

FIRST REGULAR SESSION

HOUSE BILL NO. 850

97TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES MCCAHERTY (Sponsor), MAY, OTTO, MAYFIELD, NICHOLS,
HINSON, CROSS, FRAKER, REMOLE, MONTECILLO, REDMON, CIERPIOT,
BERRY AND TORPEY (Co-sponsors).

2051L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 620, RSMo, by adding thereto one new section relating to the bring jobs home act.

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

Section A. Chapter 620, RSMo, is amended by adding thereto one new section, to be
2 known as section 620.2425, to read as follows:

**620.2425. 1. This section shall be known and may be cited as the "Bring Jobs
2 Home Act".**

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

4 (1) "Business unit":

5 (a) Any trade or business; and

6 (b) Any line of business, or functional unit, which is part of any trade or business;

7 (2) "Eligible expenses":

**8 (a) Any amount for which a deduction is allowed to the taxpayer under Section 162
9 of the Internal Revenue Code of 1986, as amended; and**

**10 (b) Permit and license fees, lease brokerage fees, equipment installation costs and
11 other similar expenses.**

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**13 Such term does not include any compensation which is paid or incurred in connection with
14 severance from employment and any similar amount;**

15 (3) "Eligible insourcing expenses":

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.

16 (a) Eligible expenses paid or incurred by the taxpayer in connection with the
17 elimination of any business unit of the taxpayer (or of any member of any expanded
18 affiliated group in which the taxpayer is also a member) located outside the state of
19 Missouri; and

20 (b) Eligible expenses paid or incurred by the taxpayer in connection with the
21 establishment of any business unit of the taxpayer (or of any member of any expanded
22 affiliated group in which the taxpayer is also a member) located within the state of
23 Missouri

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25 if such establishment constitutes the relocation of business unit so eliminated. For
26 purposes of this subdivision, a relocation shall not be treated as failing to occur merely
27 because such elimination occurs in a different taxable year than such establishment;

28 (4) "Expanded affiliated group", an affiliated group as defined in Section 1504(a)
29 of the Internal Revenue Code of 1986, as amended, determined without regard to Section
30 1504(b)(3) of the Internal Revenue Code of 1986, as amended, and by substituting more
31 than fifty percent for at least eighty percent each place it appears in Section 1504(a) of the
32 Internal Revenue Code of 1986, as amended. A partnership or any other entity (other than
33 a corporation) shall be treated as a member of an expanded affiliated group if such entity
34 is controlled by members of such group (including any entity treated as a member of such
35 group by reason of this subdivision);

36 (5) "Expenses shall be under insourcing plan", amounts that shall be taken into
37 account under subdivision (3) of this subsection only to the extent that such amounts are
38 paid or incurred under a written plan to carry out the relocation described in subdivision
39 (3) of this subsection.

40 3. The insourcing expenses credit for any taxable year is an amount equal to twenty
41 percent of the eligible insourcing expenses of the taxpayer which are taken into account in
42 such taxable year under subsection 5 of this section.

43 4. No credit shall be allowed under this section unless the number of full-time
44 equivalent employees of the taxpayer for the taxable year for which the credit is claimed
45 exceeds the number of full-time equivalent employees of the taxpayer for the last taxable
46 year ending before the first taxable year in which such eligible insourcing expenses were
47 paid or incurred. For purposes of this subsection, full-time equivalent employees has the
48 meaning given such term under Section 45R(d) of the Internal Revenue Code of 1986, as
49 amended, (and the applicable rules of Section 45R(e) of the Internal Revenue Code of 1986,
50 as amended), determined by only taking into account wages (as otherwise defined in

51 **Section 45R(e) of the Internal Revenue Code of 1986, as amended), paid with respect to**
52 **services performed within Missouri.**

53 **5. (1) Except as provided in subdivision (2) of this subsection, eligible insourcing**
54 **expenses shall be taken into account in the taxable year during which the plan described**
55 **in subdivision (5) of subsection 2 of this section has been completed and all eligible**
56 **insourcing expenses under such plan have been paid or incurred.**

57 **(2) If the taxpayer elects the application of this subdivision, eligible insourcing**
58 **expenses shall be taken into account in the first taxable year after the taxable year**
59 **described in subdivision (1) of this subsection.**

60 **6. Notwithstanding any provision of law, no deduction shall be allowed for any**
61 **expenses incurred when dissolving a business unit in Missouri and relocating such business**
62 **unit to another state.**

63 **7. The department of economic development and the department of revenue shall**
64 **promulgate rules to implement the provisions of this section. Any rule or portion of a rule,**
65 **as that term is defined in section 536.010, that is created under the authority delegated in**
66 **this section shall become effective only if it complies with and is subject to all of the**
67 **provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536**
68 **are nonseverable and if any of the powers vested with the general assembly pursuant to**
69 **chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are**
70 **subsequently held unconstitutional, then the grant of rulemaking authority and any rule**
71 **proposed or adopted after August 28, 2013, shall be invalid and void.**

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