

HOUSE AMENDMENT NO. \_\_\_\_\_  
TO  
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Offered By

1 AMEND House Amendment No. \_\_\_\_\_ to House Committee Substitute for Senate Substitute for  
2 Senate Committee Substitute for Senate Bill No. 83, Page 7, Line 19, by inserting after all of said  
3 line, the following:

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5 "Further amend said bill, Page 130, Section 577.041, Line 138, by inserting after all of said section  
6 and line, the following:

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8 "620.1039. 1. As used in this section, the term "taxpayer" means an individual, a  
9 partnership, or any charitable organization which is exempt from federal income tax and whose  
10 Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed  
11 under chapter 143, RSMo, or a corporation as described in section 143.441 or 143.471, RSMo, or  
12 section 148.370, RSMo, and the term "qualified research expenses" has the same meaning as  
13 prescribed in 26 U.S.C. 41, except that such qualified research expenses shall be limited to those  
14 incurred in the research and development of agricultural biotechnology, plant genomics products,  
15 diagnostic and therapeutic medical devices, or prescription pharmaceuticals consumed by animals or  
16 those incurred in the research, development, or manufacture of power system technology for  
17 aerospace, space, defense, or implantable or wearable medical devices.

18 2. For tax years beginning on or after January 1, 2001, the director of the department of  
19 economic development [may] shall authorize a taxpayer to receive a tax credit against the tax  
20 otherwise due pursuant to chapter 143, RSMo, or chapter 148, RSMo, other than the taxes withheld  
21 pursuant to sections 143.191 to 143.265, RSMo, in an amount up to six and one-half percent of the  
22 excess of the taxpayer's qualified research expenses, as certified by the director of the department of  
23 economic development, within this state during the taxable year over the average of the taxpayer's  
24 qualified research expenses within this state over the immediately preceding three taxable years;  
25 except that, no tax credit shall be allowed on that portion of the taxpayer's qualified research  
26 expenses incurred within this state during the taxable year in which the credit is being claimed, to the  
27 extent such expenses exceed two hundred percent of the taxpayer's average qualified research  
28 expenses incurred during the immediately preceding three taxable years.

29 3. The director of economic development shall prescribe the manner in which the tax credit  
30 may be applied for. The tax credit authorized by this section may be claimed by the taxpayer to

Action Taken \_\_\_\_\_ Date \_\_\_\_\_

1 offset the tax liability imposed by chapter 143, RSMo, or chapter 148, RSMo, that becomes due in  
2 the tax year during which such qualified research expenses were incurred. Where the amount of the  
3 credit exceeds the tax liability, the difference between the credit and the tax liability may only be  
4 carried forward for the next five succeeding taxable years or until the full credit has been claimed,  
5 whichever first occurs. The application for tax credits authorized by the director pursuant to  
6 subsection 2 of this section shall be made no earlier than January first and no later than [the end of]  
7 July first of the calendar year immediately following the calendar year in which the taxpayer's tax  
8 period [immediately following the tax period] for which the credits are being claimed ended. The  
9 director shall act on any such application for tax credits no sooner than August first but no later than  
10 August fifteenth of each year for applications filed in that calendar year.

11 4. Certificates of tax credit issued pursuant to this section may be transferred, sold or  
12 assigned by filing a notarized endorsement thereof with the department which names the transferee  
13 and the amount of tax credit transferred. The director of economic development may allow a  
14 taxpayer to transfer, sell or assign up to forty percent of the amount of the certificates of tax credit  
15 issued to and not claimed by such taxpayer pursuant to this section during any tax year commencing  
16 on or after January 1, [1996] 2014, and ending not later than December 31, [1999] 2020. Such  
17 taxpayer shall file, by December 31, [2001] 2022, an application with the department which names  
18 the transferee, the amount of tax credit desired to be transferred, and a certification that the funds  
19 received by the applicant as a result of the transfer, sale or assignment of the tax credit shall be  
20 expended within three years at the state university for the sole purpose of conducting research  
21 activities agreed upon by the department, the taxpayer and the state university. Failure to expend  
22 such funds in the manner prescribed pursuant to this section shall cause the applicant to be subject to  
23 the provisions of section 620.017.

24 5. No rule or portion of a rule promulgated under the authority of this section shall become  
25 effective unless it has been promulgated pursuant to the provisions of chapter 536, RSMo. All  
26 rulemaking authority delegated prior to June 27, 1997, is of no force and effect and repealed;  
27 however, nothing in this section shall be interpreted to repeal or affect the validity of any rule filed or  
28 adopted prior to June 27, 1997, if such rule complied with the provisions of chapter 536, RSMo.  
29 The provisions of this section and chapter 536, RSMo, are nonseverable and if any of the powers  
30 vested with the general assembly pursuant to chapter 536, RSMo, including the ability to review, to  
31 delay the effective date, or to disapprove and annul a rule or portion of a rule, are subsequently held  
32 unconstitutional, then the purported grant of rulemaking authority and any rule so proposed and  
33 contained in the order of rulemaking shall be invalid and void.

34 6. The aggregate of all tax credits authorized pursuant to this section shall not exceed [nine]  
35 ten million [seven hundred thousand] dollars in any calendar year. In the event that total eligible  
36 claims for credits received in a calendar year exceed the annual cap, each eligible claimant shall be  
37 issued credits based upon the following formula: the eligible credits if the annual cap had not been  
38 exceeded multiplied by the ratio of the annual cap divided by the total of all eligible claims for  
39 credits filed in that calendar year.

40 7. [For all tax years beginning on or after January 1, 2005, no tax credits shall be approved,  
41 awarded, or issued to any person or entity claiming any tax credit under this section] No one

1 taxpayer shall be issued more than thirty percent of the aggregate of all tax credits authorized under  
2 this section in any calendar year."; and"; and

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4 Further amend said bill by amending the title, enacting clause, and intersectional references  
5 accordingly.