

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 327
94TH GENERAL ASSEMBLY

Reported from the Committee on Economic Development, Tourism and Local Government, March 29, 2007, with recommendation that the Senate Committee Substitute do pass.

1217S.06C

TERRY L. SPIELER, Secretary.

AN ACT

To repeal sections 32.105, 32.115, 100.286, 135.460, 135.478, 135.500, 135.535, 135.545, 135.550, 135.600, 135.630, 135.750, 135.950, 135.963, 135.967, 135.1150, 173.196, 173.796, 178.895, 178.896, 208.750, 348.300, 620.495, 620.638, 620.1039, 620.1878, and 620.1881, RSMo, and to enact in lieu thereof thirty-two new sections relating to certain economic development programs.

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

Section A. Sections 32.105, 32.115, 100.286, 135.460, 135.478, 135.500, 135.535, 135.545, 135.550, 135.600, 135.630, 135.750, 135.950, 135.963, 135.967, 135.1150, 173.196, 173.796, 178.895, 178.896, 208.750, 348.300, 620.495, 620.638, 620.1039, 620.1878, and 620.1881, RSMo, are repealed and thirty-two new sections enacted in lieu thereof, to be known as sections 32.105, 32.115, 99.1200, 100.286, 135.460, 135.478, 135.500, 135.535, 135.545, 135.550, 135.562, 135.600, 135.630, 135.662, 135.750, 135.950, 135.963, 135.967, 135.1150, 144.054, 173.196, 173.796, 178.715, 178.895, 178.896, 208.750, 348.300, 620.495, 620.638, 620.1039, 620.1878, and 620.1881, to read as follows:

32.105. As used in sections 32.100 to 32.125, the following terms mean:

(1) "Affordable housing assistance activities", money, real or personal property, or professional services expended or devoted to the construction, or rehabilitation of affordable housing units;

(2) "Affordable housing unit", a residential unit generally occupied by persons and families with incomes at or below the levels described in this subdivision and bearing a cost to the occupant no greater than thirty percent of

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

8 the maximum eligible household income for the affordable housing unit. In the
 9 case of owner-occupied units, the cost to the occupant shall be considered the
 10 amount of the gross monthly mortgage payment, including casualty insurance,
 11 mortgage insurance, and taxes. In the case of rental units, the cost to the
 12 occupant shall be considered the amount of the gross rent. The cost to the
 13 occupant shall include the cost of any utilities, other than telephone. If any
 14 utilities are paid directly by the occupant, the maximum cost that may be paid
 15 by the occupant is to be reduced by a utility allowance prescribed by the
 16 commission. Persons or families are eligible occupants of affordable housing units
 17 if the household combined, adjusted gross income as defined by the commission
 18 is equal to or less than the following percentages of the median family income for
 19 the geographic area in which the residential unit is located, or the median family
 20 income for the state of Missouri, whichever is larger; ("geographic area" means
 21 the metropolitan area or county designated as an area by the federal Department
 22 of Housing and Urban Development under Section 8 of the United States Housing
 23 Act of 1937, as amended, for purposes of determining fair market rental rates):

	Percent of State or
	Geographic Area Family
Size of Household	Median Income
One Person	35%
Two Persons	40%
Three Persons	45%
Four Persons	50%
Five Persons	54%
Six Persons	58%
Seven Persons	62%
Eight Persons	66%

35 (3) "Business firm", person, firm, a partner in a firm, corporation or a
 36 shareholder in an S corporation doing business in the state of Missouri and
 37 subject to the state income tax imposed by the provisions of chapter 143, RSMo,
 38 **including any charitable organization that is exempt from federal**
 39 **income tax and whose Missouri unrelated business taxable income, if**
 40 **any, would be subject to the state income tax imposed under such**
 41 **chapter**, or a corporation subject to the annual corporation franchise tax imposed
 42 by the provisions of chapter 147, RSMo, or an insurance company paying an
 43 annual tax on its gross premium receipts in this state, or other financial

44 institution paying taxes to the state of Missouri or any political subdivision of
45 this state pursuant to the provisions of chapter 148, RSMo, or an express
46 company which pays an annual tax on its gross receipts in this state;

47 (4) "Commission", the Missouri housing development commission;

48 (5) "Community services", any type of counseling and advice, emergency
49 assistance or medical care furnished to individuals or groups in the state of
50 Missouri or transportation services at below-cost rates as provided in sections
51 208.250 to 208.275, RSMo;

52 (6) "Crime prevention", any activity which aids in the reduction of crime
53 in the state of Missouri;

54 (7) "Defense industry contractor", a person, corporation or other entity
55 which will be or has been negatively impacted as a result of its status as a prime
56 contractor of the Department of Defense or as a second or third tier contractor.
57 A "second tier contractor" means a person, corporation or other entity which
58 contracts to perform manufacturing, maintenance or repair services for a prime
59 contractor of the Department of Defense, and a "third tier contractor" means a
60 person, corporation or other entity which contracts with a person, corporation or
61 other entity which contracts with a prime contractor of the Department of
62 Defense;

63 (8) "Doing business", among other methods of doing business in the state
64 of Missouri, a partner in a firm or a shareholder in an S corporation shall be
65 deemed to be doing business in the state of Missouri if such firm or S corporation,
66 as the case may be, is doing business in the state of Missouri;

67 (9) "Economic development", the acquisition, renovation, improvement, or
68 the furnishing or equipping of existing buildings and real estate in distressed or
69 blighted areas of the state when such acquisition, renovation, improvement, or
70 the furnishing or equipping of the business development projects will result in the
71 creation or retention of jobs within the state; or, until June 30, 1996, a defense
72 conversion pilot project located in a standard metropolitan statistical area which
73 contains a city with a population of at least three hundred fifty thousand
74 inhabitants, which will assist Missouri-based defense industry contractors in
75 their conversion from predominately defense-related contracting to
76 nondefense-oriented manufacturing. Only neighborhood organizations, as defined
77 in subdivision (13) of this section, may apply to conduct economic development
78 projects. Prior to the approval of an economic development project, the
79 neighborhood organization shall enter into a contractual agreement with the

80 department of economic development. Credits approved for economic development
81 projects may not exceed four million dollars from within any one fiscal year's
82 allocation, except that for fiscal years 2005, 2006, and 2007 credits approved for
83 economic development projects shall not exceed six million dollars. Neighborhood
84 assistance program tax credits for economic development projects and affordable
85 housing assistance as defined in section 32.111 may be transferred, sold or
86 assigned by a notarized endorsement thereof naming the transferee;

87 (10) "Education", any type of scholastic instruction or scholarship
88 assistance to an individual who resides in the state of Missouri that enables the
89 individual to prepare himself or herself for better opportunities or community
90 awareness activities rendered by a statewide organization established for the
91 purpose of archeological education and preservation;

92 (11) "Homeless assistance pilot project", the program established pursuant
93 to section 32.117;

94 (12) "Job training", any type of instruction to an individual who resides
95 in the state of Missouri that enables the individual to acquire vocational skills so
96 that the individual can become employable or be able to seek a higher grade of
97 employment;

98 (13) "Neighborhood organization", any organization performing community
99 services or economic development activities in the state of Missouri and:

100 (a) Holding a ruling from the Internal Revenue Service of the United
101 States Department of the Treasury that the organization is exempt from income
102 taxation pursuant to the provisions of the Internal Revenue Code; or

103 (b) Incorporated in the state of Missouri as a not-for-profit corporation
104 pursuant to the provisions of chapter 355, RSMo; or

105 (c) Designated as a community development corporation by the United
106 States government pursuant to the provisions of Title VII of the Economic
107 Opportunity Act of 1964;

108 (14) "Physical revitalization", furnishing financial assistance, labor,
109 material, or technical advice to aid in the physical improvement or rehabilitation
110 of any part or all of a neighborhood area;

111 (15) "S corporation", a corporation described in Section 1361(a)(1) of the
112 United States Internal Revenue Code and not subject to the taxes imposed by
113 section 143.071, RSMo, by reason of section 143.471, RSMo;

114 (16) "Workfare renovation project", any project initiated pursuant to
115 sections 215.340 to 215.355, RSMo.

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

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

5 (2) The tax on banks determined pursuant to subdivision (2) of subsection
6 2 of section 148.030, RSMo;

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

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

10 (5) The corporation franchise tax in chapter 147, RSMo;

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

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

14 2. For proposals approved pursuant to section 32.110:

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

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

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

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

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

32 (c) A standard metropolitan statistical area and a substantial number of
33 persons in such county derive their income from agriculture.

34 Such community may also be in an unincorporated area in such county as
35 provided in subdivision (1), (2) or (3) of this subsection. Except in no case shall
36 the total economic benefit of the combined federal and state tax savings to the

37 taxpayer exceed the amount contributed by the taxpayer during the tax year;

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

59 (5) The credit may exceed two hundred fifty thousand dollars annually
60 and shall not be limited if community services, crime prevention, education, job
61 training, physical revitalization or economic development, as defined by section
62 32.105, is rendered in an area defined by federal or state law as an impoverished,
63 economically distressed, or blighted area or as a neighborhood experiencing
64 problems endangering its existence as a viable and stable neighborhood, or if the
65 community services, crime prevention, education, job training, physical
66 revitalization or economic development is limited to impoverished persons.

67 3. For proposals approved pursuant to section 32.111:

68 (1) The amount of the tax credit shall not exceed fifty-five percent of the
69 total amount invested in affordable housing assistance activities or market rate
70 housing in distressed communities as defined in section 135.530, RSMo, by a
71 business firm. Whenever such investment is made in the form of an equity
72 investment or a loan, as opposed to a donation alone, tax credits may be claimed

73 only where the loan or equity investment is accompanied by a donation which is
74 eligible for federal income tax charitable deduction, and where the total value of
75 the tax credits herein plus the value of the federal income tax charitable
76 deduction is less than or equal to the value of the donation. Any tax credit not
77 used in the period for which the credit was approved may be carried over the next
78 ten succeeding calendar or fiscal years until the full credit has been allowed. If
79 the affordable housing units or market rate housing units in distressed
80 communities for which a tax is claimed are within a larger structure, parts of
81 which are not the subject of a tax credit claim, then expenditures applicable to
82 the entire structure shall be reduced on a prorated basis in proportion to the ratio
83 of the number of square feet devoted to the affordable housing units or market
84 rate housing units in distressed communities, for purposes of determining the
85 amount of the tax credit. The total amount of tax credit granted for programs
86 approved pursuant to section 32.111 for the fiscal year beginning July 1, 1991,
87 shall not exceed two million dollars, to be increased by no more than two million
88 dollars each succeeding fiscal year, until the total tax credits that may be
89 approved reaches ten million dollars in any fiscal year;

90 (2) For any year during the compliance period indicated in the land use
91 restriction agreement, the owner of the affordable housing rental units for which
92 a credit is being claimed shall certify to the commission that all tenants renting
93 claimed units are income eligible for affordable housing units and that the rentals
94 for each claimed unit are in compliance with the provisions of sections 32.100 to
95 32.125. The commission is authorized, in its discretion, to audit the records and
96 accounts of the owner to verify such certification;

97 (3) In the case of owner-occupied affordable housing units, the qualifying
98 owner occupant shall, before the end of the first year in which credits are
99 claimed, certify to the commission that the occupant is income eligible during the
100 preceding two years, and at the time of the initial purchase contract, but not
101 thereafter. The qualifying owner occupant shall further certify to the commission,
102 before the end of the first year in which credits are claimed, that during the
103 compliance period indicated in the land use restriction agreement, the cost of the
104 affordable housing unit to the occupant for the claimed unit can reasonably be
105 projected to be in compliance with the provisions of sections 32.100 to
106 32.125. Any succeeding owner occupant acquiring the affordable housing unit
107 during the compliance period indicated in the land use restriction agreement
108 shall make the same certification;

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

122 4. For proposals approved pursuant to section 32.112, the amount of the
123 tax credit shall not exceed fifty-five percent of the total amount contributed to a
124 neighborhood organization by business firms. Any tax credit not used in the
125 period for which the credit was approved may be carried over the next ten
126 succeeding calendar or fiscal years until the full credit has been allowed. The
127 total amount of tax credit granted for programs approved pursuant to section
128 32.112 shall not exceed one million dollars for each fiscal year.

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

133 **6. Notwithstanding any other law to the contrary, any tax credits**
134 **granted under this section may be assigned, transferred, sold, or**
135 **otherwise conveyed without consent or approval.**

99.1200. 1. This section shall be known and may be cited as the
2 **"Distressed Areas Land Assemblage Tax Credit Act".**

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

4 **(1) "Acquisition costs", all costs and expenses incurred in the**
5 **acquisition of an eligible parcel. Acquisition costs include, but are not**
6 **limited to, the purchase price for the eligible parcel, costs for title**
7 **insurance and survey, attorney's fees, costs of environmental**
8 **assessments, closing costs, real estate brokerage fees, demolition costs**
9 **of vacant structures, relocation costs, and maintenance costs incurred**

10 to maintain an acquired eligible parcel for a period of five years after
11 the acquisition of such eligible parcel;

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

14 (a) Incurred, within an eligible project area, acquisition costs for
15 the acquisition of land sufficient to satisfy the requirements under
16 subdivision (8) of subsection 2 of this section; and

17 (b) Been appointed or selected by a municipal authority as a
18 redeveloper or similar designation under an economic incentive act to
19 redevelop an urban renewal area or a redevelopment area that includes
20 all of an eligible project area or whose redevelopment plan or
21 redevelopment area, which encompasses all of an eligible project area,
22 has been approved or adopted under an economic incentive act;

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

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

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

34 (6) "Economic incentive acts", any provision of Missouri law
35 pursuant to which economic incentives are provided to redevelopers of
36 a parcel or parcels to redevelop the land, such as tax abatement or
37 payments in lieu of taxes, or redevelopment plans or redevelopment
38 projects approved or adopted which include the use of economic
39 incentives to redevelop the land. Economic incentive acts include, but
40 are not limited to, the Land Clearance for Redevelopment Authority
41 Law, the Real Property Tax Increment Allocation Redevelopment Act,
42 the Missouri Downtown and Rural Economic Stimulus Act, and the
43 Downtown Revitalization Preservation Program;

44 (7) "Eligible parcel", a parcel which is located within an eligible
45 project area and which has been acquired without the commencement
46 of any condemnation proceedings with respect to such parcel brought

47 by or on behalf of the applicant. Any parcel acquired by the applicant
48 from a municipal authority shall not constitute an eligible parcel;

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

51 (a) The eligible project area shall consist of:

52 a. Thirty acres for cities, towns, and villages with populations of
53 seventy-five thousand or less; or

54 b. Seventy-five acres for all other municipalities;

55 (b) At least eighty percent of the eligible project area shall be
56 located within a Missouri qualified census tract area as designated by
57 the United States Department of Housing and Urban Development
58 under 26 U.S.C. Section 42;

59 (c) The eligible parcels acquired by the applicant within the
60 eligible project area shall total at least:

61 a. Twenty acres for cities, towns, and villages with populations
62 of seventy-five thousand or less; or

63 b. Fifty acres for all other municipalities;

64 (d) With respect to an eligible project area within a city, town,
65 or village, the average number of parcels per acre in an eligible project
66 area shall be:

67 a. At least two and one-half for cities, towns, and villages with
68 populations of seventy-five thousand or less; or

69 b. Four for all other cities, towns, and villages;

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

77 (9) "Interest costs", all costs and expenses of an applicant for
78 loans incurred by such applicant to finance the acquisition of an
79 eligible parcel. Interest costs include, but are not limited to, interest,
80 loan fees, closing costs, and attorneys' fees;

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

84 (11) "Municipality", any city, town, village, or county; and
85 (12) "Parcel", a single lot or tract of land, and the improvements
86 thereon, owned by, or recorded as the property of, one or more persons
87 or entities.

88 3. Any applicant shall be entitled to a credit against the taxes
89 imposed under chapters 143, 147, and 148, RSMo, except for sections
90 143.191 to 143.265, RSMo, in an amount equal to fifty percent of the
91 acquisition costs, and one hundred percent of the interest costs
92 incurred for a period of five years after the acquisition of an eligible
93 parcel. No tax credits shall be issued under this section until after
94 January 1, 2008.

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

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

117 6. To claim credits authorized under this section, an applicant
118 shall submit to the department an application for a certificate. An
119 applicant shall identify the boundaries of the eligible project area in
120 the application. The department shall verify that the applicant has

121 submitted a valid application in the form and format required by the
122 department. On an annual basis, an applicant may file for the credit
123 for the acquisition costs, and for the credit for the interest costs,
124 subject to the limitations of this section. If an applicant applying for
125 the tax credit meets the criteria required under this section, the
126 department shall issue a certificate in the appropriate amount.

127 7. The total aggregate amount of tax credits to be issued under
128 this section shall not exceed one hundred million dollars. At no time
129 shall the annual amount of the tax credits issued under this section
130 exceed twelve million dollars. If the tax credits that are to be issued
131 under this section exceed, in any year, the twelve million dollar
132 limitation, the department shall either:

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

136 (2) Issue the tax credits on a pro rata basis to all applicants
137 entitled to receive tax credits in that year. Any amount of tax credits,
138 which an applicant is, or applicants are, entitled to receive on an
139 annual basis and are not issued due to the twelve million dollar
140 limitation, shall be carried forward for the benefit of the applicant or
141 applicants to subsequent years.

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

153 9. Under section 23.253, RSMo, of the Missouri sunset act:

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

157 (2) If such program is reauthorized, the program authorized

158 **under this section shall automatically sunset six years after the**
159 **effective date of the reauthorization of this section; and**

160 **(3) This section shall terminate on September first of the**
161 **calendar year immediately following the calendar year in which the**
162 **program authorized under this section is sunset.**

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

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

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

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

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

15 (5) Does not exceed five million dollars;

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

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

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

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

32 reserve fund, the infrastructure development fund or the export finance fund, the
33 participating lender shall certify the same and forward the application for final
34 approval to the board.

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

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

44 6. Any taxpayer, **including any charitable organization that is**
45 **exempt from federal income tax and whose Missouri unrelated business**
46 **taxable income, if any, would be subject to the state income tax**
47 **imposed under chapter 143, RSMo,** shall be entitled to a tax credit against
48 any tax otherwise due under the provisions of chapter 143, RSMo, excluding
49 withholding tax imposed by sections 143.191 to 143.261, RSMo, chapter 147,
50 RSMo, or chapter 148, RSMo, in the amount of fifty percent of any amount
51 contributed in money or property by the taxpayer to the development and reserve
52 fund, the infrastructure development fund or the export finance fund during the
53 taxpayer's tax year, provided, however, the total tax credits awarded in any
54 calendar year beginning after January 1, 1994, shall not be the greater of ten
55 million dollars or five percent of the average growth in general revenue receipts
56 in the preceding three fiscal years. This limit may be exceeded only upon joint
57 agreement by the commissioner of administration, the director of the department
58 of economic development, and the director of the department of revenue that such
59 action is essential to ensure retention or attraction of investment in Missouri. If
60 the board receives, as a contribution, real property, the contributor at such
61 contributor's own expense shall have two independent appraisals conducted by
62 appraisers certified by the Master Appraisal Institute. Both appraisals shall be
63 submitted to the board, and the tax credit certified by the board to the
64 contributor shall be based upon the value of the lower of the two appraisals. The
65 board shall not certify the tax credit until the property is deeded to the
66 board. Such credit shall not apply to reserve participation fees paid by borrowers
67 under sections 100.250 to 100.297. The portion of earned tax credits which

68 exceeds the taxpayer's tax liability may be carried forward for up to five years.

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

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

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

79 The taxpayer acquiring earned credits, hereinafter the assignee for the purpose
80 of this subsection, may use the acquired credits to offset up to one hundred
81 percent of the tax liabilities otherwise imposed by chapter 143, RSMo, excluding
82 withholding tax imposed by sections 143.191 to 143.261, RSMo, chapter 147,
83 RSMo, or chapter 148, RSMo. Unused credits in the hands of the assignee may
84 be carried forward for up to five years, provided all such credits shall be claimed
85 within ten years following the tax years in which the contribution was made. The
86 assignor shall enter into a written agreement with the assignee establishing the
87 terms and conditions of the agreement and shall perfect such transfer by
88 notifying the board in writing within thirty calendar days following the effective
89 day of the transfer and shall provide any information as may be required by the
90 board to administer and carry out the provisions of this section. Notwithstanding
91 any other provision of law to the contrary, the amount received by the assignor
92 of such tax credit shall be taxable as income of the assignor, and the excess of the
93 par value of such credit over the amount paid by the assignee for such credit shall
94 be taxable as income of the assignee.

 135.460. 1. Section 135.460 and sections 620.1100 and 620.1103, RSMo,
2 shall be known and may be cited as the "Youth Opportunities and Violence
3 Prevention Act".

4 2. As used in this section, the term "taxpayer" shall include corporations
5 as defined in section 143.441 or 143.471, RSMo, and individuals, individual
6 proprietorships and partnerships.

7 3. A taxpayer shall be allowed a tax credit against the tax otherwise due
8 pursuant to chapter 143, RSMo, excluding withholding tax imposed by sections
9 143.191 to 143.265, RSMo, chapter 147, RSMo, chapter 148, RSMo, or chapter

10 153, RSMo, in an amount equal to thirty percent for property contributions and
11 fifty percent for monetary contributions of the amount such taxpayer contributed
12 to the programs described in subsection 5 of this section, not to exceed two
13 hundred thousand dollars per taxable year, per taxpayer; except as otherwise
14 provided in subdivision (5) of subsection 5 of this section. The department of
15 economic development shall prescribe the method for claiming the tax credits
16 allowed in this section. No rule or portion of a rule promulgated under the
17 authority of this section shall become effective unless it has been promulgated
18 pursuant to the provisions of chapter 536, RSMo. All rulemaking authority
19 delegated prior to June 27, 1997, is of no force and effect and repealed; however,
20 nothing in this section shall be interpreted to repeal or affect the validity of any
21 rule filed or adopted prior to June 27, 1997, if such rule complied with the
22 provisions of chapter 536, RSMo. The provisions of this section and chapter 536,
23 RSMo, are nonseverable and if any of the powers vested with the general
24 assembly pursuant to chapter 536, RSMo, including the ability to review, to delay
25 the effective date, or to disapprove and annul a rule or portion of a rule, are
26 subsequently held unconstitutional, then the purported grant of rulemaking
27 authority and any rule so proposed and contained in the order of rulemaking
28 shall be invalid and void.

29 4. The tax credits allowed by this section shall be claimed by the taxpayer
30 to offset the taxes that become due in the taxpayer's tax period in which the
31 contribution was made. Any tax credit not used in such tax period may be carried
32 over the next five succeeding tax periods. **Notwithstanding any other law to**
33 **the contrary, any tax credits granted under this section may be**
34 **assigned, transferred, sold, or otherwise conveyed without consent or**
35 **approval.**

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

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

45 (2) Expansion of programs to encourage school dropouts to reenter and

46 complete high school or to complete a graduate equivalency degree program;

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

50 (4) New or existing youth clubs or associations;

51 (5) Employment/internship/apprenticeship programs in business or trades
52 for persons less than twenty years of age, in which case the tax credit claimed
53 pursuant to this section shall be equal to one-half of the amount paid to the
54 intern or apprentice in that tax year, except that such credit shall not exceed ten
55 thousand dollars per person;

56 (6) Mentor and role model programs;

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

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

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

64 (10) Nonviolent conflict resolution and mediation programs;

65 (11) Youth outreach and counseling programs.

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

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

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

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

82 (1) The shareholders of the corporation described in section 143.471,
83 RSMo;

84 (2) The partners of the partnership;

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

86 (4) Individual members of the cooperative or marketing enterprise.

87 Such credits shall be apportioned to the entities described in subdivisions (1) and
88 (2) of this subsection in proportion to their share of ownership on the last day of
89 the taxpayer's tax period.

135.478. As used in sections 135.481 to 135.487, the following terms
2 mean:

3 (1) "Department", the department of economic development;

4 (2) "Director", the director of the department of economic development;

5 (3) "Distressed community", as defined in section 135.530;

6 (4) "Eligible costs for a new residence", expenses incurred for property
7 acquisition, development, site preparation other than demolition, surveys,
8 architectural and engineering services and construction and all other necessary
9 and incidental expenses incurred for constructing a new market rate residence,
10 which is or will be owner-occupied, which is not replacing a national register
11 listed or local historic structure; except that, costs paid for by the taxpayer with
12 grants or forgivable loans, other than tax credits, provided pursuant to state or
13 federal governmental programs are ineligible;

14 (5) "Eligible costs for rehabilitation", expenses incurred for the renovation
15 or rehabilitation of an existing residence including site preparation, surveys,
16 architectural and engineering services, construction, modification, expansion,
17 remodeling, structural alteration, replacements and alterations; except that, costs
18 paid for by the taxpayer with grants or forgivable loans other than tax credits
19 provided pursuant to state or federal governmental programs are ineligible;

20 (6) "Eligible residence", a single-family residence forty years of age or
21 older, located in this state and not within a distressed community as defined by
22 section 135.530, which is occupied or intended to be or occupied long-term by the
23 owner or offered for sale at market rate for owner-occupancy and which is either
24 located within a United States census block group which, if in a metropolitan
25 statistical area, has a median household income of less than ninety percent, but
26 greater than or equal to seventy percent of the median household income for the
27 metropolitan statistical area in which the census block group is located, or which,
28 if located within a United States census block group in a nonmetropolitan area,

29 has a median household income of less than ninety percent, but greater than or
30 equal to seventy percent of the median household income for the nonmetropolitan
31 areas in the state;

32 (7) "Flood plain", any land or area susceptible to being inundated by water
33 from any source or located in a one hundred-year flood plain area determined by
34 Federal Emergency Management Agency mapping as subject to flooding;

35 (8) "New residence", a residence constructed on land which if located
36 within a distressed community has either been vacant for at least two years or
37 is or was occupied by a structure which has been condemned by the local entity
38 in which the structure is located or which, if located outside of a distressed
39 community but within a census block group as described in subdivision (6) or (10)
40 of this section, either replaces a residence forty years of age or older demolished
41 for purposes of constructing a replacement residence, or which is constructed on
42 vacant property which has been classified for not less than forty continuous years
43 as residential or utility, commercial, railroad or other real property pursuant to
44 article X, section 4(b) of the Missouri Constitution, as defined in section 137.016,
45 RSMo; except that, no new residence shall be constructed in a flood plain or on
46 property used for agricultural purposes. In a distressed community, the term
47 "new residence" shall include condominiums, owner-occupied units or other units
48 intended to be owner-occupied in multiple unit structures;

49 (9) "Project", new construction, rehabilitation or substantial rehabilitation
50 of a residence that qualifies for a tax credit pursuant to sections 135.475 to
51 135.487;

52 (10) "Qualifying residence", a single-family residence, forty years of age
53 or older, located in this state which is occupied or intended to be occupied
54 long-term by the owner or offered for sale at market rate for owner-occupancy and
55 which is located in a metropolitan statistical area or nonmetropolitan statistical
56 area within a United States census block group which has a median household
57 income of less than seventy percent of the median household income for the
58 metropolitan statistical area or nonmetropolitan area, respectively, or which is
59 located within a distressed community. A qualifying residence shall include a
60 condominium or residence within a multiple residential structure or a structure
61 containing multiple single-family residences which is located within a distressed
62 community;

63 (11) "Substantial rehabilitation", rehabilitation the costs of which exceed
64 fifty percent of either the purchase price or the cost basis of the structure

65 immediately prior to rehabilitation; provided that, the structure is at least fifty
66 years old notwithstanding any provision of sections 135.475 to 135.487 to the
67 contrary;

68 (12) "Tax liability", the tax due pursuant to chapter 143, 147 or 148,
69 RSMo, other than taxes withheld pursuant to sections 143.191 to 143.265, RSMo;

70 (13) "Taxpayer", any person, partnership, corporation, trust [or], limited
71 liability company, **or any charitable organization which is exempt from**
72 **federal income tax and whose Missouri unrelated business taxable**
73 **income, if any, would be subject to the state income tax imposed under**
74 **chapter 143, RSMo.**

135.500. 1. Sections 135.500 to 135.529 shall be known and may be cited
2 as the "Missouri Certified Capital Company Law".

3 2. As used in sections 135.500 to 135.529, the following terms mean:

4 (1) "Affiliate of a certified company":

5 (a) Any person, directly or indirectly owning, controlling or holding power
6 to vote ten percent or more of the outstanding voting securities or other
7 ownership interests of the Missouri certified capital company;

8 (b) Any person ten percent or more of whose outstanding voting securities
9 or other ownership interest are directly or indirectly owned, controlled or held
10 with power to vote by the Missouri certified capital company;

11 (c) Any person directly or indirectly controlling, controlled by, or under
12 common control with the Missouri certified capital company;

13 (d) A partnership in which the Missouri certified capital company is a
14 general partner;

15 (e) Any person who is an officer, director or agent of the Missouri certified
16 capital company or an immediate family member of such officer, director or agent;

17 (2) "Applicable percentage", one hundred percent;

18 (3) "Capital in a qualified Missouri business", any debt, equity or hybrid
19 security, of any nature and description whatsoever, including a debt instrument
20 or security which has the characteristics of debt but which provides for conversion
21 into equity or equity participation instruments such as options or warrants which
22 are acquired by a Missouri certified capital company or a qualified investing
23 entity as a result of a transfer of cash to a business;

24 (4) "Certified capital", an investment of cash by an investor in a Missouri
25 certified capital company;

26 (5) "Certified capital company", any partnership, corporation, trust or

27 limited liability company, whether organized on a profit or not-for-profit basis,
28 that is located, headquartered and registered to conduct business in Missouri that
29 has as its primary business activity, the investment of cash in qualified Missouri
30 businesses, and which is certified by the department as meeting the criteria of
31 sections 135.500 to 135.529;

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

33 (7) "Director", the director of the department of economic development or
34 a person acting under the supervision of the director;

35 (8) "Investor", any insurance company that contributes cash;

36 (9) "Liquidating distribution", payments to investors or to the certified
37 capital company from earnings;

38 (10) "Person", any natural person or entity, including a corporation,
39 general or limited partnership, trust [or], limited liability company, **or any**
40 **charitable organization which is exempt from federal income tax and**
41 **whose Missouri unrelated business taxable income, if any, would be**
42 **subject to the state income tax imposed under chapter 143, RSMo;**

43 (11) "Qualified distribution", any distribution or payment to equity
44 holders of a certified capital company in connection with the following:

45 (a) Reasonable costs and expenses of forming, syndicating, managing and
46 operating the certified capital company;

47 (b) Management fees for managing and operating the certified capital
48 company; and

49 (c) Any increase in federal or state taxes, penalties and interest, including
50 those related to state and federal income taxes, of equity owners of a certified
51 capital company which related to the ownership, management or operation of a
52 certified capital company;

53 (12) "Qualified investing entity", any partnership, corporation, trust, or
54 limited liability company, whether organized on a for-profit or not-for-profit basis,
55 that:

56 (a) Is registered to do business in this state;

57 (b) Is a wholly owned subsidiary of a certified capital company or
58 otherwise affiliated with and under common control with a certified capital
59 company; and

60 (c) Has been designated as a qualified investing entity by such certified
61 capital company.

62 Such designation shall be effective upon delivery by the certified capital company

63 of written notice of the designation to the department. A qualified investing
64 entity may raise debt or equity capital for investment, but such capital shall not
65 be considered certified capital. Any qualified investment made by a qualified
66 investing entity after the effective date of this act shall be deemed to have been
67 made by a certified capital company that designated the qualified investing entity
68 as such; provided that no qualified investment may be deemed to have been made
69 by more than one certified capital company;

70 (13) "Qualified investment", the investment of cash by a Missouri certified
71 capital company or a qualified investing entity in such a manner as to acquire
72 capital in a qualified Missouri business;

73 (14) "Qualified Missouri business", an independently owned and operated
74 business, which is headquartered and located in Missouri and which is in need
75 of venture capital and cannot obtain conventional financing. Such business shall
76 have no more than two hundred employees, eighty percent of which are employed
77 in Missouri. Such business shall be involved in commerce for the purpose of
78 manufacturing, processing or assembling products, conducting research and
79 development, or providing services in interstate commerce, but excluding retail,
80 real estate, real estate development, insurance and professional services provided
81 by accountants, lawyers or physicians. At the time a certified capital company
82 or qualified investing entity makes an initial investment in a business, such
83 business shall be a small business concern that meets the requirements of the
84 United States Small Business Administration's qualification size standards for
85 its venture capital program, as defined in Section 13 CFR 121.301 (c) of the Small
86 Business Investment Act of 1958, as amended. Any business which is classified
87 as a qualified Missouri business at the time of the first investment in such
88 business by a Missouri certified capital company or qualified investing entity
89 shall, for a period of seven years from the date of such first investment, remain
90 classified as a qualified Missouri business and may receive follow-on investments
91 from any Missouri certified capital company or qualified investing entity and such
92 follow-on investments shall be qualified investments even though such business
93 may not meet the other qualifications of this subsection at the time of such
94 follow-on investments;

95 (15) "State premium tax liability", any liability incurred by an insurance
96 company pursuant to the provisions of section 148.320, 148.340, 148.370 or
97 148.376, RSMo, and any other related provisions, which may impose a tax upon
98 the premium income of insurance companies after January 1, 1997.

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

29 2. Employees of such facilities physically working and earning wages for
30 that work within a distressed community whose employers have been approved
31 for tax credits pursuant to subsection 1 of this section by the department of
32 economic development for whom payroll taxes are paid shall also be eligible to
33 receive a tax credit against individual income tax, imposed pursuant to chapter
34 143, RSMo, equal to one and one-half percent of their gross salary paid at such
35 facility earned for each of the three years that the facility receives the tax credit
36 provided by this section, so long as they were qualified employees of such

37 entity. The employer shall calculate the amount of such credit and shall report
38 the amount to the employee and the department of revenue.

39 3. A tax credit against income taxes owed pursuant to chapter 143, 147
40 or 148, RSMo, other than the taxes withheld pursuant to sections 143.191 to
41 143.265, RSMo, in lieu of the credit against income taxes as provided in
42 subsection 1 of this section, may be taken by such an entity in a distressed
43 community in an amount of forty percent of the amount of funds expended for
44 computer equipment and its maintenance, medical laboratories and equipment,
45 research laboratory equipment, manufacturing equipment, fiber optic equipment,
46 high speed telecommunications, wiring or software development expense up to a
47 maximum of seventy-five thousand dollars in tax credits for such equipment or
48 expense per year per entity and for each of three years after commencement in
49 or moving operations into a distressed community.

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

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

73 professional firm.

74 6. Tax credits shall be approved for applicants meeting the requirements
75 of this section in the order that such applications are received. Certificates of tax
76 credits issued in accordance with this section may be transferred, sold or assigned
77 by notarized endorsement which names the transferee.

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

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

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

 135.545. A taxpayer shall be allowed a credit for taxes paid pursuant to
2 chapter 143, 147 or 148, RSMo, in an amount equal to fifty percent of a qualified
3 investment in transportation development for aviation, mass transportation,

4 including parking facilities for users of mass transportation, railroads, ports,
5 including parking facilities and limited access roads within ports, waterborne
6 transportation, bicycle and pedestrian paths, or rolling stock located in a
7 distressed community as defined in section 135.530, and which are part of a
8 development plan approved by the appropriate local agency. If the department
9 of economic development determines the investment has been so approved, the
10 department shall grant the tax credit in order of date received. A taxpayer may
11 carry forward any unused tax credit for up to ten years and may carry it back for
12 the previous three years until such credit has been fully claimed. Certificates of
13 tax credit issued in accordance with this section may be transferred, sold or
14 assigned by notarized endorsement which names the transferee. The tax credits
15 allowed pursuant to this section shall be for an amount of no more than ten
16 million dollars for each year. This credit shall apply to returns filed for all
17 taxable years beginning on or after January 1, 1999. Any unused portion of the
18 tax credit authorized pursuant to this section shall be available for use in the
19 future by those entities until fully claimed. **For purposes of this section, a**
20 **"taxpayer" shall include any charitable organization that is exempt**
21 **from federal income tax and whose Missouri unrelated business taxable**
22 **income, if any, would be subject to the state income tax imposed under**
23 **chapter 143, RSMo.**

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

- 2 (1) "Contribution", a donation of cash, stock, bonds or other marketable
3 securities, or real property;
- 4 (2) "Shelter for victims of domestic violence", a facility located in this state
5 which meets the definition of a shelter for victims of domestic violence pursuant
6 to section 455.200, RSMo, and which meets the requirements of section 455.220,
7 RSMo;
- 8 (3) "State tax liability", in the case of a business taxpayer, any liability
9 incurred by such taxpayer pursuant to the provisions of chapter 143, RSMo,
10 chapter 147, RSMo, chapter 148, RSMo, and chapter 153, RSMo, exclusive of the
11 provisions relating to the withholding of tax as provided for in sections 143.191
12 to 143.265, RSMo, and related provisions, and in the case of an individual
13 taxpayer, any liability incurred by such taxpayer pursuant to the provisions of
14 chapter 143, RSMo;
- 15 (4) "Taxpayer", a person, firm, a partner in a firm, corporation or a
16 shareholder in an S corporation doing business in the state of Missouri and

17 subject to the state income tax imposed by the provisions of chapter 143, RSMo,
18 or a corporation subject to the annual corporation franchise tax imposed by the
19 provisions of chapter 147, RSMo, **including any charitable organization**
20 **which is exempt from federal income tax and whose Missouri unrelated**
21 **business taxable income, if any, would be subject to the state income**
22 **tax imposed under chapter 143, RSMo,** or an insurance company paying an
23 annual tax on its gross premium receipts in this state, or other financial
24 institution paying taxes to the state of Missouri or any political subdivision of
25 this state pursuant to the provisions of chapter 148, RSMo, or an express
26 company which pays an annual tax on its gross receipts in this state pursuant to
27 chapter 153, RSMo, or an individual subject to the state income tax imposed by
28 the provisions of chapter 143, RSMo.

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

32 3. The amount of the tax credit claimed shall not exceed the amount of the
33 taxpayer's state tax liability for the taxable year that the credit is claimed, and
34 such taxpayer shall not be allowed to claim a tax credit in excess of fifty thousand
35 dollars per taxable year. However, any tax credit that cannot be claimed in the
36 taxable year the contribution was made may be carried over to the next four
37 succeeding taxable years until the full credit has been
38 claimed. **Notwithstanding any other law to the contrary, any tax credits**
39 **granted under this section may be assigned, transferred, sold, or**
40 **otherwise conveyed without consent or approval.**

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

46 5. The director of the department of social services shall determine, at
47 least annually, which facilities in this state may be classified as shelters for
48 victims of domestic violence. The director of the department of social services
49 may require of a facility seeking to be classified as a shelter for victims of
50 domestic violence whatever information is reasonably necessary to make such a
51 determination. The director of the department of social services shall classify a
52 facility as a shelter for victims of domestic violence if such facility meets the

53 definition set forth in subsection 1 of this section.

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

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

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

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

8 taxpayer, per tax year.

9 2. Any taxpayer with a federal adjusted gross income greater
10 than thirty thousand dollars but less than sixty thousand dollars who
11 incurs costs for the purpose of making all or any portion of such
12 taxpayer's principal dwelling accessible to an individual with a
13 disability who permanently resides with the taxpayer, shall receive a
14 tax credit against such taxpayer's Missouri income tax liability in an
15 amount equal to the lesser of fifty percent of such costs or two
16 thousand five hundred dollars per taxpayer, per tax year.

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

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

- 21 (1) Constructing entrance or exit ramps;
- 22 (2) Widening exterior or interior doorways;
- 23 (3) Widening hallways;
- 24 (4) Installing handrails or grab bars;
- 25 (5) Moving electrical outlets and switches;
- 26 (6) Installing stairway lifts;
- 27 (7) Installing or modifying fire alarms, smoke detectors, and
28 other alerting systems;
- 29 (8) Modifying hardware of doors; or
- 30 (9) Modifying bathrooms.

31 5. The tax credits allowed, including the maximum amount that
32 may be claimed, pursuant to this section shall be reduced by one-third
33 to the extent a taxpayer has already deducted such costs from such
34 taxpayer's federal adjusted gross income or applied any other state or
35 federal income tax credit to such costs.

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

40 7. The department may, in consultation with the department of
41 social services, promulgate such rules or regulations as are necessary
42 to administer the provisions of this section. Any rule or portion of a
43 rule, as that term is defined in section 536.010, RSMo, that is created
44 under the authority delegated in this section shall become effective

45 only if it complies with and is subject to all of the provisions of chapter
46 536, RSMo, and, if applicable, section 536.028, RSMo. This section and
47 chapter 536, RSMo, are nonseverable and if any of the powers vested
48 with the general assembly pursuant to chapter 536, RSMo, to review, to
49 delay the effective date or to disapprove and annul a rule are
50 subsequently held unconstitutional, then the grant of rulemaking
51 authority and any rule proposed or adopted after August 28, 2007, shall
52 be invalid and void.

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

55 9. The provisions of this section shall expire December 31, 2013.

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

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

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

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

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

15 (4) "Taxpayer", a person, firm, a partner in a firm, corporation or a
16 shareholder in an S corporation doing business in the state of Missouri and
17 subject to the state income tax imposed by the provisions of chapter 143, RSMo,
18 including any charitable organization which is exempt from federal
19 income tax and whose Missouri unrelated business taxable income, if
20 any, would be subject to the state income tax imposed under chapter
21 143, RSMo, or a corporation subject to the annual corporation franchise tax

22 imposed by the provisions of chapter 147, RSMo, or an insurance company paying
23 an annual tax on its gross premium receipts in this state, or other financial
24 institution paying taxes to the state of Missouri or any political subdivision of
25 this state pursuant to the provisions of chapter 148, RSMo, or an express
26 company which pays an annual tax on its gross receipts in this state pursuant to
27 chapter 153, RSMo, or an individual subject to the state income tax imposed by
28 the provisions of chapter 143, RSMo.

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

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

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

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

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

57 7. The director of the department of social services shall establish a

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

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

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

- 2 (1) "Contribution", a donation of cash, stock, bonds, or other marketable
3 securities, or real property;
- 4 (2) "Director", the director of the department of social services;
- 5 (3) "Pregnancy resource center", a nonresidential facility located in this
6 state:
- 7 (a) Established and operating primarily to provide assistance to women
8 with crisis pregnancies or unplanned pregnancies by offering pregnancy testing,
9 counseling, emotional and material support, and other similar services to
10 encourage and assist such women in carrying their pregnancies to term; and
- 11 (b) Where childbirths are not performed; and
- 12 (c) Which does not perform, induce, or refer for abortions and which does
13 not hold itself out as performing, inducing, or referring for abortions; and
- 14 (d) Which provides direct client services at the facility, as opposed to
15 merely providing counseling or referral services by telephone; and
- 16 (e) Which provides its services at no cost to its clients; and
- 17 (f) When providing medical services, such medical services must be
18 performed in accordance with Missouri statute; and

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

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

27 (5) "Taxpayer", a person, firm, a partner in a firm, corporation, or a
28 shareholder in an S corporation doing business in the state of Missouri and
29 subject to the state income tax imposed by the provisions of chapter 143, RSMo,
30 or a corporation subject to the annual corporation franchise tax imposed by the
31 provisions of chapter 147, RSMo, or an insurance company paying an annual tax
32 on its gross premium receipts in this state, or other financial institution paying
33 taxes to the state of Missouri or any political subdivision of this state pursuant
34 to the provisions of chapter 148, RSMo, or an express company which pays an
35 annual tax on its gross receipts in this state pursuant to chapter 153, RSMo, or
36 an individual subject to the state income tax imposed by the provisions of chapter
37 143, RSMo, **or any charitable organization which is exempt from federal**
38 **income tax and whose Missouri unrelated business taxable income, if**
39 **any, would be subject to the state income tax imposed under chapter**
40 **143, RSMo.**

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

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

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

55 of at least one hundred dollars.

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

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

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

83 8. Each pregnancy resource center shall provide information to the
84 director concerning the identity of each taxpayer making a contribution to the
85 pregnancy resource center who is claiming a tax credit pursuant to this section
86 and the amount of the contribution. The director shall provide the information
87 to the director of revenue. The director shall be subject to the confidentiality and
88 penalty provisions of section 32.057, RSMo, relating to the disclosure of tax
89 information.

90 9. **Notwithstanding any other law to the contrary, any tax credits**

91 **granted under this section may be assigned, transferred, sold, or**
92 **otherwise conveyed without consent or approval.**

93 **10.** Pursuant to section 23.253, RSMo, of the Missouri sunset act:

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

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

100 (3) This section shall terminate on September first of the calendar year
101 immediately following the calendar year in which a program authorized under
102 this section is sunset.

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

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

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

6 (b) The following fraction:

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

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

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

26 anniversary of the qualified equity investment's issuance;

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

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

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

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

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

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

53 (6) "Qualified community development entity", the meaning given
54 such term in Section 45D of the Internal Revenue Code of 1986, as
55 amended; provided that such entity has entered into an allocation
56 agreement with the Community Development Financial Institutions
57 Fund of the U.S. Treasury Department with respect to credits
58 authorized by Section 45D of the Internal Revenue Code of 1986, as
59 amended;

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

63 (a) Is acquired after the effective date of this section at its
64 original issuance solely in exchange for cash;

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

68 (c) Is designated by the issuer as a qualified equity investment.
69 This term shall include any qualified equity investment that does not
70 meet the provisions of paragraph (a) of this subdivision if such
71 investment was a qualified equity investment in the hands of a prior
72 holder;

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

82 (9) "Tax credit", a credit against the tax otherwise due under
83 chapter 143, RSMo, excluding withholding tax imposed in sections
84 143.191 to 143.265, RSMo, or otherwise due under section 375.916, RSMo,
85 or chapter 147, 148, or 153, RSMo;

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

90 2. A taxpayer that holds a qualified equity investment on a credit
91 allowance date of such qualified equity investment shall be entitled to
92 a tax credit during the taxable year including such credit allowance
93 date. The tax credit amount shall be equal to the applicable percentage
94 of the adjusted purchase price paid to the issuer of such qualified
95 equity investment. The amount of the tax credit claimed shall not
96 exceed the amount of the taxpayer's state tax liability for the tax year
97 for which the tax credit is claimed. No tax credit claimed under this
98 section shall be refundable or transferable. Tax credits earned by a
99 partnership, limited liability company, S-corporation, or other "pass-

100 through" entity may be allocated to the partners, members, or
101 shareholders of such entity for their direct use in accordance with the
102 provisions of any agreement among such partners, members, or
103 shareholders. Any amount of tax credit that the taxpayer is prohibited
104 by this section from claiming in a taxable year may be carried forward
105 to any of the taxpayer's five subsequent taxable years. The department
106 of economic development shall limit the monetary amount of qualified
107 equity investments permitted under this section to a level necessary to
108 limit tax credit utilization at no more than fifteen million dollars of tax
109 credits in any fiscal year. Such limitation on qualified equity
110 investments shall be based on the anticipated utilization of credits
111 without regard to the potential for taxpayers to carry forward tax
112 credits to later tax years.

113 3. The issuer of the qualified equity investment shall certify to
114 the department of economic development the anticipated dollar amount
115 of such investments to be made in this state during the first twelve-
116 month period following the initial credit allowance date. If on the
117 second credit allowance date, the actual dollar amount of such
118 investments is different than the amount estimated, the department of
119 economic development shall adjust the credits arising on the second
120 allowance date to account for such difference.

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

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

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

133 5. The department of economic development shall promulgate
134 rules to implement the provisions of this section, including recapture
135 provisions on a scaled proportional basis, and to administer the
136 allocation of tax credits issued for qualified equity investments, which

137 shall be conducted on a first-come, first-serve basis. Any rule or
138 portion of a rule, as that term is defined in section 536.010, RSMo, that
139 is created under the authority delegated in this section shall become
140 effective only if it complies with and is subject to all of the provisions
141 of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This
142 section and chapter 536, RSMo, are nonseverable and if any of the
143 powers vested with the general assembly pursuant to chapter 536,
144 RSMo, to review, to delay the effective date, or to disapprove and annul
145 a rule are subsequently held unconstitutional, then the grant of
146 rulemaking authority and any rule proposed or adopted after August
147 28, 2007, shall be invalid and void.

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

167 7. Under section 23.253, RSMo, of the Missouri sunset act:

168 (1) The provisions of the new program authorized under this
169 section shall automatically sunset six years after the effective date of
170 this section unless reauthorized by an act of the general assembly; and

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

174 **(3) This section shall terminate on September first of the**
175 **calendar year immediately following the calendar year in which the**
176 **program authorized under this section is sunset.**

177 **However, nothing in this subsection shall preclude a taxpayer who**
178 **makes a qualified equity investment prior to sunset of this section**
179 **under the provision of the Missouri sunset act, section 23.253, RSMo,**
180 **from claiming tax credits relating to such qualified equity investment**
181 **for each credit allowance date.**

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

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

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

14 **(a) News or current events programming;**

15 **(b) Talk show;**

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

18 **(d) Sports event or sports program;**

19 **(e) Gala presentation or awards show;**

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

21 **(g) Political ad;**

22 **(h) Production that is considered obscene, as defined in section**
23 **573.010, RSMo;**

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

27 **(a) Goods and services leased or purchased by the production**
28 **company. For goods with a purchase price of twenty-five thousand**
29 **dollars or more, the amount included in qualifying expenses shall be**

30 the purchase price less the fair market value of the goods at the time
31 the production is completed;

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

37 (4) "Tax credit", a credit against the tax otherwise due under
38 chapter 143, RSMo, excluding withholding tax imposed by sections
39 143.191 to 143.265, RSMo, or otherwise due under chapter 148, RSMo;

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

48 2. For all taxable years beginning on or after January 1, 1999, but
49 ending on or before December 31, 2007, a taxpayer shall be granted a tax
50 credit [against the tax otherwise due pursuant to chapter 143, RSMo, excluding
51 withholding tax imposed by sections 143.191 to 143.261, RSMo, or chapter 148,
52 RSMo,] for up to fifty percent of the amount of investment in production or
53 production-related activities in [a qualified film production project. As used in
54 this section, the term "taxpayer" means an individual, a partnership, or a
55 corporation as described in section 143.441, 143.471, RSMo, or section 148.370,
56 RSMo, and the term "qualified film production project" means] any film
57 production project with an expected in-state expenditure budget in excess of three
58 hundred thousand dollars. For all taxable years beginning on or after
59 January 1, 2008, a taxpayer shall be allowed a tax credit for up to fifty
60 percent of the amount of qualifying expenses in a qualified film
61 production project. Each film production company shall be limited to one
62 qualified film production project per year. Activities qualifying a taxpayer for the
63 tax credit pursuant to this subsection shall be approved by the office of the
64 Missouri film commission and the department of economic development.

65 [2.] 3. Taxpayers shall apply for the film production tax credit by

66 submitting an application to the department of economic development, on a form
67 provided by the department. As part of the application, the expected in-state
68 expenditures of the qualified film production project shall be documented. In
69 addition, the application shall include an economic impact statement, showing the
70 economic impact from the activities of the film production project. Such economic
71 impact statement shall indicate the impact on the region of the state in which the
72 film production or production-related activities are located and on the state as a
73 whole.

74 **[3.] 4. For all taxable years ending on or before December 31,**
75 **2007,** tax credits certified pursuant to subsection 1 of this section shall not
76 exceed one million dollars per taxpayer per year, and shall not exceed a total for
77 all tax credits certified of one million five hundred thousand dollars per
78 year. **For all taxable years beginning on or after January 1, 2008, tax**
79 **credits certified under subsection 1 of this section shall not exceed a**
80 **total for all tax credits certified of ten million five hundred thousand**
81 **dollars per year.** Taxpayers may carry forward unused credits for up to five
82 tax periods, provided all such credits shall be claimed within ten tax periods
83 following the tax period in which the film production or production-related
84 activities for which the credits are certified by the department occurred.

85 **[4.] 5.** Notwithstanding any provision of law to the contrary, any
86 taxpayer may sell, assign, exchange, convey or otherwise transfer tax credits
87 allowed in subsection 1 of this section. The taxpayer acquiring the tax credits
88 may use the acquired credits to offset the tax liabilities otherwise imposed by
89 chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to
90 **[143.261] 143.265,** RSMo, or chapter 148, RSMo. Unused acquired credits may
91 be carried forward for up to five tax periods, provided all such credits shall be
92 claimed within ten tax periods following the tax period in which the film
93 production or production-related activities for which the credits are certified by
94 the department occurred.

95 **6. Under section 23.253, RSMo, of the Missouri sunset act:**

- 96 **(1) The provisions of the new program authorized under this**
97 **section shall automatically sunset six years after the effective date of**
98 **this section unless reauthorized by an act of the general assembly; and**
99 **(2) If such program is reauthorized, the program authorized**
100 **under this section shall automatically sunset twelve years after the**
101 **effective date of the reauthorization of this section; and**

102 **(3) This section shall terminate on September first of the**
103 **calendar year immediately following the calendar year in which the**
104 **program authorized under this section is sunset.**

 135.950. The following terms, whenever used in sections 135.950 to
2 135.970 mean:

3 (1) "Blighted area", an area which, by reason of the predominance of
4 defective or inadequate street layout, unsanitary or unsafe conditions,
5 deterioration of site improvements, improper subdivision or obsolete platting, or
6 the existence of conditions which endanger life or property by fire and other
7 causes, or any combination of such factors, retards the provision of housing
8 accommodations or constitutes an economic or social liability or a menace to the
9 public health, safety, morals, or welfare in its present condition and use;

10 (2) "Board", an enhanced enterprise zone board established pursuant to
11 section 135.957;

12 (3) "Commencement of commercial operations" shall be deemed to occur
13 during the first taxable year for which the new business facility is first put into
14 use by the taxpayer in the enhanced business enterprise in which the taxpayer
15 intends to use the new business facility;

16 (4) "Department", the department of economic development;

17 (5) "Director", the director of the department of economic development;

18 (6) "Employee", [a person employed by the enhanced business enterprise
19 on:

20 (a) A regular, full-time basis;

21 (b) A part-time basis, provided such person is customarily performing
22 such duties an average of at least twenty hours per week; or

23 (c) A seasonal basis, provided such person performs such duties for at
24 least eighty percent of the season customary for the position in which such person
25 is employed] **a person employed by the enhanced business enterprise that**
26 **is scheduled to work an average of at least one thousand hours per**
27 **year, and such person at all times has health insurance offered to him**
28 **or her, which is partially paid for by the employer;**

29 (7) "Enhanced business enterprise", an industry or one of a cluster of
30 industries that is either:

31 (a) Identified by the department as critical to the state's economic security
32 and growth; or

33 (b) Will have an impact on industry cluster development, as identified by

34 the governing authority in its application for designation of an enhanced
35 enterprise zone and approved by the department; but excluding gambling
36 establishments (NAICS industry group 7132), retail trade (NAICS sectors 44 and
37 45), **educational services (NAICS sector 61), religious organizations**
38 **(NAICS industry group 8131), public administration (NAICS sector 92),**
39 and food and drinking places (NAICS subsector 722), **however,**
40 **notwithstanding the provisions of this section, headquarters or**
41 **administrative offices of an otherwise excluded business may qualify**
42 **for benefits if the offices serve a multistate territory. In the event a**
43 **national, state, or regional headquarters operation is not the**
44 **predominant activity of a project facility, the new jobs and investment**
45 **of such headquarters operation is considered eligible for benefits under**
46 **this section if the other requirements are satisfied.** Service industries
47 may be eligible only if a majority of its annual revenues will be derived from
48 [services provided] out of the state;

49 (8) "Existing business facility", any facility in this state which was
50 employed by the taxpayer claiming the credit in the operation of an enhanced
51 business enterprise immediately prior to an expansion, acquisition, addition, or
52 replacement;

53 (9) "Facility", any building used as an enhanced business enterprise
54 located within an enhanced enterprise zone, including the land on which the
55 facility is located and all machinery, equipment, and other real and depreciable
56 tangible personal property acquired for use at and located at or within such
57 facility and used in connection with the operation of such facility;

58 (10) "**Facility base employment**", **the greater of the number of full-**
59 **time employees located at the facility on the date of the notice of**
60 **intent, or for the twelve-month period prior to the date of the notice of**
61 **intent, the average number of full-time equivalent employees located**
62 **at the facility, or in the event the project facility has not been in**
63 **operation for a full twelve-month period, the average number of full-**
64 **time equivalent employees for the number of months the facility has**
65 **been in operation prior to the date of the notice of intent;**

66 (11) "**Facility base payroll**", **the total amount of taxable wages**
67 **paid by the enhanced business enterprise to employees of the enhanced**
68 **business enterprise located at the facility in the twelve months prior**
69 **to the notice of intent, not including the payroll of owners of the**

70 **enhanced business enterprise unless the enhanced business enterprise**
71 **is participating in an employee stock ownership plan. For the purposes**
72 **of calculating the benefits under this program, the amount of base**
73 **payroll shall increase each year based on the consumer price index or**
74 **other comparable measure, as determined by the department;**

75 (12) "Governing authority", the body holding primary legislative authority
76 over a county or incorporated municipality;

77 [(11)] (13) "NAICS", the 1997 edition of the North American Industry
78 Classification System as prepared by the Executive Office of the President, Office
79 of Management and Budget. Any NAICS sector, subsector, industry group or
80 industry identified in this section shall include its corresponding classification in
81 subsequent federal industry classification systems;

82 [(12)] (14) "New business facility", a facility that satisfies the following
83 requirements:

84 (a) Such facility is employed by the taxpayer in the operation of an
85 enhanced business enterprise. Such facility shall not be considered a new
86 business facility in the hands of the taxpayer if the taxpayer's only activity with
87 respect to such facility is to lease it to another person or persons. If the taxpayer
88 employs only a portion of such facility in the operation of an enhanced business
89 enterprise, and leases another portion of such facility to another person or
90 persons or does not otherwise use such other portions in the operation of an
91 enhanced business enterprise, the portion employed by the taxpayer in the
92 operation of an enhanced business enterprise shall be considered a new business
93 facility, if the requirements of paragraphs (b), (c), and (d) of this subdivision are
94 satisfied;

95 (b) Such facility is acquired by, or leased to, the taxpayer after December
96 31, 2004. A facility shall be deemed to have been acquired by, or leased to, the
97 taxpayer after December 31, 2004, if the transfer of title to the taxpayer, the
98 transfer of possession pursuant to a binding contract to transfer title to the
99 taxpayer, or the commencement of the term of the lease to the taxpayer occurs
100 after December 31, 2004;

101 (c) If such facility was acquired by the taxpayer from another taxpayer
102 and such facility was employed immediately prior to the acquisition by another
103 taxpayer in the operation of an enhanced business enterprise, the operation of the
104 same or a substantially similar enhanced business enterprise is not continued by
105 the taxpayer at such facility; and

106 (d) Such facility is not a replacement business facility, as defined in
107 subdivision [(16)] **(22)** of this section;

108 [(13)] **(15)** "New business facility employee", an employee of the taxpayer
109 in the operation of a new business facility during the taxable year for which the
110 credit allowed by section 135.967 is claimed, except that truck drivers and rail
111 and barge vehicle operators and other operators of rolling stock for hire shall not
112 constitute new business facility employees;

113 [(14)] **(16)** "New business facility investment", the value of real and
114 depreciable tangible personal property, acquired by the taxpayer as part of the
115 new business facility, which is used by the taxpayer in the operation of the new
116 business facility, during the taxable year for which the credit allowed by 135.967
117 is claimed, except that trucks, truck-trailers, truck semitrailers, rail vehicles,
118 barge vehicles, aircraft and other rolling stock for hire, track, switches, barges,
119 bridges, tunnels, and rail yards and spurs shall not constitute new business
120 facility investments. The total value of such property during such taxable year
121 shall be:

122 (a) Its original cost if owned by the taxpayer; or

123 (b) Eight times the net annual rental rate, if leased by the taxpayer. The
124 net annual rental rate shall be the annual rental rate paid by the taxpayer less
125 any annual rental rate received by the taxpayer from subrentals. The new
126 business facility investment shall be determined by dividing by twelve the sum
127 of the total value of such property on the last business day of each calendar
128 month of the taxable year. If the new business facility is in operation for less
129 than an entire taxable year, the new business facility investment shall be
130 determined by dividing the sum of the total value of such property on the last
131 business day of each full calendar month during the portion of such taxable year
132 during which the new business facility was in operation by the number of full
133 calendar months during such period;

134 **(17) "New job", the number of employees located at the facility**
135 **that exceeds the facility base employment less any decrease in the**
136 **number of the employees at related facilities below the related facility**
137 **base employment. No job that was created prior to the date of the**
138 **notice of intent shall be deemed a new job;**

139 **(18) "Notice of intent", a form developed by the department which**
140 **is completed by the enhanced business enterprise and submitted to the**
141 **department which states the enhanced business enterprise's intent to**

142 **hire new jobs and request benefits under such program;**

143 **(19) "Related facility", a facility operated by the enhanced**
144 **business enterprise or a related company in this state that is directly**
145 **related to the operation of the project facility;**

146 **(20) "Related facility base employment", the greater of:**

147 **(a) The number of employees located at all related facilities on**
148 **the date of the notice of intent; or**

149 **(b) For the twelve-month period prior to the date of the notice**
150 **of intent, the average number of employees located at all related**
151 **facilities of the enhanced business enterprise or a related company**
152 **located in this state;**

153 ~~[(15)]~~ **(21) "Related taxpayer":**

154 **(a) A corporation, partnership, trust, or association controlled by the**
155 **taxpayer;**

156 **(b) An individual, corporation, partnership, trust, or association in control**
157 **of the taxpayer; or**

158 **(c) A corporation, partnership, trust or association controlled by an**
159 **individual, corporation, partnership, trust or association in control of the**
160 **taxpayer. "Control of a corporation" shall mean ownership, directly or indirectly,**
161 **of stock possessing at least fifty percent of the total combined voting power of all**
162 **classes of stock entitled to vote, "control of a partnership or association" shall**
163 **mean ownership of at least fifty percent of the capital or profits interest in such**
164 **partnership or association, and "control of a trust" shall mean ownership, directly**
165 **or indirectly, of at least fifty percent of the beneficial interest in the principal or**
166 **income of such trust; ownership shall be determined as provided in Section 318**
167 **of the Internal Revenue Code of 1986, as amended;**

168 ~~[(16)]~~ **(22) "Replacement business facility", a facility otherwise described**
169 **in subdivision [(12)] (14) of this section, hereafter referred to in this subdivision**
170 **as "new facility", which replaces another facility, hereafter referred to in this**
171 **subdivision as "old facility", located within the state, which the taxpayer or a**
172 **related taxpayer previously operated but discontinued operating on or before the**
173 **close of the first taxable year for which the credit allowed by this section is**
174 **claimed. A new facility shall be deemed to replace an old facility if the following**
175 **conditions are met:**

176 **(a) The old facility was operated by the taxpayer or a related taxpayer**
177 **during the taxpayer's or related taxpayer's taxable period immediately preceding**

178 the taxable year in which commencement of commercial operations occurs at the
179 new facility; and

180 (b) The old facility was employed by the taxpayer or a related taxpayer
181 in the operation of an enhanced business enterprise and the taxpayer continues
182 the operation of the same or substantially similar enhanced business enterprise
183 at the new facility.

184 Notwithstanding the preceding provisions of this subdivision, a facility shall not
185 be considered a replacement business facility if the taxpayer's new business
186 facility investment, as computed in subdivision [(14)] (16) of this section, in the
187 new facility during the tax period for which the credits allowed in section 135.967
188 are claimed exceed one million dollars and if the total number of employees at the
189 new facility exceeds the total number of employees at the old facility by at least
190 two;

191 [(17)] (23) "Same or substantially similar enhanced business enterprise",
192 an enhanced business enterprise in which the nature of the products produced or
193 sold, or activities conducted, are similar in character and use or are produced,
194 sold, performed, or conducted in the same or similar manner as in another
195 enhanced business enterprise.

135.963. 1. Improvements made to real property as such term is defined
2 in section 137.010, RSMo, which are made **to an enhanced business**
3 **enterprise as defined in subdivision (7) of section 135.950** in an enhanced
4 enterprise zone subsequent to the date such zone or expansion thereto was
5 designated, may, upon approval of an authorizing resolution by the governing
6 authority having jurisdiction of the area in which the improvements are made,
7 be exempt, in whole or in part, from assessment and payment of ad valorem taxes
8 of one or more affected political subdivisions. **In addition to enhanced**
9 **business enterprises, a speculative industrial or warehouse building**
10 **constructed by a public entity or a private entity if the land is leased**
11 **by a public entity may be subject to such exemption.**

12 2. Such authorizing resolution shall specify the percent of the exemption
13 to be granted, the duration of the exemption to be granted, and the political
14 subdivisions to which such exemption is to apply and any other terms, conditions,
15 or stipulations otherwise required. A copy of the resolution shall be provided to
16 the director within thirty calendar days following adoption of the resolution by
17 the governing authority.

18 3. No exemption shall be granted until the governing authority holds a

19 public hearing for the purpose of obtaining the opinions and suggestions of
20 residents of political subdivisions to be affected by the exemption from property
21 taxes. The governing authority shall send, by certified mail, a notice of such
22 hearing to each political subdivision in the area to be affected and shall publish
23 notice of such hearing in a newspaper of general circulation in the area to be
24 affected by the exemption at least twenty days prior to the hearing but not more
25 than thirty days prior to the hearing. Such notice shall state the time, location,
26 date, and purpose of the hearing.

27 4. Notwithstanding subsection 1 of this section, at least one-half of the ad
28 valorem taxes otherwise imposed on subsequent improvements to real property
29 located in an enhanced enterprise zone **of enhanced business enterprises or**
30 **speculative industrial or warehouse buildings as indicated in**
31 **subsection 1 of this section** shall become and remain exempt from assessment
32 and payment of ad valorem taxes of any political subdivision of this state or
33 municipality thereof for a period of not less than ten years following the date
34 such improvements were assessed, provided the improved properties are used for
35 enhanced business enterprises. **The exemption for speculative buildings is**
36 **subject to the approval of the governing authority for a period not to**
37 **exceed two years if the building is owned by a private entity and five**
38 **years if the building is owned or ground leased by a public entity. This**
39 **would not preclude the building receiving an exemption for the**
40 **remaining time period established by the governing authority if it was**
41 **occupied by an enhanced business enterprise. The two and five year**
42 **time periods indicated for speculative buildings would not be an**
43 **addition to the local abatement time period for that facility.**

44 5. No exemption shall be granted for a period more than twenty-five years
45 following the date on which the original enhanced enterprise zone was designated
46 by the department.

47 6. The provisions of subsection 1 of this section shall not apply to
48 improvements made to real property begun prior to August 28, 2004.

49 7. The abatement referred to in this section shall not relieve the assessor
50 or other responsible official from ascertaining the amount of the equalized
51 assessed value of all taxable property annually as required by section 99.855,
52 99.957, or 99.1042, RSMo, and shall not have the effect of reducing the payments
53 in lieu of taxes referred to in subdivision (2) of subsection 1 of section 99.845,
54 RSMo, subdivision (2) of subsection 3 of section 99.957, RSMo, or subdivision (2)

55 of subsection 3 of section 99.1042, RSMo, unless such reduction is set forth in the
56 plan approved by the governing body of the municipality pursuant to subdivision
57 (1) of subsection 1 of section 99.820, section 99.942, or section 99.1027, RSMo.

135.967. 1. A taxpayer who establishes a new business facility may, upon
2 approval by the department, be allowed a credit, each tax year for up to ten tax
3 years, in an amount determined as set forth in this section, against the tax
4 imposed by chapter 143, RSMo, excluding withholding tax imposed by sections
5 143.191 to 143.265, RSMo. No taxpayer shall receive multiple ten-year periods
6 for subsequent expansions at the same facility.

7 2. Notwithstanding any provision of law to the contrary, any taxpayer who
8 establishes a new business facility in an enhanced enterprise zone and is awarded
9 state tax credits under this section may not also receive tax credits under sections
10 135.100 to 135.150, sections 135.200 to 135.268, or section 135.535.

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

12 (1) The number of new business facility employees engaged or maintained
13 in employment at the new business facility for the taxable year for which the
14 credit is claimed equals or exceeds two; and

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

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

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

22 (2) The sum calculated based upon the following:

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

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

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

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

33 5. Prior to January 1, 2007, in no event shall the department authorize

34 more than four million dollars annually to be issued for all enhanced business
35 enterprises. After December 31, 2006, in no event shall the department authorize
36 more than ~~[seven]~~ **twenty-five** million dollars annually to be issued for all
37 enhanced business enterprises.

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

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

48 (2) The taxpayer's investment in the expansion and in the original facility
49 prior to expansion shall be determined in the manner provided in subdivision
50 ~~[(12)]~~ **(14)** of section 135.950.

51 7. The number of new business facility employees during any taxable year
52 shall be determined by dividing by twelve the sum of the number of individuals
53 employed on the last business day of each month of such taxable year. If the new
54 business facility is in operation for less than the entire taxable year, the number
55 of new business facility employees shall be determined by dividing the sum of the
56 number of individuals employed on the last business day of each full calendar
57 month during the portion of such taxable year during which the new business
58 facility was in operation by the number of full calendar months during such
59 period. For the purpose of computing the credit allowed by this section in the
60 case of a facility which qualifies as a new business facility under subsection 6 of
61 this section, and in the case of a new business facility which satisfies the
62 requirements of paragraph (c) of subdivision ~~[(12)]~~ **(14)** of section 135.950, or
63 subdivision ~~[(16)]~~ **(22)** of section 135.950, the number of new business facility
64 employees at such facility shall be reduced by the average number of individuals
65 employed, computed as provided in this subsection, at the facility during the
66 taxable year immediately preceding the taxable year in which such expansion,
67 acquisition, or replacement occurred and shall further be reduced by the number
68 of individuals employed by the taxpayer or related taxpayer that was
69 subsequently transferred to the new business facility from another Missouri

70 facility and for which credits authorized in this section are not being earned,
71 whether such credits are earned because of an expansion, acquisition, relocation,
72 or the establishment of a new facility.

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

81 9. For the purpose of computing the credit allowed by this section in the
82 case of a facility which qualifies as a new business facility pursuant to subsection
83 6 of this section, and in the case of a new business facility which satisfies the
84 requirements of paragraph (c) of subdivision ~~[(12)]~~ **(14)** of section 135.950 or
85 subdivision ~~[(16)]~~ **(22)** of section 135.950, the amount of the taxpayer's new
86 business facility investment in such facility shall be reduced by the average
87 amount, computed as provided in subdivision ~~[(12)]~~ **(14)** of section 135.950 for
88 new business facility investment, of the investment of the taxpayer, or related
89 taxpayer immediately preceding such expansion or replacement or at the time of
90 acquisition. Furthermore, the amount of the taxpayer's new business facility
91 investment shall also be reduced by the amount of investment employed by the
92 taxpayer or related taxpayer which was subsequently transferred to the new
93 business facility from another Missouri facility and for which credits authorized
94 in this section are not being earned, whether such credits are earned because of
95 an expansion, acquisition, relocation, or the establishment of a new facility.

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

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

104 12. Certificates of tax credit authorized by this section may be
105 transferred, sold, or assigned by filing a notarized endorsement thereof with the

106 department that names the transferee, the amount of tax credit transferred, and
107 the value received for the credit, as well as any other information reasonably
108 requested by the department. The sale price cannot be less than seventy-five
109 percent of the par value of such credits.

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

113 14. **Prior to the issuance of tax credits, the department shall**
114 **verify through the department of revenue that the tax credit applicant**
115 **does not owe any delinquent income, sales, or use tax or interest or**
116 **penalties on such taxes, and through the department of insurance that**
117 **the applicant does not owe any delinquent insurance taxes. Such**
118 **delinquency shall not affect the authorization of the application for**
119 **such tax credits, except that the amount of credits issued shall be**
120 **reduced by the applicant's tax delinquency. If the department of**
121 **revenue or the department of insurance concludes that a taxpayer is**
122 **delinquent after June fifteenth but before July first of any year and the**
123 **application of tax credits to such delinquency causes a tax deficiency**
124 **on behalf of the taxpayer to arise, then the taxpayer shall be granted**
125 **thirty days to satisfy the deficiency in which interest, penalties, and**
126 **additions to tax shall be tolled. After applying all available credits**
127 **toward a tax delinquency, the administering agency shall notify the**
128 **appropriate department, and that department shall update the amount**
129 **of outstanding delinquent tax owed by the applicant. If any credits**
130 **remain after satisfying all insurance, income, sales, and use tax**
131 **delinquencies, the remaining credits shall be issued to the applicant,**
132 **subject to the restrictions of other provisions of law.**

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

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

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

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

6 (3) "Eligible monetary donation", donations received from a taxpayer by
7 an agency that are used solely to provide direct care services to children who are
8 residents of this state. For purposes of this section, "direct care services" include
9 but are not limited to increasing the quality of care and service for children

10 through improved employee compensation and training;

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

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

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

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

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

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

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

34 **(f) Any charitable organization which is exempt from federal**
35 **income tax and whose Missouri unrelated business taxable income, if**
36 **any, would be subject to the state income tax imposed under chapter**
37 **143, RSMo.**

38 3. For all taxable years beginning on or after January 1, 2007, any
39 taxpayer shall be allowed a credit against the taxes otherwise due under chapter
40 147, 148, or 143, RSMo, excluding withholding tax imposed by sections 143.191
41 to 143.265, RSMo, in an amount equal to fifty percent of the amount of an eligible
42 monetary donation, subject to the restrictions in this section. The amount of the
43 tax credit claimed shall not exceed the amount of the taxpayer's state income tax
44 liability in the tax year for which the credit is claimed. Any amount of credit that
45 the taxpayer is prohibited by this section from claiming in a tax year shall not be

46 refundable, but may be carried forward to any of the taxpayer's four subsequent
47 taxable years.

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

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

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

58 (3) Payment from the agency equal to the value of the tax credit for which
59 application is made.

60 If the agency applying for the tax credit meets all criteria required by this
61 subsection, the department shall issue a certificate in the appropriate amount.

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

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

71 7. The department shall promulgate rules to implement the provisions of
72 this section. Any rule or portion of a rule, as that term is defined in section
73 536.010, RSMo, that is created under the authority delegated in this section shall
74 become effective only if it complies with and is subject to all of the provisions of
75 chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and
76 chapter 536, RSMo, are nonseverable and if any of the powers vested with the
77 general assembly pursuant to chapter 536, RSMo, to review, to delay the effective
78 date, or to disapprove and annul a rule are subsequently held unconstitutional,
79 then the grant of rulemaking authority and any rule proposed or adopted after
80 August 28, 2006, shall be invalid and void.

81 8. Under section 23.253, RSMo, of the Missouri sunset act:

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

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

88 (3) This section shall terminate on September first of the calendar year
89 immediately following the calendar year in which the program authorized under
90 this section is sunset.

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

2 (1) "Processing", any mode of treatment, act, or series of acts
3 performed upon materials to transform or reduce them to a different
4 state or thing, including treatment necessary to maintain or preserve
5 such processing by the producer at the production facility;

6 (2) "Recovered materials", those materials which have been
7 diverted or removed from the solid waste stream for sale, use, reuse, or
8 recycling, whether or not they require subsequent separation and
9 processing.

10 2. In addition to all other exemptions granted under this chapter,
11 there is hereby specifically exempted from the provisions of sections
12 144.010 to 144.525 and 144.600 to 144.761, and section 238.235, RSMo,
13 and the local sales tax law as defined in section 32.085, RSMo, and from
14 the computation of the tax levied, assessed, or payable under sections
15 144.010 to 144.525 and 144.600 to 144.761, and section 238.235, RSMo,
16 and the local sales tax law as defined in section 32.085, RSMo, electrical
17 energy and gas, whether natural, artificial, or propane, water, coal, and
18 other utilities, chemicals, machinery, equipment, and materials used or
19 consumed in the manufacturing, processing, compounding, mining, or
20 producing of any product, or used or consumed in the processing of
21 recovered materials, or used in research and development related to
22 manufacturing, processing, compounding, mining, or producing any
23 product.

173.196. 1. Any business firm, as defined in section 32.105, RSMo, may
2 make a donation to the "Missouri Higher Education Scholarship Donation Fund",
3 which is hereby created in the state treasury. A donating business firm shall
4 receive a tax credit as provided in this section equal to fifty percent of the amount

5 of the donation, except that tax credits shall be awarded each fiscal year in the
6 order donations are received and the amount of tax credits authorized shall total
7 no more than two hundred and fifty thousand dollars for each fiscal year.

8 2. The department of revenue shall grant tax credits approved under this
9 section which shall be applied in the order specified in subsection 1 of section
10 32.115, RSMo, until used. The tax credits provided under this section shall be
11 refundable, and any tax credit not used in the fiscal year in which approved may
12 be carried over the next five succeeding calendar or fiscal years until the full
13 credit has been claimed. **Notwithstanding any other law to the contrary,**
14 **any tax credits granted under this section may be assigned, transferred,**
15 **sold, or otherwise conveyed without consent or approval.**

16 3. No tax credit authorized under this section may be applied against any
17 tax applied in a tax year beginning prior to January 1, 1995.

18 4. All revenues credited to the fund shall be used, subject to
19 appropriations, to provide scholarships authorized under sections 173.197 to
20 173.199, and for no other purpose.

21 5. For all tax years beginning on or after January 1, 2005, no tax credits
22 shall be authorized, awarded, or issued to any person or entity claiming any tax
23 credit under this section.

173.796. 1. As used in this section, the term "taxpayer" means an
2 individual, a partnership, or a corporation as described in section 143.441 or
3 143.471, RSMo, **and includes any charitable organization which is exempt**
4 **from federal income tax and whose Missouri unrelated business taxable**
5 **income, if any, would be subject to the state income tax imposed under**
6 **chapter 143, RSMo.**

7 2. Any taxpayer may make a contribution to the fund. Within the limits
8 specified in subsection 3 of this section, a taxpayer shall be allowed a credit
9 against the taxes imposed pursuant to chapter 143, RSMo, except for sections
10 143.191 to 143.265, RSMo, on that individual or entity of up to fifty percent of the
11 total amount contributed to the fund, not to exceed one hundred thousand dollars
12 per taxpayer.

13 3. The department of revenue shall administer the tax credits pursuant
14 to this section, and shall certify eligibility for the tax credits in the order
15 applications are received. The total amount of tax credits certified in any one
16 calendar year shall not exceed five million dollars annually. Contributions of up
17 to one hundred thousand dollars per annum per taxpayer may be certified by the

18 department of revenue as a qualified contribution for purposes of receiving a tax
19 credit under this program.

20 4. If the amount of tax credit exceeds the total tax liability for the year
21 in which the tax credit is claimed, the amount that exceeds the state tax liability
22 may be carried forward for credit against the taxes imposed pursuant to chapter
23 143, RSMo, except for sections 143.191 to 143.265, RSMo, for the succeeding ten
24 years, or until the full credit is used, whichever occurs first.

25 5. For all tax years beginning on or after January 1, 2005, no tax credits
26 shall be authorized, awarded, or issued to any person or entity claiming any tax
27 credit under this section.

28 6. The provisions of this section shall become effective January 1, 1999.

**178.715. 1. Residents of the counties of Butler, Stoddard, Wayne,
2 Ripley, New Madrid, Pemiscot, Dunklin, Mississippi, and Scott may
3 organize a vocational school district in the manner provided in sections
4 178.770 to 178.780. Prior to the organization of a district under sections
5 178.770 to 178.890, the coordinating board for higher education shall
6 establish standards for the organization of the district which shall
7 include among other things:**

8 **(1) Whether a vocational school is needed in the proposed
9 district;**

10 **(2) Whether the assessed valuation of taxable, tangible property
11 in the proposed district is sufficient to support adequately the
12 proposed vocational school; and**

13 **(3) Whether there were a sufficient number of graduates of high
14 school in the proposed district during the preceding year to support a
15 vocational school in the proposed district.**

16 **2. When a district is organized, it shall be a body corporate and
17 a subdivision of the state of Missouri and shall be known as "The
18 Vocational School District of, Missouri" and, in
19 that name, may sue and be sued, levy and collect taxes within the
20 limitations of sections 178.770 to 178.890, issue bonds and possess the
21 same corporate powers as common and seven-director school districts
22 in this state, other than urban districts, except as herein otherwise
23 provided.**

**178.895. 1. To provide funds for the present payment of the costs of new
2 jobs training programs, a community college district may borrow money and issue**

3 and sell certificates payable from a sufficient portion of the future receipts of
4 payments authorized by the agreement including disbursements from the
5 Missouri community college job training program to the special fund established
6 by the district for each project. The total amount of outstanding certificates sold
7 by all junior college districts shall not exceed twenty million dollars, unless an
8 increased amount is authorized in writing by a majority of members of the
9 Missouri job training joint legislative oversight committee. The certificates shall
10 be marketed through financial institutions authorized to do business in
11 Missouri. The receipts shall be pledged to the payment of principal of and
12 interest on the certificates. Certificates may be sold at public sale or at private
13 sale at par, premium, or discount of not less than ninety-five percent of the par
14 value thereof, at the discretion of the board of trustees, and may bear interest at
15 such rate or rates as the board of trustees shall determine, notwithstanding the
16 provisions of section 108.170, RSMo, to the contrary. However, chapter 176,
17 RSMo, does not apply to the issuance of these certificates. Certificates may be
18 issued with respect to a single project or multiple projects and may contain terms
19 or conditions as the board of trustees may provide by resolution authorizing the
20 issuance of the certificates.

21 2. Certificates issued to refund other certificates may be sold at public
22 sale or at private sale as provided in this section with the proceeds from the sale
23 to be used for the payment of the certificates being refunded. The refunding
24 certificates may be exchanged in payment and discharge of the certificates being
25 refunded, in installments at different times or an entire issue or series at one
26 time. Refunding certificates may be sold or exchanged at any time on, before, or
27 after the maturity of the outstanding certificates to be refunded. They may be
28 issued for the purpose of refunding a like, greater, or lesser principal amount of
29 certificates and may bear a higher, lower, or equivalent rate of interest than the
30 certificates being renewed or refunded.

31 3. Before certificates are issued, the board of trustees shall publish once
32 a notice of its intention to issue the certificates, stating the amount, the purpose,
33 and the project or projects for which the certificates are to be issued. A person
34 may, within fifteen days after the publication of the notice, by action in the
35 circuit court of a county in the district, appeal the decision of the board of
36 trustees to issue the certificates. The action of the board of trustees in
37 determining to issue the certificates is final and conclusive unless the circuit
38 court finds that the board of trustees has exceeded its legal authority. An action

39 shall not be brought which questions the legality of the certificates, the power of
40 the board of trustees to issue the certificates, the effectiveness of any proceedings
41 relating to the authorization of the project, or the authorization and issuance of
42 the certificates from and after fifteen days from the publication of the notice of
43 intention to issue.

44 4. The board of trustees shall determine if revenues provided in the
45 agreement are sufficient to secure the faithful performance of obligations in the
46 agreement.

47 5. Certificates issued under this section shall not be deemed to be an
48 indebtedness of the state or the community college district or of any other
49 political subdivision of the state and the principal and interest on such
50 certificates shall be payable only from the sources provided in subdivision (1) of
51 section 178.893 which are pledged in the agreement.

52 6. The department of economic development shall coordinate the new jobs
53 training program, and may promulgate rules that districts will use in developing
54 projects with new and expanding industrial new jobs training proposals which
55 shall include rules providing for the coordination of such proposals with the
56 service delivery areas established in the state to administer federal funds
57 pursuant to the federal Job Training Partnership Act. No rule or portion of a
58 rule promulgated under the authority of sections 178.892 to 178.896 shall become
59 effective unless it has been promulgated pursuant to the provisions of chapter
60 536, RSMo. All rulemaking authority delegated prior to June 27, 1997, is of no
61 force and effect and repealed; however, nothing in this section shall be
62 interpreted to repeal or affect the validity of any rule filed or adopted prior to
63 June 27, 1997, if such rule complied with the provisions of chapter 536,
64 RSMo. The provisions of this section and chapter 536, RSMo, are nonseverable
65 and if any of the powers vested with the general assembly pursuant to chapter
66 536, RSMo, including the ability to review, to delay the effective date, or to
67 disapprove and annul a rule or portion of a rule, are subsequently held
68 unconstitutional, then the purported grant of rulemaking authority and any rule
69 so proposed and contained in the order of rulemaking shall be invalid and void.
70 7. No community college district may sell certificates as described in this
71 section after July 1, [2008] **2018**.

178.896. 1. There is hereby established within the state treasury a
2 special fund, to be known as the "Missouri Community College Job Training
3 Program Fund", to be administered by the division of job development and

4 training. The department of revenue shall credit to the community college job
5 training program fund, as received, all new jobs credit from withholding remitted
6 by employers pursuant to section 178.894. The fund shall also consist of any
7 gifts, contributions, grants or bequests received from federal, private or other
8 sources. The general assembly, however, shall not provide for any transfer of
9 general revenue funds into the community college job training program
10 fund. Moneys in the Missouri community college job training program fund shall
11 be disbursed to the division of job development and training pursuant to regular
12 appropriations by the general assembly. The division shall disburse such
13 appropriated funds in a timely manner into the special funds established by
14 community college districts for projects, which funds shall be used to pay program
15 costs, including the principal of, premium, if any, and interest on certificates
16 issued by the district to finance or refinance, in whole or in part, a project. Such
17 disbursements by the division of job development and training shall be made to
18 the special fund for each project in the same proportion as the new jobs credit
19 from withholding remitted by the employer participating in such project bears to
20 the total new jobs credit from withholding remitted by all employers participating
21 in projects during the period for which the disbursement is made. Moneys for
22 new jobs training programs established under the provisions of sections 178.892
23 to 178.896 shall be obtained from appropriations made by the general assembly
24 from the Missouri community college job training program fund. All moneys
25 remaining in the Missouri community college job training program fund at the
26 end of any fiscal year shall not lapse to the general revenue fund, as provided in
27 section 33.080, RSMo, but shall remain in the Missouri community college job
28 training program fund.

29 2. The department of revenue shall develop such forms as are necessary
30 to demonstrate accurately each employer's new jobs credit from withholding paid
31 into the Missouri community college job training program fund. The new jobs
32 credit from withholding shall be accounted as separate from the normal
33 withholding tax paid to the department of revenue by the
34 employer. Reimbursements made by all employers to the Missouri community
35 college job training program fund shall be no less than all allocations made by the
36 division of job development and training to all community college districts for all
37 projects. The employer shall remit the amount of the new job credit to the
38 department of revenue in the same manner as provided in sections 143.191 to
39 143.265, RSMo.

40 3. Sections 178.892 to 178.896 shall expire July 1, [2018] **2028**.

208.750. 1. Sections 208.750 to 208.775 shall be known and may be cited
2 as the "Family Development Account Program".

3 2. For purposes of sections 208.750 to 208.775, the following terms mean:

4 (1) "Account holder", a person who is the owner of a family development
5 account;

6 (2) "Community-based organization", any religious or charitable
7 association formed pursuant to chapter 352, RSMo, that is approved by the
8 director of the department of economic development to implement the family
9 development account program;

10 (3) "Department", the department of economic development;

11 (4) "Director", the director of the department of economic development;

12 (5) "Family development account", a financial instrument established
13 pursuant to section 208.760;

14 (6) "Family development account reserve fund", the fund created by an
15 approved community-based organization for the purposes of funding the costs
16 incurred in the administration of the program and for providing matching funds
17 for moneys in family development accounts;

18 (7) "Federal poverty level", the most recent poverty income guidelines
19 published in the calendar year by the United States Department of Health and
20 Human Services;

21 (8) "Financial institution", any bank, trust company, savings bank, credit
22 union or savings and loan association as defined in chapter 362, 369 or 370,
23 RSMo, and with an office in Missouri which is approved by the director for
24 participation in the program;

25 (9) "Program", the Missouri family development account program
26 established in sections 208.750 to 208.775;

27 (10) "Program contributor", a person or entity, **including any**
28 **charitable organization which is exempt from federal income tax and**
29 **whose Missouri unrelated business taxable income, if any, would be**
30 **subject to the state income tax imposed under chapter 143, RSMo**, who
31 makes a contribution to a family development account reserve fund and is not the
32 account holder.

348.300. As used in sections 348.300 to 348.318, the following terms
2 mean:

3 (1) "Commercial activity located in Missouri", any research, development,

4 prototype fabrication, and subsequent precommercialization activity, or any
5 activity related thereto, conducted in Missouri for the purpose of producing a
6 service or a product or process for manufacture, assembly or sale or developing
7 a service based on such a product or process by any person, corporation,
8 partnership, joint venture, unincorporated association, trust or other organization
9 doing business in Missouri. Subsequent to January 1, 1999, a commercial activity
10 located in Missouri shall mean only such activity that is located within a
11 distressed community, as defined in section 135.530, RSMo;

12 (2) "Follow-up capital", capital provided to a commercial activity located
13 in Missouri in which a qualified fund has previously invested seed capital or
14 start-up capital and which does not exceed ten times the amount of such seed and
15 start-up capital;

16 (3) **"Person", any individual, corporation, partnership, or other**
17 **entity, including any charitable corporation which is exempt from**
18 **federal income tax and whose Missouri unrelated business taxable**
19 **income, if any, would be subject to the state income tax imposed under**
20 **chapter 143, RSMo;**

21 (4) "Qualified contribution", cash contribution to a qualified fund;

22 [(4)] (5) "Qualified economic development organization", any corporation
23 organized under the provisions of chapter 355, RSMo, which has as of January
24 1, 1991, obtained a contract with the department of economic development to
25 operate an innovation center to promote, assist and coordinate the research and
26 development of new services, products or processes in the state of Missouri; and
27 the Missouri technology corporation organized pursuant to the provisions of
28 sections 348.253 to 348.266;

29 [(5)] (6) "Qualified fund", any corporation, partnership, joint venture,
30 unincorporated association, trust or other organization which is established under
31 the laws of Missouri after December 31, 1985, which meets all of the following
32 requirements established by this subdivision. The fund shall have as its sole
33 purpose and business the making of investments, of which at least ninety percent
34 of the dollars invested shall be qualified investments. The fund shall enter into
35 a contract with one or more qualified economic development organizations which
36 shall entitle the qualified economic development organizations to receive not less
37 than ten percent of all distributions of equity and dividends or other earnings of
38 the fund. Such contracts shall require the qualified fund to transfer to the
39 Missouri technology corporation organized pursuant to the provisions of sections

40 348.253 to 348.266, this interest and make corresponding distributions thereto
41 in the event the qualified economic development organization holding such
42 interest is dissolved or ceases to do business for a period of one year or more;

43 ~~[(6)]~~ (7) "Qualified investment", any investment of seed capital, start-up
44 capital, or follow-up capital in any commercial activity located in Missouri;

45 [(7) "Person", any individual, corporation, partnership or other entity;]

46 (8) "Seed capital", capital provided to a commercial activity located in
47 Missouri for research, development and precommercialization activities to prove
48 a concept for a new product or process or service, and for activities related
49 thereto;

50 (9) "Start-up capital", capital provided to a commercial activity located in
51 Missouri for use in preproduction product development or service development or
52 initial marketing thereof, and for activities related thereto;

53 (10) "State tax liability", any state tax liability incurred by a taxpayer
54 under the provisions of chapters 143, 147 and 148, RSMo, exclusive of the
55 provisions relating to the withholding of tax as provided for in sections 143.191
56 to 143.265, RSMo, and related provisions;

57 (11) "Uninvested capital", the amount of any distribution, other than of
58 earnings, by a qualified fund made within five years of the issuance of a
59 certificate of tax credit as provided by sections 348.300 to 348.318; or the portion
60 of all qualified contributions to a qualified fund which are not invested as
61 qualified investments within five years of the issuance of a certificate of tax credit
62 as provided by sections 348.300 to 348.318 to the extent that the amount not so
63 invested exceeds ten percent of all such qualified contributions.

620.495. 1. This section shall be known as the "Small Business
2 Incubators Act".

3 2. As used in this section, unless the context clearly indicates otherwise,
4 the following words and phrases shall mean:

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

6 (2) "Incubator", a program in which small units of space may be leased by
7 a tenant and in which management maintains or provides access to business
8 development services for use by tenants or a program without infrastructure in
9 which participants avail themselves of business development services to assist in
10 the growth of their start-up small businesses;

11 (3) "Local sponsor" or "sponsor", an organization which enters into a
12 written agreement with the department to establish, operate and administer a

13 small business incubator program or to provide funding to an organization which
14 operates such a program;

15 (4) "Participant", a sole proprietorship, business partnership or
16 corporation operating a business for profit through which the owner avails
17 himself or herself of business development services in an incubator program;

18 (5) "Tenant", a sole proprietorship, business partnership or corporation
19 operating a business for profit and leasing or otherwise occupying space in an
20 incubator.

21 3. There is hereby established under the direction of the department a
22 loan, loan guarantee and grant program for the establishment, operation and
23 administration of small business incubators, to be known as the "Small Business
24 Incubator Program". A local sponsor may submit an application to the
25 department to obtain a loan, loan guarantee or grant to establish an
26 incubator. Each application shall:

27 (1) Demonstrate that a program exists that can be transformed into an
28 incubator at a specified cost;

29 (2) Demonstrate the ability to directly provide or arrange for the provision
30 of business development services for tenants and participants of the
31 incubator. These services shall include, but need not be limited to, financial
32 consulting assistance, management and marketing assistance, business education,
33 and physical services;

34 (3) Demonstrate a potential for sustained use of the incubator program by
35 eligible tenants and participants, through a market study or other means;

36 (4) Demonstrate the ability to manage and operate the incubator program;

37 (5) Include such other information as the department may require through
38 its guidelines.

39 4. The department shall review and accept applications based on the
40 following criteria:

41 (1) Ability of the local sponsor to carry out the provisions of this section;

42 (2) Economic impact of the incubator on the community;

43 (3) Conformance with areawide and local economic development plans, if
44 such exist;

45 (4) Location of the incubator, in order to encourage geographic
46 distribution of incubators across the state.

47 5. Loans, loan guarantees and grants shall be administered in the
48 following manner:

49 (1) Loans awarded or guaranteed and grants awarded shall be used only
50 for the acquisition and leasing of land and existing buildings, the rehabilitation
51 of buildings or other facilities, construction of new facilities, the purchase of
52 equipment and furnishings which are necessary for the creation and operation of
53 the incubator, and business development services including, but not limited to,
54 business management advising and business education;

55 (2) Loans, loan guarantees and grants may not exceed fifty percent of total
56 eligible project costs;

57 (3) Payment of interest and principal on loans may be deferred at the
58 discretion of the department.

59 6. A local sponsor, or the organization receiving assistance through the
60 local sponsor, shall have the following responsibilities and duties in establishing
61 and operating an incubator with assistance from the small business incubator
62 program:

63 (1) Secure title on a facility for the program or a lease of a facility for the
64 program;

65 (2) Manage the physical development of the incubator program, including
66 the provision of common conference or meeting space;

67 (3) Furnish and equip the program to provide business services to the
68 tenants and participants;

69 (4) Market the program and secure eligible tenants and participants;

70 (5) Provide financial consulting, marketing and management assistance
71 services or arrange for the provision of these services for tenants and participants
72 of the incubator, including assistance in accessing private financial markets;

73 (6) Set rental and service fees;

74 (7) Encourage the sharing of ideas between tenants and participants and
75 otherwise aid the tenants and participants in an innovative manner while they
76 are within the incubator;

77 (8) Establish policies and criteria for the acceptance of tenants and
78 participants into the incubator and for the termination of occupancy of tenants
79 so as to maximize the opportunity to succeed for the greatest number of tenants,
80 consistent with those specified in this section.

81 7. The department:

82 (1) May adopt such rules, statements of policy, procedures, forms and
83 guidelines as may be necessary for the implementation of this section;

84 (2) May make loans, loan guarantees and grants to local sponsors for

85 incubators;

86 (3) Shall ensure that local sponsors receiving loans, loan guarantees or
87 grants meet the conditions of this section;

88 (4) Shall receive and evaluate annual reports from local sponsors. Such
89 annual reports shall include, but need not be limited to, a financial statement for
90 the incubator, evidence that all tenants and participants in the program are
91 eligible under the terms of this section, and a list of companies in the incubator.

92 8. The department of economic development is also hereby authorized to
93 review any previous loans made under this program and, where appropriate in
94 the department's judgment, convert such loans to grant status.

95 9. On or before January first of each year, the department shall provide
96 a report to the governor, the chief clerk of the house of representatives and the
97 secretary of the senate which shall include, but need not be limited to:

98 (1) The number of applications for incubators submitted to the
99 department;

100 (2) The number of applications for incubators approved by the
101 department;

102 (3) The number of incubators created through the small business
103 incubator program;

104 (4) The number of tenants and participants engaged in each incubator;

105 (5) The number of jobs provided by each incubator and tenants and
106 participant of each incubator;

107 (6) The occupancy rate of each incubator;

108 (7) The number of firms still operating in the state after leaving
109 incubators and the number of jobs they have provided.

110 10. There is hereby established in the state treasury a special fund to be
111 known as the "Missouri Small Business Incubators Fund", which shall consist of
112 all moneys which may be appropriated to it by the general assembly, and also any
113 gifts, contributions, grants or bequests received from federal, private or other
114 sources. Moneys for loans, loan guarantees and grants under the small business
115 incubator program may be obtained from appropriations made by the general
116 assembly from the Missouri small business incubators fund. Any moneys
117 remaining in the Missouri small business incubators fund at the end of any fiscal
118 year shall not lapse to the general revenue fund, as provided in section 33.080,
119 RSMo, but shall remain in the Missouri small business incubators fund.

120 11. For any taxable year beginning after December 31, 1989, a taxpayer,

121 **including any charitable organization which is exempt from federal**
122 **income tax and whose Missouri unrelated business taxable income, if**
123 **any, would be subject to the state income tax imposed under chapter**
124 **143, RSMo,** shall be entitled to a tax credit against any tax otherwise due under
125 the provisions of chapter 143, RSMo, or chapter 147, RSMo, or chapter 148,
126 RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo,
127 in the amount of fifty percent of any amount contributed by the taxpayer to the
128 Missouri small business incubators fund during the taxpayer's tax year or any
129 contribution by the taxpayer to a local sponsor after the local sponsor's
130 application has been accepted and approved by the department. The tax credit
131 allowed by this subsection shall be claimed by the taxpayer at the time he files
132 his return and shall be applied against the income tax liability imposed by
133 chapter 143, RSMo, or chapter 147, RSMo, or chapter 148, RSMo, after all other
134 credits provided by law have been applied. That portion of earned tax credits
135 which exceeds the taxpayer's tax liability may be carried forward for up to five
136 years. The aggregate of all tax credits authorized under this section shall not
137 exceed five hundred thousand dollars in any taxable year.

138 12. Notwithstanding any provision of Missouri law to the contrary, any
139 taxpayer may sell, assign, exchange, convey or otherwise transfer tax credits
140 allowed in subsection 11 of this section under the terms and conditions prescribed
141 in subdivisions (1) and (2) of this subsection. Such taxpayer, hereinafter the
142 assignor for the purpose of this subsection, may sell, assign, exchange or
143 otherwise transfer earned tax credits:

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

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

148 The taxpayer acquiring earned credits, hereinafter the assignee for the purpose
149 of this subsection, may use the acquired credits to offset up to one hundred
150 percent of the tax liabilities otherwise imposed by chapter 143, RSMo, or chapter
151 147, RSMo, or chapter 148, RSMo, excluding withholding tax imposed by sections
152 143.191 to 143.265, RSMo. Unused credits in the hands of the assignee may be
153 carried forward for up to five years. The assignor shall enter into a written
154 agreement with the assignee establishing the terms and conditions of the
155 agreement and shall perfect such transfer by notifying the department of
156 economic development in writing within thirty calendar days following the

157 effective day of the transfer and shall provide any information as may be required
158 by the department of economic development to administer and carry out the
159 provisions of this section. The director of the department of economic
160 development shall prescribe the method for submitting applications for claiming
161 the tax credit allowed under subsection 11 of this section and shall, if the
162 application is approved, certify to the director of revenue that the taxpayer
163 claiming the credit has satisfied all the requirements specified in this section and
164 is eligible to claim the credit.

620.638. As used in sections 620.635 to 620.653, the following terms

2 mean:

3 (1) "Board", the Missouri seed capital investment board, as established
4 pursuant to section 620.641;

5 (2) "Committed contributions", the total amount of qualified contributions
6 that are committed to a qualifying fund by contractual agreement;

7 (3) "Corporation", the Missouri technology corporation as established
8 pursuant to section 348.251, RSMo;

9 (4) "Department", the department of economic development;

10 (5) "Director", the director of the department of economic development;

11 (6) "Follow-up capital", capital provided to a qualified business in which
12 a qualified fund has previously invested seed capital or start-up capital. No more
13 than forty percent of the qualified contributions to a qualified fund may be used
14 for follow-up capital, and no qualified contributions which generate tax credits
15 before the second round of allocations as authorized by section 620.650 shall be
16 used for follow-up capital investments;

17 (7) "Person", any individual, corporation, partnership, limited liability
18 company or other entity, **including any charitable organization which is**
19 **exempt from federal income tax and whose Missouri unrelated business**
20 **taxable income, if any, would be subject to the state income tax**
21 **imposed under chapter 143, RSMo;**

22 (8) "Positive cash flow", total cash receipts from sales or services, but not
23 from investments or loans, exceeding total cash expenditures as calculated on a
24 fiscal year basis;

25 (9) "Qualified business", any independently owned and operated business
26 which is headquartered and located in Missouri and which is involved in or
27 intends to be involved in commerce for the purpose of manufacturing, processing
28 or assembling products, conducting research and development, or providing

29 services in interstate commerce. Such a business shall maintain its headquarters
30 in Missouri for a period of at least three years from the date of receipt of a
31 qualified investment or be subject to penalties pursuant to section 620.017;

32 (10) "Qualified contribution", cash contributions to a qualified fund
33 pursuant to the terms of contractual agreements made between the qualified fund
34 and a qualified economic development organization authorized by the board to
35 enter into such contracts;

36 (11) "Qualified economic development organization", any corporation
37 organized pursuant to the provisions of chapter 355, RSMo, that, as of January
38 1, 1991, had obtained a contract with the department to operate an innovation
39 center to promote, assist and coordinate the research and development of new
40 services, products or processes in this state;

41 (12) "Qualified fund", a fund established by any corporation, partnership,
42 joint venture, unincorporated association, trust or other organization established
43 pursuant to the laws of Missouri and approved by the board or the corporation;

44 (13) "Qualified investment", any investment of seed capital, start-up
45 capital or follow-up capital in a qualified business that does not cause more than
46 ten percent of all the qualified contributions to a qualified fund to be invested in
47 a single qualified business;

48 (14) "Seed capital", capital provided to a qualified business for research,
49 development and precommercialization activities to prove a concept for a new
50 product, process or service, and for activities related thereto; provided that, seed
51 capital shall not be provided to any business which in a past fiscal year has
52 experienced a positive cash flow;

53 (15) "Start-up capital", capital provided to a qualified business for use in
54 preproduction product development, service development or initial marketing
55 thereof; provided that, start-up capital shall not be provided to any business
56 which has experienced a positive cash flow in a past fiscal year;

57 (16) "Uninvested capital", that portion of any qualified contribution to a
58 qualified fund, other than management fees not to exceed three percent per year
59 of committed contributions, qualified investments and other expenses or fees
60 authorized by the board, that is not invested as a qualified investment within ten
61 years of its receipt.

620.1039. 1. As used in this section, the term "taxpayer" means an
2 individual, a partnership, **or any charitable organization which is exempt**
3 **from federal income tax and whose Missouri unrelated business taxable**

4 **income, if any, would be subject to the state income tax imposed under**
5 **chapter 143, RSMo,** or a corporation as described in section 143.441 or 143.471,
6 RSMo, or section 148.370, RSMo, and the term "qualified research expenses" has
7 the same meaning as prescribed in 26 U.S.C. 41.

8 2. For tax years beginning on or after January 1, 2001, the director of the
9 department of economic development may authorize a taxpayer to receive a tax
10 credit against the tax otherwise due pursuant to chapter 143, RSMo, or chapter
11 148, RSMo, other than the taxes withheld pursuant to sections 143.191 to
12 143.265, RSMo, in an amount up to six and one-half percent of the excess of the
13 taxpayer's qualified research expenses, as certified by the director of the
14 department of economic development, within this state during the taxable year
15 over the average of the taxpayer's qualified research expenses within this state
16 over the immediately preceding three taxable years; except that, no tax credit
17 shall be allowed on that portion of the taxpayer's qualified research expenses
18 incurred within this state during the taxable year in which the credit is being
19 claimed, to the extent such expenses exceed two hundred percent of the taxpayer's
20 average qualified research expenses incurred during the immediately preceding
21 three taxable years.

22 3. The director of economic development shall prescribe the manner in
23 which the tax credit may be applied for. The tax credit authorized by this section
24 may be claimed by the taxpayer to offset the tax liability imposed by chapter 143,
25 RSMo, or chapter 148, RSMo, that becomes due in the tax year during which such
26 qualified research expenses were incurred. Where the amount of the credit
27 exceeds the tax liability, the difference between the credit and the tax liability
28 may only be carried forward for the next five succeeding taxable years or until the
29 full credit has been claimed, whichever first occurs. The application for tax
30 credits authorized by the director pursuant to subsection 2 of this section shall
31 be made no later than the end of the taxpayer's tax period immediately following
32 the tax period for which the credits are being claimed.

33 4. Certificates of tax credit issued pursuant to this section may be
34 transferred, sold or assigned by filing a notarized endorsement thereof with the
35 department which names the transferee and the amount of tax credit
36 transferred. The director of economic development may allow a taxpayer to
37 transfer, sell or assign up to forty percent of the amount of the certificates of tax
38 credit issued to and not claimed by such taxpayer pursuant to this section during
39 any tax year commencing on or after January 1, 1996, and ending not later than

40 December 31, 1999. Such taxpayer shall file, by December 31, 2001, an
41 application with the department which names the transferee, the amount of tax
42 credit desired to be transferred, and a certification that the funds received by the
43 applicant as a result of the transfer, sale or assignment of the tax credit shall be
44 expended within three years at the state university for the sole purpose of
45 conducting research activities agreed upon by the department, the taxpayer and
46 the state university. Failure to expend such funds in the manner prescribed
47 pursuant to this section shall cause the applicant to be subject to the provisions
48 of section 620.017.

49 5. No rule or portion of a rule promulgated under the authority of this
50 section shall become effective unless it has been promulgated pursuant to the
51 provisions of chapter 536, RSMo. All rulemaking authority delegated prior to
52 June 27, 1997, is of no force and effect and repealed; however, nothing in this
53 section shall be interpreted to repeal or affect the validity of any rule filed or
54 adopted prior to June 27, 1997, if such rule complied with the provisions of
55 chapter 536, RSMo. The provisions of this section and chapter 536, RSMo, are
56 nonseverable and if any of the powers vested with the general assembly pursuant
57 to chapter 536, RSMo, including the ability to review, to delay the effective date,
58 or to disapprove and annul a rule or portion of a rule, are subsequently held
59 unconstitutional, then the purported grant of rulemaking authority and any rule
60 so proposed and contained in the order of rulemaking shall be invalid and void.

61 6. The aggregate of all tax credits authorized pursuant to this section
62 shall not exceed nine million seven hundred thousand dollars in any year.

63 7. For all tax years beginning on or after January 1, 2005, no tax credits
64 shall be approved, awarded, or issued to any person or entity claiming any tax
65 credit under this section.

 620.1878. For the purposes of sections 620.1875 to 620.1890, the following
2 terms shall mean:

3 (1) **"Approval", a document submitted by the department to the**
4 **qualified company that states the benefits that may be provided by this**
5 **program;**

6 (2) "Average wage", the new payroll divided by the number of new jobs;

7 [(2)] (3) "Commencement of operations", the starting date for the
8 qualified company's first new employee, which must be no later than twelve
9 months from the date of the [proposal] **approval;**

10 [(3)] (4) "County average wage", the average wages in each county as

11 determined by the department for the most recently completed full calendar
12 year. However, if the computed county average wage is above the statewide
13 average wage, the statewide average wage shall be deemed the county average
14 wage for such county **for the purpose of determining eligibility**. The
15 department shall publish the county average wage for each county at least
16 annually. **Notwithstanding this subdivision to the contrary, for any**
17 **qualified company that in conjunction with their project is relocating**
18 **employees from a Missouri county with a higher county average wage,**
19 **the company shall obtain the endorsement of the governing body of the**
20 **community from which jobs are being relocated or the county average**
21 **wage for their project shall be the county average wage for the county**
22 **from which the employees are being relocated;**

23 [(4)] (5) "Department", the Missouri department of economic
24 development;

25 [(5)] (6) "Director", the director of the department of economic
26 development;

27 [(6)] (7) "Employee", a person employed by a qualified company;

28 [(7) "Full-time equivalent employees", employees of the qualified company
29 converted to reflect an equivalent of the number of full-time, year-round
30 employees. The method for converting part-time and seasonal employees into an
31 equivalent number of full-time, year-round employees shall be published in a rule
32 promulgated by the department as authorized in section 620.1884;]

33 (8) "Full-time[, year-round] employee", an employee of the **qualified**
34 company that [works] **is scheduled to work** an average of at least thirty-five
35 hours per week for a twelve-month period, and one for which the qualified
36 company offers health insurance and pays at least fifty percent of such insurance
37 premiums;

38 (9) "High-impact project", a qualified company that, within two years from
39 commencement of operations, creates one hundred or more new jobs;

40 (10) "Local incentives", the present value of the dollar amount of direct
41 benefit received by a qualified company for a project facility from one or more
42 local political subdivisions, but shall not include loans or other funds provided to
43 the qualified company that must be repaid by the qualified company to the
44 political subdivision;

45 (11) "NAICS", the 1997 edition of the North American Industry
46 Classification System as prepared by the Executive Office of the President, Office

47 of Management and Budget. Any NAICS sector, subsector, industry group or
48 industry identified in this section shall include its corresponding classification in
49 subsequent federal industry classification systems;

50 (12) "New direct local revenue", the present value of the dollar amount of
51 direct net new tax revenues of the local political subdivisions likely to be
52 produced by the project over a ten-year period as calculated by the department,
53 **excluding local earnings tax**, and net new utility revenues, provided the local
54 incentives include a discount or other direct incentives from utilities owned or
55 operated by the political subdivision;

56 (13) "New investment", the purchase or leasing of new tangible assets to
57 be placed in operation at the project facility, which will be directly related to the
58 new jobs;

59 (14) "New job", the number of full-time[, year-round] employees located
60 at the project facility that exceeds the project facility base employment less any
61 decrease in the number of full-time [equivalent] employees at related facilities
62 below the related facility base employment. **No job that was created prior to**
63 **the date of the notice of intent shall be deemed a new job;**

64 (15) "New payroll", [the amount of wages paid by a qualified company to
65 employees in new jobs] **the amount of taxable wages of full-time**
66 **employees, excluding owners, located at the project facility that**
67 **exceeds the project facility base payroll. If full-time employment at**
68 **related facilities is below the related facility base employment, any**
69 **decrease in payroll for full-time employees at the related facilities**
70 **below that related facility base payroll shall also be subtracted to**
71 **determine new payroll;**

72 (16) "Notice of intent", a form developed by the department, completed by
73 the qualified company and submitted to the department which states the
74 qualified company's intent to hire new jobs and request benefits under this
75 program;

76 (17) "Percent of local incentives", the amount of local incentives divided
77 by the amount of new direct local revenue;

78 (18) "Program", the Missouri quality jobs program provided in sections
79 620.1875 to 620.1890;

80 (19) "Project facility", the building used by a qualified company at which
81 the new jobs and new investment will be located. A project facility may include
82 separate buildings that are located within one mile of each other such that their

83 purpose and operations are interrelated;

84 (20) "Project facility base employment", **the greater of the number of**
85 **full-time employees located at the project facility on the date the notice**
86 **of intent or** for the twelve-month period prior to the date of the [proposal]
87 **notice of intent**, the average number of full-time [equivalent] employees located
88 at the project facility. In the event the project facility has not been in operation
89 for a full twelve-month period, [project facility base employment is] the average
90 number of full-time [equivalent] employees for the number of months the project
91 facility has been in operation prior to the date of the [proposal] **notice of intent**;

92 (21) "**Project facility base payroll**", **the total amount of taxable**
93 **wages paid by the qualified company to full-time employees of the**
94 **qualified company located at the project facility in the twelve months**
95 **prior to the notice of intent, not including the payroll of the owners of**
96 **the qualified company unless the qualified company is participating in**
97 **an employee stock ownership plan. For purposes of calculating the**
98 **benefits under this program, the amount of base payroll shall increase**
99 **each year based on an appropriate measure, as determined by the**
100 **department;**

101 (22) "Project period", the time period that the benefits are provided to a
102 qualified company;

103 [(22) "Proposal", a document submitted by the department to the qualified
104 company that states the benefits that may be provided by this program. The
105 effective date of such proposal cannot be prior to the commencement of
106 operations. The proposal shall not offer benefits regarding any jobs created prior
107 to its effective date unless the proposal is for a job retention project;]

108 (23) "Qualified company", a firm, partnership, joint venture, association,
109 private or public corporation whether organized for profit or not, or headquarters
110 of such entity registered to do business in Missouri that is the owner or operator
111 of a project facility, **offers health insurance to all full-time employees of**
112 **all facilities located in this state, and pays at least fifty percent of such**
113 **insurance premiums.** For the purposes of sections 620.1875 to 620.1890, the
114 term "qualified company" shall not include:

115 (a) Gambling establishments (NAICS industry group 7132);

116 (b) Retail trade establishments (NAICS sectors 44 and 45);

117 (c) Food and drinking places (NAICS subsector 722);

118 (d) [Utilities regulated by the Missouri public service commission] **Public**

119 **utilities (NAICS 221 including water and sewer services);**

120 (e) Any company that is delinquent in the payment of any nonprotested
121 taxes or any other amounts due the state or federal government or any other
122 political subdivision of this state; [or]

123 (f) Any company that has filed for or has publicly announced its intention
124 to file for bankruptcy protection;

125 **(g) Educational services (NAIC sector 61);**

126 **(h) Religious organizations (NAIC industry group 8131); or**

127 **(i) Public administration (NAIC sector 92).**

128 **Notwithstanding any provision of this section to the contrary, the**
129 **headquarters or administrative offices of an otherwise excluded**
130 **business may qualify for benefits if the offices serve a multistate**
131 **territory. In the event a national, state, or regional headquarters**
132 **operation is not the predominant activity of a project facility, the new**
133 **jobs and investment of such headquarters operation is considered**
134 **eligible for benefits under this section if the other requirements are**
135 **satisfied;**

136 (24) "Related company" means:

137 (a) A corporation, partnership, trust, or association controlled by the
138 qualified company;

139 (b) An individual, corporation, partnership, trust, or association in control
140 of the qualified company; or

141 (c) Corporations, partnerships, trusts or associations controlled by an
142 individual, corporation, partnership, trust or association in control of the
143 qualified company. As used in this subdivision, ["control of a corporation["] shall
144 mean ownership, directly or indirectly, of stock possessing at least fifty percent
145 of the total combined voting power of all classes of stock entitled to vote,
146 ["control of a partnership or association["] shall mean ownership of at least fifty
147 percent of the capital or profits interest in such partnership or association,
148 ["control of a trust["] shall mean ownership, directly or indirectly, of at least
149 fifty percent of the beneficial interest in the principal or income of such trust, and
150 ownership shall be determined as provided in Section 318 of the Internal Revenue
151 Code of 1986, as amended;

152 (25) "Related facility", a facility operated by the qualified company or a
153 related company located in this state that is directly related to the operations of
154 the project facility;

155 (26) "Related facility base employment", **the greater of the number of**
156 **full-time employees located at all related facilities on the date of the**
157 **notice of intent or** for the twelve-month period prior to the date of the
158 **[proposal] notice of intent**, the average number of full-time **[equivalent]**
159 employees located at all related facilities of the qualified company or a related
160 company located in this state;

161 (27) "Related facility base payroll", **the total amount of taxable**
162 **wages paid by the qualified company to full-time employees of the**
163 **qualified company located at a related facility in the twelve months**
164 **prior to the filing of the notice of intent, not including the payroll of**
165 **the owners of the qualified company unless the qualified company is**
166 **participating in an employee stock ownership plan. For purposes of**
167 **calculating the benefits under this program, the amount of related**
168 **facility base payroll shall increase each year based on an appropriate**
169 **measure, as determined by the department;**

170 (28) "Rural area", a county in Missouri with a population less than
171 seventy-five thousand or that does not contain an individual city with a
172 population greater than fifty thousand according to the most recent federal
173 decennial census;

174 [(28)] (29) "Small and expanding business project", a qualified company
175 that within two years of the date of the **[proposal] approval** creates a minimum
176 of twenty new jobs if the project facility is located in a rural area or a minimum
177 of forty new jobs if the project facility is not located in a rural area and creates
178 fewer than one hundred new jobs regardless of the location of the project facility;

179 [(29)] (30) "Tax credits", tax credits issued by the department to offset
180 the state income taxes imposed by **[chapter] chapters 143 and 148**, RSMo, or
181 which may be sold or refunded as provided for in this program;

182 [(30)] (31) "Technology business project", a qualified company that within
183 two years of the date of the **[proposal] approval** creates a minimum of ten new
184 jobs **[with at least seventy-five percent of the new jobs directly]** involved in the
185 operations of a technology company as determined by a regulation promulgated
186 by the department under the provisions of section 620.1884 **[and] or** classified by
187 NAICS codes; **or which researches, develops, or manufactures power**
188 **system technology for: aerospace; space; defense; hybrid vehicles; or**
189 **implantable or wearable medical devices;**

190 [(31)] (32) "Withholding tax", the state tax imposed by sections 143.191

191 to 143.265, RSMo. **For purposes of this program, the withholding tax**
192 **shall be computed using a schedule as determined by the department**
193 **based on average wages.**

620.1881. 1. The department of economic development shall respond
2 within thirty days to a company who provides a notice of intent with either [a
3 proposal] **an approval** or a rejection of the notice of intent. **The department**
4 **shall give preference to qualified companies and projects targeted at**
5 **an area of the state which has recently been classified as a disaster**
6 **area by the federal government.** Failure to respond on behalf of the
7 department of economic development shall result in the notice of intent being
8 deemed [a proposal] **an approval** for the purposes of this section. A qualified
9 company who is provided [a proposal] **an approval** for a project shall be allowed
10 a benefit as provided in this program in the amount and duration provided in this
11 section. A qualified company may receive additional periods for subsequent new
12 jobs at the same facility after the full initial period if the minimum thresholds are
13 met as set forth in sections 620.1875 to 620.1890. There is no limit on the
14 number of periods a qualified company may participate in the program, as long
15 as the minimum thresholds are achieved and the qualified company provides the
16 department with the required reporting and is in proper compliance for this
17 program or other state programs. A qualified company may elect to file a notice
18 of intent to start a new project period concurrent with an existing project period
19 if the minimum thresholds are achieved and the qualified company provides the
20 department with the required reporting and is in proper compliance for this
21 program and other state programs; however, the qualified company may not
22 receive any further benefit under the original [proposal] **approval** for jobs
23 created after the date of the new notice of intent, and any jobs created before the
24 new notice of intent may not be included as new jobs for the purpose of benefit
25 calculation in relation to the new [proposal] **approval**.

26 2. Notwithstanding any provision of law to the contrary, any qualified
27 company that is awarded benefits under this program may not [also]
28 **simultaneously** receive tax credits or exemptions under sections 135.100 to
29 135.150, sections 135.200 to 135.286, section 135.535, or sections 135.900 to
30 135.906, RSMo, [for the same new jobs] at the **same** project facility. The benefits
31 available to the company under any other state programs for which the company
32 is eligible and which utilize withholding tax from the new jobs of the company
33 must first be credited to the other state program before the withholding retention

34 level applicable under the Missouri quality jobs act will begin to accrue. These
35 other state programs include, but are not limited to, the new jobs training
36 program under sections 178.892 to 178.896, RSMo, the job retention program
37 under sections 178.760 to 178.764, RSMo, the real property tax increment
38 allocation redevelopment act, sections 99.800 to 99.865, RSMo, or the Missouri
39 downtown and rural economic stimulus act under sections 99.915 to 99.980,
40 RSMo. If any qualified company also participates in the new jobs training
41 program in sections 178.892 to 178.896, RSMo, the company shall retain no
42 withholding tax, but the department shall issue a refundable tax credit for the
43 full amount of benefit allowed under this subdivision. **The calendar year**
44 **annual maximum amount of tax credits may be issued to a qualifying**
45 **company that also participates in the new job training program shall**
46 **be increased by an amount equivalent to the withholding tax retained**
47 **by that company under the new jobs training program. However, if the**
48 **combined benefits of the quality jobs training program and the new**
49 **jobs training program exceed the projected state benefit of the project,**
50 **as determined by the department of economic development through a**
51 **cost-benefit analysis, the increase in the maximum tax credits shall be**
52 **limited to the amount that would not cause the combined benefits to**
53 **exceed the projected state benefit.**

54 3. The types of projects and the amount of benefits to be provided are:

55 (1) Small and expanding business projects: in exchange for the
56 consideration provided by the new tax revenues and other economic [stimulus]
57 **stimuli** that will be generated by the new jobs created by the program, a
58 qualified company may retain an amount equal to the withholding tax **as**
59 **calculated under subdivision (32) of section 620.1878** from the new jobs
60 that would otherwise be withheld and remitted by the qualified company under
61 the provisions of sections 143.191 to 143.265, RSMo, for a period of three years
62 from the date the required number of new jobs were created if the average wage
63 of the new payroll equals or exceeds the county average wage or for a period of
64 five years from the date the required number of new jobs were created if the
65 average wage of the new payroll equals or exceeds one hundred twenty percent
66 of the county average wage;

67 (2) Technology business projects: in exchange for the consideration
68 provided by the new tax revenues and other economic [stimulus] **stimuli** that
69 will be generated by the new jobs created by the program, a qualified company

70 may retain an amount equal to a maximum of five percent of new payroll for a
71 period of five years from the date the required number of jobs were created from
72 the withholding tax of the new jobs that would otherwise be withheld and
73 remitted by the qualified company under the provisions of sections 143.191 to
74 143.265, RSMo, if the average wage of the new payroll equals or exceeds the
75 county average wage. An additional one-half percent of new payroll may be
76 added to the five percent maximum if the average wage of the new payroll in any
77 year exceeds one hundred twenty percent of the county average wage in the
78 county in which the project facility is located, plus an additional one-half percent
79 of new payroll may be added if the average wage of the new payroll in any year
80 exceeds one hundred forty percent of the average wage in the county in which the
81 project facility is located. The department shall issue a refundable tax credit for
82 any difference between the amount of benefit allowed under this subdivision and
83 the amount of withholding tax retained by the company, in the event the
84 withholding tax is not sufficient to provide the entire amount of benefit due to the
85 qualified company under this subdivision. The calendar year annual maximum
86 amount of tax credits that may be issued to any qualified company for a project
87 or combination of projects is five hundred thousand dollars;

88 (3) High impact projects: in exchange for the consideration provided by
89 the new tax revenues and other economic [stimulus] **stimuli** that will be
90 generated by the new jobs created by the program, a qualified company may
91 retain an amount from the withholding tax of the new jobs that would otherwise
92 be withheld and remitted by the qualified company under the provisions of
93 sections 143.191 to 143.265, RSMo, equal to three percent of new payroll for a
94 period of five years from the date the required number of jobs were created if the
95 average wage of the new payroll equals or exceeds the county average wage of the
96 county in which the project facility is located. The percentage of payroll allowed
97 under this subdivision shall be three and one-half percent of new payroll if the
98 average wage of the new payroll in any year exceeds one hundred twenty percent
99 of the county average wage in the county in which the project facility is
100 located. The percentage of payroll allowed under this subdivision shall be four
101 percent of new payroll if the average wage of the new payroll in any year exceeds
102 one hundred forty percent of the county average wage in the county in which the
103 project facility is located. An additional one percent of new payroll may be added
104 to these percentages if local incentives equal between ten percent and twenty-four
105 percent of the new direct local revenue; an additional two percent of new payroll

106 is added to these percentages if the local incentives equal between twenty-five
107 percent and forty-nine percent of the new direct local revenue; or an additional
108 three percent of payroll is added to these percentages if the local incentives equal
109 fifty percent or more of the new direct local revenue. The department shall issue
110 a refundable tax credit for any difference between the amount of benefit allowed
111 under this subdivision and the amount of withholding tax retained by the
112 company, in the event the withholding tax is not sufficient to provide the entire
113 amount of benefit due to the qualified company under this subdivision. The
114 calendar year annual maximum amount of tax credits that may be issued to any
115 qualified company for a project or combination of projects is seven hundred fifty
116 thousand dollars. The calendar year annual maximum amount of tax credit that
117 may be issued to any qualified company for a project or combination of projects
118 may be increased up to one million dollars **if the number of new jobs will**
119 **exceed five hundred and** if such action is proposed by the department and
120 approved by the quality jobs advisory task force established in section 620.1887;
121 provided, however, until such time as the initial at-large members of the quality
122 jobs advisory task force are appointed, this determination shall be made by the
123 director of the department of economic development. In considering such a
124 request, the task force shall rely on economic modeling and other information
125 supplied by the department when requesting the increased limit on behalf of the
126 project;

127 (4) Job retention projects: a qualified company may receive a tax credit
128 for the retention of jobs in this state, provided the qualified company and the
129 project meets all of the following conditions:

130 (a) For each of the twenty-four months preceding the year in which
131 application for the program is made the qualified company must have maintained
132 at least one thousand full-time[, year-round] employees at the employer's site in
133 the state at which the jobs are based, and the average wage of such employees
134 must meet or exceed the county average wage;

135 (b) The qualified company retained at the project facility the level of
136 full-time[, year-round] employees that existed in the taxable year immediately
137 preceding the year in which application for the program is made;

138 (c) The qualified company is considered to have a significant statewide
139 effect on the economy, and has been determined to represent a substantial risk
140 of relocation from the state by the quality jobs advisory task force established in
141 section 620.1887; provided, however, until such time as the initial at-large

142 members of the quality jobs advisory task force are appointed, this determination
143 shall be made by the director of the department of economic development;

144 (d) The qualified company in the project facility will cause to be invested
145 a minimum of seventy million dollars in new investment prior to the end of two
146 years or will cause to be invested a minimum of thirty million dollars in new
147 investment prior to the end of two years and maintain an annual payroll of at
148 least seventy million dollars during each of the years for which a credit is
149 claimed; and

150 (e) The local taxing entities shall provide local incentives of at least fifty
151 percent of the new direct local revenues created by the project over a ten-year
152 period.

153 The quality jobs advisory task force may recommend to the department of
154 economic development that appropriate penalties be applied to the company for
155 violating the agreement. The amount of the job retention credit granted may be
156 equal to up to fifty percent of the amount of withholding tax generated by the
157 full-time[, year-round] jobs at the project facility for a period of five years. The
158 calendar year annual maximum amount of tax credit that may be issued to any
159 qualified company for a job retention project or combination of job retention
160 projects shall be seven hundred fifty thousand dollars per year, but the maximum
161 amount may be increased up to one million dollars if such action is proposed by
162 the department and approved by the quality jobs advisory task force established
163 in section 620.1887; provided, however, until such time as the initial at-large
164 members of the quality jobs advisory task force are appointed, this determination
165 shall be made by the director of the department of economic development. In
166 considering such a request, the task force shall rely on economic modeling and
167 other information supplied by the department when requesting the increased
168 limit on behalf of the job retention project. In no event shall the total amount of
169 all tax credits issued for the entire job retention program under this subdivision
170 exceed three million dollars annually. Notwithstanding the above, no tax credits
171 shall be issued for job retention projects approved by the department after August
172 30, 2007;

173 **(5) Small business job retention and flood survivor relief: a**
174 **qualified company may receive a tax credit under sections 620.1875 to**
175 **620.1890 for the retention of jobs and flood survivor relief in this state**
176 **for each job retained over a three-year period, provided that:**

177 (a) The qualified company and related companies have fewer

178 than one hundred employees at the time application for the program is
179 made;

180 (b) The average wage of the qualified company's and related
181 companies' employees must meet or exceed the county average wage;

182 (c) All of the qualified company's and related companies'
183 facilities are located in this state;

184 (d) The facilities at the primary business site in this state have
185 been directly damaged by flood water rising above the level of a five
186 hundred year flood at least two years, but fewer than eight years, prior
187 to the time application is made;

188 (e) The qualified company made significant efforts to protect the
189 facilities prior to any impending danger from rising floodwaters;

190 (f) For each year it receives tax credits under sections 620.1875
191 to 620.1890, the qualified company and related companies retained, at
192 the company's facilities in this state, at least the level of full-time, year-
193 round employees that existed in the taxable year immediately
194 preceding the year in which application for the program is made; and

195 (g) In the years it receives tax credits under sections 620.1875 to
196 620.1890, the company cumulatively invests at least two million dollars
197 in capital improvements in facilities and equipment located at such
198 facilities that are not located within a five hundred year flood plain as
199 designated by the Federal Emergency Management Agency, and
200 amended from time to time.

201 The amount of the small business job retention and flood survivor relief
202 credit granted may be equal to up to one hundred percent of the
203 amount of withholding tax generated by the full-time jobs at the project
204 facility for a period of three years. The calendar year annual maximum
205 amount of tax credit that may be issued to any qualified company for
206 a small business job retention and survivor relief project shall be two
207 hundred fifty thousand dollars per year, but the maximum amount may
208 be increased up to five hundred thousand dollars if such action is
209 proposed by the department and approved by the quality jobs advisory
210 task force established in section 620.1887. In considering such a
211 request, the task force shall rely on economic modeling and other
212 information supplied by the department when requesting an increase
213 in the limit on behalf of the small business job retention and flood
214 survivor relief project. In no event shall the total amount of all tax

215 **credits issued for the entire small business job retention and flood**
216 **survivor relief program under this subdivision exceed five hundred**
217 **thousand dollars annually. Notwithstanding the provisions of this**
218 **subdivision to the contrary, no tax credits shall be issued for small**
219 **business job retention and flood survivor relief projects approved by**
220 **the department after August 30, 2010.**

221 4. The qualified company shall provide an annual report of the number
222 of jobs and such other information as may be required by the department to
223 document the basis for the benefits of this program. The department may
224 withhold the approval of any benefits until it is satisfied that proper
225 documentation has been provided, and shall reduce the benefits to reflect any
226 reduction in full-time[, year-round] employees **or new payroll. Upon approval**
227 **by the department, the qualified company may begin the retention of**
228 **the withholding taxes when it reaches the minimum number of new**
229 **jobs and the average wage exceeds the county average wage. Tax**
230 **credits, if any, may be issued upon satisfaction by the department that**
231 **the qualified company has exceeded the county average wage and the**
232 **minimum number of new jobs. In such annual report, if the average**
233 **wage is below the county average wage, the qualified company has not**
234 **maintained the employee insurance as required, or if the number of**
235 **new jobs is below the minimum, the qualified company shall not receive**
236 **tax credits or retain the withholding tax for the balance of the benefit**
237 **period. In the case of a qualified company that initially filed a notice**
238 **of intent and received an approval from the department for high impact**
239 **benefits and the minimum number of new jobs in an annual report is**
240 **below the minimum for high impact projects, the company shall not**
241 **receive tax credits for the balance of the benefit period but may**
242 **continue to retain the withholding taxes if it otherwise meets the**
243 **requirements of a small and expanding business under this program.**

244 5. The maximum calendar year annual tax credits issued for the entire
245 program shall not exceed [twelve] **thirty** million dollars. Notwithstanding any
246 provision of law to the contrary, the maximum annual tax credits authorized
247 under section 135.535, RSMo, are hereby reduced from ten million dollars to eight
248 million dollars, with the balance of two million dollars transferred to this
249 program. There shall be no limit on the amount of withholding taxes that may
250 be retained by approved companies under this program.

251 6. The department shall allocate the annual tax credits based on the date
252 of the **[proposal] approval**, reserving such tax credits based on the department's
253 best estimate of new jobs and new payroll of the project, and the other factors in
254 the determination of benefits of this program. However, the annual issuance of
255 tax credits is subject to the annual verification of the actual new payroll. The
256 allocation of tax credits for the period assigned to a project shall expire if, within
257 two years from the date of commencement of operations, or **[proposal] approval**
258 if applicable, the minimum thresholds have not been achieved. The qualified
259 company may retain authorized amounts from the withholding tax under this
260 section once the minimum new jobs thresholds are met for the duration of the
261 project period. No benefits shall be provided under this program until the
262 qualified company meets the minimum new jobs thresholds. In the event the
263 qualified company does not meet the minimum new job threshold, the qualified
264 company may submit a new notice of intent or the department may provide a new
265 **[proposal] approval** for a new project of the qualified company at the project
266 facility or other facilities.

267 7. For a qualified company with flow-through tax treatment to its
268 members, partners, or shareholders, the tax credit shall be allowed to members,
269 partners, or shareholders in proportion to their share of ownership on the last
270 day of the qualified company's tax period.

271 8. Tax credits may be claimed against taxes otherwise imposed by
272 chapters 143 and 148, RSMo, and may not be carried forward but shall be claimed
273 within one year of the close of the taxable year for which they were issued.

274 9. Tax credits authorized by this section may be transferred, sold, or
275 assigned by filing a notarized endorsement thereof with the department that
276 names the transferee, the amount of tax credit transferred, and the value received
277 for the credit, as well as any other information reasonably requested by the
278 department.

279 10. **Prior to the issuance of tax credits, the department shall**
280 **verify through the department of revenue that the tax credit applicant**
281 **does not owe any delinquent income, sales, or use tax or interest or**
282 **penalties on such taxes, and through the department of insurance that**
283 **the applicant does not owe any delinquent insurance taxes. Such**
284 **delinquency shall not affect the authorization of the application for**
285 **such tax credits, except that at issuance credits shall be first applied**
286 **to the delinquency and any amount issued shall be reduced by the**

287 applicant's tax delinquency. If the department of revenue or the
288 department of insurance concludes that a taxpayer is delinquent after
289 June fifteenth but before July first of any year and the application of
290 tax credits to such delinquency causes a tax deficiency on behalf of the
291 taxpayer to arise, then the taxpayer shall be granted thirty days to
292 satisfy the deficiency in which interest, penalties, and additions to tax
293 shall be tolled. After applying all available credits toward a tax
294 delinquency, the administering agency shall notify the appropriate
295 department and that department shall update the amount of
296 outstanding delinquent tax owed by the applicant. If any credits
297 remain after satisfying all insurance, income, sales, and use tax
298 delinquencies, the remaining credits shall be issued to the applicant,
299 subject to the restrictions of other provisions of law.

300 11. The director of revenue shall issue a refund to the qualified company
301 to the extent that the amount of credits allowed in this section exceeds the
302 amount of the qualified company's income tax.

303 [11.] 12. An employee of a qualified company will receive full credit for
304 the amount of tax withheld as provided in section [143.221] 143.211, RSMo.

305 [12.] 13. If any provision of sections 620.1875 to 620.1890 or application
306 thereof to any person or circumstance is held invalid, the invalidity shall not
307 affect other provisions or application of these sections which can be given effect
308 without the invalid provisions or application, and to this end, the provisions of
309 sections 620.1875 to 620.1890 are hereby declared severable.

310 14. For any notice of intent filed by a qualified company that
311 involves the relocation of more than twenty-five full-time employees
312 from a related facility located in a different county of the project
313 facility during a period of the initial five-year benefit period of the
314 project facility, the governing authority of the recognized incorporated
315 local government of the related facility, or county, if such county has
316 more than seventy incorporated cities, will be sent a notice by the
317 department offering such authority an opportunity to object to the
318 benefits that the qualified company would otherwise receive under this
319 section at the project facility. The authority must indicate its objection
320 to the department within ten business days of receipt of such notice. If
321 the authority indicates its objection, the qualified company may not
322 receive benefits under this section for the initial five-year benefit
323 period at the project facility. In the event a qualified company fails to

324 indicate such relocation in the notice of intent and the relocation
325 occurs during the initial five-year benefit period, and if the community
326 indicates its objection to the department of such relocation at any time
327 during the five-year benefit period, the qualified company must repay
328 any benefits received under this section plus any costs incurred by the
329 department to collect such repayment, and any additional benefits that
330 were otherwise to have been provided during the initial five-year
331 benefit period shall be cancelled.

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