

HB 698 -- Tax Incentives

Sponsor: Zerr

This bill revises the total amount that may be annually authorized on several tax credit programs, extends the expiration date on specified tax credits, and requires all tax credits with a statutory amount limit to be reviewed by the General Assembly every five years.

In its main provisions, the bill, for fiscal years beginning on or after July 1, 2014,:

(1) Reduces, from \$6 million to \$4 million, the maximum amount of credits that can be annually authorized for the Neighborhood Assistance Tax Credit (Section 32.115, RSMo);

(2) Reduces, from \$10 million to \$6 million, the maximum amount of credits that can be annually authorized for the Affordable Housing Tax Credit (Section 32.111);

(3) Reduces, from \$25 million to \$20 million, the maximum amount of credits that can be annually authorized for the Business Use Incentives for Large-Scale Development Tax Credit (Section 100.850);

(4) Increases, from \$6 million to \$30 million, the maximum amount of credits that can be authorized in each fiscal year for the Low income Housing Tax Credit for projects financed through tax-exempt bond insurance and specifies that up to \$130 million can be authorized for tax credits on projects that are not financed through tax exempt bond insurance for which there is currently not a maximum amount. The bill also prohibits a taxpayer that receives this credit from being eligible to receive a Historic Preservation Tax Credit for the same project (Section 135.352);

(5) Reduces, from \$16 million to \$12 million, the maximum amount of credits that can be annually authorized for the Rehabilitation and Construction of Residences in Distressed Communities and Census Blocks Tax Credit (Section 135.484);

(6) Reduces, from \$10 million to \$2 million, the maximum amount that can be annually authorized for the Relocating a Business to a Distressed Community Tax Credit (Section 135.535);

(7) Reduces, from \$3 million to \$1 million, the maximum amount that can be annually authorized for the Qualified Beef Tax Credit (Section 135.679);

(8) Specifies that the maximum amount that can be annually authorized for the Grape and Wine Producers Tax Credit is \$200,000. Currently, there is no maximum amount (Section 135.700);

(9) Extends the expiration date of the provisions regarding the Alternative Fuel Vehicle Refueling Property Tax Credit sunset is extended from August 28, 2014, to August 28, 2019 (Section 135.710);

(10) Reduces, from \$4,500,000 to \$3,500,000 the maximum amount that can be annually authorized for the Film Production Companies Tax Credit and extends the expiration date of the provisions from November 28, 2013, to August 28, 2019 (Section 135.750);

(11) Reduces, from \$24 million to \$19 million, the maximum amount that can be annually authorized for the Enhanced Enterprise Zone Tax Credit (Section 135.967);

(12) Specifies that the provisions regarding the health insurance income tax deduction for certain self employed individuals will expire August 28, 2019 (Section 143.119);

(13) Reduces, from \$140 million to \$120 million, the maximum amount that can be authorized in each fiscal year for the Historic Structures Rehabilitation Tax Credit for projects of \$275,000 or more and specifies that the maximum amount that can be authorized in each fiscal year for projects under \$275,000 is \$20 million (Section 253.550); and

(14) Reduces, from \$80 million to \$70 million, the maximum amount that can be annually authorized for the Missouri Quality Jobs Tax Credit (Section 620.1881).

Beginning on January 1, 2014, the bill requires all tax credits that are subject to a statutory limitation on the total amount authorized to be reviewed every five years by the General Assembly. Following review, unless reaffirmed by a resolution from the House of Representatives or the Senate, the total aggregate amount authorized must be reduced by 5%.