

House _____ Amendment NO. _____

Offered By

AMEND House Committee Substitute for House Bill No. 1695, Page 1, Section A, Line 2, by inserting after all of said section and line the following:

"135.686. 1. This section shall be known and may be cited as the "Meat Processing Facility Investment Tax Credit Act".

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

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

(2) "Meat processing facility", any commercial plant, as defined under section 265.300, at which livestock are slaughtered or at which meat or meat products are processed for sale commercially and for human consumption;

(3) "Meat processing modernization or expansion", constructing, improving, or acquiring buildings or facilities, or acquiring equipment for meat processing including the following, if used exclusively for meat processing and if acquired and placed in service in this state during tax years beginning on or after January 1, 2017, but ending on or before December 31, ~~2024~~ 2028:

(a) Building construction including livestock handling, product intake, storage, and warehouse facilities;

(b) Building additions;

(c) Upgrades to utilities including water, electric, heat, refrigeration, freezing, and waste facilities;

(d) Livestock intake and storage equipment;

(e) Processing and manufacturing equipment including cutting equipment, mixers, grinders, sausage stuffers, meat smokers, curing equipment, cooking equipment, pipes, motors, pumps, and valves;

(f) Packaging and handling equipment including sealing, bagging, boxing, labeling, conveying, and product movement equipment;

(g) Warehouse equipment including storage and curing racks;

(h) Waste treatment and waste management equipment including tanks, blowers, separators, dryers, digesters, and equipment that uses waste to produce energy, fuel, or industrial products;

(i) Computer software and hardware used for managing the claimant's meat processing operation including software and hardware related to logistics, inventory management, production plant controls, and temperature monitoring controls; and

(j) Construction or expansion of retail facilities or the purchase or upgrade of retail equipment for the commercial sale of meat products if the retail facility is located at the same location as the meat processing facility;

(4) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding

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1 withholding tax imposed under sections 143.191 to 143.265, or otherwise due under chapter 147;

2 (5) "Taxpayer", any individual or entity who:

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

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

7 (c) Owns a meat processing facility located in this state and employs a combined total of
8 fewer than five hundred individuals in all meat processing facilities owned by the individual or
9 entity in this country;

10 (6) "Used exclusively", used to the exclusion of all other uses except for use not exceeding
11 five percent of total use.

12 3. For all tax years beginning on or after January 1, 2017, but ending on or before December
13 31, ~~[2024]~~ 2028, a taxpayer shall be allowed a tax credit for meat processing modernization or
14 expansion related to the taxpayer's meat processing facility. The tax credit amount shall be equal to
15 twenty-five percent of the amount the taxpayer paid in the tax year for meat processing
16 modernization or expansion.

17 4. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state
18 tax liability for the tax year for which the credit is claimed. No tax credit claimed under this section
19 shall be refundable. The tax credit shall be claimed in the tax year in which the meat processing
20 modernization or expansion expenses were paid, but any amount of credit that the taxpayer is
21 prohibited by this section from claiming in a tax year may be carried forward to any of the
22 taxpayer's four subsequent tax years. The total amount of tax credits that any taxpayer may claim
23 shall not exceed seventy-five thousand dollars per year. If two or more persons own and operate the
24 meat processing facility, each person may claim a credit under this section in proportion to ~~[his or~~
25 ~~her]~~ such person's ownership interest; except that, the aggregate amount of the credits claimed by all
26 persons who own and operate the meat processing facility shall not exceed seventy-five thousand
27 dollars per year. The amount of tax credits authorized in this section ~~[and section 135.679]~~ in a
28 calendar year shall not exceed two million dollars. Tax credits shall be issued on an as-received
29 application basis until the calendar year limit is reached. Any credits not issued in any calendar year
30 shall expire and shall not be issued in any subsequent year.

31 5. To claim the tax credit allowed under this section, the taxpayer shall submit to the
32 authority an application for the tax credit on a form provided by the authority and any application
33 fee imposed by the authority. The application shall be filed with the authority at the end of each
34 calendar year in which a meat processing modernization or expansion project was completed and for
35 which a tax credit is claimed under this section. The application shall include any certified
36 documentation, proof of meat processing modernization or expansion, and any other information
37 required by the authority. All required information obtained by the authority shall be confidential
38 and not disclosed except by court order, subpoena, or as otherwise provided by law. If the taxpayer
39 and the meat processing modernization or expansion meet all criteria required by this section and
40 approval is granted by the authority, the authority shall issue a tax credit certificate in the
41 appropriate amount. Tax credit certificates issued under this section may be assigned, transferred,
42 sold, or otherwise conveyed, and the new owner of the tax credit certificate shall have the same
43 rights in the tax credit as the original taxpayer. If a tax credit certificate is assigned, transferred,
44 sold, or otherwise conveyed, a notarized endorsement shall be filed with the authority specifying the
45 name and address of the new owner of the tax credit certificate and the value of the tax credit.

46 6. Any information provided under this section shall be confidential information, to be
47 shared with no one except state and federal animal health officials, except as provided in subsection
48 5 of this section.

49 7. The authority shall promulgate rules establishing a process for verifying that a facility's

1 modernization or expansion for which tax credits were allowed under this section has in fact
2 expanded the facility's production within three years of the issuance of the tax credit and if not, the
3 authority shall promulgate through rulemaking a process by which the taxpayer shall repay the
4 authority an amount equal to that of the tax credit allowed.

5 8. The authority shall, at least annually, submit a report to the Missouri general assembly
6 reviewing the costs and benefits of the program established under this section.

7 9. The authority may promulgate rules to implement the provisions of this section. Any rule
8 or portion of a rule, as that term is defined in section 536.010, that is created under the authority
9 delegated in this section shall become effective only if it complies with and is subject to all of the
10 provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are
11 nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to
12 review, to delay the effective date, or to disapprove and annul a rule are subsequently held
13 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after
14 August 28, 2016, shall be invalid and void.

15 10. This section shall not be subject to the Missouri sunset act, sections 23.250 to 23.298.";
16 and

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18 Further amend said bill, Page 2, Section 135.755, Line 49, by inserting after all of said section and
19 line the following:

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21 "348.436. The provisions of sections 348.430 to 348.436 shall expire December 31, [2024]
22 2028."; and

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