and shall maintain a record of the order of approval. Any tax credit not used in the period for which the credit was approved may be carried over until the full credit has been allowed.

8. A Missouri employer relocating into a distressed community and having employees covered by a collective bargaining agreement at the facility from which it is relocating shall not be eligible for the credits in subsection 1, 3, 4 or 5 of this section, and its employees shall not be eligible for the credit in subsection 2 of this section if the relocation violates or terminates a collective bargaining agreement covering employees at the facility, unless the affected collective bargaining unit concurs with the move.

9. Notwithstanding any provision of law to the contrary, no taxpayer shall earn the tax credits allowed in this section and the tax credits otherwise allowed in section 135.110, or the tax credits, exemptions, and refund otherwise allowed in sections 135.200, 135.220, 135.225 and 135.245, respectively, for the same business for the same tax period.

**10. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011.**

135.545. **1.** A taxpayer shall be allowed a credit for taxes paid pursuant to chapter 143, 147 or 148 in an amount equal to fifty percent of a qualified investment in transportation development for aviation, mass transportation, including parking facilities for users of mass transportation, railroads, ports, including parking facilities and limited access roads within ports, waterborne transportation, bicycle and pedestrian paths, or rolling stock located in a distressed community as defined in section 135.530, and which are part of a development plan approved by the appropriate local agency. If the department of economic development determines the investment has been so approved, the department shall grant the tax credit in order of date received. A taxpayer may carry forward any unused tax credit for up to ten years and may carry it back for the previous three years until such credit has been fully claimed. Certificates of tax credit issued in accordance with this section may be transferred, sold or assigned by notarized

endorsement which names the transferee. The tax credits allowed pursuant to this section shall be for an amount of no more than ten million dollars for each year. This credit shall apply to returns filed for all taxable years beginning on or after January 1, 1999. Any unused portion of the tax credit authorized pursuant to this section shall be available for use in the future by those entities until fully claimed. For purposes of this section, a "taxpayer" shall include any charitable organization that is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143.

**2. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011.**

135.550. 1. As used in this section, the following terms shall mean:

(1) "Contribution", a donation of cash, stock, bonds or other marketable securities, or real property;

(2) "Shelter for victims of domestic violence", a facility located in this state which meets the definition of a shelter for victims of domestic violence pursuant to section 455.200 and which meets the requirements of section 455.220;

(3) "State tax liability", in the case of a business taxpayer, any liability incurred by such taxpayer pursuant to the provisions of chapter 143, chapter 147, chapter 148, and chapter 153, exclusive of the provisions relating to the withholding of tax as provided for in sections 143.191 to 143.265 and related provisions, and in the case of an individual taxpayer, any liability incurred by such taxpayer pursuant to the provisions of chapter 143;

(4) "Taxpayer", a person, firm, a partner in a firm, corporation or a shareholder in an S corporation doing business in the state of Missouri and subject to the state income tax imposed by the provisions of chapter 143, or a corporation subject to the annual corporation franchise tax imposed by the provisions of chapter 147, including any charitable organization which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143, or an insurance company paying an annual tax on its gross premium receipts in this state, or other financial institution paying taxes to the state of Missouri or any political subdivision of this state pursuant to the provisions of chapter 148, or an express company which pays an annual tax on its gross receipts in this state pursuant to chapter 153, or an individual subject to the state income tax imposed by the provisions of chapter 143.

2. A taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability, in an amount equal to fifty percent of the amount such taxpayer contributed to a shelter for victims of domestic violence.

3. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state tax liability for the taxable year that the credit is claimed, and such taxpayer shall not be allowed to claim a tax credit in excess of fifty thousand dollars per taxable year. However, any

tax credit that cannot be claimed in the taxable year the contribution was made may be carried over to the next four succeeding taxable years until the full credit has been claimed.

4. Except for any excess credit which is carried over pursuant to subsection 3 of this section, a taxpayer shall not be allowed to claim a tax credit unless the total amount of such taxpayer's contribution or contributions to a shelter or shelters for victims of domestic violence in such taxpayer's taxable year has a value of at least one hundred dollars.

5. The director of the department of social services shall determine, at least annually, which facilities in this state may be classified as shelters for victims of domestic violence. The director of the department of social services may require of a facility seeking to be classified as a shelter for victims of domestic violence whatever information is reasonably necessary to make such a determination. The director of the department of social services shall classify a facility as a shelter for victims of domestic violence if such facility meets the definition set forth in subsection 1 of this section.

6. The director of the department of social services shall establish a procedure by which a taxpayer can determine if a facility has been classified as a shelter for victims of domestic violence, and by which such taxpayer can then contribute to such shelter for victims of domestic violence and claim a tax credit. Shelters for victims of domestic violence shall be permitted to decline a contribution from a taxpayer. The cumulative amount of tax credits which may be claimed by all the taxpayers contributing to shelters for victims of domestic violence in any one fiscal year shall not exceed two million dollars.

7. The director of the department of social services shall establish a procedure by which, from the beginning of the fiscal year until some point in time later in the fiscal year to be determined by the director of the department of social services, the cumulative amount of tax credits are equally apportioned among all facilities classified as shelters for victims of domestic violence. If a shelter for victims of domestic violence fails to use all, or some percentage to be determined by the director of the department of social services, of its apportioned tax credits during this predetermined period of time, the director of the department of social services may reapportion these unused tax credits to those shelters for victims of domestic violence that have used all, or some percentage to be determined by the director of the department of social services, of their apportioned tax credits during this predetermined period of time. The director of the department of social services may establish more than one period of time and reapportion more than once during each fiscal year. To the maximum extent possible, the director of the department of social services shall establish the procedure described in this subsection in such a manner as to ensure that taxpayers can claim all the tax credits possible up to the cumulative amount of tax credits available for the fiscal year.

8. This section shall become effective January 1, 2000, and shall apply to all tax years after December 31, 1999.

**9. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011.**

135.562. 1. If any taxpayer with a federal adjusted gross income of thirty thousand dollars or less incurs costs for the purpose of making all or any portion of such taxpayer's principal dwelling accessible to an individual with a disability who permanently resides with the taxpayer, such taxpayer shall receive a tax credit against such taxpayer's Missouri income tax liability in an amount equal to the lesser of one hundred percent of such costs or two thousand five hundred dollars per taxpayer, per tax year.

2. Any taxpayer with a federal adjusted gross income greater than thirty thousand dollars but less than sixty thousand dollars who incurs costs for the purpose of making all or any portion of such taxpayer's principal dwelling accessible to an individual with a disability who permanently resides with the taxpayer shall receive a tax credit against such taxpayer's Missouri income tax liability in an amount equal to the lesser of fifty percent of such costs or two thousand five hundred dollars per taxpayer per tax year. No taxpayer shall be eligible to receive tax credits under this section in any tax year immediately following a tax year in which such taxpayer received tax credits under the provisions of this section.

3. Tax credits issued pursuant to this section may be refundable in an amount not to exceed two thousand five hundred dollars per tax year.

4. Eligible costs for which the credit may be claimed include:

(1) Constructing entrance or exit ramps;

(2) Widening exterior or interior doorways;

(3) Widening hallways;

(4) Installing handrails or grab bars;

(5) Moving electrical outlets and switches;

(6) Installing stairway lifts;

(7) Installing or modifying fire alarms, smoke detectors, and other alerting systems;

(8) Modifying hardware of doors; or

(9) Modifying bathrooms.

5. The tax credits allowed, including the maximum amount that may be claimed, pursuant to this section shall be reduced by an amount sufficient to offset any amount of such costs a taxpayer has already deducted from such taxpayer's federal adjusted gross income or to the extent such taxpayer has applied any other state or federal income tax credit to such costs.

6. A taxpayer shall claim a credit allowed by this section in the same taxable year as the credit is issued, and at the time such taxpayer files his or her Missouri income tax return; provided that such return is timely filed.

7. The department may, in consultation with the department of social services, promulgate such rules or regulations as are necessary to administer the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the

authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

8. The provisions of this section shall apply to all tax years beginning on or after January 1, 2008.

9. **[**The provisions of this section shall expire December 31, 2013**] Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011**.

10. In no event shall the aggregate amount of all tax credits allowed pursuant to this section exceed one hundred thousand dollars in any given fiscal year. The tax credits issued pursuant to this section shall be on a first-come, first-served filing basis.

135.575. 1. As used in this section, the following terms mean:

(1) "Missouri health care access fund", the fund created in section 191.1056;

(2) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265;

(3) "Taxpayer", any individual subject to the tax imposed in chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265.

2. The provisions of this section shall be subject to section 33.282. For all taxable years beginning on or after January 1, 2007, a taxpayer shall be allowed a tax credit for donations in excess of one hundred dollars made to the Missouri health care access fund. The tax credit shall be subject to annual approval by the senate appropriations committee and the house budget committee. The tax credit amount shall be equal to one-half of the total donation made, but shall not exceed twenty-five thousand dollars per taxpayer claiming the credit. If the amount of the tax credit issued exceeds the amount of the taxpayer's state tax liability for the tax year for which the credit is claimed, the difference shall not be refundable but may be carried forward to any of the taxpayer's next four taxable years. No tax credit granted under this section shall be transferred, sold, or assigned. The cumulative amount of tax credits which may be issued under this section in any one fiscal year shall not exceed one million dollars.

3. The department of revenue may promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule

are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

4. **[**Pursuant to section 23.253 of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset six years after August 28, 2007, unless reauthorized by an act of the general assembly; and

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

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset**] Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011**.

135.600. 1. As used in this section, the following terms shall mean:

(1) "Contribution", a donation of cash, stock, bonds or other marketable securities, or real property;

(2) "Maternity home", a residential facility located in this state established for the purpose of providing housing and assistance to pregnant women who are carrying their pregnancies to term, and which is exempt from income taxation under the United States Internal Revenue Code;

(3) "State tax liability", in the case of a business taxpayer, any liability incurred by such taxpayer pursuant to the provisions of chapter 143, chapter 147, chapter 148, and chapter 153, exclusive of the provisions relating to the withholding of tax as provided for in sections 143.191 to 143.265, and related provisions, and in the case of an individual taxpayer, any liability incurred by such taxpayer pursuant to the provisions of chapter 143;

(4) "Taxpayer", a person, firm, a partner in a firm, corporation or a shareholder in an S corporation doing business in the state of Missouri and subject to the state income tax imposed by the provisions of chapter 143, including any charitable organization which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143, or a corporation subject to the annual corporation franchise tax imposed by the provisions of chapter 147, or an insurance company paying an annual tax on its gross premium receipts in this state, or other financial institution paying taxes to the state of Missouri or any political subdivision of this state pursuant to the provisions of chapter 148, or an express company which pays an annual tax on its gross receipts in this state pursuant to chapter 153, or an individual subject to the state income tax imposed by the provisions of chapter 143.

2. A taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability, in an amount equal to fifty percent of the amount such taxpayer contributed to a maternity home.

3. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state tax liability for the taxable year that the credit is claimed, and such taxpayer shall not be allowed to claim a tax credit in excess of fifty thousand dollars per taxable year. However, any tax credit that cannot be claimed in the taxable year the contribution was made may be carried over to the next four succeeding taxable years until the full credit has been claimed.

4. Except for any excess credit which is carried over pursuant to subsection 3 of this section, a taxpayer shall not be allowed to claim a tax credit unless the total amount of such taxpayer's contribution or contributions to a maternity home or homes in such taxpayer's taxable year has a value of at least one hundred dollars.

5. The director of the department of social services shall determine, at least annually, which facilities in this state may be classified as maternity homes. The director of the department of social services may require of a facility seeking to be classified as a maternity home whatever information is reasonably necessary to make such a determination. The director of the department of social services shall classify a facility as a maternity home if such facility meets the definition set forth in subsection 1 of this section.

6. The director of the department of social services shall establish a procedure by which a taxpayer can determine if a facility has been classified as a maternity home, and by which such taxpayer can then contribute to such maternity home and claim a tax credit. Maternity homes shall be permitted to decline a contribution from a taxpayer. The cumulative amount of tax credits which may be claimed by all the taxpayers contributing to maternity homes in any one fiscal year shall not exceed two million dollars.

7. The director of the department of social services shall establish a procedure by which, from the beginning of the fiscal year until some point in time later in the fiscal year to be determined by the director of the department of social services, the cumulative amount of tax credits are equally apportioned among all facilities classified as maternity homes. If a maternity home fails to use all, or some percentage to be determined by the director of the department of social services, of its apportioned tax credits during this predetermined period of time, the director of the department of social services may reapportion these unused tax credits to those maternity homes that have used all, or some percentage to be determined by the director of the department of social services, of their apportioned tax credits during this predetermined period of time. The director of the department of social services may establish more than one period of time and reapportion more than once during each fiscal year. To the maximum extent possible, the director of the department of social services shall establish the procedure described in this subsection in such a manner as to ensure that taxpayers can claim all the tax credits possible up to the cumulative amount of tax credits available for the fiscal year.

8. This section shall become effective January 1, 2000, and shall apply to all tax years after December 31, 1999.

**9. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011.**

135.630. 1. As used in this section, the following terms mean:

(1) "Contribution", a donation of cash, stock, bonds, or other marketable securities, or real property;

(2) "Director", the director of the department of social services;

(3) "Pregnancy resource center", a nonresidential facility located in this state:

(a) Established and operating primarily to provide assistance to women with crisis pregnancies or unplanned pregnancies by offering pregnancy testing, counseling, emotional and material support, and other similar services to encourage and assist such women in carrying their pregnancies to term; and

(b) Where childbirths are not performed; and

(c) Which does not perform, induce, or refer for abortions and which does not hold itself out as performing, inducing, or referring for abortions; and

(d) Which provides direct client services at the facility, as opposed to merely providing counseling or referral services by telephone; and

(e) Which provides its services at no cost to its clients; and

(f) When providing medical services, such medical services must be performed in accordance with Missouri statute; and

(g) Which is exempt from income taxation pursuant to the Internal Revenue Code of 1986, as amended;

(4) "State tax liability", in the case of a business taxpayer, any liability incurred by such taxpayer pursuant to the provisions of chapters 143, 147, 148, and 153, excluding sections 143.191 to 143.265 and related provisions, and in the case of an individual taxpayer, any liability incurred by such taxpayer pursuant to the provisions of chapter 143, excluding sections 143.191 to 143.265 and related provisions;

(5) "Taxpayer", a person, firm, a partner in a firm, corporation, or a shareholder in an S corporation doing business in the state of Missouri and subject to the state income tax imposed by the provisions of chapter 143, or a corporation subject to the annual corporation franchise tax imposed by the provisions of chapter 147, or an insurance company paying an annual tax on its gross premium receipts in this state, or other financial institution paying taxes to the state of Missouri or any political subdivision of this state pursuant to the provisions of chapter 148, or an express company which pays an annual tax on its gross receipts in this state pursuant to chapter 153, or an individual subject to the state income tax imposed by the provisions of chapter 143, or any charitable organization which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143.

2. For all tax years beginning on or after January 1, 2007, a taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability in an amount equal to fifty percent of the amount such taxpayer contributed to a pregnancy resource center.

3. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state tax liability for the taxable year for which the credit is claimed, and such taxpayer shall not be allowed to claim a tax credit in excess of fifty thousand dollars per taxable year. However, any tax credit that cannot be claimed in the taxable year the contribution was made may be carried over to the next four succeeding taxable years until the full credit has been claimed.

4. Except for any excess credit which is carried over pursuant to subsection 3 of this section, a taxpayer shall not be allowed to claim a tax credit unless the total amount of such taxpayer's contribution or contributions to a pregnancy resource center or centers in such taxpayer's taxable year has a value of at least one hundred dollars.

5. The director shall determine, at least annually, which facilities in this state may be classified as pregnancy resource centers. The director may require of a facility seeking to be classified as a pregnancy resource center whatever information which is reasonably necessary to make such a determination. The director shall classify a facility as a pregnancy resource center if such facility meets the definition set forth in subsection 1 of this section.

6. The director shall establish a procedure by which a taxpayer can determine if a facility has been classified as a pregnancy resource center. Pregnancy resource centers shall be permitted to decline a contribution from a taxpayer. The cumulative amount of tax credits which may be claimed by all the taxpayers contributing to pregnancy resource centers in any one fiscal year shall not exceed two million dollars. Tax credits shall be issued in the order contributions are received.

7. The director shall establish a procedure by which, from the beginning of the fiscal year until some point in time later in the fiscal year to be determined by the director, the cumulative amount of tax credits are equally apportioned among all facilities classified as pregnancy resource centers. If a pregnancy resource center fails to use all, or some percentage to be determined by the director, of its apportioned tax credits during this predetermined period of time, the director may reapportion these unused tax credits to those pregnancy resource centers that have used all, or some percentage to be determined by the director, of their apportioned tax credits during this predetermined period of time. The director may establish more than one period of time and reapportion more than once during each fiscal year. To the maximum extent possible, the director shall establish the procedure described in this subsection in such a manner as to ensure that taxpayers can claim all the tax credits possible up to the cumulative amount of tax credits available for the fiscal year.

8. Each pregnancy resource center shall provide information to the director concerning the identity of each taxpayer making a contribution to the pregnancy resource center who is claiming a tax credit pursuant to this section and the amount of the contribution. The director

shall provide the information to the director of revenue. The director shall be subject to the confidentiality and penalty provisions of section 32.057 relating to the disclosure of tax information.

9. Notwithstanding any other law to the contrary, any tax credits granted under this section may be assigned, transferred, sold, or otherwise conveyed without consent or approval. Such taxpayer, hereinafter the assignor for purposes of this section, may sell, assign, exchange, or otherwise transfer earned tax credits:

(1) For no less than seventy-five percent of the par value of such credits; and

(2) In an amount not to exceed one hundred percent of annual earned credits.

10. **[**Pursuant to section 23.253 of the Missouri sunset act:

(1) Any new program authorized under this section shall automatically sunset six years after August 28, 2006, unless reauthorized by an act of the general assembly; and

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

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which a program authorized under this section is sunset**] Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011**.

135.647. 1. As used in this section, the following terms shall mean:

(1) "Local food pantry", any food pantry that is:

(a) Exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended; and

(b) Distributing emergency food supplies to Missouri low-income people who would otherwise not have access to food supplies in the area in which the taxpayer claiming the tax credit under this section resides;

(2) "Taxpayer", an individual, a firm, a partner in a firm, corporation, or a shareholder in an S corporation doing business in this state and subject to the state income tax imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265.

2. For all tax years beginning on or after January 1, 2007, any taxpayer who donates cash or food, unless such food is donated after the food's expiration date, to any local food pantry shall be allowed a credit against the tax otherwise due under chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, in an amount equal to fifty percent of the value of the donations made to the extent such amounts that have been subtracted from federal adjusted gross income or federal taxable income are added back in the determination of Missouri adjusted gross income or Missouri taxable income before the credit can be claimed. Each taxpayer claiming a tax credit under this section shall file an affidavit with the income tax return verifying the amount of their contributions. The amount of the tax credit claimed shall not exceed the amount

of the taxpayer's state tax liability for the tax year that the credit is claimed, and shall not exceed two thousand five hundred dollars per taxpayer claiming the credit. Any amount of credit that the taxpayer is prohibited by this section from claiming in a tax year shall not be refundable, but may be carried forward to any of the taxpayer's three subsequent taxable years. No tax credit granted under this section shall be transferred, sold, or assigned. No taxpayer shall be eligible to receive a credit pursuant to this section if such taxpayer employs persons who are not authorized to work in the United States under federal law.

3. The cumulative amount of tax credits under this section which may be allocated to all taxpayers contributing to a local food pantry in any one fiscal year shall not exceed two million dollars. The director of revenue shall establish a procedure by which the cumulative amount of tax credits is apportioned among all taxpayers claiming the credit by April fifteenth of the fiscal year in which the tax credit is claimed. To the maximum extent possible, the director of revenue shall establish the procedure described in this subsection in such a manner as to ensure that taxpayers can claim all the tax credits possible up to the cumulative amount of tax credits available for the fiscal year.

4. Any local food pantry may accept or reject any donation of food made under this section for any reason. For purposes of this section, any donations of food accepted by a local food pantry shall be valued at fair market value, or at wholesale value if the taxpayer making the donation of food is a retail grocery store, food broker, wholesaler, or restaurant.

5. The department of revenue shall promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

6. **[**Under section 23.253 of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset four years after August 28, 2007, unless reauthorized by an act of the general assembly; and

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

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset**]** **Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011**.

135.679. 1. This section shall be known and may be cited as the "Qualified Beef Tax Credit Act".

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

(1) "Agricultural property", any real and personal property, including but not limited to buildings, structures, improvements, equipment, and livestock, that is used in or is to be used in this state by residents of this state for:

(a) The operation of a farm or ranch; and

(b) Grazing, feeding, or the care of livestock;

(2) "Authority", the agricultural and small business development authority established in chapter 348;

(3) "Backgrounded", any additional weight at the time of the first qualifying sale, before being finished, above the established baseline weight;

(4) "Baseline weight", the average weight in the immediate past three years of all beef animals sold that are thirty months of age or younger, categorized by sex. Baseline weight for qualified beef animals that are physically out-of-state but whose ownership is retained by a resident of this state shall be established by the average transfer weight in the immediate past three years of all beef animals that are thirty months of age or younger and that are transferred out-of-state but whose ownership is retained by a resident of this state, categorized by sex. The established baseline weight shall be effective for a period of three years. If the taxpayer is a qualifying beef animal producer with fewer than three years of production, the baseline weight shall be established by the available average weight in the immediate past year of all beef animals sold that are thirty months of age or younger, categorized by sex. If the qualifying beef animal producer has no previous production, the baseline weight shall be established by the authority;

(5) "Finished", the period from backgrounded to harvest;

(6) "Qualifying beef animal", any beef animal that is certified by the authority, that was born in this state after August 28, 2008, that was raised and backgrounded or finished in this state by the taxpayer, excluding any beef animal more than thirty months of age as verified by certified written birth records;

(7) "Qualifying sale", the first time a qualifying beef animal is sold in this state after the qualifying beef animal is backgrounded, and a subsequent sale if the weight of the qualifying beef animal at the time of the subsequent sale is greater than the weight of the qualifying beef animal at the time of the first qualifying sale of such beef animal;

(8) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or otherwise due under chapter 147;

(9) "Taxpayer", any individual or entity who:

(a) Is subject to the tax imposed in chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or the tax imposed in chapter 147;

(b) In the case of an individual, is a resident of this state as verified by a 911 address or in the absence of a 911 system, a physical address; and

(c) Owns or rents agricultural property and principal place of business is located in this state.

3. For all taxable years beginning on or after January 1, 2009, but ending on or before December 31, 2016, a taxpayer shall be allowed a tax credit for the first qualifying sale and for a subsequent qualifying sale of all qualifying beef animals. The tax credit amount for the first qualifying sale shall be ten cents per pound, shall be based on the backgrounded weight of all qualifying beef animals at the time of the first qualifying sale, and shall be calculated as follows: the qualifying sale weight minus the baseline weight multiplied by ten cents, as long as the qualifying sale weight is equal to or greater than two hundred pounds above the baseline weight. The tax credit amount for each subsequent qualifying sale shall be ten cents per pound, shall be based on the backgrounded weight of all qualifying beef animals at the time of the subsequent qualifying sale, and shall be calculated as follows: the qualifying sale weight minus the baseline weight multiplied by ten cents, as long as the qualifying sale weight is equal to or greater than two hundred pounds above the baseline weight. The authority may waive no more than twenty-five percent of the two hundred pound weight gain requirement, but any such waiver shall be based on a disaster declaration issued by the U. S. Department of Agriculture.

4. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state tax liability for the taxable year for which the credit is claimed. No tax credit claimed under this section shall be refundable. The tax credit shall be claimed in the taxable year in which the qualifying sale of the qualifying beef occurred, but any amount of credit that the taxpayer is prohibited by this section from claiming in a taxable year may be carried forward to any of the taxpayer's five subsequent taxable years and carried backward to any of the taxpayer's three previous taxable years. The amount of tax credits that may be issued to all eligible applicants claiming tax credits authorized in this section in a fiscal year shall not exceed three million dollars. Tax credits shall be issued on an as-received application basis until the fiscal year limit is reached. Any credits not issued in any fiscal year shall expire and shall not be issued in any subsequent years.

5. To claim the tax credit allowed under this section, the taxpayer shall submit to the authority an application for the tax credit on a form provided by the authority and any application fee imposed by the authority. The application shall be filed with the authority at the end of each calendar year in which a qualified sale was made and for which a tax credit is claimed under this section. The application shall include any certified documentation and information required by the authority. All required information obtained by the authority shall be confidential and not disclosed except by court order, subpoena, or as otherwise provided by law. If the taxpayer and the qualified sale meet all criteria required by this section and approval is granted by the authority, the authority shall issue a tax credit certificate in the appropriate amount. Tax credit

certificates issued under this section may be assigned, transferred, sold, or otherwise conveyed, and the new owner of the tax credit certificate shall have the same rights in the tax credit as the original taxpayer. Whenever a tax credit certificate is assigned, transferred, sold or otherwise conveyed, a notarized endorsement shall be filed with the authority specifying the name and address of the new owner of the tax credit certificate or the value of the tax credit.

6. Any information provided under this section shall be confidential information, to be shared with no one except state and federal animal health officials, except as provided in subsection 5 of this section.

7. The authority may promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

8. This section shall not be subject to the Missouri sunset act, sections 23.250 to 23.298.

**9. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011.**

135.680. 1. As used in this section, the following terms shall mean:

(1) "Adjusted purchase price", the product of:

(a) The amount paid to the issuer of a qualified equity investment for such qualified equity investment; and

(b) The following fraction:

a. The numerator shall be the dollar amount of qualified low-income community investments held by the issuer in this state as of the credit allowance date during the applicable tax year; and

b. The denominator shall be the total dollar amount of qualified low-income community investments held by the issuer in all states as of the credit allowance date during the applicable tax year;

c. For purposes of calculating the amount of qualified low-income community investments held by an issuer, an investment shall be considered held by an issuer even if the investment has been sold or repaid; provided that the issuer reinvests an amount equal to the capital returned to or recovered by the issuer from the original investment, exclusive of any profits realized, in another qualified low-income community investment within twelve months of the receipt of such capital. An issuer shall not be required to reinvest capital returned from qualified low-income community investments after the sixth anniversary of the issuance of the qualified equity investment, the proceeds of which were used to make the qualified low-income

community investment, and the qualified low-income community investment shall be considered held by the issuer through the seventh anniversary of the qualified equity investment's issuance;

(2) "Applicable percentage", zero percent for each of the first two credit allowance dates, seven percent for the third credit allowance date, and eight percent for the next four credit allowance dates;

(3) "Credit allowance date", with respect to any qualified equity investment:

(a) The date on which such investment is initially made; and

(b) Each of the six anniversary dates of such date thereafter;

(4) "Long-term debt security", any debt instrument issued by a qualified community development entity, at par value or a premium, with an original maturity date of at least seven years from the date of its issuance, with no acceleration of repayment, amortization, or prepayment features prior to its original maturity date, and with no distribution, payment, or interest features related to the profitability of the qualified community development entity or the performance of the qualified community development entity's investment portfolio. The foregoing shall in no way limit the holder's ability to accelerate payments on the debt instrument in situations where the issuer has defaulted on covenants designed to ensure compliance with this section or Section 45D of the Internal Revenue Code of 1986, as amended;

(5) "Qualified active low-income community business", the meaning given such term in Section 45D of the Internal Revenue Code of 1986, as amended; provided that any business that derives or projects to derive fifteen percent or more of its annual revenue from the rental or sale of real estate shall not be considered to be a qualified active low-income community business;

(6) "Qualified community development entity", the meaning given such term in Section 45D of the Internal Revenue Code of 1986, as amended; provided that such entity has entered into an allocation agreement with the Community Development Financial Institutions Fund of the U.S. Treasury Department with respect to credits authorized by Section 45D of the Internal Revenue Code of 1986, as amended, which includes the state of Missouri within the service area set forth in such allocation agreement;

(7) "Qualified equity investment", any equity investment in, or long-term debt security issued by, a qualified community development entity that:

(a) Is acquired after September 4, 2007, at its original issuance solely in exchange for cash;

(b) Has at least eighty-five percent of its cash purchase price used by the issuer to make qualified low-income community investments; and

(c) Is designated by the issuer as a qualified equity investment under this subdivision and is certified by the department of economic development as not exceeding the limitation contained in subsection 2 of this section. This term shall include any qualified equity investment that does

not meet the provisions of paragraph (a) of this subdivision if such investment was a qualified equity investment in the hands of a prior holder;

(8) "Qualified low-income community investment", any capital or equity investment in, or loan to, any qualified active low-income community business. With respect to any one qualified active low-income community business, the maximum amount of qualified low-income community investments made in such business, on a collective basis with all of its affiliates, that may be used from the calculation of any numerator described in subparagraph a. of paragraph (b) of subdivision (1) of this subsection shall be ten million dollars whether issued to one or several qualified community development entities;

(9) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding withholding tax imposed in sections 143.191 to 143.265, or otherwise due under section 375.916 or chapter 147, 148, or 153;

(10) "Taxpayer", any individual or entity subject to the tax imposed in chapter 143, excluding withholding tax imposed in sections 143.191 to 143.265, or the tax imposed in section 375.916 or chapter 147, 148, or 153.

2. A taxpayer that makes a qualified equity investment earns a vested right to tax credits under this section. On each credit allowance date of such qualified equity investment the taxpayer, or subsequent holder of the qualified equity investment, shall be entitled to a tax credit during the taxable year including such credit allowance date. The tax credit amount shall be equal to the applicable percentage of the adjusted purchase price paid to the issuer of such qualified equity investment. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state tax liability for the tax year for which the tax credit is claimed. No tax credit claimed under this section shall be refundable or transferable. Tax credits earned by a partnership, limited liability company, S-corporation, or other pass-through entity may be allocated to the partners, members, or shareholders of such entity for their direct use in accordance with the provisions of any agreement among such partners, members, or shareholders. Any amount of tax credit that the taxpayer is prohibited by this section from claiming in a taxable year may be carried forward to any of the taxpayer's five subsequent taxable years. The department of economic development shall limit the monetary amount of qualified equity investments permitted under this section to a level necessary to limit tax credit utilization at no more than twenty-five million dollars of tax credits in any fiscal year. Such limitation on qualified equity investments shall be based on the anticipated utilization of credits without regard to the potential for taxpayers to carry forward tax credits to later tax years.

3. The issuer of the qualified equity investment shall certify to the department of economic development the anticipated dollar amount of such investments to be made in this state during the first twelve-month period following the initial credit allowance date. If on the second credit allowance date, the actual dollar amount of such investments is different than the amount

estimated, the department of economic development shall adjust the credits arising on the second allowance date to account for such difference.

4. The department of economic development shall recapture the tax credit allowed under this section with respect to such qualified equity investment under this section if:

(1) Any amount of the federal tax credit available with respect to a qualified equity investment that is eligible for a tax credit under this section is recaptured under Section 45D of the Internal Revenue Code of 1986, as amended; or

(2) The issuer redeems or makes principal repayment with respect to a qualified equity investment prior to the seventh anniversary of the issuance of such qualified equity investment. Any tax credit that is subject to recapture shall be recaptured from the taxpayer that claimed the tax credit on a return.

5. The department of economic development shall promulgate rules to implement the provisions of this section, including recapture provisions on a scaled proportional basis, and to administer the allocation of tax credits issued for qualified equity investments, which shall be conducted on a first-come, first-serve basis. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after September 4, 2007, shall be invalid and void.

6. For fiscal years following fiscal year 2010, qualified equity investments shall not be made under this section unless reauthorization is made pursuant to this subsection. For all fiscal years following fiscal year 2010, unless the general assembly adopts a concurrent resolution granting authority to the department of economic development to approve qualified equity investments for the Missouri new markets development program and clearly describing the amount of tax credits available for the next fiscal year, or otherwise complies with the provisions of this subsection, no qualified equity investments may be permitted to be made under this section. The amount of available tax credits contained in such a resolution shall not exceed the limitation provided under subsection 2 of this section. In any year in which the provisions of this section shall sunset pursuant to subsection 7 of this section, reauthorization shall be made by general law and not by concurrent resolution. Nothing in this subsection shall preclude a taxpayer who makes a qualified equity investment prior to the expiration of authority to make qualified equity investments from claiming tax credits relating to such qualified equity investment for each applicable credit allowance date.

7. **[**Under section 23.253 of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset six years after September 4, 2007, unless reauthorized by an act of the general assembly; and

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

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset. However, nothing in this subsection shall preclude a taxpayer who makes a qualified equity investment prior to sunset of this section under the provisions of section 23.253 from claiming tax credits relating to such qualified equity investment for each credit allowance date**] Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011**.

135.700. **1.** For all tax years beginning on or after January 1, 1999, a grape grower or wine producer shall be allowed a tax credit against the state tax liability incurred pursuant to chapter 143, exclusive of the provisions relating to the withholding of tax as provided in sections 143.191 to 143.265, in an amount equal to twenty-five percent of the purchase price of all new equipment and materials used directly in the growing of grapes or the production of wine in the state. Each grower or producer shall apply to the department of economic development and specify the total amount of such new equipment and materials purchased during the calendar year. The department of economic development shall certify to the department of revenue the amount of such tax credit to which a grape grower or wine producer is entitled pursuant to this section. The provisions of this section notwithstanding, a grower or producer may only apply for and receive the credit authorized by this section for five tax periods.

**2. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011.**

135.710. 1. As used in this section, the following terms mean:

(1) "Alternative fuels", any motor fuel at least seventy percent of the volume of which consists of one or more of the following:

(a) Ethanol;

(b) Natural gas;

(c) Compressed natural gas;

(d) Liquified natural gas;

(e) Liquified petroleum gas;

(f) Any mixture of biodiesel and diesel fuel, without regard to any use of kerosene;

(g) Hydrogen;

(2) "Department", the department of natural resources;

(3) "Eligible applicant", a business entity that is the owner of a qualified alternative fuel vehicle refueling property;

(4) "Qualified alternative fuel vehicle refueling property", property in this state owned by an eligible applicant and used for storing alternative fuels and for dispensing such alternative fuels into fuel tanks of motor vehicles owned by such eligible applicant or private citizens which, if constructed after August 28, 2008, was constructed with at least fifty-one percent of the costs being paid to qualified Missouri contractors for the:

(a) Fabrication of premanufactured equipment or process piping used in the construction of such facility;

(b) Construction of such facility; and

(c) General maintenance of such facility during the time period in which such facility receives any tax credit under this section. If no qualified Missouri contractor is located within seventy-five miles of the property, the requirement that fifty-one percent of the costs shall be paid to qualified Missouri contractors shall not apply;

(5) "Qualified Missouri contractor", a contractor whose principal place of business is located in Missouri and has been located in Missouri for a period of not less than five years.

2. For all tax years beginning on or after January 1, 2009, but before January 1, 2012, any eligible applicant who installs and operates a qualified alternative fuel vehicle refueling property shall be allowed a credit against the tax otherwise due under chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or due under chapter 147 or chapter 148 for any tax year in which the applicant is constructing the refueling property. The credit allowed in this section per eligible applicant shall not exceed the lesser of twenty thousand dollars or twenty percent of the total costs directly associated with the purchase and installation of any alternative fuel storage and dispensing equipment on any qualified alternative fuel vehicle refueling property, which shall not include the following:

(1) Costs associated with the purchase of land upon which to place a qualified alternative fuel vehicle refueling property;

(2) Costs associated with the purchase of an existing qualified alternative fuel vehicle refueling property; or

(3) Costs for the construction or purchase of any structure.

3. Tax credits allowed by this section shall be claimed by the eligible applicant at the time such applicant files a return for the tax year in which the storage and dispensing facilities were placed in service at a qualified alternative fuel vehicle refueling property, and shall be applied against the income tax liability imposed by chapter 143, chapter 147, or chapter 148 after all other credits provided by law have been applied. The cumulative amount of tax credits which may be claimed by eligible applicants claiming all credits authorized in this section shall not exceed the following amounts:

(1) In taxable year 2009, three million dollars;

(2) In taxable year 2010, two million dollars; and

(3) In taxable year 2011, one million dollars.

4. If the amount of the tax credit exceeds the eligible applicant's tax liability, the difference shall not be refundable. Any amount of credit that an eligible applicant is prohibited by this section from claiming in a taxable year may be carried forward to any of such applicant's two subsequent taxable years. Tax credits allowed under this section may be assigned, transferred, sold, or otherwise conveyed.

5. An alternative fuel vehicle refueling property, for which an eligible applicant receives tax credits under this section, which ceases to sell alternative fuel shall cause the forfeiture of such eligible applicant's tax credits provided under this section for the taxable year in which the alternative fuel vehicle refueling property ceased to sell alternative fuel and for future taxable years with no recapture of tax credits obtained by an eligible applicant with respect to such applicant's tax years which ended before the sale of alternative fuel ceased.

6. The director of revenue shall establish the procedure by which the tax credits in this section may be claimed, and shall establish a procedure by which the cumulative amount of tax credits is apportioned equally among all eligible applicants claiming the credit. To the maximum extent possible, the director of revenue shall establish the procedure described in this subsection in such a manner as to ensure that eligible applicants can claim all the tax credits possible up to the cumulative amount of tax credits available for the taxable year. No eligible applicant claiming a tax credit under this section shall be liable for any interest or penalty for filing a tax return after the date fixed for filing such return as a result of the apportionment procedure under this subsection.

7. Any eligible applicant desiring to claim a tax credit under this section shall submit the appropriate application for such credit with the department. The application for a tax credit under this section shall include any information required by the department. The department shall review the applications and certify to the department of revenue each eligible applicant that qualifies for the tax credit.

8. The department and the department of revenue may promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2008, shall be invalid and void.

9. **[**Pursuant to section 23.253 of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset six years after August 28, 2008, unless reauthorized by an act of the general assembly; and

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

(3) This section shall terminate on December thirty-first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset**] Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011**.

135.750. 1. As used in this section, the following terms mean:

(1) "Highly compensated individual", any individual who receives compensation in excess of one million dollars in connection with a single qualified film production project;

(2) "Qualified film production project", any film, video, commercial, or television production, as approved by the department of economic development and the office of the Missouri film commission, that is under thirty minutes in length with an expected in-state expenditure budget in excess of fifty thousand dollars, or that is over thirty minutes in length with an expected in-state expenditure budget in excess of one hundred thousand dollars. Regardless of the production costs, "qualified film production project" shall not include any:

(a) News or current events programming;

(b) Talk show;

(c) Production produced primarily for industrial, corporate, or institutional purposes, and for internal use;

(d) Sports event or sports program;

(e) Gala presentation or awards show;

(f) Infomercial or any production that directly solicits funds;

(g) Political ad;

(h) Production that is considered obscene, as defined in section 573.010;

(3) "Qualifying expenses", the sum of the total amount spent in this state for the following by a production company in connection with a qualified film production project:

(a) Goods and services leased or purchased by the production company. For goods with a purchase price of twenty-five thousand dollars or more, the amount included in qualifying expenses shall be the purchase price less the fair market value of the goods at the time the production is completed;

(b) Compensation and wages paid by the production company on which the production company remitted withholding payments to the department of revenue under chapter 143. For purposes of this section, compensation and wages shall not include any amounts paid to a highly compensated individual;

(4) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or otherwise due under chapter 148;

(5) "Taxpayer", any individual, partnership, or corporation as described in section 143.441, 143.471, or section 148.370 that is subject to the tax imposed in chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or the tax imposed in chapter 148 or any charitable organization which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143.

2. For all taxable years beginning on or after January 1, 1999, but ending on or before December 31, 2007, a taxpayer shall be granted a tax credit for up to fifty percent of the amount of investment in production or production-related activities in any film production project with an expected in-state expenditure budget in excess of three hundred thousand dollars. For all taxable years beginning on or after January 1, 2008, a taxpayer shall be allowed a tax credit for up to thirty-five percent of the amount of qualifying expenses in a qualified film production project. Each film production company shall be limited to one qualified film production project per year. Activities qualifying a taxpayer for the tax credit pursuant to this subsection shall be approved by the office of the Missouri film commission and the department of economic development.

3. Taxpayers shall apply for the film production tax credit by submitting an application to the department of economic development, on a form provided by the department. As part of the application, the expected in-state expenditures of the qualified film production project shall be documented. In addition, the application shall include an economic impact statement, showing the economic impact from the activities of the film production project. Such economic impact statement shall indicate the impact on the region of the state in which the film production or production-related activities are located and on the state as a whole.

4. For all taxable years ending on or before December 31, 2007, tax credits certified pursuant to subsection 2 of this section shall not exceed one million dollars per taxpayer per year, and shall not exceed a total for all tax credits certified of one million five hundred thousand dollars per year. For all taxable years beginning on or after January 1, 2008, tax credits certified under subsection 1 of this section shall not exceed a total for all tax credits certified of four million five hundred thousand dollars per year. Taxpayers may carry forward unused credits for up to five tax periods, provided all such credits shall be claimed within ten tax periods following the tax period in which the film production or production-related activities for which the credits are certified by the department occurred.

5. Notwithstanding any provision of law to the contrary, any taxpayer may sell, assign, exchange, convey or otherwise transfer tax credits allowed in subsection 2 of this section. The taxpayer acquiring the tax credits may use the acquired credits to offset the tax liabilities otherwise imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or chapter 148. Unused acquired credits may be carried forward for up to five tax periods, provided all such credits shall be claimed within ten tax periods following the tax period

in which the film production or production-related activities for which the credits are certified by the department occurred.

6. **[**Under section 23.253 of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset six years after November 28, 2007, unless reauthorized by an act of the general assembly; and

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

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset**] Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011**.

135.766. **1.** An eligible small business, as defined in Section 44 of the Internal Revenue Code, shall be allowed a credit against the tax otherwise due pursuant to chapter 143, not including sections 143.191 to 143.265, in an amount equal to any amount paid by the eligible small business to the United States Small Business Administration as a guaranty fee pursuant to obtaining Small Business Administration guaranteed financing and to programs administered by the United States Department of Agriculture for rural development or farm service agencies. No tax credits provided under this section shall be authorized on or after the thirtieth day following the effective date of this act. The provisions of this subsection shall not be construed to limit or in any way impair the department's ability to issue tax credits authorized prior to the thirtieth day following the effective date of this act, or a taxpayer's ability to redeem such tax credits.

**2. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011.**

135.967. 1. A taxpayer who establishes a new business facility may, upon approval by the department, be allowed a credit, each tax year for up to ten tax years, in an amount determined as set forth in this section, against the tax imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265. No taxpayer shall receive multiple ten-year periods for subsequent expansions at the same facility.

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

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

(1) 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; and

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

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

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

(2) The sum calculated based upon the following:

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

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

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

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

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

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

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

(2) The taxpayer's investment in the expansion and in the original facility prior to expansion shall be determined in the manner provided in subdivision (19) of section 135.950.

7. The number of new business facility employees during any taxable year shall be determined by dividing by twelve the sum of the number of individuals employed on the last business day of each month of such taxable year. If the new business facility is in operation for less than the entire taxable year, the number of new business facility employees shall be

determined by dividing the sum of the number of individuals employed on the last business day of each full calendar month during the portion of such taxable year during which the new business facility was in operation by the number of full calendar months during such period. For the purpose of computing the credit allowed by this section in the case of a facility which qualifies as a new business facility under subsection 6 of this section, and in the case of a new business facility which satisfies the requirements of paragraph (c) of subdivision (17) of section 135.950, or subdivision (25) of section 135.950, the number of new business facility employees at such facility shall be reduced by the average number of individuals employed, computed as provided in this subsection, at the facility during the taxable year immediately preceding the taxable year in which such expansion, acquisition, or replacement occurred and shall further be reduced by the number of individuals employed by the taxpayer or related taxpayer that was subsequently transferred to the new business facility from another Missouri facility and for which credits authorized in this section are not being earned, whether such credits are earned because of an expansion, acquisition, relocation, or the establishment of a new facility.

8. In the case where a new business facility employee who is a resident of an enhanced enterprise zone for less than a twelve-month period is employed for less than a twelve-month period, the credits allowed by paragraph (b) of subdivision (2) of subsection 4 of this section shall be determined by multiplying four hundred dollars by a fraction, the numerator of which is the number of calendar days during the taxpayer's tax year for which such credits are claimed, in which the employee was a resident of an enhanced enterprise zone, and the denominator of which is three hundred sixty-five.

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

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

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

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

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

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

**15. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under sections 135.950 to 135.970 after December 31, 2011.**

135.968. 1. A taxpayer who establishes a megaproject, approved by the department, within an enhanced enterprise zone shall, in exchange for the consideration provided by new tax revenues and other economic stimuli that will be generated from the new jobs created by the megaproject, be allowed an income tax credit equal to the percentage of actual new annual payroll of the taxpayer attributable to employees directly related to the manufacturing and assembly process and administration, as provided under subsection 4 of this section. A taxpayer seeking approval of a megaproject shall submit an application to the department. The department shall not approve any megaproject after December 31, 2008. The department shall not approve any credits for megaprojects to be issued prior to January 1, 2013, and in no event

shall the department authorize more than forty million dollars to be issued annually for all megaprojects. The total amount of credits issued under this section shall not exceed two hundred forty million dollars.

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

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

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

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

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

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

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

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

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

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

(1) A repayment plan providing for cash payment to the state general revenue fund which shall result in a positive internal rate of return to the state and fully comply with the provisions of the World Trade Organization Agreement on Subsidies and Countervailing Measures. The rate of return shall be commercially reasonable and, over the life of the project, exceed one

hundred and fifty percent of the state's borrowing costs based on the AAA-rated twenty-year tax-exempt bond rate average over a twenty-year borrowing period. The rate shall be verified by a professional third-party financial analysis;

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

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

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

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

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

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

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

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

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

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

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

5. Tax credits issued under this section may be claimed against the tax imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265.

For taxpayers with flow-through tax treatment of its members, partners, or shareholders, the credit shall be allowed to members, partners, or shareholders in proportion to their share of ownership on the last day of the taxpayer's tax period. The director of revenue shall issue a refund to a taxpayer to the extent the amount of credits allowed in this section exceeds the amount of the taxpayer's income tax liability in the year redemption is authorized. An owner of tax credits issued under this section shall not be required to have any Missouri income tax liability in order to redeem such tax credits and receive a refund. The director of revenue shall prepare a form to permit the owner of such tax credits to obtain a refund.

6. Certificates of tax credits authorized under this section may be transferred, sold, or assigned by filing a notarized endorsement thereof with the department that names the transferee, the amount of tax credit transferred, and the value received for the credit, as well as any other information reasonably requested by the department. Upon such transfer, sale, or assignment, the transferee shall be the owner of such tax credits entitled to claim the tax credits or any refunds with respect thereto issued to the taxpayer. Tax credits may not be carried forward past the year of issuance. Tax credits authorized by this section may not be pledged or used to secure any bonds or other indebtedness issued by the state or any political subdivision of the state. Once such tax credits have been issued, nothing shall prohibit the owner of the tax credits from pledging the tax credits to any lender or other third party.

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

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

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

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

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

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

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

**12. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under sections 135.950 to 135.970 after December 31, 2011.**

135.1150. 1. This section shall be known and may be cited as the "Residential Treatment Agency Tax Credit Act".

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

(1) "Certificate", a tax credit certificate issued under this section;

(2) "Department", the Missouri department of social services;

(3) "Eligible donation", donations received from a taxpayer by an agency that are used solely to provide direct care services to children who are residents of this state. Eligible donations may include cash, publicly traded stocks and bonds, and real estate that will be valued and documented according to rules promulgated by the department of social services. For purposes of this section, "direct care services" include but are not limited to increasing the quality of care and service for children through improved employee compensation and training;

(4) "Qualified residential treatment agency" or "agency", a residential care facility that is licensed under section 210.484, accredited by the Council on Accreditation (COA), the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), or the Commission on Accreditation of Rehabilitation Facilities (CARF), and is under contract with the Missouri department of social services to provide treatment services for children who are residents or wards of residents of this state, and that receives eligible donations. Any agency that operates more than one facility or at more than one location shall be eligible for the tax credit under this section only for any eligible donation made to facilities or locations of the agency which are licensed and accredited;

(5) "Taxpayer", any of the following individuals or entities who make an eligible donation to an agency:

(a) A person, firm, partner in a firm, corporation, or a shareholder in an S corporation doing business in the state of Missouri and subject to the state income tax imposed in chapter 143;

(b) A corporation subject to the annual corporation franchise tax imposed in chapter 147;

(c) An insurance company paying an annual tax on its gross premium receipts in this state;

(d) Any other financial institution paying taxes to the state of Missouri or any political subdivision of this state under chapter 148;

(e) An individual subject to the state income tax imposed in chapter 143;

(f) Any charitable organization which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143.

3. For all taxable years beginning on or after January 1, 2007, any taxpayer shall be allowed a credit against the taxes otherwise due under chapter 147, 148, or 143, excluding withholding tax imposed by sections 143.191 to 143.265, in an amount equal to fifty percent of the amount of an eligible donation, subject to the restrictions in this section. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state income tax liability in the tax year for which the credit is claimed. Any amount of credit that the taxpayer is prohibited by this section from claiming in a tax year shall not be refundable, but may be carried forward to any of the taxpayer's four subsequent taxable years.

4. To claim the credit authorized in this section, an agency may submit to the department an application for the tax credit authorized by this section on behalf of taxpayers. The department shall verify that the agency has submitted the following items accurately and completely:

(1) A valid application in the form and format required by the department;

(2) A statement attesting to the eligible donation received, which shall include the name and taxpayer identification number of the individual making the eligible donation, the amount of the eligible donation, and the date the eligible donation was received by the agency; and

(3) Payment from the agency equal to the value of the tax credit for which application is made. If the agency applying for the tax credit meets all criteria required by this subsection, the department shall issue a certificate in the appropriate amount.

5. An agency may apply for tax credits in an aggregate amount that does not exceed forty percent of the payments made by the department to the agency in the preceding twelve months.

6. Tax credits issued under this section may be assigned, transferred, sold, or otherwise conveyed, and the new owner of the tax credit shall have the same rights in the credit as the taxpayer. Whenever a certificate is assigned, transferred, sold, or otherwise conveyed, a notarized endorsement shall be filed with the department specifying the name and address of the new owner of the tax credit or the value of the credit.

7. The department shall promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are

subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2006, shall be invalid and void.

8. **[**Under section 23.253 of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset six years after August 28, 2006, unless reauthorized by an act of the general assembly; and

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

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset**] Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011**.

137.106. 1. This section **[**may**] shall** be known and may be cited as "The Missouri Homestead Preservation Act".

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

(1) "Department", the department of revenue;

(2) "Director", the director of revenue;

(3) "Disabled", as such term is defined in section 135.010;

(4) "Eligible owner", any individual owner of property who is sixty-five years old or older as of January first of the tax year in which the individual is claiming the credit or who is disabled, and who had an income of equal to or less than the maximum upper limit in the year prior to completing an application pursuant to this section; or

(a) In the case of a married couple owning property either jointly or as tenants by the entirety, or where only one spouse owns the property, such couple shall be considered an eligible taxpayer if both spouses have reached the age of sixty-five or if one spouse is disabled, or if one spouse is at least sixty-five years old and the other spouse is at least sixty years old, and the combined income of the couple in the year prior to completing an application pursuant to this section did not exceed the maximum upper limit; or

(b) In the case of joint ownership by unmarried persons or ownership by tenancy in common by two or more unmarried persons, such owners shall be considered an eligible owner if each person with an ownership interest individually satisfies the eligibility requirements for an individual eligible owner under this section and the combined income of all individuals with an interest in the property is equal to or less than the maximum upper limit in the year prior to completing an application under this section. If any individual with an ownership interest in the property fails to satisfy the eligibility requirements of an individual eligible owner or if the combined income of all individuals with interest in the property exceeds the maximum upper limit, then all individuals with an ownership interest in such property shall be deemed ineligible

owners regardless of such other individual's ability to individually meet the eligibility requirements; or

(c) In the case of property held in trust, the eligible owner and recipient of the tax credit shall be the trust itself provided the previous owner of the homestead or the previous owner's spouse: is the settlor of the trust with respect to the homestead; currently resides in such homestead; and but for the transfer of such property would have satisfied the age, ownership, and maximum upper limit requirements for income as defined in subdivisions (7) and (8) of this subsection**[;] .**

No individual shall be an eligible owner if the individual has not paid **[**their**] the individual's** property tax liability, if any, in full by the payment due date in any of the three prior tax years, except that a late payment of a property tax liability in any prior year shall not disqualify a potential eligible owner if such owner paid in full the tax liability and any and all penalties, additions and interest that arose as a result of such late payment; no individual shall be an eligible owner if such person filed a valid claim for the senior citizens property tax relief credit pursuant to sections 135.010 to 135.035;

(5) "Homestead", as such term is defined pursuant to section 135.010, except as limited by provisions of this section to the contrary. No property shall be considered a homestead if such property was improved since the most recent annual assessment by more than five percent of the prior year appraised value, except where an eligible owner of the property has made such improvements to accommodate a disabled person;

(6) "Homestead exemption limit", a percentage increase, rounded to the nearest hundredth of a percent, which shall be equal to the percentage increase to tax liability, not including improvements, of a homestead from one tax year to the next that exceeds a certain percentage set pursuant to subsection 10 of this section. For applications filed in 2005 or 2006, the homestead exemption limit shall be based on the increase to tax liability from 2004 to 2005. For applications filed between April 1, 2005, and September 30, 2006, an eligible owner, who otherwise satisfied the requirements of this section, shall not apply for the homestead exemption credit more than once during such period. For applications filed after 2006, the homestead exemption limit shall be based on the increase to tax liability from two years prior to application to the year immediately prior to application. For applications filed between December 31, 2008, and December 31, 2011, the homestead exemption limit shall be based on the increase in tax liability from the base year to the year prior to the application year. For applications filed on or after January 1, 2012, the homestead exemption limit shall be based on the increase to tax liability from two years prior to application to the year immediately prior to application. For purposes of this subdivision, the term "base year" means the year prior to the first year in which the eligible owner's application was approved, or 2006, whichever is later;

(7) "Income", federal adjusted gross income, and in the case of ownership of the homestead by trust, the income of the settlor applicant shall be imputed to the income of the trust for purposes of determining eligibility with regards to the maximum upper limit;

(8) "Maximum upper limit", in the calendar year 2005, the income sum of seventy thousand dollars; in each successive calendar year this amount shall be raised by the incremental increase in the general price level, as defined pursuant to article X, section 17 of the Missouri Constitution.

3. Pursuant to article X, section 6(a) of the Constitution of Missouri, if in the prior tax year, the property tax liability on any parcel of subclass (1) real property increased by more than the homestead exemption limit, without regard for any prior credit received due to the provisions of this section, then any eligible owner of the property shall receive a homestead exemption credit to be applied in the current tax year property tax liability to offset the prior year increase to tax liability that exceeds the homestead exemption limit, except as eligibility for the credit is limited by the provisions of this section. The amount of the credit shall be listed separately on each taxpayer's tax bill for the current tax year, or on a document enclosed with the taxpayer's bill. The homestead exemption credit shall not affect the process of setting the tax rate as required pursuant to article X, section 22 of the Constitution of Missouri and section 137.073 in any prior, current, or subsequent tax year.

4. If application is made in 2005, any potential eligible owner may apply for the homestead exemption credit by completing an application through their local assessor's office. Applications may be completed between April first and September thirtieth of any tax year in order for the taxpayer to be eligible for the homestead exemption credit in the tax year next following the calendar year in which the homestead exemption credit application was completed. The application shall be on forms provided to the assessor's office by the department. Forms also shall be made available on the department's Internet site and at all permanent branch offices and all full-time, temporary, or fee offices maintained by the department of revenue.

The applicant shall attest under penalty of perjury:

(1) To the applicant's age;

(2) That the applicant's prior year income was less than the maximum upper limit;

(3) To the address of the homestead property; and

(4) That any improvements made to the homestead, not made to accommodate a disabled person, did not total more than five percent of the prior year appraised value. The applicant shall also include with the application copies of receipts indicating payment of property tax by the applicant for the homestead property for the two prior tax years.

5. If application is made in 2005, the assessor, upon request for an application, shall:

(1) Certify the parcel number and owner of record as of January first of the homestead, including verification of the acreage classified as residential on the assessor's property record card;

(2) Obtain appropriate prior tax year levy codes for each homestead from the county clerks for inclusion on the form;

(3) Record on the application the assessed valuation of the homestead for the current tax year, and any new construction or improvements for the current tax year; and

(4) Sign the application, certifying the accuracy of the assessor's entries.

6. If application is made after 2005, any potential eligible owner may apply for the homestead exemption credit by completing an application. Applications may be completed between April first and October fifteenth of any tax year in order for the taxpayer to be eligible for the homestead exemption credit in the tax year next following the calendar year in which the homestead exemption credit application was completed. The application shall be on forms provided by the department. Forms also shall be made available on the department's Internet site and at all permanent branch offices and all full-time, temporary, or fee offices maintained by the department of revenue. The applicant shall attest under penalty of perjury:

(1) To the applicant's age;

(2) That the applicant's prior year income was less than the maximum upper limit;

(3) To the address of the homestead property;

(4) That any improvements made to the homestead, not made to accommodate a disabled person, did not total more than five percent of the prior year appraised value**[**; and

(5)**] .**

The applicant shall also include with the application copies of receipts indicating payment of property tax by the applicant for the homestead property for the three prior tax years.

7. Each applicant shall send the application to the department by October fifteenth of each year for the taxpayer to be eligible for the homestead exemption credit in the tax year next following the calendar year in which the application was completed.

8. If application is made in 2005, upon receipt of the applications, the department shall calculate the tax liability, adjusted to exclude new construction or improvements**,** verify compliance with the maximum income limit, verify the age of the applicants, and make adjustments to these numbers as necessary on the applications. The department also shall disallow any application where the applicant has also filed a valid application for the senior citizens property tax credit, pursuant to sections 135.010 to 135.035. Once adjusted tax liability, age, and income are verified, the director shall determine eligibility for the credit, and provide a list of all verified eligible owners to the county collectors or county clerks in counties with a township form of government by December fifteenth of each year. By January fifteenth, the county collectors or county clerks in counties with a township form of government shall provide a list to the department of any verified eligible owners who failed to pay the property tax due for the tax year that ended immediately prior. Such eligible owners shall be disqualified from receiving the credit in the current tax year.

9. If application is made after 2005, upon receipt of the applications, the department shall calculate the tax liability, verify compliance with the maximum income limit, verify the age of the applicants, and make adjustments to these numbers as necessary on the applications. The department also shall disallow any application where the applicant also has filed a valid application for the senior citizens property tax credit under sections 135.010 to 135.035. Once adjusted tax liability, age, and income are verified, the director shall determine eligibility for the credit and provide a list of all verified eligible owners to the county assessors or county clerks in counties with a township form of government by December fifteenth of each year. By January fifteenth, the county assessors shall provide a list to the department of any verified eligible owners who made improvements not for accommodation of a disability to the homestead and the dollar amount of the assessed value of such improvements. If the dollar amount of the assessed value of such improvements totaled more than five percent of the prior year appraised value, such eligible owners shall be disqualified from receiving the credit in the current tax year.

10. The director shall calculate the level of appropriation necessary to set the homestead exemption limit at five percent when based on a year of general reassessment or at two and one-half percent when based on a year without general reassessment for the homesteads of all verified eligible owners, and provide such calculation to the speaker of the house of representatives, the president pro tempore of the senate, and the director of the office of budget and planning in the office of administration by January thirty-first of each year.

11. For applications made in 2005, the general assembly shall make an appropriation for the funding of the homestead exemption credit that is signed by the governor, then the director shall, by July thirty-first of such year, set the homestead exemption limit. The limit shall be a single, statewide percentage increase to tax liability, rounded to the nearest hundredth of a percent, which, if applied to all homesteads of verified eligible owners who applied for the homestead exemption credit in the immediately prior tax year, would cause all but one-quarter of one percent of the amount of the appropriation, minus any withholding by the governor, to be distributed during that fiscal year. The remaining one-quarter of one percent shall be distributed to the county assessment funds of each county on a proportional basis, based on the number of eligible owners in each county; such one-quarter percent distribution shall be delineated in any such appropriation as a separate line item in the total appropriation. If no appropriation is made by the general assembly during any tax year or no funds are actually distributed pursuant to any appropriation therefor, then no homestead preservation credit shall apply in such year.

12. After setting the homestead exemption limit for applications made in 2005, the director shall apply the limit to the homestead of each verified eligible owner and calculate the credit to be associated with each verified eligible owner's homestead, if any. The director shall send a list of those eligible owners who are to receive the homestead exemption credit, including the amount of each credit, the certified parcel number of the homestead, and the address of the homestead property, to the county collectors or county clerks in counties with a township form

of government by August thirty-first. Pursuant to such calculation, the director shall instruct the state treasurer as to how to distribute the appropriation and assessment fund allocation to the county collector's funds of each county or the treasurer ex officio collector's fund in counties with a township form of government where recipients of the homestead exemption credit are located, so as to exactly offset each homestead exemption credit being issued, plus the one-quarter of one percent distribution for the county assessment funds. As a result of the appropriation, in no case shall a political subdivision receive more money than it would have received absent the provisions of this section plus the one-quarter of one percent distribution for the county assessment funds. Funds, at the direction of the county collector or the treasurer ex officio collector in counties with a township form of government, shall be deposited in the county collector's fund of a county or the treasurer ex officio collector's fund or may be sent by mail to the collector of a county, or the treasurer ex officio collector in counties with a township form of government, not later than October first in any year a homestead exemption credit is appropriated as a result of this section and shall be distributed as moneys in such funds are commonly distributed from other property tax revenues by the collector of the county or the treasurer ex officio collector of the county in counties with a township form of government, so as to exactly offset each homestead exemption credit being issued. In counties with a township form of government, the county clerk shall provide the treasurer ex officio collector a summary of the homestead exemption credit for each township for the purpose of distributing the total homestead exemption credit to each township collector in a particular county.

13. If, in any given year after 2005, the general assembly shall make an appropriation for the funding of the homestead exemption credit that is signed by the governor, then the director shall determine the apportionment percentage by equally apportioning the appropriation among all eligible applicants on a percentage basis. If no appropriation is made by the general assembly during any tax year or no funds are actually distributed pursuant to any appropriation therefor, then no homestead preservation credit shall apply in such year.

14. After determining the apportionment percentage, the director shall calculate the credit to be associated with each verified eligible owner's homestead, if any. The director shall send a list of those eligible owners who are to receive the homestead exemption credit, including the amount of each credit, the certified parcel number of the homestead, and the address of the homestead property, to the county collectors or county clerks in counties with a township form of government by August thirty-first. Pursuant to such calculation, the director shall instruct the state treasurer as to how to distribute the appropriation to the county collector's fund of each county where recipients of the homestead exemption credit are located, so as to exactly offset each homestead exemption credit being issued. As a result of the appropriation, in no case shall a political subdivision receive more money than it would have received absent the provisions of this section. Funds, at the direction of the collector of the county or treasurer ex officio collector in counties with a township form of government, shall be deposited in the county collector's fund

of a county or may be sent by mail to the collector of a county, or treasurer ex officio collector in counties with a township form of government, not later than October first in any year a homestead exemption credit is appropriated as a result of this section and shall be distributed as moneys in such funds are commonly distributed from other property tax revenues by the collector of the county or the treasurer ex officio collector of the county in counties with a township form of government, so as to exactly offset each homestead exemption credit being issued.

15. The department shall promulgate rules for implementation of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2004, shall be invalid and void. Any rule promulgated by the department shall in no way impact, affect, interrupt, or interfere with the performance of the required statutory duties of any county elected official, more particularly including the county collector when performing such duties as deemed necessary for the distribution of any homestead appropriation and the distribution of all other real and personal property taxes.

16. In the event that an eligible owner dies or transfers ownership of the property after the homestead exemption limit has been set in any given year, but prior to January first of the year in which the credit would otherwise be applied, the credit shall be void and any corresponding moneys, pursuant to subsection 12 of this section, shall lapse to the state to be credited to the general revenue fund. In the event the collector of the county or the treasurer ex officio collector of the county in counties with a township form of government determines prior to issuing the credit that the individual is not an eligible owner because the individual did not pay the prior three years' property tax liability in full, the credit shall be void and any corresponding moneys, under subsection 11 of this section, shall lapse to the state to be credited to the general revenue fund.

17. This section shall apply to all tax years beginning on or after January 1, 2005. This subsection shall become effective June 28, 2004.

18. **[**In accordance with the provisions of sections 23.250 to 23.298 and unless otherwise authorized pursuant to section 23.253:

(1) Any new program authorized under the provisions of this section shall automatically sunset six years after the effective date of this section; and

(2) This section shall terminate on September first of the year following the year in which any new program authorized under this section is sunset, and the revisor of statutes shall designate such sections and this section in a revision bill for repeal**] Notwithstanding any other**

**provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011**.

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

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

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

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

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

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

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

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

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

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

(1) The provisions of the new program authorized under this section shall automatically sunset six years after August 28, 2008, unless reauthorized by an act of the general assembly; and

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

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset**] Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011**.

143.011. **1.** A tax is hereby imposed for every taxable year on the Missouri taxable income of every resident.

**2. For all taxable years ending on or before December 31, 2011,** the tax shall be determined by applying the tax table or the rate provided in section 143.021, which is based upon the following rates:

If the Missouri taxable income is: The tax is:

Not over $1,000.00 ..... 1 1/2% of the Missouri taxable income
Over $1,000 but not over $2,000 ..... $15 plus 2% of excess over $1,000
Over $2,000 but not over $3,000 ..... $35 plus 2 1/2% of excess over $2,000
Over $3,000 but not over $4,000 ..... $60 plus 3% of excess over $3,000
Over $4,000 but not over $5,000 ..... $90 plus 3 1/2% of excess over $4,000
Over $5,000 but not over $6,000 ..... $125 plus 4% of excess over $5,000
Over $6,000 but not over $7,000 ..... $165 plus 4 1/2% of excess over $6,000
Over $7,000 but not over $8,000 ..... $210 plus 5% of excess over $7,000
Over $8,000 but not over $9,000 ..... $260 plus 5 1/2% of excess over $8,000
Over $9,000 ..... $315 plus 6% of excess over $9,000

**3. For all taxable years beginning on or after January 1, 2012, the tax imposed under this section shall be equal to 3.125% of the taxpayer's Missouri taxable income.**

143.021. **1.** Every resident having a taxable income of less than nine thousand dollars shall determine his tax from a tax table prescribed by the director of revenue and based upon the rates provided in section 143.011. The tax table shall be on the basis of one hundred dollar increments of taxable income below nine thousand dollars. The tax provided in the table shall be the amount rounded to the nearest whole dollar by applying the rates in section 143.011 to the taxable income at the midpoint of each increment, except there shall be no tax on a taxable income of less than one hundred dollars. Every resident having a taxable income of nine thousand dollars or more shall determine his tax from the rate provided in section 143.011.

**2. This section shall apply to all taxable years ending on or before December 31, 2011.**

143.031. 1. A husband and wife who file a joint federal income tax return shall file a combined return. A husband and wife who do not file a joint federal income tax return shall not file a combined return.

2. The Missouri combined taxable income on a combined return shall include all of the income and deductions of the husband and wife. The Missouri taxable income of each spouse shall be an amount that is the same proportion of their Missouri combined taxable income as the Missouri adjusted gross income of that spouse bears to their Missouri combined adjusted gross income.

3. The tax of each spouse shall be determined by the application of either section **[**143.021**] 143.011** or section 143.041 depending upon whether such spouse is a resident or nonresident. Their Missouri combined tax shall be the sum of the tax applicable to each spouse.

143.111. **1. For all taxable years ending on or before December 31, 2011,** the Missouri taxable income of a resident shall be such resident's Missouri adjusted gross income less:

(1) Either the Missouri standard deduction or the Missouri itemized deduction;

(2) The Missouri deduction for personal exemptions;

(3) The Missouri deduction for dependency exemptions;

(4) The deduction for federal income taxes provided in section 143.171; and

(5) The deduction for a self-employed individual's health insurance costs provided in section 143.113.

**2. (1) For all taxable years beginning on or after January 1, 2012, the Missouri taxable income of a resident shall be such resident's Missouri adjusted gross income as determined under section 143.121 less the amount of any exclusion of income from taxable income provided in this subsection.**

**(2) A taxpayer may exclude a portion of the taxpayer's taxable income from the tax imposed in this chapter in the following amounts:**

**(a) If the taxpayer's filing status is single, head of household, or qualifying widow or widower, the taxpayer may exclude six thousand five hundred dollars of Missouri taxable income;**

**(b) If the taxpayer's filing status is married filing combined or separately, the taxpayer may exclude thirteen thousand five hundred dollars of Missouri taxable income;**

**(c) For each dependent for whom such taxpayer is entitled to a dependency exemption deduction for federal income tax purposes, the taxpayer may exclude an additional nine thousand five hundred dollars of Missouri taxable income for each dependent after the exclusions provided in paragraphs (a) and (b) of this subdivision.**

143.113. 1. For all taxable years beginning on or after January 1, 2000, **but ending on or before December 31, 2011,** an individual taxpayer who is an employee within the meaning of Section 401(c)(1) of the Internal Revenue Code of 1986, as amended, shall be allowed to

subtract from the taxpayer's Missouri adjusted gross income to determine Missouri taxable income an amount equal to the amount which the taxpayer has paid during the taxable year for insurance which constitutes medical care for the taxpayer, the taxpayer's spouse, and dependents to the extent that such amounts qualify as deductible pursuant to Section 162(l) of the Internal Revenue Code of 1986, as amended, for the same taxable year, and shall only be deductible to the extent that such amounts are not deducted on the taxpayer's federal income tax return for that taxable year.

2. The director of the department of revenue shall promulgate rules and regulations to administer the provisions of this section. No rule or portion of a rule promulgated pursuant to the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of chapter 536.

**3. This section shall apply to all taxable years ending on or before December 31, 2011.**

143.118. 1. For all taxable years beginning on or after January 1, 2007, **but ending on or before December 31, 2011,** an individual taxpayer shall be allowed to subtract from the taxpayer's Missouri adjusted gross income to determine Missouri taxable income an amount equal to the amount which the taxpayer has paid during the taxable year as a member of a health care sharing ministry as defined in section 376.1750 and shall only be deductible to the extent that such amounts are not deducted on the taxpayer's federal income tax return for that taxable year.

2. The director of the department of revenue shall promulgate rules and regulations to administer the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

**3. This section shall apply to all taxable years ending on or before December 31, 2011.**

143.119. 1. A self-employed taxpayer, as such term is used in the federal internal revenue code, who is otherwise ineligible for the federal income tax health insurance deduction under Section 162 of the federal internal revenue code shall be entitled to a credit against the tax otherwise due under this chapter, excluding withholding tax imposed by sections 143.191 to 143.265, in an amount equal to the portion of such taxpayer's federal tax liability incurred due to such taxpayer's inclusion of such payments in federal adjusted gross income. The tax credits authorized under this section shall be nontransferable. To the extent tax credit issued under this

section exceeds a taxpayer's state income tax liability, such excess shall be considered an overpayment of tax and shall be refunded to the taxpayer.

2. The director of the department of revenue shall promulgate rules and regulations to administer the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

**3. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011.**

143.121. 1. The Missouri adjusted gross income of a resident individual shall be the taxpayer's federal adjusted gross income subject to the modifications in this section.

2. **For all taxable years ending on or before December 31, 2011,** there shall be added to the taxpayer's federal adjusted gross income:

(1) The amount of any federal income tax refund received for a prior year which resulted in a Missouri income tax benefit;

(2) Interest on certain governmental obligations excluded from federal gross income by Section 103 of the Internal Revenue Code. The previous sentence shall not apply to interest on obligations of the state of Missouri or any of its political subdivisions or authorities and shall not apply to the interest described in subdivision (1) of subsection 3 of this section. The amount added pursuant to this subdivision shall be reduced by the amounts applicable to such interest that would have been deductible in computing the taxable income of the taxpayer except only for the application of Section 265 of the Internal Revenue Code. The reduction shall only be made if it is at least five hundred dollars;

(3) The amount of any deduction that is included in the computation of federal taxable income pursuant to Section 168 of the Internal Revenue Code as amended by the Job Creation and Worker Assistance Act of 2002 to the extent the amount deducted relates to property purchased on or after July 1, 2002, but before July 1, 2003, and to the extent the amount deducted exceeds the amount that would have been deductible pursuant to Section 168 of the Internal Revenue Code of 1986 as in effect on January 1, 2002;

(4) The amount of any deduction that is included in the computation of federal taxable income for net operating loss allowed by Section 172 of the Internal Revenue Code of 1986, as amended, other than the deduction allowed by Section 172(b)(1)(G) and Section 172(i) of the Internal Revenue Code of 1986, as amended, for a net operating loss the taxpayer claims in the tax year in which the net operating loss occurred or carries forward for a period of more than

twenty years and carries backward for more than two years. Any amount of net operating loss taken against federal taxable income but disallowed for Missouri income tax purposes pursuant to this subdivision after June 18, 2002, may be carried forward and taken against any income on the Missouri income tax return for a period of not more than twenty years from the year of the initial loss; and

(5) For nonresident individuals in all taxable years ending on or after December 31, 2006, the amount of any property taxes paid to another state or a political subdivision of another state for which a deduction was allowed on such nonresident's federal return in the taxable year unless such state, political subdivision of a state, or the District of Columbia allows a subtraction from income for property taxes paid to this state for purposes of calculating income for the income tax for such state, political subdivision of a state, or the District of Columbia.

3. **For all taxable years ending on or before December 31, 2011,** there shall be subtracted from the taxpayer's federal adjusted gross income the following amounts to the extent included in federal adjusted gross income:

(1) Interest or dividends on obligations of the United States and its territories and possessions or of any authority, commission or instrumentality of the United States to the extent exempt from Missouri income taxes pursuant to the laws of the United States. The amount subtracted pursuant to this subdivision shall be reduced by any interest on indebtedness incurred to carry the described obligations or securities and by any expenses incurred in the production of interest or dividend income described in this subdivision. The reduction in the previous sentence shall only apply to the extent that such expenses including amortizable bond premiums are deducted in determining the taxpayer's federal adjusted gross income or included in the taxpayer's Missouri itemized deduction. The reduction shall only be made if the expenses total at least five hundred dollars;

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis to the taxpayer for Missouri income tax purposes than for federal income tax purposes on December 31, 1972, that does not exceed such difference in basis. If a gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to one-half of such portion of the gain;

(3) The amount necessary to prevent the taxation pursuant to this chapter of any annuity or other amount of income or gain which was properly included in income or gain and was taxed pursuant to the laws of Missouri for a taxable year prior to January 1, 1973, to the taxpayer, or to a decedent by reason of whose death the taxpayer acquired the right to receive the income or gain, or to a trust or estate from which the taxpayer received the income or gain;

(4) Accumulation distributions received by a taxpayer as a beneficiary of a trust to the extent that the same are included in federal adjusted gross income;

(5) The amount of any state income tax refund for a prior year which was included in the federal adjusted gross income;

(6) The portion of capital gain specified in section 135.357 that would otherwise be included in federal adjusted gross income;

(7) The amount that would have been deducted in the computation of federal taxable income pursuant to Section 168 of the Internal Revenue Code as in effect on January 1, 2002, to the extent that amount relates to property purchased on or after July 1, 2002, but before July 1, 2003, and to the extent that amount exceeds the amount actually deducted pursuant to Section 168 of the Internal Revenue Code as amended by the Job Creation and Worker Assistance Act of 2002;

(8) For all tax years beginning on or after January 1, 2005, the amount of any income received for military service while the taxpayer serves in a combat zone which is included in federal adjusted gross income and not otherwise excluded therefrom. As used in this section, "combat zone" means any area which the President of the United States by Executive Order designates as an area in which armed forces of the United States are or have engaged in combat. Service is performed in a combat zone only if performed on or after the date designated by the President by Executive Order as the date of the commencing of combat activities in such zone, and on or before the date designated by the President by Executive Order as the date of the termination of combatant activities in such zone; and

(9) For all tax years ending on or after July 1, 2002, with respect to qualified property that is sold or otherwise disposed of during a taxable year by a taxpayer and for which an addition modification was made under subdivision (3) of subsection 2 of this section, the amount by which addition modification made under subdivision (3) of subsection 2 of this section on qualified property has not been recovered through the additional subtractions provided in subdivision (7) of this subsection.

4. **For all taxable years ending on or before December 31, 2011,** there shall be added to or subtracted from the taxpayer's federal adjusted gross income the taxpayer's share of the Missouri fiduciary adjustment provided in section 143.351.

5. **For all taxable years ending on or before December 31, 2011,** there shall be added to or subtracted from the taxpayer's federal adjusted gross income the modifications provided in section 143.411.

6. In addition to the modifications to a taxpayer's federal adjusted gross income in this section, to calculate Missouri adjusted gross income there shall be subtracted from the taxpayer's federal adjusted gross income any gain recognized pursuant to Section 1033 of the Internal Revenue Code of 1986, as amended, arising from compulsory or involuntary conversion of property as a result of condemnation or the imminence thereof.

7. (1) As used in this subsection, "qualified health insurance premium" means the amount paid during the tax year by such taxpayer for any insurance policy primarily providing health care coverage for the taxpayer, the taxpayer's spouse, or the taxpayer's dependents.

(2) **For all taxable years ending on or before December 31, 2011,** in addition to the subtractions in subsection 3 of this section, one hundred percent of the amount of qualified health insurance premiums shall be subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid for such premiums is included in federal taxable income. The taxpayer shall provide the department of revenue with proof of the amount of qualified health insurance premiums paid.

8. (1) **For all taxable years** beginning **on or after** January 1, 2009, **but ending on or before December 31, 2011,** in addition to the subtractions provided in this section, one hundred percent of the cost incurred by a taxpayer for a home energy audit conducted by an entity certified by the department of natural resources under section 640.153 or the implementation of any energy efficiency recommendations made in such an audit shall be subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid for any such activity is included in federal taxable income. The taxpayer shall provide the department of revenue with a summary of any recommendations made in a qualified home energy audit, the name and certification number of the qualified home energy auditor who conducted the audit, and proof of the amount paid for any activities under this subsection for which a deduction is claimed. The taxpayer shall also provide a copy of the summary of any recommendations made in a qualified home energy audit to the department of natural resources.

(2) At no time shall a deduction claimed under this subsection by an individual taxpayer or taxpayers filing combined returns exceed one thousand dollars per year or cumulatively exceed two thousand dollars per taxpayer or taxpayers filing combined returns.

(3) Any deduction claimed under this subsection shall be claimed for the tax year in which the qualified home energy audit was conducted or in which the implementation of the energy efficiency recommendations occurred. If implementation of the energy efficiency recommendations occurred during more than one year, the deduction may be claimed in more than one year, subject to the limitations provided under subdivision (2) of this subsection.

(4) A deduction shall not be claimed for any otherwise eligible activity under this subsection if such activity qualified for and received any rebate or other incentive through a state-sponsored energy program or through an electric corporation, gas corporation, electric cooperative, or municipally owned utility.

9. **[**The provisions of subsection 8 of this section shall expire on December 31, 2013.**]** **For all taxable years beginning on or after January 1, 2012, the taxpayer's Missouri adjusted gross income shall be the taxpayer's total income as reported on the taxpayer's federal income tax return with the following modifications:**

**(1) The following amounts deducted from the taxpayer's federal total income to determine the taxpayer's federal adjusted gross income shall be added back to the taxpayer's federal total income:**

**(a) Any amount deducted for qualified expenses for eligible educators;**

**(b) Any amount deducted for certain business expenses of reservists, performing artists, and fee-based government officials;**

**(c) Any amount deducted as moving expenses;**

**(d) Any amount deducted for the self-employment tax;**

**(e) Any amount deducted for self-employed SEP, SIMPLE, and qualified plans;**

**(f) Any amount deducted for the amounts paid for health insurance;**

**(g) Any amount deducted for any penalty on early withdrawal of savings;**

**(h) Any amount deducted for alimony paid;**

**(i) Any amount deducted for IRA deductions;**

**(j) Any amount deducted for student loan interest;**

**(k) Any amount deducted for tuition and fees;**

**(l) Any amount deducted for domestic production activities;**

**(m) The amount of any interest on certain governmental obligations as described in subdivision (2) of subsection 2 of this section;**

**(n) The amount of any deduction for net operating loss as described in subdivision (4) of subsection 2 of this section;**

**(o) The amount of any property taxes paid as described in subdivision (5) of subsection 2 of this section;**

**(p) The amount of any nonqualified distribution from a qualified tuition savings program as provided in subsection 2 of section 166.435;**

**(2) The following amounts shall be subtracted from the taxpayer's federal total income to the extent included in the taxpayer's federal total income:**

**(a) The amount of any capital gains on the sale or exchange of the taxpayer's principal residence if such sale or exchange satisfies federal ownership and use requirements for such transaction;**

**(b) The value of any property owned by the taxpayer's employer that was used by the taxpayer for personal use;**

**(c) The amount received by the taxpayer from any annuity, pension, or retirement allowance as defined in subsection 1 of section 143.124;**

**(d) The amount of any Social Security benefits;**

**(e) The amount of any unemployment compensation;**

**(f) The amount of any workers' compensation;**

**(g) The amount of any form of public assistance received by the taxpayer;**

**(h) The amount of any sick pay;**

**(i) The amount of any inheritance or gift;**

**(j) The amount of any alimony received by the taxpayer;**

**(k) The amount of any ordinary and necessary job expenses paid for by the taxpayer and for which the taxpayer was not reimbursed by the taxpayer's employer;**

**(l) The amount of any contributions to a medical savings or health savings account;**

**(m) The amount of any contributions to any account established under 26 U.S.C. Section 529, as amended;**

**(n) The amount of any refund, credit, or offset of state or local income taxes;**

**(o) The amount of any interest on obligations of the state of Missouri or any of its political subdivisions or authorities;**

**(p) Twenty-five percent of any amount over two hundred fifty dollars expended by the taxpayer for clothing for school or school supplies for any home, parochial, private, or public school, if receipts or invoices for such amounts expended are provided to the department of revenue by the taxpayer. As used in this paragraph, the following terms mean:**

**a. "Clothing for school", any article of wearing apparel, including footwear, intended to be worn on or about the human body in a standard classroom or home school setting. The term shall include but not be limited to cloth and other material used to make school uniforms or other school clothing. Items normally sold in pairs shall not be separated to qualify under this definition. The term shall not include watches, watchbands, jewelry, handbags, handkerchiefs, umbrellas, scarves, ties, headbands, or belt buckles;**

**b. "School supplies", any item normally used by students in a standard classroom or in a home school setting for educational purposes, including but not limited to textbooks, notebooks, paper, writing instruments, crayons, art supplies, rulers, book bags, backpacks, handheld calculators, chalk, maps, and globes. The term shall not include watches, radios, CD players, headphones, sporting equipment, portable or desktop telephones, copiers or other office equipment, furniture, or fixtures. School supplies shall also include computer software having a taxable value of three hundred fifty dollars or less.**

143.123. **For all taxable years ending on or before December 31, 2011,** any six thousand dollar subtraction provided by law for annuities, pensions, and retirement allowances in total per taxpayer, as hereafter provided by subsequent law, shall be implemented in a maximum amount of six thousand dollars per year, or three thousand dollars for a six-month period.

143.124. 1. Other provisions of law to the contrary notwithstanding, for tax years ending on or before December 31, 2006, the total amount of all annuities, pensions, or retirement allowances above the amount of six thousand dollars annually provided by any law of this state, the United States, or any other state to any person except as provided in subsection 4 of this section, shall be subject to tax pursuant to the provisions of this chapter, in the same manner, to the same extent and under the same conditions as any other taxable income received by the person receiving it. For purposes of this section, "annuity, pension, retirement benefit, or retirement allowance" shall be defined as an annuity, pension or retirement allowance provided

by the United States, this state, any other state or any political subdivision or agency or institution of this or any other state. For all tax years beginning on or after January 1, 1998, for purposes of this section, annuity, pension or retirement allowance shall be defined to include 401(k) plans, deferred compensation plans, self-employed retirement plans, also known as Keogh plans, annuities from a defined pension plan and individual retirement arrangements, also known as IRAs, as described in the Internal Revenue Code, but not including Roth IRAs, as well as an annuity, pension or retirement allowance provided by the United States, this state, any other state or any political subdivision or agency or institution of this or any other state. An individual taxpayer shall only be allowed a maximum deduction equal to the amounts provided under this section for each taxpayer on the combined return.

2. For the period beginning July 1, 1989, and ending December 31, 1989, there shall be subtracted from Missouri adjusted gross income for that period, determined pursuant to section 143.121, the first three thousand dollars of retirement benefits received by each taxpayer:

(1) If the taxpayer's filing status is single, head of household or qualifying widow(er) and the taxpayer's Missouri adjusted gross income is less than twelve thousand five hundred dollars; or

(2) If the taxpayer's filing status is married filing combined and their combined Missouri adjusted gross income is less than sixteen thousand dollars; or

(3) If the taxpayer's filing status is married filing separately and the taxpayer's Missouri adjusted gross income is less than eight thousand dollars.

3. For the tax years beginning on or after January 1, 1990, but ending on or before December 31, 2006, there shall be subtracted from Missouri adjusted gross income, determined pursuant to section 143.121, a maximum of the first six thousand dollars of retirement benefits received by each taxpayer from sources other than privately funded sources, and for tax years beginning on or after January 1, 1998, there shall be subtracted from Missouri adjusted gross income, determined pursuant to section 143.121, a maximum of the first one thousand dollars of any retirement allowance received from any privately funded source for tax years beginning on or after January 1, 1998, but before January 1, 1999, and a maximum of the first three thousand dollars of any retirement allowance received from any privately funded source for tax years beginning on or after January 1, 1999, but before January 1, 2000, and a maximum of the first four thousand dollars of any retirement allowance received from any privately funded source for tax years beginning on or after January 1, 2000, but before January 1, 2001, and a maximum of the first five thousand dollars of any retirement allowance received from any privately funded source for tax years beginning on or after January 1, 2001, but before January 1, 2002, and a maximum of the first six thousand dollars of any retirement allowance received from any privately funded sources for tax years beginning on or after January 1, 2002. A taxpayer shall be entitled to the maximum exemption provided by this subsection:

(1) If the taxpayer's filing status is single, head of household or qualifying widow(er) and the taxpayer's Missouri adjusted gross income is less than twenty-five thousand dollars; or

(2) If the taxpayer's filing status is married filing combined and their combined Missouri adjusted gross income is less than thirty-two thousand dollars; or

(3) If the taxpayer's filing status is married filing separately and the taxpayer's Missouri adjusted gross income is less than sixteen thousand dollars.

4. If a taxpayer's adjusted gross income exceeds the adjusted gross income ceiling for such taxpayer's filing status, as provided in subdivisions (1), (2) and (3) of subsection 3 of this section, such taxpayer shall be entitled to an exemption equal to the greater of zero or the maximum exemption provided in subsection 3 of this section reduced by one dollar for every dollar such taxpayer's income exceeds the ceiling for his or her filing status.

5. For purposes of this subsection, the term "maximum Social Security benefit available" shall mean thirty-two thousand five hundred dollars for the tax year beginning on or after January 1, 2007, and for each subsequent tax year such amount shall be increased by the percentage increase in the Consumer Price Index for All Urban Consumers, or its successor index, as such index is defined and officially reported by the United States Department of Labor, or its successor agency. For the tax year beginning on or after January 1, 2007, but ending on or before December 31, 2007, there shall be subtracted from Missouri adjusted gross income, determined pursuant to section 143.121, a maximum of an amount equal to the greater of: six thousand dollars in retirement benefits received from sources other than privately funded sources, to the extent such benefits are included in the taxpayer's federal adjusted gross income; or twenty percent of the retirement benefits received from sources other than privately funded sources in the tax year, but not to exceed the maximum Social Security benefit available for such tax year. For the tax year beginning on or after January 1, 2008, but ending on or before December 31, 2008, there shall be subtracted from Missouri adjusted gross income, determined pursuant to section 143.121, a maximum of an amount equal to the greater of: six thousand dollars in retirement benefits received from sources other than privately funded sources, to the extent such benefits are included in the taxpayer's federal adjusted gross income; or thirty-five percent of the retirement benefits received from sources other than privately funded sources in the tax year, but not to exceed the maximum Social Security benefit available for such tax year. For the tax year beginning on or after January 1, 2009, but ending on or before December 31, 2009, there shall be subtracted from Missouri adjusted gross income, determined pursuant to section 143.121, a maximum of an amount equal to the greater of: six thousand dollars in retirement benefits received from sources other than privately funded sources, to the extent such benefits are included in the taxpayer's federal adjusted gross income; or fifty percent of the retirement benefits received from sources other than privately funded sources in the tax year, but not to exceed the maximum Social Security benefit available for such tax year. For the tax year beginning on or after January 1, 2010, but ending on or before December 31, 2010, there shall

be subtracted from Missouri adjusted gross income, determined pursuant to section 143.121, a maximum of an amount equal to the greater of: six thousand dollars in retirement benefits received from sources other than privately funded sources, to the extent such benefits are included in the taxpayer's federal adjusted gross income; or sixty-five percent of the retirement benefits received from sources other than privately funded sources in the tax year, but not to exceed the maximum Social Security benefit available for such tax year. For the tax year beginning on or after January 1, 2011, but ending on or before December 31, 2011, there shall be subtracted from Missouri adjusted gross income, determined pursuant to section 143.121, a maximum of an amount equal to the greater of: six thousand dollars in retirement benefits received from sources other than privately funded sources, to the extent such benefits are included in the taxpayer's federal adjusted gross income; or eighty percent of the retirement benefits received from sources other than privately funded sources in the tax year, but not to exceed the maximum Social Security benefit available for such tax year. For all tax years beginning on or after January 1, 2012, there shall be subtracted from Missouri adjusted gross income, determined pursuant to section 143.121, a maximum of an amount equal to one hundred percent of the retirement benefits received from sources other than privately funded sources in the tax year, but not to exceed the maximum Social Security benefit available for such tax year. A taxpayer shall be entitled to the maximum exemption provided by this subsection:

(1) If the taxpayer's filing status is married filing combined, and their combined Missouri adjusted gross income is equal to or less than one hundred thousand dollars; or

(2) If the taxpayer's filing status is single, head of household, qualifying widow(er), or married filing separately, and the taxpayer's Missouri adjusted gross income is equal to or less than eighty-five thousand dollars.

6. If a taxpayer's adjusted gross income exceeds the adjusted gross income ceiling for such taxpayer's filing status, as provided in subdivisions (1) and (2) of subsection 5 of this section, such taxpayer shall be entitled to an exemption, less any applicable reduction provided under subsection 7 of this section, equal to the greater of zero or the maximum exemption provided in subsection 5 of this section reduced by one dollar for every dollar such taxpayer's income exceeds the ceiling for his or her filing status.

7. For purposes of calculating the subtraction provided in subsection 5 of this section, such subtraction shall be decreased by an amount equal to any Social Security benefit exemption provided under section 143.125.

8. For purposes of this section, any Social Security benefits otherwise included in Missouri adjusted gross income shall be subtracted; but Social Security benefits shall not be subtracted for purposes of other computations pursuant to this chapter, and are not to be considered as retirement benefits for purposes of this section.

9. The provisions of subdivisions (1) and (2) of subsection 3 of this section shall apply during all tax years in which the federal Internal Revenue Code provides exemption levels for

calculation of the taxability of Social Security benefits that are the same as the levels in subdivisions (1) and (2) of subsection 3 of this section. If the exemption levels for the calculation of the taxability of Social Security benefits are adjusted by applicable federal law or regulation, the exemption levels in subdivisions (1) and (2) of subsection 3 of this section shall be accordingly adjusted to the same exemption levels.

10. The portion of a taxpayer's lump sum distribution from an annuity or other retirement plan not otherwise included in Missouri adjusted gross income as calculated pursuant to this chapter but subject to taxation under Internal Revenue Code Section 402 shall be taxed in an amount equal to ten percent of the taxpayer's federal liability on such distribution for the same tax year.

11. For purposes of this section, retirement benefits received shall not include any withdrawals from qualified retirement plans which are subsequently rolled over into another retirement plan.

12. The exemptions provided for in this section shall not affect the calculation of the income to be used to determine the property tax credit provided in sections 135.010 to 135.035.

13. The exemptions provided for in this section shall apply to any annuity, pension, or retirement allowance as defined in subsection 1 of this section to the extent that such amounts are included in the taxpayer's federal adjusted gross income and not otherwise deducted from the taxpayer's federal adjusted gross income in the calculation of Missouri taxable income. This subsection shall not apply to any individual who qualifies under federal guidelines to be one hundred percent disabled.

14. In addition to all other subtractions authorized in this section, for all tax years beginning on or after January 1, 2010, there shall be subtracted from Missouri adjusted gross income, determined under section 143.121, any retirement benefits received by any taxpayer as a result of the taxpayer's service in the armed forces of the United States, including reserve components and the national guard of this state, as defined in Sections 101(3) and 109 of Title 32, United States Code, and any other military force organized under the laws of this state, to the extent such benefits are included in the taxpayer's federal adjusted gross income and not otherwise deducted from the taxpayer's federal adjusted gross income in the calculation of Missouri taxable income. Such retirement benefits shall be subtracted as provided in the following schedule:

(1) For the tax year beginning on January 1, 2010, fifteen percent of such retirement benefits;

(2) For the tax year beginning on January 1, 2011, thirty percent of such retirement benefits;

(3) For the tax year beginning on January 1, 2012, forty-five percent of such retirement benefits;

(4) For the tax year beginning on January 1, 2013, sixty percent of such retirement benefits;

(5) For the tax year beginning on January 1, 2014, seventy-five percent of such retirement benefits;

(6) For the tax year beginning on January 1, 2015, ninety percent of such retirement benefits;

(7) For tax years beginning on or after January 1, 2016, one hundred percent of such retirement benefits.

**15. Notwithstanding any other provision of this section to the contrary, this section shall apply to all taxable years ending on or before December 31, 2011.**

143.125. 1. As used in this section, the following terms mean:

(1) "Benefits", any Social Security benefits received by a taxpayer age sixty-two years of age and older, or Social Security disability benefits;

(2) "Taxpayer", any resident individual.

2. For the taxable year beginning on or after January 1, 2007, any taxpayer shall be allowed to subtract from the taxpayer's Missouri adjusted gross income to determine Missouri taxable income a maximum of an amount equal to twenty percent of the amount of any benefits received by the taxpayer and that are included in federal adjusted gross income under Section 86 of the Internal Revenue Code of 1986, as amended. For the taxable year beginning on or after January 1, 2008, any taxpayer shall be allowed to subtract from the taxpayer's Missouri adjusted gross income to determine Missouri taxable income a maximum of an amount equal to thirty-five percent of the amount of any benefits received by the taxpayer and that are included in federal adjusted gross income under Section 86 of the Internal Revenue Code of 1986, as amended. For the taxable year beginning on or after January 1, 2009, any taxpayer shall be allowed to subtract from the taxpayer's Missouri adjusted gross income to determine Missouri taxable income a maximum of an amount equal to fifty percent of the amount of any benefits received by the taxpayer and that are included in federal adjusted gross income under Section 86 of the Internal Revenue Code of 1986, as amended. For the taxable year beginning on or after January 1, 2010, any taxpayer shall be allowed to subtract from the taxpayer's Missouri adjusted gross income to determine Missouri taxable income a maximum of an amount equal to sixty-five percent of the amount of any benefits received by the taxpayer and that are included in federal adjusted gross income under Section 86 of the Internal Revenue Code of 1986, as amended. For the taxable year beginning on or after January 1, 2011, any taxpayer shall be allowed to subtract from the taxpayer's Missouri adjusted gross income to determine Missouri taxable income a maximum of an amount equal to eighty percent of the amount of any benefits received by the taxpayer and that are included in federal adjusted gross income under Section 86 of the Internal Revenue Code of 1986, as amended. For all taxable years beginning on or after January 1, 2012, any taxpayer shall be allowed to subtract from the taxpayer's Missouri adjusted gross income to determine

Missouri taxable income a maximum of an amount equal to one hundred percent of the amount of any benefits received by the taxpayer and that are included in federal adjusted gross income under Section 86 of the Internal Revenue Code of 1986, as amended. A taxpayer shall be entitled to the maximum exemption provided by this subsection:

(1) If the taxpayer's filing status is married filing combined, and their combined Missouri adjusted gross income is equal to or less than one hundred thousand dollars; or

(2) If the taxpayer's filing status is single, head of household, qualifying widow(er), or married filing separately, and the taxpayer's Missouri adjusted gross income is equal to or less than eighty-five thousand dollars.

3. If a taxpayer's adjusted gross income exceeds the adjusted gross income ceiling for such taxpayer's filing status, as provided in subdivisions (1) and (2) of subsection 2 of this section, such taxpayer shall be entitled to an exemption equal to the greater of zero or the maximum exemption provided in subsection 2 of this section reduced by one dollar for every dollar such taxpayer's income exceeds the ceiling for his or her filing status.

4. The director of the department of revenue may promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

**5. Notwithstanding any other provision of this section to the contrary, this section shall apply to all taxable years ending on or before December 31, 2011.**

143.127. 1. For all tax years beginning on or after January 1, 2000, the following amounts received by an individual or returns and payments to an individual shall be subtracted from such individual's federal adjusted gross income, to the extent such amounts, returns or payments are included in such individual's federal adjusted gross income:

(1) Amounts received as reparations or restitution for the loss of liberty or life or damage to health by the victims of National Socialist (Nazi) persecution;

(2) Returns of tangible or intangible property seized, misappropriated or lost as a result of National Socialist (Nazi) actions or policies and any cash values in replacement of such property;

(3) Payments of insurance policies purchased prior to December 31, 1945, by the victims of National Socialist (Nazi) persecution; and

(4) Any accumulated or accrued interest on such amounts, returns or payments.

2. The subtraction of the amounts, returns or payments from an individual's Missouri adjusted gross income shall only apply if such individual was a victim of National Socialist

(Nazi) persecution, actions or policies or is the spouse or descendant of a victim of National Socialist (Nazi) persecution, actions or policies, and such individual or family member is the first recipient of such amounts, returns or payments.

3. As used in this section, "National Socialist (Nazi) persecution, actions and policies" means persecution, actions or policies taken by Germany and other countries, or by organizations, institutions and companies within those countries, against the victims of the Nazi Holocaust.

**4. Notwithstanding any other provision of this section to the contrary, this section shall apply to all taxable years ending on or before December 31, 2011.**

143.131. 1. The Missouri standard deduction may be deducted in determining Missouri taxable income of a resident individual unless the taxpayer or his spouse has elected to itemize his deduction as provided in section 143.141.

2. The Missouri standard deduction shall be the allowable federal standard deduction.

**3. Notwithstanding any other provision of this section to the contrary, this section shall apply to all taxable years ending on or before December 31, 2011.**

143.141. **1. Notwithstanding any other provision of this section to the contrary, this section shall apply to all taxable years ending on or before December 31, 2011.**

**2.** If federal taxable income of a resident individual is determined by itemizing deductions from his federal adjusted gross income, he may elect to deduct his Missouri itemized deduction in lieu of his Missouri standard deduction. The Missouri itemized deduction of a resident individual means the allowable federal itemized deductions which consist of allowable federal deductions other than those allowable in arriving at federal adjusted gross income and other than the federal deductions for personal and dependency exemptions, with the following modifications:

(1) Reduced by the proportional amount thereof representing the tax imposed by sections 143.011 to 143.998;

(2) Reduced by the proportional amount thereof representing any income taxes imposed by another state of the United States or a political subdivision thereof or the District of Columbia;

(3) Increased by the fair market value of a literary, musical, scholarly, or artistic composition contributed to any tax exempt agency or institution which is operated on a not-for-profit basis by any taxpayer whose personal efforts created such composition less the amount deducted from federal adjusted gross income attributable to such contribution. The fair market value of such literary, musical, scholarly or artistic composition shall be determined by written appraisal of the property by a person qualified to make such an appraisal other than the taxpayer, the donee, or any "related taxpayer" within the meaning of such term as defined by sections 267(b) and 1313(c) of the Internal Revenue Code, as amended. The appraisal shall be made within one year of the date of the donation and attached to the taxpayer's income tax return;

(4) Increased to the extent not otherwise deductible, by the taxes for the same taxable year for which the return is being filed that are imposed by the following provisions of the Internal Revenue Code:

(a) Section 3101, relating to the tax on employees under the Federal Insurance Contributions Act;

(b) Sections 3201 and 3211, relating to the taxes on railroad employees and railroad employee representatives under the Railroad Retirement Tax Act;

(c) Section 1401, relating to tax on self-employment income, to the extent that such taxes were not deducted in the computation of the taxpayer's federal adjusted gross income under the Internal Revenue Code of 1986, as amended.

143.143. The provisions of sections 143.131 to 143.143 shall apply with respect to all taxable years beginning after December 31, 1976**, but ending on or before December 31, 2011**.

143.151. **1. Notwithstanding any other provision of this section to the contrary, this section shall apply to all taxable years ending on or before December 31, 2011.**

**2.** For all taxable years beginning before January 1, 1999, a resident shall be allowed a deduction of one thousand two hundred dollars for himself or herself and one thousand two hundred dollars for his or her spouse if he or she is entitled to a deduction for such personal exemptions for federal income tax purposes. For all taxable years beginning on or after January 1, 1999, **but ending on or before December 31, 2011,** a resident shall be allowed a deduction of two thousand one hundred dollars for himself or herself and two thousand one hundred dollars for his or her spouse if he or she is entitled to a deduction for such personal exemptions for federal income tax purposes.

143.161. 1. For all taxable years beginning after December 31, 1997, **but ending on or before December 31, 2011,** a resident may deduct one thousand two hundred dollars for each dependent for whom such resident is entitled to a dependency exemption deduction for federal income tax purposes. In the case of a dependent who has attained sixty-five years of age on or before the last day of the taxable year, if such dependent resides in the taxpayer's home or the dependent's own home or if such dependent does not receive Medicaid or state funding while residing in a facility licensed pursuant to chapter 198, the taxpayer may deduct an additional one thousand dollars.

2. For all taxable years beginning before January 1, 1999, a resident who qualifies as an unmarried head of household or as a surviving spouse for federal income tax purposes may deduct an additional eight hundred dollars. For all taxable years beginning on or after January 1, 1999, **but ending on or before December 31, 2011,** a resident who qualifies as an unmarried head of household or as a surviving spouse for federal income tax purposes may deduct an additional one thousand four hundred dollars.

**3. Notwithstanding any other provision of this section to the contrary, this section shall apply to all taxable years ending on or before December 31, 2011.**

143.171. 1. For all tax years beginning on or after January 1, 1994, **but ending on or before December 31, 2011,** an individual taxpayer shall be allowed a deduction for his federal income tax liability under Chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed, not to exceed five thousand dollars on a single taxpayer's return or ten thousand dollars on a combined return, after reduction for all credits thereon, except the credit for payments of federal estimated tax, the credit for the overpayment of any federal tax, and the credits allowed by the Internal Revenue Code by Section 31 (tax withheld on wages), Section 27 (tax of foreign country and United States possessions), and Section 34 (tax on certain uses of gasoline, special fuels, and lubricating oils).

2. For all tax years beginning on or after September 1, 1993, a corporate taxpayer shall be allowed a deduction for fifty percent of its federal income tax liability under Chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed after reduction for all credits thereon, except the credit for payments of federal estimated tax, the credit for the overpayment of any federal tax, and the credits allowed by the Internal Revenue Code by Section 31 (tax withheld on wages), Section 27 (tax of foreign country and United States possessions), and Section 34 (tax on certain uses of gasoline, special fuels and lubricating oils).

3. If a federal income tax liability for a tax year prior to the applicability of sections 143.011 to 143.996 for which he was not previously entitled to a Missouri deduction is later paid or accrued, he may deduct the federal tax in the later year to the extent it would have been deductible if paid or accrued in the prior year.

143.183. 1. As used in this section, the following terms mean:

(1) "Nonresident entertainer", a person residing or registered as a corporation outside this state who, for compensation, performs any vocal, instrumental, musical, comedy, dramatic, dance or other performance in this state before a live audience and any other person traveling with and performing services on behalf of a nonresident entertainer, including a nonresident entertainer who is paid compensation for providing entertainment as an independent contractor, a partnership that is paid compensation for entertainment provided by nonresident entertainers, a corporation that is paid compensation for entertainment provided by nonresident entertainers, or any other entity that is paid compensation for entertainment provided by nonresident entertainers;

(2) "Nonresident member of a professional athletic team", a professional athletic team member who resides outside this state, including any active player, any player on the disabled list if such player is in uniform on the day of the game at the site of the game, and any other person traveling with and performing services on behalf of a professional athletic team;

(3) "Personal service income" includes exhibition and regular season salaries and wages, guaranteed payments, strike benefits, deferred payments, severance pay, bonuses, and any other type of compensation paid to the nonresident entertainer or nonresident member of a professional

athletic team, but does not include prizes, bonuses or incentive money received from competition in a livestock, equine or rodeo performance, exhibition or show;

(4) "Professional athletic team" includes, but is not limited to, any professional baseball, basketball, football, soccer and hockey team.

2. Any person, venue, or entity who pays compensation to a nonresident entertainer shall deduct and withhold from such compensation as a prepayment of tax an amount equal to two percent of the total compensation if the amount of compensation is in excess of three hundred dollars paid to the nonresident entertainer.

3. Any person, venue, or entity required to deduct and withhold tax pursuant to subsection 2 of this section shall, for each calendar quarter, on or before the last day of the month following the close of such calendar quarter, remit the taxes withheld in such form or return as prescribed by the director of revenue and pay over to the director of revenue or to a depository designated by the director of revenue the taxes so required to be deducted and withheld.

4. Any person, venue, or entity subject to this section shall be considered an employer for purposes of section 143.191, and shall be subject to all penalties, interest, and additions to tax provided in this chapter for failure to comply with this section.

5. Notwithstanding other provisions of this chapter to the contrary, the commissioner of administration, for all taxable years beginning on or after January 1, 1999, but none after December 31, 2015, shall annually estimate the amount of state income tax revenues collected pursuant to this chapter which are received from nonresident members of professional athletic teams and nonresident entertainers. For fiscal year 2000, and for each subsequent fiscal year for a period of sixteen years, sixty percent of the annual estimate of taxes generated from the nonresident entertainer and professional athletic team income tax shall be allocated annually to the Missouri arts council trust fund, and shall be transferred from the general revenue fund to the Missouri arts council trust fund established in section 185.100 and any amount transferred shall be in addition to such agency's budget base for each fiscal year. The director shall by rule establish the method of determining the portion of personal service income of such persons that is allocable to Missouri.

6. Notwithstanding the provisions of sections 186.050 to 186.067 to the contrary, the commissioner of administration, for all taxable years beginning on or after January 1, 1999, but for none after December 31, 2015, shall estimate annually the amount of state income tax revenues collected pursuant to this chapter which are received from nonresident members of professional athletic teams and nonresident entertainers. For fiscal year 2000, and for each subsequent fiscal year for a period of sixteen years, ten percent of the annual estimate of taxes generated from the nonresident entertainer and professional athletic team income tax shall be allocated annually to the Missouri humanities council trust fund, and shall be transferred from the general revenue fund to the Missouri humanities council trust fund established in section

186.055 and any amount transferred shall be in addition to such agency's budget base for each fiscal year.

7. Notwithstanding other provisions of section 182.812 to the contrary, the commissioner of administration, for all taxable years beginning on or after January 1, 1999, but for none after December 31, 2015, shall estimate annually the amount of state income tax revenues collected pursuant to this chapter which are received from nonresident members of professional athletic teams and nonresident entertainers. For fiscal year 2000, and for each subsequent fiscal year for a period of sixteen years, ten percent of the annual estimate of taxes generated from the nonresident entertainer and professional athletic team income tax shall be allocated annually to the Missouri state library networking fund, and shall be transferred from the general revenue fund to the secretary of state for distribution to public libraries for acquisition of library materials as established in section 182.812 and any amount transferred shall be in addition to such agency's budget base for each fiscal year.

8. Notwithstanding other provisions of section 185.200 to the contrary, the commissioner of administration, for all taxable years beginning on or after January 1, 1999, but for none after December 31, 2015, shall estimate annually the amount of state income tax revenues collected pursuant to this chapter which are received from nonresident members of professional athletic teams and nonresident entertainers. For fiscal year 2000, and for each subsequent fiscal year for a period of sixteen years, ten percent of the annual estimate of taxes generated from the nonresident entertainer and professional athletic team income tax shall be allocated annually to the Missouri public television broadcasting corporation special fund, and shall be transferred from the general revenue fund to the Missouri public television broadcasting corporation special fund, and any amount transferred shall be in addition to such agency's budget base for each fiscal year; provided, however, that twenty-five percent of such allocation shall be used for grants to public radio stations which were qualified by the corporation for public broadcasting as of November 1, 1996. Such grants shall be distributed to each of such public radio stations in this state after receipt of the station's certification of operating and programming expenses for the prior fiscal year. Certification shall consist of the most recent fiscal year financial statement submitted by a station to the corporation for public broadcasting. The grants shall be divided into two categories, an annual basic service grant and an operating grant. The basic service grant shall be equal to thirty-five percent of the total amount and shall be divided equally among the public radio stations receiving grants. The remaining amount shall be distributed as an operating grant to the stations on the basis of the proportion that the total operating expenses of the individual station in the prior fiscal year bears to the aggregate total of operating expenses for the same fiscal year for all Missouri public radio stations which are receiving grants.

9. Notwithstanding other provisions of section 253.402 to the contrary, the commissioner of administration, for all taxable years beginning on or after January 1, 1999, but for none after December 31, 2015, shall estimate annually the amount of state income tax revenues collected

pursuant to this chapter which are received from nonresident members of professional athletic teams and nonresident entertainers. For fiscal year 2000, and for each subsequent fiscal year for a period of sixteen years, ten percent of the annual estimate of taxes generated from the nonresident entertainer and professional athletic team income tax shall be allocated annually to the Missouri department of natural resources Missouri historic preservation revolving fund, and shall be transferred from the general revenue fund to the Missouri department of natural resources Missouri historic preservation revolving fund established in section 253.402 and any amount transferred shall be in addition to such agency's budget base for each fiscal year. As authorized pursuant to subsection 2 of section 30.953, it is the intention and desire of the general assembly that the state treasurer convey, to the Missouri investment trust on January 1, 1999, up to one hundred percent of the balances of the Missouri arts council trust fund established pursuant to section 185.100 and the Missouri humanities council trust fund established pursuant to section 186.055. The funds shall be reconveyed to the state treasurer by the investment trust as follows: the Missouri arts council trust fund, no earlier than January 2, 2009; and the Missouri humanities council trust fund, no earlier than January 2, 2009.

**10. Notwithstanding any other provision of this section to the contrary, this section shall apply to all taxable years ending on or before December 31, 2011.**

143.351. 1. An adjustment shall be made in determining the Missouri taxable income of a resident estate or trust under section 143.341, or the Missouri adjusted gross income of a resident beneficiary of any estate or trust under section 143.121, subsection 4, in the amount of the share of each in the Missouri fiduciary adjustment as determined in this section.

2. The Missouri fiduciary adjustment shall be the net amount of the modifications described in **[**subsections 2, 3, and 4 of**]** section 143.121 (if the estate or trust is a beneficiary of another estate or trust), **[**subsection 5 of section 143.121,**]** section 143.141, and section 143.171. The net amount of such modification shall not include any modification to the extent such items are not determinants of the federal distributable net income of the estate or trust.

3. (1) The respective shares of an estate or trust and its beneficiaries (including, solely for the purpose of this allocation, nonresident and charitable beneficiaries) in the fiduciary adjustment shall be in proportion to their respective shares of the sum of federal distributable net income of the estate or trust and the amount paid or required to be paid to a charitable organization to the extent such amount is attributable to income for the current year.

(2) If the estate or trust has no federal distributable net income for the taxable year, the share of each beneficiary in the fiduciary adjustment shall be in proportion to his share of the estate or trust income for such year, under the applicable law or the government instrument, which is required to be distributed currently and any other amounts of such income distributed in such year. Any balance of the fiduciary adjustment shall be allocated to the estate or trust.

(3) The director of revenue may, by regulation, establish such other method or methods of determining to whom the items comprising the fiduciary adjustment shall be attributed, as may

be appropriate and equitable. Such method may be used by the fiduciary in his discretion whenever the allocation of the fiduciary adjustment, pursuant to subdivision (1) or (2) of this subsection would result in an inequity which is substantial both in amount and in relation to the amount of the fiduciary adjustment.

143.421. 1. In determining the adjusted gross income of a nonresident partner of any partnership, there shall be included only that part derived from or connected with sources in this state of the partner's distributive share of items of partnership income, gain, loss, and deduction entering into his federal adjusted gross income, as such part is determined under regulations prescribed by the director of revenue in accordance with the general rules in section 143.181.

2. In determining the source of a nonresident partner's adjusted gross income, no effect shall be given to a provision in the partnership agreement which:

(1) Characterizes payments to the partner as being for services or for the use of capital, or allocated to the partner, as income or gain from sources outside this state, a greater proportion of his distributive share of partnership income or gain than the ratio of partnership income or gain from sources outside this state to partnership income or gain from all sources, except as authorized in subsection 4; or

(2) Allocates to the partner a greater proportion of a partnership item of loss or deduction connected with sources in this state than his proportionate share, for federal income tax purposes, of partnership loss or deduction generally, except as authorized in subsection 5.

3. Any modifications described in **[**subsections 2 and 3 of**]** section 143.121, and in section 143.141, which relates to an item of partnership income, gain, loss, or deduction, shall be made in accordance with the partner's distributive share, for federal income tax purposes, of the item to which the modification relates, but limited to the portion of such item derived from or connected with sources in this state.

4. The director of revenue may, on application, authorize the use of such other methods of determining a nonresident partner's portion of partnership items derived from or connected with sources in this state, and the modifications related thereto, as may be appropriate and equitable, on such terms and conditions as he may require.

5. A nonresident partner's distributive share of items of income, gain, loss, or deduction shall be determined under subsection 1 of section 143.411. The character of partnership items for a nonresident partner shall be determined under subsection 2 of section 143.411. The effect of a special provision in a partnership agreement, other than a provision referred to in subsection 2 of this section, having as a principal purpose the avoidance of tax under sections 143.011 to 143.996, shall be determined under subsection 3 of section 143.411.

143.471. 1. An S corporation, as defined by Section 1361 (a)(1) of the Internal Revenue Code, shall not be subject to the taxes imposed by section 143.071, or other sections imposing income tax on corporations.

2. A shareholder of an S corporation shall determine such shareholder's S corporation modification and pro rata share, including its character, by applying the following:

(1) Any modification described in sections 143.121 and 143.141 which relates to an item of S corporation income, gain, loss, or deduction shall be made in accordance with the shareholder's pro rata share, for federal income tax purposes, of the item to which the modification relates. Where a shareholder's pro rata share of any such item is not required to be taken into account separately for federal income tax purposes, the shareholder's pro rata share of such item shall be determined in accordance with his pro rata share, for federal income tax purposes, of S corporation taxable income or loss generally;

(2) Each item of S corporation income, gain, loss, or deduction shall have the same character for a shareholder pursuant to sections 143.005 to 143.998 as it has for federal income tax purposes. Where an item is not characterized for federal income tax purposes, it shall have the same character for a shareholder as if realized directly from the source from which realized by the S corporation or incurred in the same manner as incurred by the S corporation.

3. A nonresident shareholder of an S corporation shall determine such shareholder's Missouri nonresident adjusted gross income and his or her nonresident shareholder modification by applying the provisions of this subsection. Items shall be determined to be from sources within this state pursuant to regulations of the director of revenue in a manner consistent with the division of income provisions of section 143.451, section 143.461, or section 32.200 (Multistate Tax Compact). In determining the adjusted gross income of a nonresident shareholder of any S corporation, there shall be included only that part derived from or connected with sources in this state of the shareholder's pro rata share of items of S corporation income, gain, loss or deduction entering into shareholder's federal adjusted gross income, as such part is determined pursuant to regulations prescribed by the director of revenue in accordance with the general rules in section 143.181. Any modification described in **[**subsections 2 and 3 of**]** section 143.121 and in section 143.141, which relates to an item of S corporation income, gain, loss, or deduction shall be made in accordance with the shareholder's pro rata share, for federal income tax purposes, of the item to which the modification relates, but limited to the portion of such item derived from or connected with sources in this state.

4. The director of revenue shall permit S corporations to file composite returns and to make composite payments of tax on behalf of its nonresident shareholders not otherwise required to file a return. If the nonresident shareholder's filing requirements result solely from one or more interests in any other partnerships or subchapter S corporations, that nonresident shareholder may be included in the composite return.

5. If an S corporation pays or credits amounts to any of its nonresident individual shareholders as dividends or as their share of the S corporation's undistributed taxable income for the taxable year, the S corporation shall either timely file with the department of revenue an agreement as provided in subsection 6 of this section or withhold Missouri income tax as

provided in subsection 7 of this section. An S corporation that timely files an agreement as provided in subsection 6 of this section with respect to a nonresident shareholder for a taxable year shall be considered to have timely filed such an agreement for each subsequent taxable year. An S corporation that does not timely file such an agreement for a taxable year shall not be precluded from timely filing such an agreement for subsequent taxable years. An S corporation is not required to deduct and withhold Missouri income tax for a nonresident shareholder if:

(1) The nonresident shareholder not otherwise required to file a return agrees to have the Missouri income tax due paid as part of the S corporation's composite return;

(2) The nonresident shareholder not otherwise required to file a return had Missouri assignable federal adjusted gross income from the S corporation of less than twelve hundred dollars;

(3) The S corporation is liquidated or terminated;

(4) Income was generated by a transaction related to termination or liquidation; or

(5) No cash or other property was distributed in the current and prior taxable year.

6. The agreement referred to in subdivision (1) of subsection 5 of this section is an agreement of a nonresident shareholder of the S corporation to:

(1) File a return in accordance with the provisions of section 143.481 and to make timely payment of all taxes imposed on the shareholder by this state with respect to income of the S corporation; and

(2) Be subject to personal jurisdiction in this state for purposes of the collection of income taxes, together with related interest and penalties, imposed on the shareholder by this state with respect to the income of the S corporation. The agreement will be considered timely filed for a taxable year, and for all subsequent taxable years, if it is filed at or before the time the annual return for such taxable year is required to be filed pursuant to section 143.511.

7. The amount of Missouri income tax to be withheld is determined by multiplying the amount of dividends or undistributed income allocable to Missouri that is paid or credited to a nonresident shareholder during the taxable year by the highest rate used to determine a Missouri income tax liability for an individual, except that the amount of the tax withheld may be determined based on withholding tables provided by the director of revenue if the shareholder submits a Missouri withholding allowance certificate.

8. An S corporation shall be entitled to recover for a shareholder on whose behalf a tax payment was made pursuant to this section, if such shareholder has no tax liability.

9. With respect to S corporations that are banks or bank holding companies, a pro rata share of the tax credit for the tax payable pursuant to chapter 148 shall be allowed against each S corporation shareholders' state income tax as follows, provided the bank otherwise complies with section 148.112:

(1) The credit allowed by this subsection shall be equal to the bank tax calculated pursuant to chapter 148 based on bank income in 1999 and after, on a bank that makes an

election pursuant to 26 U.S.C. Section 1362, and such credit shall be allocated to the qualifying shareholder according to stock ownership, determined by multiplying a fraction, where the numerator is the shareholder's stock, and the denominator is the total stock issued by such bank or bank holding company;

(2) The tax credit authorized in this subsection shall be permitted only to the shareholders that qualify as S corporation shareholders, provided the stock at all times during the taxable period qualifies as S corporation stock as defined in 26 U.S.C. Section 1361, and such stock is held by the shareholder during the taxable period. The credit created by this section on a yearly basis is available to each qualifying shareholder, including shareholders filing joint returns. A bank holding company is not allowed this credit, except that, such credit shall flow through to such bank holding company's qualified shareholders, and be allocated to such shareholders under the same conditions; and

(3) In the event such shareholder cannot use all or part of the tax credit in the taxable period of receipt, such shareholder may carry forward such tax credit for a period of the lesser of five years or until used, provided such credits are used as soon as the taxpayer has Missouri taxable income.

10. With respect to S corporations that are associations, a pro rata share of the tax credit for the tax payable under chapter 148 shall be allowed against each S corporation shareholders' state income tax as follows, provided the association otherwise complies with section 148.655:

(1) The credit allowed by this subsection shall be equal to the savings and loan association tax calculated under chapter 148 based on the computations provided in section 148.630 on an association that makes an election under 26 U.S.C. Section 1362, and such credit shall be allocated to the qualifying shareholder according to stock ownership, determined by multiplying a fraction, where the numerator is the shareholder's stock, and the denominator is the total stock issued by the association;

(2) The tax credit authorized in this subsection shall be permitted only to the shareholders that qualify as S corporation shareholders, provided the stock at all times during the taxable period qualifies as S corporation stock as defined in 26 U.S.C. Section 1361, and such stock is held by the shareholder during the taxable period. The credit created by this section on a yearly basis is available to each qualifying shareholder, including shareholders filing joint returns. A savings and loan association holding company is not allowed this credit, except that, such credit shall flow through to such savings and loan association holding company's qualified shareholders, and be allocated to such shareholders under the same conditions; and

(3) In the event such shareholder cannot use all or part of the tax credit in the taxable period of receipt, such shareholder may carry forward such tax credit for a period of the lesser of five years or until used, provided such credits are used as soon as the taxpayer has Missouri taxable income.

11. With respect to S corporations that are credit institutions, a pro rata share of the tax credit for the tax payable under chapter 148 shall be allowed against each S corporation shareholders' state income tax as follows, provided the credit institution otherwise complies with section 148.657:

(1) The credit allowed by this subsection shall be equal to the credit institution tax calculated under chapter 148 based on the computations provided in section 148.150 on a credit institution that makes an election under 26 U.S.C. Section 1362, and such credit shall be allocated to the qualifying shareholder according to stock ownership, determined by multiplying a fraction, where the numerator is the shareholder's stock, and the denominator is the total stock issued by such credit institution;

(2) The tax credit authorized in this subsection shall be permitted only to the shareholders that qualify as S corporation shareholders, provided the stock at all times during the taxable period qualifies as S corporation stock as defined in 26 U.S.C. Section 1361, and such stock is held by the shareholder during the taxable period. The credit created by this section on a yearly basis is available to each qualifying shareholder, including shareholders filing joint returns. A credit institution holding company is not allowed this credit, except that, such credit shall flow through to such credit institution holding company's qualified shareholders, and be allocated to such shareholders under the same conditions; and

(3) In the event such shareholder cannot use all or part of the tax credit in the taxable period of receipt, such shareholder may carry forward such tax credit for a period of the lesser of five years or until used, provided such credits are used as soon as the taxpayer has Missouri taxable income.

**12. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011.**

148.064. 1. Notwithstanding any law to the contrary, this section shall determine the ordering and limit reductions for certain taxes and tax credits which may be used as credits against various taxes paid or payable by banking institutions. Except as adjusted in subsections 2, 3 and 6 of this section, such credits shall be applied in the following order until used against:

(1) The tax on banks determined under subdivision (2) of subsection 2 of section 148.030;

(2) The tax on banks determined under subdivision (1) of subsection 2 of section 148.030;

(3) The state income tax in section 143.071.

2. The tax credits permitted against taxes payable pursuant to subdivision (2) of subsection 2 of section 148.030 shall be utilized first and include taxes referenced in subdivisions (2) and (3) of subsection 1 of this section, which shall be determined without reduction for any tax credits identified in subsection 5 of this section which are used to reduce such taxes. Where a banking institution subject to this section joins in the filing of a

consolidated state income tax return under chapter 143, the credit allowed under this section for state income taxes payable under chapter 143 shall be determined based upon the consolidated state income tax liability of the group and allocated to a banking institution, without reduction for any tax credits identified in subsection 5 of this section which are used to reduce such consolidated taxes as provided in chapter 143.

3. The taxes referenced in subdivisions (2) and (3) of subsection 1 of this section may be reduced by the tax credits in subsection 5 of this section without regard to any adjustments in subsection 2 of this section.

4. To the extent that certain tax credits which the taxpayer is entitled to claim are transferable, such transferability may include transfers among such taxpayers who are members of a single consolidated income tax return, and this subsection shall not impact other tax credit transferability.

5. For the purpose of this section, the tax credits referred to in subsections 2 and 3 shall include tax credits available for economic development, low-income housing and neighborhood assistance which the taxpayer is entitled to claim for the year, including by way of example and not of limitation, tax credits pursuant to the following sections: section 32.115, section 100.286, and sections 135.110, 135.225, 135.352 and 135.403.

6. For tax returns filed on or after January 1, 2001, including returns based on income in the year 2000, and after, a banking institution shall be entitled to an annual tax credit equal to one-sixtieth of one percent of its outstanding shares and surplus employed in this state if the outstanding shares and surplus exceed one million dollars, determined in the same manner as in section 147.010. This tax credit shall be taken as a dollar-for-dollar credit against the bank tax provided for in subdivision (2) of subsection 2 of section 148.030; if such bank tax was already reduced to zero by other credits, then against the corporate income tax provided for in chapter 143.

7. In the event the corporation franchise tax in chapter 147 is repealed by the general assembly, there shall also be a reduction in the taxation of banks as follows: in lieu of the loss of the corporation franchise tax credit reduction in subdivision (1) of subsection 2 of section 148.030, the bank shall receive a tax credit equal to one and one-half percent of net income as determined in this chapter. This subsection shall take effect at the same time the corporation franchise tax in chapter 147 is repealed.

8. An S corporation bank or bank holding company that otherwise qualifies to distribute tax credits to its shareholders shall pass through any tax credits referred to in subsection 5 of this section to its shareholders as otherwise provided for in subsection 9 of section 143.471 with no reductions or limitations resulting from the transfer through such S corporation, and on the same terms originally made available to the original taxpayer, subject to any original dollar or percentage limitations on such credits, and when such S corporation is the original taxpayer, treating such S corporation as having not elected Subchapter S status.

9. Notwithstanding any law to the contrary, in the event the corporation franchise tax in chapter 147 is repealed by the general assembly, after such repeal all Missouri taxes of any nature and type imposed directly or used as a tax credit against the bank's taxes shall be passed through to the S corporation bank or bank holding company shareholder in the form otherwise permitted by law, except for the following:

(1) Credits for taxes on real estate and tangible personal property owned by the bank and held for lease or rental to others;

(2) Contributions paid pursuant to the unemployment compensation tax law of Missouri; or

(3) State and local sales and use taxes collected by the bank on its sales of tangible personal property and the services enumerated in chapter 144.

**10. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011.**

148.400. **1.** All insurance companies or associations organized in or admitted to this state may deduct from premium taxes payable to this state, in addition to all other credits allowed by law, income taxes, franchise taxes, personal property taxes, valuation fees, registration fees and examination fees paid, including taxes and fees paid by the attorney-in-fact of a reciprocal or interinsurance exchange to the extent attributable to the principal business as such attorney-in-fact, under any law of this state. Unless rejected by the general assembly by April 1, 2003, for all tax years beginning on or after January 1, 2003, a deduction for examination fees which exceeds an insurance company's or association's premium tax liability for the same tax year shall not be refundable, but may be carried forward to any subsequent tax year, not to exceed five years, until the full deduction is claimed; except that, notwithstanding the provisions of section 148.380, if any deduction is claimed through the carryforward provisions of this section, it shall be credited wholly against the general revenue fund and shall not cause a reduction in revenue to the county foreign insurance fund.

**2. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011.**

148.620. 1. Every taxpayer shall be subject to an annual tax for the privilege of exercising its corporate franchises within the state according to and measured by its net income for the preceding year.

2. The rate of tax for each taxable year shall be seven percent of such net income.

3. The tax imposed on the net income by this law shall be exclusive and in lieu of all other state and local taxes against and upon credit unions and associations, their capital, or income, except taxes on all property, contributions paid pursuant to the unemployment compensation law of Missouri, Social Security taxes, sales and use taxes.

4. Each taxpayer shall be entitled to credits against the tax imposed by this law for all taxes paid to the state of Missouri or any political subdivision thereof during the relevant income

period, except taxes on real estate and tangible personal property owned by the taxpayer and held for lease or rental to others, contributions paid pursuant to the unemployment compensation law of Missouri, Social Security taxes, sales and use taxes, and taxes imposed by this law.

**5. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011.**

148.655. **1.** Subchapter S corporation shareholders of an association required to pay franchise taxes under section 148.620 may take a tax credit against such shareholder's state income tax return, as provided in section 143.471. Such tax credit shall be the taxpayer's pro rata share of the franchise tax paid by the association as provided in this chapter.

**2. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011.**

148.657. **1.** Subchapter S corporation shareholders of a credit institution required to pay franchise taxes under section 148.140 may take a tax credit against such shareholder's state income tax return, as provided in section 143.471. Such tax credit shall be the taxpayer's pro rata share of the franchise tax paid by the credit institution as provided in this chapter.

**2. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011.**

178.762. **1.** If an agreement provides that all or part of program costs are to be met by receipt of retained jobs credit from withholding, such retained jobs credit from withholding shall be determined and paid as follows:

(1) Retained jobs credit from withholding shall be based upon the wages paid to the employees in the retained jobs;

(2) A portion of the total payments made by the employer under section 143.221 shall be designated as the retained jobs credit from withholding. Such portion shall be an amount equal to two and one-half percent of the gross wages paid by the employer for each of the first one hundred jobs included in the project and one and one-half percent of the gross wages paid by the employer for each of the remaining jobs included in the project. If business or employment conditions cause the amount of the retained jobs credit from withholding to be less than the amount projected in the agreement for any time period, then other withholding tax paid by the employer under section 143.221 shall be credited to the Missouri community college retained job training fund by the amount of such difference. The employer shall remit the amount of the retained jobs credit to the department of revenue in the manner prescribed in section 178.764. When all program costs, including the principal, premium, and interest on the certificates have been paid, the employer credits shall cease;

(3) The community college district participating in a project shall establish a special fund for and in the name of the project. All funds appropriated by the general assembly from the Missouri community college job training retention program fund and disbursed by the division of workforce development for the project and other amounts received by the district in respect

of the project and required by the agreement to be used to pay program costs for the project shall be deposited in the special fund. Amounts held in the special fund may be used and disbursed by the district only to pay program costs for the project. The special fund may be divided into such accounts and subaccounts as shall be provided in the agreement, and amounts held therein may be invested in investments which are legal for the investment of the district's other funds;

(4) Any disbursement in respect of a project received from the division of workforce development under sections 178.760 to 178.764 and the special fund into which it is paid may be irrevocably pledged by a community college district for the payment of the principal, premium, and interest on the certificate issued by a community college district to finance or refinance, in whole or in part, the project;

(5) The employer shall certify to the department of revenue that the credit from withholding is in accordance with an agreement and shall provide other information the department may require;

(6) An employee participating in a project will receive full credit for the amount designated as a retained jobs credit from withholding and withheld as provided in section 143.221;

(7) If an agreement provides that all or part of program costs are to be met by receipt of retained jobs credit from withholding, the provisions of this subsection shall also apply to any successor to the original employer until such time as the principal and interest on the certificates have been paid.

**2. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under sections 178.760 to 178.764 after December 31, 2011.**

178.894. **1.** If an agreement provides that all or part of program costs are to be met by receipt of new jobs credit from withholding, such new jobs credit from withholding shall be determined and paid as follows:

(1) New jobs credit from withholding shall be based upon the wages paid to the employees in the new jobs;

(2) A portion of the total payments made by the employer pursuant to section 143.221 shall be designated as the new jobs credit from withholding. Such portion shall be an amount equal to two and one-half percent of the gross wages paid by the employer for each of the first one hundred jobs included in the project and one and one-half percent of the gross wages paid by the employer for each of the remaining jobs included in the project. If business or employment conditions cause the amount of the new jobs credit from withholding to be less than the amount projected in the agreement for any time period, then other withholding tax paid by the employer pursuant to section 143.221 shall be credited to the Missouri community college job training fund by the amount of such difference. The employer shall remit the amount of the new jobs credit to the department of revenue in the manner prescribed in section 178.896. When

all program costs, including the principal of, premium, if any, and interest on the certificates have been paid, the employer credits shall cease;

(3) The community college district participating in a project shall establish a special fund for and in the name of the project. All funds appropriated by the general assembly from the Missouri community college job training program fund and disbursed by the division of job development and training for the project and other amounts received by the district in respect of the project and required by the agreement to be used to pay program costs for the project shall be deposited in the special fund. Amounts held in the special fund may be used and disbursed by the district only to pay program costs for the project. The special fund may be divided into such accounts and subaccounts as shall be provided in the agreement, and amounts held therein may be invested in investments which are legal for the investment of the district's other funds;

(4) Any disbursement in respect of a project received from the division of job development and training under the provisions of sections 178.892 to 178.896 and the special fund into which it is paid may be irrevocably pledged by a community college district for the payment of the principal of, premium, if any, and interest on the certificate issued by a community college district to finance or refinance, in whole or in part, the project;

(5) The employer shall certify to the department of revenue that the credit from withholding is in accordance with an agreement and shall provide other information the department may require;

(6) An employee participating in a project will receive full credit for the amount designated as a new jobs credit from withholding and withheld as provided in section 143.221;

(7) If an agreement provides that all or part of program costs are to be met by receipt of new jobs credit from withholding, the provisions of this subsection shall also apply to any successor to the original employer until such time as the principal and interest on the certificates have been paid.

**2. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under sections 178.892 to 178.896 after December 31, 2011.**

191.1056. 1. There is hereby created in the state treasury the "Missouri Health Care Access Fund", which shall consist of gifts, grants, and devises deposited into the fund with approval of the oversight committee created in section 208.955. The state treasurer shall be custodian of the fund and may disburse moneys from the fund in accordance with sections 30.170 and 30.180. Disbursements from the fund shall be subject to appropriations and the director shall approve disbursements from the fund consistent with such appropriations to any eligible facility to attract and recruit health care professionals and other necessary personnel, to purchase or rent facilities, to pay for facility expansion or renovation, to purchase office and medical equipment, to pay personnel salaries, or to pay any other costs associated with providing primary health care services to the population in the facility's area of defined need.

2. The state of Missouri shall provide matching moneys from the general revenue fund equaling one-half of the amount deposited into the fund. The total annual amount available to the fund from state sources under such a match program shall be five hundred thousand dollars for fiscal year 2008, one million five hundred thousand dollars for fiscal year 2009, and one million dollars annually thereafter.

3. The maximum annual donation that any one individual or corporation may make is fifty thousand dollars. Any individual or corporation, excluding nonprofit corporations, that make a contribution to the fund totaling one hundred dollars or more shall receive a tax credit for one-half of all donations made annually under section 135.575. In addition, any office or medical equipment donated to any eligible facility shall be an eligible donation for purposes of receipt of a tax credit under section 135.575 but shall not be eligible for any matching funds under subsection 2 of this section.

4. If any clinic or facility **that** has received money from the fund closes or significantly decreases its operations, as determined by the department, within one year of receiving such money, the amount of such money received and the amount of the match provided from the general revenue fund shall be refunded to each appropriate source.

5. Notwithstanding the provisions of section 33.080 to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund.

6. The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund.

**7. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under sections 191.1050 to 191.1056 after December 31, 2011.**

208.770. 1. Moneys deposited in or withdrawn pursuant to subsection 1 of section 208.760 from a family development account by an account holder are exempted from taxation pursuant to chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, and chapter 147, 148 or 153 provided, however, that any money withdrawn for an unapproved use should be subject to tax as required by law.

2. Interest earned by a family development account is exempted from taxation pursuant to chapter 143.

3. Any funds in a family development account, including accrued interest, shall be disregarded when determining eligibility to receive, or the amount of, any public assistance or benefits.

4. A program contributor shall be allowed a credit against the tax imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, and chapter 147, 148 or 153, pursuant to sections 208.750 to 208.775. Contributions up to fifty thousand dollars per program contributor are eligible for the tax credit which shall not exceed fifty percent of the contribution amount.

5. The department of economic development shall verify all tax credit claims by contributors. The administrator of the community-based organization, with the cooperation of the participating financial institutions, shall submit the names of contributors and the total amount each contributor contributes to a family development account reserve fund for the calendar year. The director shall determine the date by which such information shall be submitted to the department by the local administrator. The department shall submit verification of qualified tax credits pursuant to sections 208.750 to 208.775 to the department of revenue.

6. For all fiscal years ending on or before June 30, 2010, the total tax credits authorized pursuant to sections 208.750 to 208.775 shall not exceed four million dollars in any fiscal year. For all fiscal years beginning on or after July 1, 2010, the total tax credits authorized under sections 208.750 to 208.775 shall not exceed three hundred thousand dollars in any fiscal year.

**7. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under sections 208.750 to 208.775 after December 31, 2011.**

253.550. 1. Any taxpayer incurring costs and expenses for the rehabilitation of eligible property, which is a certified historic structure or structure in a certified historic district, may, subject to the provisions of this section and section 253.559, receive a credit against the taxes imposed pursuant to chapters 143 and 148, except for sections 143.191 to 143.265, on such taxpayer in an amount equal to twenty-five percent of the total costs and expenses of rehabilitation incurred after January 1, 1998, which shall include, but not be limited to, qualified rehabilitation expenditures as defined under section 47(c)(2)(A) of the Internal Revenue Code of 1986, as amended, and the related regulations thereunder, provided the rehabilitation costs associated with rehabilitation and the expenses exceed fifty percent of the total basis in the property and the rehabilitation meets standards consistent with the standards of the Secretary of the United States Department of the Interior for rehabilitation as determined by the state historic preservation officer of the Missouri department of natural resources.

2. During the period beginning on January 1, 2010, but ending on or after June 30, 2010, the department of economic development shall not approve applications for tax credits under the provisions of subsections 3 and 8 of section 253.559 which, in the aggregate, exceed seventy million dollars, increased by any amount of tax credits for which approval shall be rescinded under the provisions of section 253.559. For each fiscal year beginning on or after July 1, 2010, the department of economic development shall not approve applications for tax credits under the provisions of subsections 3 and 8 of section 253.559 which, in the aggregate, exceed one hundred forty million dollars, increased by any amount of tax credits for which approval shall be rescinded under the provisions of section 253.559. The limitations provided under this subsection shall not apply to applications approved under the provisions of subsection 3 of section 253.559 for projects to receive less than two hundred seventy-five thousand dollars in tax credits.

3. For all applications for tax credits approved on or after January 1, 2010, no more than two hundred fifty thousand dollars in tax credits may be issued for eligible costs and expenses incurred in the rehabilitation of an eligible property which is a nonincome producing single-family, owner-occupied residential property and is either a certified historic structure or a structure in a certified historic district.

4. The limitations on tax credit authorization provided under the provisions of subsections 2 and 3 of this section shall not apply to:

(1) Any application submitted by a taxpayer, which has received approval from the department prior to January 1, 2010; or

(2) Any taxpayer applying for tax credits, provided under this section, which, on or before January 1, 2010, has filed an application with the department evidencing that such taxpayer:

(a) Has incurred costs and expenses for an eligible property which exceed the lesser of five percent of the total project costs or one million dollars and received an approved Part I from the Secretary of the United States Department of Interior; or

(b) Has received certification, by the state historic preservation officer, that the rehabilitation plan meets the standards consistent with the standards of the Secretary of the United States Department of the Interior, and the rehabilitation costs and expenses associated with such rehabilitation shall exceed fifty percent of the total basis in the property.

**5. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under sections 253.545 to 253.559 after December 31, 2011.**

348.302. 1. Any person who makes a qualified contribution to a qualified fund shall be entitled to receive a tax credit equal to fifty percent of the amount of the qualified contribution. The tax credit shall be evidenced by a tax credit certificate in accordance with the provisions of sections 348.300 to 348.318 and may be used to satisfy the state tax liability of the owner of such certificate that becomes due in the tax year in which the qualified contribution is made, or in any of the ten tax years thereafter. No person may receive a tax credit pursuant to sections 348.300 to 348.318 unless that person presents a tax credit certificate to the department of revenue for payment of such state tax liability.

2. The amount of such qualified contributions which can be made is limited so that the aggregate of all tax credits authorized under the provisions of sections 348.300 to 348.318 shall not exceed nine million dollars. All tax credits authorized under the provisions of this section may be transferred, sold or assigned.

**3. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under sections 348.300 to 348.318 after December 31, 2011.**

348.434. 1. The aggregate of tax credits issued per fiscal year pursuant to sections 348.430 and 348.432 shall not exceed six million dollars.

2. Upon July 2, 1999, and ending June 30, 2000, tax credits shall be issued pursuant to section 348.430, except that, the authority shall allocate no more than three million dollars to fund section 348.432 in fiscal year 2000. Beginning in fiscal year 2001 and each subsequent year, tax credits shall be issued pursuant to section 348.432.

3. Beginning the first day of May of each fiscal year following implementation of section 348.432, the authority may determine the extent of tax credits, pursuant to section 348.432, that will be utilized in each fiscal year. If the authority determines that:

(1) Less than six million dollars for a fiscal year is to be utilized in tax credits pursuant to section 348.432; and

(2) The assets available to the authority, pursuant to section 348.430, do not exceed twelve million dollars; then, the authority may offer the remaining authorized tax credits be issued pursuant to section 348.430.

**4. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under sections 348.430 to 348.439 after December 31, 2011.**

348.505. 1. As used in this section, "state tax liability"**[,] means** any state tax liability incurred by a taxpayer under the provisions of chapters 143, 147, and 148, exclusive of the provisions relating to the withholding of tax as provided for in sections 143.191 to 143.265 and related provisions.

2. Any eligible lender under the family farm livestock loan program under section 348.500 shall be entitled to receive a tax credit equal to one hundred percent of the amount of interest waived by the lender under section 348.500 on a qualifying loan for the first year of the loan only. The tax credit shall be evidenced by a tax credit certificate issued by the agricultural and small business development authority and may be used to satisfy the state tax liability of the owner of such certificate that becomes due in the tax year in which the interest on a qualified loan is waived by the lender under section 348.500. No lender may receive a tax credit under this section unless such person presents a tax credit certificate to the department of revenue for payment of such state tax liability. The amount of the tax credits that may be issued to all eligible lenders claiming tax credits authorized in this section in a fiscal year shall not exceed three hundred thousand dollars.

3. The agricultural and small business development authority shall be responsible for the administration and issuance of the certificate of tax credits authorized by this section. The authority shall issue a certificate of tax credit at the request of any lender. Each request shall include a true copy of the loan documents, the name of the lender who is to receive a certificate of tax credit, the type of state tax liability against which the tax credit is to be used, and the amount of the certificate of tax credit to be issued to the lender based on the interest waived by the lender under section 348.500 on the loan for the first year.

4. The Missouri department of revenue shall accept a certificate of tax credit in lieu of other payment in such amount as is equal to the lesser of the amount of the tax or the remaining

unused amount of the credit as indicated on the certificate of tax credit, and shall indicate on the certificate of tax credit the amount of tax thereby paid and the date of such payment.

5. The following provisions shall apply to tax credits authorized under this section:

(1) Tax credits claimed in a taxable year may be claimed on a quarterly basis and applied to the estimated quarterly tax of the lender;

(2) Any amount of tax credit which exceeds the tax due, including any estimated quarterly taxes paid by the lender under subdivision (1) of this subsection which results in an overpayment of taxes for a taxable year, shall not be refunded but may be carried over to any subsequent taxable year, not to exceed a total of three years for which a tax credit may be taken for a qualified family farm livestock loan;

(3) Notwithstanding any provision of law to the contrary, a lender may assign, transfer or sell tax credits authorized under this section, with the new owner of the tax credit receiving the same rights in the tax credit as the lender. For any tax credits assigned, transferred, sold, or otherwise conveyed, a notarized endorsement shall be filed by the lender with the authority specifying the name and address of the new owner of the tax credit and the value of such tax credit; and

(4) Notwithstanding any other provision of this section to the contrary, any commercial bank may use tax credits created under this section as provided in section 148.064 and receive a net tax credit against taxes actually paid in the amount of the first year's interest on loans made under this section. If such first year tax credits reduce taxes due as provided in section 148.064 to zero, the remaining tax credits may be carried over as otherwise provided in this section and utilized as provided in section 148.064 in subsequent years.

**6. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011.**

375.774. 1. The association shall issue to each insurer paying an assessment under sections 375.771 to 375.779 a certificate of contribution, in appropriate form and terms as prescribed by the director, for the amount so paid. All outstanding certificates shall be of equal dignity and priority without reference to amounts or dates of issue.

2. A certificate of contribution may be shown by the insurer in its financial statements as an admitted asset for such amount and period of time, as follows:

(1) One hundred percent for the calendar year of issuance;

(2) Sixty-six and two-thirds percent for the first calendar year after the year of issuance;

(3) Thirty-three and one-third percent for the second year after the year of issuance which shall be the last year each such certificate shall be carried as an asset.

3. The insurer shall be entitled to a credit against the premium tax liability under sections 148.310 to 148.461 for contributions paid to the association. This tax credit shall be taken over a period of the three successive tax years beginning after the year of contribution at the rate of

thirty-three and one-third percent, per year, of the contribution paid to the association, and such credit shall not be subject to subsection 1 of section 375.916.

4. Any sums recovered by the association representing sums which have theretofore been written off by contributing insurers and offset against premium taxes as provided in subsection 3 of this section shall be paid by the association to the director of revenue who shall handle such funds in the same manner as provided in section 148.380.

5. The association shall be exempt from payment of all fees and all capitation or poll and excise taxes levied by this state or any of its political subdivisions and the real and personal property of the association is hereby declared to be property actually and regularly used exclusively for purposes purely charitable and not held for private or corporate profit within the meaning of subdivision (5) of section 137.100**[**, RSMo 1986**]**.

**6. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under sections 375.771 to 375.779 after December 31, 2011.**

376.745. 1. A member insurer may offset against its premium tax liability to this state an assessment described in section 376.738 to the extent of twenty percent of the amount of such assessment for each of the five calendar years following the year in which such assessment was paid. In the event a member insurer should cease doing business, all uncredited assessments may be credited against its premium tax liability for the year it ceases doing business.

2. A member insurer exempt from chapter 148 may offset against its sales or use tax liability to this state an assessment described in section 376.738 to the extent of twenty percent of the amount of such assessment for each of the five calendar years following the year in which such assessment was paid. In the event a member insurer should cease doing business, all uncredited assessments may be credited against its sales or use tax liability for the year it ceases doing business.

3. Any sums which are acquired by refund, pursuant to the provisions of section 376.738, from the association by member insurers, and which have theretofore been offset against premium taxes as provided in subsection 1 of this section or have theretofore been offset against sales or use taxes as provided in subsection 2 of this section, shall be paid by such insurers to this state in such manner as the tax authorities may require. The association shall notify the director that such refunds have been made.

**4. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under sections 376.715 to 376.758 after December 31, 2011.**

376.975. **1.** Each member's proportion of participation in the pool shall be determined annually by the board based on annual statements and other reports deemed necessary by the board and filed by the member with it. Any deficit incurred by the pool shall be recouped by assessments apportioned as provided in subsections 1, 2, and 3 of section 376.973 by the board among members. The amount of assessments incurred by each member of the pool shall be allowed as an offset against certain taxes, and shall be subject to certain limitations, as follows:

Each pool member subject to chapter 148 may deduct from premium taxes payable for any calendar year to the state any and all assessments paid for the same year pursuant to sections 376.960 to 376.989. All assessments, for a fiscal year, shall not exceed the net premium tax due and payable by such member in the previous year. If the assessment exceeds any premium tax due or payable in such year, the excess shall be a credit or offset carried forward against any premium tax due or payable in succeeding years until the excess is exhausted.

**2. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under sections 376.960 to 376.989 after December 31, 2011.**

376.980. **1.** Each pool member exempt from chapter 148 shall be allowed to offset against any sales or use tax on purchases due, paid, or payable in the calendar year in which such assessments are made. Further, such assessment, for any fiscal year, shall not exceed one percent of nongroup premium income, exclusive of Medicare supplement programs, received in the previous year. If the assessment exceeds the part of any sales tax or use tax due or payable in such year, the excess shall be a credit or offset carried forward against the part of any sales tax or use tax due or payable in succeeding years until the excess is exhausted. The director of revenue, in consultation with the board, shall promulgate and enforce reasonable rules and regulations and prescribe forms for the administration and enforcement of this law.

**2. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under sections 376.960 to 376.989 after December 31, 2011.**

447.708. 1. For eligible projects, the director of the department of economic development, with notice to the directors of the departments of natural resources and revenue, and subject to the other provisions of sections 447.700 to 447.718, may not create a new enterprise zone but may decide that a prospective operator of a facility being remedied and renovated pursuant to sections 447.700 to 447.718 may receive the tax credits and exemptions pursuant to sections 135.100 to 135.150 and sections 135.200 to 135.257. The tax credits allowed pursuant to this subsection shall be used to offset the tax imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or the tax otherwise imposed by chapter 147, or the tax otherwise imposed by chapter 148. For purposes of this subsection:

(1) For receipt of the ad valorem tax abatement pursuant to section 135.215, the eligible project must create at least ten new jobs or retain businesses which supply at least twenty-five existing jobs. The city, or county if the eligible project is not located in a city, must provide ad valorem tax abatement of at least fifty percent for a period not less than ten years and not more than twenty-five years;

(2) For receipt of the income tax exemption pursuant to section 135.220 and tax credit for new or expanded business facilities pursuant to sections 135.100 to 135.150, and 135.225, the eligible project must create at least ten new jobs or retain businesses which supply at least twenty-five existing jobs, or combination thereof. For purposes of sections 447.700 to 447.718, the tax credits described in section 135.225 are modified as follows: the tax credit shall be four

hundred dollars per employee per year, an additional four hundred dollars per year for each employee exceeding the minimum employment thresholds of ten and twenty-five jobs for new and existing businesses, respectively, an additional four hundred dollars per year for each person who is a person difficult to employ as defined by section 135.240, and investment tax credits at the same amounts and levels as provided in subdivision (4) of subsection 1 of section 135.225;

(3) For eligibility to receive the income tax refund pursuant to section 135.245, the eligible project must create at least ten new jobs or retain businesses which supply at least twenty-five existing jobs, or combination thereof, and otherwise comply with the provisions of section 135.245 for application and use of the refund and the eligibility requirements of this section;

(4) The eligible project operates in compliance with applicable environmental laws and regulations, including permitting and registration requirements, of this state as well as the federal and local requirements;

(5) The eligible project operator shall file such reports as may be required by the director of economic development or the director's designee;

(6) The taxpayer may claim the state tax credits authorized by this subsection and the state income exemption for a period not in excess of ten consecutive tax years. For the purpose of this section, "taxpayer" means an individual proprietorship, partnership or corporation described in section 143.441 or 143.471 who operates an eligible project. The director shall determine the number of years the taxpayer may claim the state tax credits and the state income exemption based on the projected net state economic benefits attributed to the eligible project;

(7) For the purpose of meeting the new job requirement prescribed in subdivisions (1), (2) and (3) of this subsection, it shall be required that at least ten new jobs be created and maintained during the taxpayer's tax period for which the credits are earned, in the case of an eligible project that does not replace a similar facility in Missouri. "New job" means a person who was not previously employed by the taxpayer or related taxpayer within the twelve-month period immediately preceding the time the person was employed by that taxpayer to work at, or in connection with, the eligible project on a full-time basis. "Full- time basis" means the employee works an average of at least thirty-five hours per week during the taxpayer's tax period for which the tax credits are earned. For the purposes of this section, related taxpayer has the same meaning as defined in subdivision (9) of section 135.100;

(8) For the purpose of meeting the existing job retention requirement, if the eligible project replaces a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer's tax period in which the tax credits are earned, it shall be required that at least twenty-five existing jobs be retained at, and in connection with the eligible project, on a full-time basis during the taxpayer's tax period for which the credits are earned. "Retained job" means a person who was previously employed by the taxpayer or related taxpayer, at a facility similar to the eligible project that closed elsewhere in Missouri prior to the end of the taxpayer's tax period

in which the tax credits are earned, within the tax period immediately preceding the time the person was employed by the taxpayer to work at, or in connection with, the eligible project on a full-time basis. "Full-time basis" means the employee works an average of at least thirty-five hours per week during the taxpayer's tax period for which the tax credits are earned;

(9) In the case where an eligible project replaces a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer's tax period in which the tax credits are earned, the owner and operator of the eligible project shall provide the director with a written statement explaining the reason for discontinuing operations at the closed facility. The statement shall include a comparison of the activities performed at the closed facility prior to the date the facility ceased operating, to the activities performed at the eligible project, and a detailed account describing the need and rationale for relocating to the eligible project. If the director finds the relocation to the eligible project significantly impaired the economic stability of the area in which the closed facility was located, and that such move was detrimental to the overall economic development efforts of the state, the director may deny the taxpayer's request to claim tax benefits;

(10) Notwithstanding any provision of law to the contrary, for the purpose of this section, the number of new jobs created and maintained, the number of existing jobs retained, and the value of new qualified investment used at the eligible project during any tax year shall be determined by dividing by twelve, in the case of jobs, the sum of the number of individuals employed at the eligible project, or in the case of new qualified investment, the value of new qualified investment used at the eligible project, on the last business day of each full calendar month of the tax year. If the eligible project is in operation for less than the entire tax year, the number of new jobs created and maintained, the number of existing jobs retained, and the value of new qualified investment created at the eligible project during any tax year shall be determined by dividing the sum of the number of individuals employed at the eligible project, or in the case of new qualified investment, the value of new qualified investment used at the eligible project, on the last business day of each full calendar month during the portion of the tax year during which the eligible project was in operation, by the number of full calendar months during such period;

(11) For the purpose of this section, "new qualified investment" means new business facility investment as defined and as determined in subdivision (7) of section 135.100 which is used at and in connection with the eligible project. "New qualified investment" shall not include small tools, supplies and inventory. "Small tools" means tools that are portable and can be hand held.

2. The determination of the director of economic development pursuant to subsection 1 of this section shall not affect requirements for the prospective purchaser to obtain the approval of the granting of real property tax abatement by the municipal or county government where the eligible project is located.

3. (1) The director of the department of economic development, with the approval of the director of the department of natural resources, may, in addition to the tax credits allowed in subsection 1 of this section, grant a remediation tax credit to the applicant for up to one hundred percent of the costs of materials, supplies, equipment, labor, professional engineering, consulting and architectural fees, permitting fees and expenses, demolition, asbestos abatement, and direct utility charges for performing the voluntary remediation activities for the preexisting hazardous substance contamination and releases, including, but not limited to, the costs of performing operation and maintenance of the remediation equipment at the property beyond the year in which the systems and equipment are built and installed at the eligible project and the costs of performing the voluntary remediation activities over a period not in excess of four tax years following the taxpayer's tax year in which the system and equipment were first put into use at the eligible project, provided the remediation activities are the subject of a plan submitted to, and approved by, the director of natural resources pursuant to sections 260.565 to 260.575. The tax credit may also include up to one hundred percent of the costs of demolition that are not directly part of the remediation activities, provided that the demolition is on the property where the voluntary remediation activities are occurring, the demolition is necessary to accomplish the planned use of the facility where the remediation activities are occurring, and the demolition is part of a redevelopment plan approved by the municipal or county government and the department of economic development. The demolition may occur on an adjacent property if the project is located in a municipality which has a population less than twenty thousand and the above conditions are otherwise met. The adjacent property shall independently qualify as abandoned or underutilized. The amount of the credit available for demolition not associated with remediation cannot exceed the total amount of credits approved for remediation including demolition required for remediation.

(2) The amount of remediation tax credits issued shall be limited to the least amount necessary to cause the project to occur, as determined by the director of the department of economic development.

(3) The director may, with the approval of the director of natural resources, extend the tax credits allowed for performing voluntary remediation maintenance activities, in increments of three-year periods, not to exceed five consecutive three-year periods. The tax credits allowed in this subsection shall be used to offset the tax imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or the tax otherwise imposed by chapter 147, or the tax otherwise imposed by chapter 148. The remediation tax credit may be taken in the same tax year in which the tax credits are received or may be taken over a period not to exceed twenty years.

(4) The project facility shall be projected to create at least ten new jobs or at least twenty-five retained jobs, or a combination thereof, as determined by the department of economic development, to be eligible for tax credits pursuant to this section.

(5) No more than seventy-five percent of earned remediation tax credits may be issued when the remediation costs were paid, and the remaining percentage may be issued when the department of natural resources issues a letter of completion letter or covenant not to sue following completion of the voluntary remediation activities. It shall not include any costs associated with ongoing operational environmental compliance of the facility or remediation costs arising out of spills, leaks, or other releases arising out of the ongoing business operations of the facility. In the event the department of natural resources issues a letter of completion for a portion of a property, an impacted media such as soil or groundwater, or for a site or a portion of a site improvement, a prorated amount of the remaining percentage may be released based on the percentage of the total site receiving a letter of completion.

4. In the exercise of the sound discretion of the director of the department of economic development or the director's designee, the tax credits and exemptions described in this section may be terminated, suspended or revoked, if the eligible project fails to continue to meet the conditions set forth in this section. In making such a determination, the director shall consider the severity of the condition violation, actions taken to correct the violation, the frequency of any condition violations and whether the actions exhibit a pattern of conduct by the eligible facility owner and operator. The director shall also consider changes in general economic conditions and the recommendation of the director of the department of natural resources, or his or her designee, concerning the severity, scope, nature, frequency and extent of any violations of the environmental compliance conditions. The taxpayer or person claiming the tax credits or exemptions may appeal the decision regarding termination, suspension or revocation of any tax credit or exemption in accordance with the procedures outlined in subsections 4 **[**to 6**] and 5** of section 135.250. The director of the department of economic development shall notify the directors of the departments of natural resources and revenue of the termination, suspension or revocation of any tax credits as determined in this section or pursuant to the provisions of section 447.716.

5. Notwithstanding any provision of law to the contrary, no taxpayer shall earn the tax credits, exemptions or refund otherwise allowed in subdivisions (2), (3) and (4) of subsection 1 of this section and the tax credits otherwise allowed in section 135.110, or the tax credits, exemptions and refund otherwise allowed in sections 135.215, 135.220, 135.225 and 135.245, respectively, for the same facility for the same tax period.

6. The total amount of the tax credits allowed in subsection 1 of this section **[**may**] shall** not exceed the greater of:

(1) That portion of the taxpayer's income attributed to the eligible project; or

(2) One hundred percent of the total business' income tax if the eligible facility does not replace a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer's tax period in which the tax credits are earned, and further provided the taxpayer does not operate any other facilities besides the eligible project in Missouri; fifty percent of the total business' income

tax if the eligible facility replaces a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer's tax period in which the credits are earned, and further provided the taxpayer does not operate any other facilities besides the eligible project in Missouri; or twenty-five percent of the total business income if the taxpayer operates, in addition to the eligible facility, any other facilities in Missouri. In no case shall a taxpayer operating more than one eligible project in Missouri be allowed to offset more than twenty-five percent of the taxpayer's business income in any tax period. That portion of the taxpayer's income attributed to the eligible project as referenced in subdivision (1) of this subsection, for which the credits allowed in sections 135.110 and 135.225 and subsection 3 of this section, may apply, shall be determined in the same manner as prescribed in subdivision (6) of section 135.100. That portion of the taxpayer's franchise tax attributed to the eligible project for which the remediation tax credit may offset, shall be determined in the same manner as prescribed in paragraph (a) of subdivision (6) of section 135.100.

7. Taxpayers claiming the state tax benefits allowed in subdivisions (2) and (3) of subsection 1 of this section shall be required to file all applicable tax credit applications, forms and schedules prescribed by the director during the taxpayer's tax period immediately after the tax period in which the eligible project was first put into use. Otherwise, the taxpayer's right to claim such state tax benefits shall be forfeited. Unused business facility and enterprise zone tax credits shall not be carried forward but shall be initially claimed for the tax period during which the eligible project was first capable of being used, and during any applicable subsequent tax periods.

8. Taxpayers claiming the remediation tax credit allowed in subsection 3 of this section shall be required to file all applicable tax credit applications, forms and schedules prescribed by the director during the taxpayer's tax period immediately after the tax period in which the eligible project was first put into use, or during the taxpayer's tax period immediately after the tax period in which the voluntary remediation activities were performed.

9. The recipient of remediation tax credits, for the purpose of this subsection referred to as assignor, may assign, sell or transfer, in whole or in part, the remediation tax credit allowed in subsection 3 of this section to any other person, for the purpose of this subsection referred to as assignee. To perfect the transfer, the assignor shall provide written notice to the director of the assignor's intent to transfer the tax credits to the assignee, the date the transfer is effective, the assignee's name, address and the assignee's tax period and the amount of tax credits to be transferred. The number of tax periods during which the assignee may subsequently claim the tax credits shall not exceed twenty tax periods, less the number of tax periods the assignor previously claimed the credits before the transfer occurred.

10. In the case where an operator and assignor of an eligible project has been certified to claim state tax benefits allowed in subdivisions (2) and (3) of subsection 1 of this section, and sells or otherwise transfers title of the eligible project to another taxpayer or assignee who

continues the same or substantially similar operations at the eligible project, the director shall allow the assignee to claim the credits for a period of time to be determined by the director; except that, the total number of tax periods the tax credits may be earned by the assignor and the assignee shall not exceed ten. To perfect the transfer, the assignor shall provide written notice to the director of the assignor's intent to transfer the tax credits to the assignee, the date the transfer is effective, the assignee's name, address, and the assignee's tax period, and the amount of tax credits to be transferred.

11. For the purpose of the state tax benefits described in this section, in the case of a corporation described in section 143.471 or partnership, in computing Missouri's tax liability, such state benefits shall be allowed to the following:

(1) The shareholders of the corporation described in section 143.471;

(2) The partners of the partnership. The credit provided in this subsection shall be apportioned to the entities described in subdivisions (1) and (2) of this subsection in proportion to their share of ownership on the last day of the taxpayer's tax period.

**12. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under sections 447.700 to 447.718 after December 31, 2011.**

620.495. 1. This section shall be known as the "Small Business Incubators Act".

2. As used in this section, unless the context clearly indicates otherwise, the following words and phrases shall mean:

(1) "Department", the department of economic development;

(2) "Incubator", a program in which small units of space may be leased by a tenant and in which management maintains or provides access to business development services for use by tenants or a program without infrastructure in which participants avail themselves of business development services to assist in the growth of their start-up small businesses;

(3) "Local sponsor" or "sponsor", an organization which enters into a written agreement with the department to establish, operate and administer a small business incubator program or to provide funding to an organization which operates such a program;

(4) "Participant", a sole proprietorship, business partnership or corporation operating a business for profit through which the owner avails himself or herself of business development services in an incubator program;

(5) "Tenant", a sole proprietorship, business partnership or corporation operating a business for profit and leasing or otherwise occupying space in an incubator.

3. There is hereby established under the direction of the department a loan, loan guarantee and grant program for the establishment, operation and administration of small business incubators, to be known as the "Small Business Incubator Program". A local sponsor may submit an application to the department to obtain a loan, loan guarantee or grant to establish an incubator. Each application shall:

(1) Demonstrate that a program exists that can be transformed into an incubator at a specified cost;

(2) Demonstrate the ability to directly provide or arrange for the provision of business development services for tenants and participants of the incubator. These services shall include, but need not be limited to, financial consulting assistance, management and marketing assistance, business education, and physical services;

(3) Demonstrate a potential for sustained use of the incubator program by eligible tenants and participants, through a market study or other means;

(4) Demonstrate the ability to manage and operate the incubator program;

(5) Include such other information as the department may require through its guidelines.

4. The department shall review and accept applications based on the following criteria:

(1) Ability of the local sponsor to carry out the provisions of this section;

(2) Economic impact of the incubator on the community;

(3) Conformance with areawide and local economic development plans, if such exist;

(4) Location of the incubator, in order to encourage geographic distribution of incubators across the state.

5. Loans, loan guarantees and grants shall be administered in the following manner:

(1) Loans awarded or guaranteed and grants awarded shall be used only for the acquisition and leasing of land and existing buildings, the rehabilitation of buildings or other facilities, construction of new facilities, the purchase of equipment and furnishings which are necessary for the creation and operation of the incubator, and business development services including, but not limited to, business management advising and business education;

(2) Loans, loan guarantees and grants may not exceed fifty percent of total eligible project costs;

(3) Payment of interest and principal on loans may be deferred at the discretion of the department.

6. A local sponsor, or the organization receiving assistance through the local sponsor, shall have the following responsibilities and duties in establishing and operating an incubator with assistance from the small business incubator program:

(1) Secure title on a facility for the program or a lease of a facility for the program;

(2) Manage the physical development of the incubator program, including the provision of common conference or meeting space;

(3) Furnish and equip the program to provide business services to the tenants and participants;

(4) Market the program and secure eligible tenants and participants;

(5) Provide financial consulting, marketing and management assistance services or arrange for the provision of these services for tenants and participants of the incubator, including assistance in accessing private financial markets;

(6) Set rental and service fees;

(7) Encourage the sharing of ideas between tenants and participants and otherwise aid the tenants and participants in an innovative manner while they are within the incubator;

(8) Establish policies and criteria for the acceptance of tenants and participants into the incubator and for the termination of occupancy of tenants so as to maximize the opportunity to succeed for the greatest number of tenants, consistent with those specified in this section.

7. The department:

(1) May adopt such rules, statements of policy, procedures, forms and guidelines as may be necessary for the implementation of this section;

(2) May make loans, loan guarantees and grants to local sponsors for incubators;

(3) Shall ensure that local sponsors receiving loans, loan guarantees or grants meet the conditions of this section;

(4) Shall receive and evaluate annual reports from local sponsors. Such annual reports shall include, but need not be limited to, a financial statement for the incubator, evidence that all tenants and participants in the program are eligible under the terms of this section, and a list of companies in the incubator.

8. The department of economic development is also hereby authorized to review any previous loans made under this program and, where appropriate in the department's judgment, convert such loans to grant status.

9. On or before January first of each year, the department shall provide a report to the governor, the chief clerk of the house of representatives and the secretary of the senate which shall include, but need not be limited to:

(1) The number of applications for incubators submitted to the department;

(2) The number of applications for incubators approved by the department;

(3) The number of incubators created through the small business incubator program;

(4) The number of tenants and participants engaged in each incubator;

(5) The number of jobs provided by each incubator and tenants and participant of each incubator;

(6) The occupancy rate of each incubator;

(7) The number of firms still operating in the state after leaving incubators and the number of jobs they have provided.

10. There is hereby established in the state treasury a special fund to be known as the "Missouri Small Business Incubators Fund", which shall consist of all moneys which may be appropriated to it by the general assembly, and also any gifts, contributions, grants or bequests received from federal, private or other sources. Moneys for loans, loan guarantees and grants under the small business incubator program may be obtained from appropriations made by the general assembly from the Missouri small business incubators fund. Any moneys remaining in the Missouri small business incubators fund at the end of any fiscal year shall not lapse to the

general revenue fund, as provided in section 33.080, but shall remain in the Missouri small business incubators fund.

11. For any taxable year beginning after December 31, 1989, a taxpayer, including any charitable organization which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143, shall be entitled to a tax credit against any tax otherwise due under the provisions of chapter 143, or chapter 147, or chapter 148, excluding withholding tax imposed by sections 143.191 to 143.265, in the amount of fifty percent of any amount contributed by the taxpayer to the Missouri small business incubators fund during the taxpayer's tax year or any contribution by the taxpayer to a local sponsor after the local sponsor's application has been accepted and approved by the department. The tax credit allowed by this subsection shall be claimed by the taxpayer at the time he files his return and shall be applied against the income tax liability imposed by chapter 143, or chapter 147, or chapter 148, after all other credits provided by law have been applied. That portion of earned tax credits which exceeds the taxpayer's tax liability may be carried forward for up to five years. The aggregate of all tax credits authorized under this section shall not exceed five hundred thousand dollars in any taxable year.

12. Notwithstanding any provision of Missouri law to the contrary, any taxpayer may sell, assign, exchange, convey or otherwise transfer tax credits allowed in subsection 11 of this section under the terms and conditions prescribed in subdivisions (1) and (2) of this subsection. Such taxpayer, hereinafter the assignor for the purpose of this subsection, may sell, assign, exchange or otherwise transfer earned tax credits:

(1) For no less than seventy-five percent of the par value of such credits; and

(2) In an amount not to exceed one hundred percent of annual earned credits. The taxpayer acquiring earned credits, hereinafter the assignee for the purpose of this subsection, may use the acquired credits to offset up to one hundred percent of the tax liabilities otherwise imposed by chapter 143, or chapter 147, or chapter 148 excluding withholding tax imposed by sections 143.191 to 143.265. Unused credits in the hands of the assignee may be carried forward for up to five years. The assignor shall enter into a written agreement with the assignee establishing the terms and conditions of the agreement and shall perfect such transfer by notifying the department of economic development in writing within thirty calendar days following the effective day of the transfer and shall provide any information as may be required by the department of economic development to administer and carry out the provisions of this section. The director of the department of economic development shall prescribe the method for submitting applications for claiming the tax credit allowed under subsection 11 of this section and shall, if the application is approved, certify to the director of revenue that the taxpayer claiming the credit has satisfied all the requirements specified in this section and is eligible to claim the credit.

**13. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011.**

620.650. 1. The sole purpose of each qualified fund is to make investments. One hundred percent of investments made from qualified contributions shall be qualified investments.

2. Any person who makes a qualified contribution to a qualified fund shall receive a tax credit against the tax otherwise due pursuant to chapter 143, chapter 147, or chapter 148, other than taxes withheld pursuant to sections 143.191 to 143.265, in an amount equal to one hundred percent of such person's qualified contribution.

3. Such person shall submit to the department an application for the tax credit on a form provided by the department. The department shall award tax credits in the order the applications are received and based upon the strategy approved by the board. Tax credits issued pursuant to this section may be claimed for the tax year in which the qualified contribution is made or in any of the following ten years, and may be assigned, transferred or sold.

4. There is hereby imposed on each qualified fund a tax equal to fifteen percent of the qualified fund's uninvested capital at the close of such qualified fund's tax year. For purposes of tax computation, any distribution made by a qualified fund during a tax year is deemed made at the end of such tax year. Each tax year, every qualified fund shall remit the tax imposed by this section to the director of the department of revenue for deposit in the state treasury to the credit of the general revenue fund.

**5. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under sections 620.635 to 620.653 after December 31, 2011.**

620.1881. 1. The department of economic development shall respond within thirty days to a company who provides a notice of intent with either an approval or a rejection of the notice of intent. The department shall give preference to qualified companies and projects targeted at an area of the state which has recently been classified as a disaster area by the federal government. Failure to respond on behalf of the department of economic development shall result in the notice of intent being deemed an approval for the purposes of this section. A qualified company who is provided an approval for a project shall be allowed a benefit as provided in this program in the amount and duration provided in this section. A qualified company may receive additional periods for subsequent new jobs at the same facility after the full initial period if the minimum thresholds are met as set forth in sections 620.1875 to 620.1890. There is no limit on the number of periods a qualified company may participate in the program, as long as the minimum thresholds are achieved and the qualified company provides the department with the required reporting and is in proper compliance for this program or other state programs. A qualified company may elect to file a notice of intent to start a new project period concurrent with an existing project period if the minimum thresholds are achieved and the qualified company provides the department with the required reporting and is in proper compliance for this program and other state programs; however, the qualified company may not

receive any further benefit under the original approval for jobs created after the date of the new notice of intent, and any jobs created before the new notice of intent may not be included as new jobs for the purpose of benefit calculation in relation to the new approval. When a qualified company has filed and received approval of a notice of intent and subsequently files another notice of intent, the department shall apply the definition of project facility under subdivision (19) of section 620.1878 to the new notice of intent as well as all previously approved notices of intent and shall determine the application of the definitions of new job, new payroll, project facility base employment, and project facility base payroll accordingly.

2. Notwithstanding any provision of law to the contrary, any qualified company that is awarded benefits under this program may not simultaneously receive tax credits or exemptions under sections 135.100 to 135.150, sections 135.200 to 135.286, section 135.535, or sections 135.900 to 135.906 at the same project facility. The benefits available to the company under any other state programs for which the company is eligible and which utilize withholding tax from the new jobs of the company must first be credited to the other state program before the withholding retention level applicable under the Missouri quality jobs act will begin to accrue. These other state programs include, but are not limited to, the new jobs training program under sections 178.892 to 178.896, the job retention program under sections 178.760 to 178.764, the real property tax increment allocation redevelopment act, sections 99.800 to 99.865, or the Missouri downtown and rural economic stimulus act under sections 99.915 to 99.980. If any qualified company also participates in the new jobs training program in sections 178.892 to 178.896, the company shall retain no withholding tax, but the department shall issue a refundable tax credit for the full amount of benefit allowed under this **[**subdivision**] subsection**. The calendar year annual maximum amount of tax credits which may be issued to a qualifying company that also participates in the new job training program shall be increased by an amount equivalent to the withholding tax retained by that company under the new jobs training program. However, if the combined benefits of the quality jobs program and the new jobs training program exceed the projected state benefit of the project, as determined by the department of economic development through a cost-benefit analysis, the increase in the maximum tax credits shall be limited to the amount that would not cause the combined benefits to exceed the projected state benefit. Any taxpayer who is awarded benefits under this program who knowingly hires individuals who are not allowed to work legally in the United States shall immediately forfeit such benefits and shall repay the state an amount equal to any state tax credits already redeemed and any withholding taxes already retained.

3. The types of projects and the amount of benefits to be provided are:

(1) Small and expanding business projects: in exchange for the consideration provided by the new tax revenues and other economic stimuli that will be generated by the new jobs created by the program, a qualified company may retain an amount equal to the withholding tax as calculated under subdivision (33) of section 620.1878 from the new jobs that would otherwise

be withheld and remitted by the qualified company under the provisions of sections 143.191 to 143.265 for a period of three years from the date the required number of new jobs were created if the average wage of the new payroll equals or exceeds the county average wage or for a period of five years from the date the required number of new jobs were created if the average wage of the new payroll equals or exceeds one hundred twenty percent of the county average wage;

(2) Technology business projects: in exchange for the consideration provided by the new tax revenues and other economic stimuli that will be generated by the new jobs created by the program, a qualified company may retain an amount equal to a maximum of five percent of new payroll for a period of five years from the date the required number of jobs were created from the withholding tax of the new jobs that would otherwise be withheld and remitted by the qualified company under the provisions of sections 143.191 to 143.265 if the average wage of the new payroll equals or exceeds the county average wage. An additional one-half percent of new payroll may be added to the five percent maximum if the average wage of the new payroll in any year exceeds one hundred twenty percent of the county average wage in the county in which the project facility is located, plus an additional one-half percent of new payroll may be added if the average wage of the new payroll in any year exceeds one hundred forty percent of the average wage in the county in which the project facility is located. The department shall issue a refundable tax credit for any difference between the amount of benefit allowed under this subdivision and the amount of withholding tax retained by the company, in the event the withholding tax is not sufficient to provide the entire amount of benefit due to the qualified company under this subdivision;

(3) High impact projects: in exchange for the consideration provided by the new tax revenues and other economic stimuli that will be generated by the new jobs created by the program, a qualified company may retain an amount from the withholding tax of the new jobs that would otherwise be withheld and remitted by the qualified company under the provisions of sections 143.191 to 143.265, equal to three percent of new payroll for a period of five years from the date the required number of jobs were created if the average wage of the new payroll equals or exceeds the county average wage of the county in which the project facility is located. For high-impact projects in a facility located within two adjacent counties, the new payroll shall equal or exceed the higher county average wage of the adjacent counties. The percentage of payroll allowed under this subdivision shall be three and one-half percent of new payroll if the average wage of the new payroll in any year exceeds one hundred twenty percent of the county average wage in the county in which the project facility is located. The percentage of payroll allowed under this subdivision shall be four percent of new payroll if the average wage of the new payroll in any year exceeds one hundred forty percent of the county average wage in the county in which the project facility is located. An additional one percent of new payroll may be added to these percentages if local incentives equal between ten percent and twenty-four percent of the new direct local revenue; an additional two percent of new payroll is added to these

percentages if the local incentives equal between twenty-five percent and forty-nine percent of the new direct local revenue; or an additional three percent of payroll is added to these percentages if the local incentives equal fifty percent or more of the new direct local revenue. The department shall issue a refundable tax credit for any difference between the amount of benefit allowed under this subdivision and the amount of withholding tax retained by the company, in the event the withholding tax is not sufficient to provide the entire amount of benefit due to the qualified company under this subdivision;

(4) Job retention projects: a qualified company may receive a tax credit for the retention of jobs in this state, provided the qualified company and the project meets all of the following conditions:

(a) For each of the twenty-four months preceding the year in which application for the program is made the qualified company must have maintained at least one thousand full-time employees at the employer's site in the state at which the jobs are based, and the average wage of such employees must meet or exceed the county average wage;

(b) The qualified company retained at the project facility the level of full-time employees that existed in the taxable year immediately preceding the year in which application for the program is made;

(c) The qualified company is considered to have a significant statewide effect on the economy, and has been determined to represent a substantial risk of relocation from the state by the quality jobs advisory task force established in section 620.1887; provided, however, until such time as the initial at-large members of the quality jobs advisory task force are appointed, this determination shall be made by the director of the department of economic development;

(d) The qualified company in the project facility will cause to be invested a minimum of seventy million dollars in new investment prior to the end of two years or will cause to be invested a minimum of thirty million dollars in new investment prior to the end of two years and maintain an annual payroll of at least seventy million dollars during each of the years for which a credit is claimed; and

(e) The local taxing entities shall provide local incentives of at least fifty percent of the new direct local revenues created by the project over a ten-year period. The quality jobs advisory task force may recommend to the department of economic development that appropriate penalties be applied to the company for violating the agreement. The amount of the job retention credit granted may be equal to up to fifty percent of the amount of withholding tax generated by the full-time jobs at the project facility for a period of five years. The calendar year annual maximum amount of tax credit that may be issued to any qualified company for a job retention project or combination of job retention projects shall be seven hundred fifty thousand dollars per year, but the maximum amount may be increased up to one million dollars if such action is proposed by the department and approved by the quality jobs advisory task force established in section 620.1887; provided, however, until such time as the initial at-large members of the

quality jobs advisory task force are appointed, this determination shall be made by the director of the department of economic development. In considering such a request, the task force shall rely on economic modeling and other information supplied by the department when requesting the increased limit on behalf of the job retention project. In no event shall the total amount of all tax credits issued for the entire job retention program under this subdivision exceed three million dollars annually. Notwithstanding the above, no tax credits shall be issued for job retention projects approved by the department after August 30, 2013;

(5) Small business job retention and flood survivor relief: a qualified company may receive a tax credit under sections 620.1875 to 620.1890 for the retention of jobs and flood survivor relief in this state for each job retained over a three-year period, provided that:

(a) The qualified company did not receive any state or federal benefits, incentives, or tax relief or abatement in locating its facility in a flood plain;

(b) The qualified company and related companies have fewer than one hundred employees at the time application for the program is made;

(c) The average wage of the qualified company's and related companies' employees must meet or exceed the county average wage;

(d) All of the qualified company's and related companies' facilities are located in this state;

(e) The facilities at the primary business site in this state have been directly damaged by floodwater rising above the level of a five hundred year flood at least two years, but fewer than eight years, prior to the time application is made;

(f) The qualified company made significant efforts to protect the facilities prior to any impending danger from rising floodwaters;

(g) For each year it receives tax credits under sections 620.1875 to 620.1890, the qualified company and related companies retained, at the company's facilities in this state, at least the level of full-time, year-round employees that existed in the taxable year immediately preceding the year in which application for the program is made; and

(h) In the years it receives tax credits under sections 620.1875 to 620.1890, the company cumulatively invests at least two million dollars in capital improvements in facilities and equipment located at such facilities that are not located within a five hundred year flood plain as designated by the Federal Emergency Management Agency, and amended from time to time. The amount of the small business job retention and flood survivor relief credit granted may be equal to up to one hundred percent of the amount of withholding tax generated by the full-time jobs at the project facility for a period of three years. The calendar year annual maximum amount of tax credit that may be issued to any qualified company for a small business job retention and survivor relief project shall be two hundred fifty thousand dollars per year, but the maximum amount may be increased up to five hundred thousand dollars if such action is proposed by the department and approved by the quality jobs advisory task force established in

section 620.1887. In considering such a request, the task force shall rely on economic modeling and other information supplied by the department when requesting an increase in the limit on behalf of the small business job retention and flood survivor relief project. In no event shall the total amount of all tax credits issued for the entire small business job retention and flood survivor relief program under this subdivision exceed five hundred thousand dollars annually. Notwithstanding the provisions of this subdivision to the contrary, no tax credits shall be issued for small business job retention and flood survivor relief projects approved by the department after August 30, 2010.

4. The qualified company shall provide an annual report of the number of jobs and such other information as may be required by the department to document the basis for the benefits of this program. The department may withhold the approval of any benefits until it is satisfied that proper documentation has been provided, and shall reduce the benefits to reflect any reduction in full-time employees or new payroll. Upon approval by the department, the qualified company may begin the retention of the withholding taxes when it reaches the minimum number of new jobs and the average wage exceeds the county average wage. Tax credits, if any, may be issued upon satisfaction by the department that the qualified company has exceeded the county average wage and the minimum number of new jobs. In such annual report, if the average wage is below the county average wage, the qualified company has not maintained the employee insurance as required, or if the number of new jobs is below the minimum, the qualified company shall not receive tax credits or retain the withholding tax for the balance of the benefit period. In the case of a qualified company that initially filed a notice of intent and received an approval from the department for high-impact benefits and the minimum number of new jobs in an annual report is below the minimum for high-impact projects, the company shall not receive tax credits for the balance of the benefit period but may continue to retain the withholding taxes if it otherwise meets the requirements of a small and expanding business under this program.

5. The maximum calendar year annual tax credits issued for the entire program shall not exceed eighty million dollars. Notwithstanding any provision of law to the contrary, the maximum annual tax credits authorized under section 135.535 are hereby reduced from ten million dollars to eight million dollars, with the balance of two million dollars transferred to this program. There shall be no limit on the amount of withholding taxes that may be retained by approved companies under this program.

6. The department shall allocate the annual tax credits based on the date of the approval, reserving such tax credits based on the department's best estimate of new jobs and new payroll of the project, and the other factors in the determination of benefits of this program. However, the annual issuance of tax credits is subject to the annual verification of the actual new payroll. The allocation of tax credits for the period assigned to a project shall expire if, within two years from the date of commencement of operations, or approval if applicable, the minimum

thresholds have not been achieved. The qualified company may retain authorized amounts from the withholding tax under this section once the minimum new jobs thresholds are met for the duration of the project period. No benefits shall be provided under this program until the qualified company meets the minimum new jobs thresholds. In the event the qualified company does not meet the minimum new job threshold, the qualified company may submit a new notice of intent or the department may provide a new approval for a new project of the qualified company at the project facility or other facilities.

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

8. Tax credits may be claimed against taxes otherwise imposed by chapters 143 and 148, and may not be carried forward but shall be claimed within one year of the close of the taxable year for which they were issued, except as provided under subdivision (4) of subsection 3 of this section.

9. Tax credits authorized by this section may be transferred, sold, or assigned by filing a notarized endorsement thereof with the department that names the transferee, the amount of tax credit transferred, and the value received for the credit, as well as any other information reasonably requested by the department.

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

11. Except as provided under subdivision (4) of subsection 3 of this section, the director of revenue shall issue a refund to the qualified company to the extent that the amount of credits allowed in this section exceeds the amount of the qualified company's income tax.

12. An employee of a qualified company will receive full credit for the amount of tax withheld as provided in section 143.211.

13. If any provision of sections 620.1875 to 620.1890 or application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or application of these sections which can be given effect without the invalid provisions or application, and to this end, the provisions of sections 620.1875 to 620.1890 are hereby declared severable.

**14. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under sections 620.1875 to 620.1890 after December 31, 2011.**

660.055. 1. Any registered caregiver who meets the requirements of this section shall be eligible for a shared care tax credit in an amount not to exceed five hundred dollars to defray the cost of caring for an elderly person. In order to be eligible for a shared care tax credit, a registered caregiver shall:

(1) Care for an elderly person, age sixty or older, who:

(a) Is physically or mentally incapable of living alone, as determined and certified by his or her physician licensed pursuant to chapter 334, or by the division of aging staff when an assessment has been completed for the purpose of qualification for other services; and

(b) Requires assistance with activities of daily living to the extent that without care and oversight at home would require placement in a facility licensed pursuant to chapter 198; and

(c) Under no circumstances, is able or allowed to operate a motor vehicle; and

(d) Does not receive funding or services through Medicaid or social services block grant funding;

(2) Live in the same residence to give protective oversight for the elderly person meeting the requirements described in subdivision (1) of this subsection for an aggregate of more than six months per tax year;

(3) Not receive monetary compensation for providing care for the elderly person meeting the requirements described in subdivision (1) of this subsection; and

(4) File the original completed and signed physician certification for shared care tax credit form or the original completed and signed division of aging certification for shared care tax credit form provided for in subsection 2 of section 660.054 along with such caregiver's Missouri individual income tax return to the department of revenue.

2. The tax credit allowed by this section shall apply to any year beginning after December 31, 1999.

3. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in sections 660.050 to 660.057 shall become effective only if it

complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. All rulemaking authority delegated prior to August 28, 1999, is of no force and effect and repealed. Nothing in this section shall be interpreted to repeal or affect the validity of any rule filed or adopted prior to August 28, 1999, if it fully complied with all applicable provisions of law. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 1999, shall be invalid and void.

4. Any person who knowingly falsifies any document required for the shared care tax credit shall be subject to the same penalties for falsifying other tax documents as provided in chapter 143.

**5. Notwithstanding any other provision of law to the contrary, no tax credits shall be issued under this section after December 31, 2011.**

**[**143.106. 1. Notwithstanding the provisions of section 143.171, to the contrary, a taxpayer shall be allowed a deduction for his federal income tax liability under chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed after reduction for all credits thereon, except the credit for payments of federal estimated tax, the credit for the overpayment of any federal tax, and the credits allowed by the Internal Revenue Code by section 31 (tax withheld on wages), section 27 (tax of foreign country and United States possessions), and section 34 (tax on certain uses of gasoline, special fuels, and lubricating oils).

2. If a federal income tax liability for a tax year prior to the applicability of sections 143.011 to 143.996 for which he was not previously entitled to a Missouri deduction is later paid or accrued, he may deduct the federal tax in the later year to the extent it would have been deductible if paid or accrued in the prior year.**]**

**[**143.107. 1. Sections 143.105 and 143.106 shall become effective only if the question prescribed in subsection 2 of this section is submitted to a statewide vote and a majority of the qualified voters voting on the issue approve such question, and not otherwise.

2. If the supreme court of Missouri does not affirm in whole or in part the decision in the case of COMMITTEE FOR EDUCATION EQUALITY, et al., v. STATE OF MISSOURI, et al., No. CV 190-1371CC, and LEE'S SUMMIT SCHOOL DISTRICT R-VII, et al., v. STATE OF MISSOURI, et al., No. CV 190-510CC, a statewide election shall be held on the first regularly scheduled statewide election date after such a ruling at which an election can be held pursuant to chapter 115. At such election the qualified voters of this state shall vote on the question of whether the taxes prescribed in sections 143.105 and 143.106 shall be applied to all taxable years beginning on or after the date of such election and not otherwise. If the voters approve such question, sections 160.500 to 160.538, sections 160.545 and 160.550, sections 161.099 and 161.610,

sections 162.203 and 162.1010, section 163.023, sections 166.275 and 166.300, section 170.254, section 173.750, and sections 178.585 and 178.698 shall expire thirty days after certification of the results of the election.**]**

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