

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for House Bill No. 117, Page 1, In the Title, Line 3, by
2 deleting the words, "sales tax" and inserting in lieu thereof the word, "taxation"; and

3
4 Further amend said bill, page, Section A, Line 3, by inserting after all of said line and section the
5 following:

6 "32.110. 1. Any business firm which engages in the activities of providing physical
7 revitalization, economic development, job training or education for individuals, community services,
8 or crime prevention in the state of Missouri shall receive a tax credit as provided in section 32.115 if
9 the director of the department of economic development annually approves the proposal of the
10 business firm; except that, no proposal shall be approved which does not have the endorsement of the
11 agency of local government within the area in which the business firm is engaging in such activities
12 which has adopted an overall community or neighborhood development plan that the proposal is
13 consistent with such plan. The proposal shall set forth the program to be conducted, the
14 neighborhood area to be served, why the program is needed, the estimated amount to be contributed
15 to the program and the plans for implementing the program. If, in the opinion of the director of the
16 department of economic development, a business firm's contribution can more consistently with the
17 purposes of sections 32.100 to 32.125 be made through contributions to a neighborhood organization
18 as defined in subdivision (13) of section 32.105, tax credits may be allowed as provided in section
19 32.115. The director of the department of economic development is hereby authorized to
20 promulgate rules and regulations for establishing criteria for evaluating such proposals by business
21 firms for approval or disapproval and for establishing priorities for approval or disapproval of such
22 proposals by business firms with the assistance and approval of the director of the department of
23 revenue. The total amount of tax credit granted for programs approved pursuant to sections 32.100
24 to 32.125 shall not exceed fourteen million dollars in fiscal year 1999 and twenty-six million dollars
25 in fiscal year 2000, and any subsequent fiscal year, except as otherwise provided for proposals
26 approved pursuant to section 32.111, 32.112 or 32.117. All tax credits authorized pursuant to the
27 provisions of sections 32.100 to 32.125 may be used as a state match to secure additional federal
28 funding.

29 2. No new tax credits shall be authorized under the provisions of this section after December
30 31, 2015.

31 32.115. 1. The department of revenue shall grant a tax credit, to be applied in the following

Action Taken _____ Date _____

Action Taken _____ Date _____

1 order until used, against:

2 (1) The annual tax on gross premium receipts of insurance companies in chapter 148;

3 (2) The tax on banks determined pursuant to subdivision (2) of subsection 2 of section
4 148.030;

5 (3) The tax on banks determined in subdivision (1) of subsection 2 of section 148.030;

6 (4) The tax on other financial institutions in chapter 148;

7 (5) The corporation franchise tax in chapter 147;

8 (6) The state income tax in chapter 143; and

9 (7) The annual tax on gross receipts of express companies in chapter 153.

10 2. For proposals approved pursuant to section 32.110:

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

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

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

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

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

25 (c) A standard metropolitan statistical area and a substantial number of persons in such
26 county derive their income from agriculture. Such community may also be in an unincorporated
27 area in such county as provided in subdivision (1), (2) or (3) of this subsection. Except in no case
28 shall the total economic benefit of the combined federal and state tax savings to the taxpayer exceed
29 the amount contributed by the taxpayer during the tax year;

30 (4) Such tax credit allocation, equal to seventy percent of the total amount contributed, shall
31 not exceed four million dollars in fiscal year 1999 and six million dollars in fiscal year 2000 and any
32 subsequent fiscal year. When the maximum dollar limit on the seventy percent tax credit allocation
33 is committed, the tax credit allocation for such programs shall then be equal to fifty percent credit of
34 the total amount contributed. Regulations establishing special program priorities are to be
35 promulgated during the first month of each fiscal year and at such times during the year as the public
36 interest dictates. Such credit shall not exceed two hundred and fifty thousand dollars annually except
37 as provided in subdivision (5) of this subsection. No tax credit shall be approved for any bank, bank
38 and trust company, insurance company, trust company, national bank, savings association, or
39 building and loan association for activities that are a part of its normal course of business. Any tax
40 credit not used in the period the contribution was made may be carried over the next five succeeding
41 calendar or fiscal years until the full credit has been claimed. Except as otherwise provided for

1 proposals approved pursuant to section 32.111, 32.112 or 32.117, in no event shall the total amount
2 of all other tax credits allowed pursuant to sections 32.100 to 32.125 exceed thirty-two million
3 dollars in any one fiscal year, of which six million shall be credits allowed pursuant to section
4 135.460. If six million dollars in credits are not approved, then the remaining credits may be used
5 for programs approved pursuant to sections 32.100 to 32.125. No new tax credits shall be authorized
6 under the provisions of sections 32.110 and 135.460 after December 31, 2015;

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

14 3. For proposals approved pursuant to section 32.111:

15 (1) The amount of the tax credit shall not exceed fifty-five percent of the total amount
16 invested in affordable housing assistance activities or market rate housing in distressed communities
17 as defined in section 135.530 by a business firm. Whenever such investment is made in the form of
18 an equity investment or a loan, as opposed to a donation alone, tax credits may be claimed only
19 where the loan or equity investment is accompanied by a donation which is eligible for federal
20 income tax charitable deduction, and where the total value of the tax credits herein plus the value of
21 the federal income tax charitable deduction is less than or equal to the value of the donation. Any tax
22 credit not used in the period for which the credit was approved may be carried over the next ten
23 succeeding calendar or fiscal years until the full credit has been allowed. If the affordable housing
24 units or market rate housing units in distressed communities for which a tax is claimed are within a
25 larger structure, parts of which are not the subject of a tax credit claim, then expenditures applicable
26 to the entire structure shall be reduced on a prorated basis in proportion to the ratio of the number of
27 square feet devoted to the affordable housing units or market rate housing units in distressed
28 communities, for purposes of determining the amount of the tax credit. The total amount of tax
29 credit granted for programs approved pursuant to section 32.111 for the fiscal year beginning July 1,
30 1991, shall not exceed two million dollars, to be increased by no more than two million dollars each
31 succeeding fiscal year, until the total tax credits that may be approved reaches ten million dollars in
32 any fiscal year;

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

39 (3) In the case of owner-occupied affordable housing units, the qualifying owner occupant
40 shall, before the end of the first year in which credits are claimed, certify to the commission that the
41 occupant is income eligible during the preceding two years, and at the time of the initial purchase

1 contract, but not thereafter. The qualifying owner occupant shall further certify to the commission,
2 before the end of the first year in which credits are claimed, that during the compliance period
3 indicated in the land use restriction agreement, the cost of the affordable housing unit to the occupant
4 for the claimed unit can reasonably be projected to be in compliance with the provisions of sections
5 32.100 to 32.125. Any succeeding owner occupant acquiring the affordable housing unit during the
6 compliance period indicated in the land use restriction agreement shall make the same certification;

7 (4) If at any time during the compliance period the commission determines a project for
8 which a proposal has been approved is not in compliance with the applicable provisions of sections
9 32.100 to 32.125 or rules promulgated therefor, the commission may within one hundred fifty days
10 of notice to the owner either seek injunctive enforcement action against the owner, or seek legal
11 damages against the owner representing the value of the tax credits, or foreclose on the lien in the
12 land use restriction agreement, selling the project at a public sale, and paying to the owner the
13 proceeds of the sale, less the costs of the sale and less the value of all tax credits allowed herein. The
14 commission shall remit to the director of revenue the portion of the legal damages collected or the
15 sale proceeds representing the value of the tax credits. However, except in the event of intentional
16 fraud by the taxpayer, the proposal's certificate of eligibility for tax credits shall not be revoked.

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

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

26 99.845. 1. A municipality, either at the time a redevelopment project is approved or, in the
27 event a municipality has undertaken acts establishing a redevelopment plan and redevelopment
28 project and has designated a redevelopment area after the passage and approval of sections 99.800 to
29 99.865 but prior to August 13, 1982, which acts are in conformance with the procedures of sections
30 99.800 to 99.865, may adopt tax increment allocation financing by passing an ordinance providing
31 that after the total equalized assessed valuation of the taxable real property in a redevelopment
32 project exceeds the certified total initial equalized assessed valuation of the taxable real property in
33 the redevelopment project, the ad valorem taxes, and payments in lieu of taxes, if any, arising from
34 the levies upon taxable real property in such redevelopment project by taxing districts and tax rates
35 determined in the manner provided in subsection 2 of section 99.855 each year after the effective
36 date of the ordinance until redevelopment costs have been paid shall be divided as follows:

37 (1) That portion of taxes, penalties and interest levied upon each taxable lot, block, tract, or
38 parcel of real property which is attributable to the initial equalized assessed value of each such
39 taxable lot, block, tract, or parcel of real property in the area selected for the redevelopment project
40 shall be allocated to and, when collected, shall be paid by the county collector to the respective
41 affected taxing districts in the manner required by law in the absence of the adoption of tax

1 increment allocation financing;

2 (2) (a) Payments in lieu of taxes attributable to the increase in the current equalized assessed
3 valuation of each taxable lot, block, tract, or parcel of real property in the area selected for the
4 redevelopment project and any applicable penalty and interest over and above the initial equalized
5 assessed value of each such unit of property in the area selected for the redevelopment project shall
6 be allocated to and, when collected, shall be paid to the municipal treasurer who shall deposit such
7 payment in lieu of taxes into a special fund called the "Special Allocation Fund" of the municipality
8 for the purpose of paying redevelopment costs and obligations incurred in the payment thereof.
9 Beginning August 28, 2014, if the voters in a taxing district vote to approve an increase in such
10 taxing district's levy rate for ad valorem tax on real property, any additional revenues generated
11 within an existing redevelopment project area that are directly attributable to the newly
12 voter-approved incremental increase in such taxing district's levy rate shall not be considered
13 payments in lieu of taxes subject to deposit into a special allocation fund without the consent of such
14 taxing district. Revenues will be considered directly attributable to the newly voter-approved
15 incremental increase to the extent that they are generated from the difference between the taxing
16 district's actual levy rate currently imposed and the maximum voter-approved levy rate at the time
17 that the redevelopment project was adopted. Payments in lieu of taxes which are due and owing
18 shall constitute a lien against the real estate of the redevelopment project from which they are
19 derived and shall be collected in the same manner as the real property tax, including the assessment
20 of penalties and interest where applicable. The municipality may, in the ordinance, pledge the funds
21 in the special allocation fund for the payment of such costs and obligations and provide for the
22 collection of payments in lieu of taxes, the lien of which may be foreclosed in the same manner as a
23 special assessment lien as provided in section 88.861. No part of the current equalized assessed
24 valuation of each lot, block, tract, or parcel of property in the area selected for the redevelopment
25 project attributable to any increase above the total initial equalized assessed value of such properties
26 shall be used in calculating the general state school aid formula provided for in section 163.031 until
27 such time as all redevelopment costs have been paid as provided for in this section and section
28 99.850.

29 (b) Notwithstanding any provisions of this section to the contrary, for purposes of
30 determining the limitation on indebtedness of local government pursuant to Article VI, Section 26(b)
31 of the Missouri Constitution, the current equalized assessed value of the property in an area selected
32 for redevelopment attributable to the increase above the total initial equalized assessed valuation
33 shall be included in the value of taxable tangible property as shown on the last completed assessment
34 for state or county purposes.

35 (c) The county assessor shall include the current assessed value of all property within the
36 taxing district in the aggregate valuation of assessed property entered upon the assessor's book and
37 verified pursuant to section 137.245, and such value shall be utilized for the purpose of the debt
38 limitation on local government pursuant to Article VI, Section 26(b) of the Missouri Constitution;

39 (3) For purposes of this section, "levies upon taxable real property in such redevelopment
40 project by taxing districts" shall not include the blind pension fund tax levied under the authority of
41 Article III, Section 38(b) of the Missouri Constitution, or the merchants' and manufacturers'

1 inventory replacement tax levied under the authority of subsection 2 of Section 6 of Article X of the
2 Missouri Constitution, except in redevelopment project areas in which tax increment financing has
3 been adopted by ordinance pursuant to a plan approved by vote of the governing body of the
4 municipality taken after August 13, 1982, and before January 1, 1998.

5 2. In addition to the payments in lieu of taxes described in subdivision (2) of subsection 1 of
6 this section, for redevelopment plans and projects adopted or redevelopment projects approved by
7 ordinance after July 12, 1990, and prior to August 31, 1991, fifty percent of the total additional
8 revenue from taxes, penalties and interest imposed by the municipality, or other taxing districts,
9 which are generated by economic activities within the area of the redevelopment project over the
10 amount of such taxes generated by economic activities within the area of the redevelopment project
11 in the calendar year prior to the adoption of the redevelopment project by ordinance, while tax
12 increment financing remains in effect, but excluding taxes imposed on sales or charges for sleeping
13 rooms paid by transient guests of hotels and motels, taxes levied pursuant to section 70.500, licenses,
14 fees or special assessments other than payments in lieu of taxes and any penalty and interest thereon,
15 or, effective January 1, 1998, taxes levied pursuant to section 94.660, for the purpose of public
16 transportation, shall be allocated to, and paid by the local political subdivision collecting officer to
17 the treasurer or other designated financial officer of the municipality, who shall deposit such funds in
18 a separate segregated account within the special allocation fund. Any provision of an agreement,
19 contract or covenant entered into prior to July 12, 1990, between a municipality and any other
20 political subdivision which provides for an appropriation of other municipal revenues to the special
21 allocation fund shall be and remain enforceable.

22 3. In addition to the payments in lieu of taxes described in subdivision (2) of subsection 1 of
23 this section, for redevelopment plans and projects adopted or redevelopment projects approved by
24 ordinance after August 31, 1991, fifty percent of the total additional revenue from taxes, penalties
25 and interest which are imposed by the municipality or other taxing districts, and which are generated
26 by economic activities within the area of the redevelopment project over the amount of such taxes
27 generated by economic activities within the area of the redevelopment project in the calendar year
28 prior to the adoption of the redevelopment project by ordinance, while tax increment financing
29 remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for
30 sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to section 70.500,
31 taxes levied for the purpose of public transportation pursuant to section 94.660, taxes imposed on
32 sales pursuant to subsection 2 of section 67.1712 for the purpose of operating and maintaining a
33 metropolitan park and recreation district, licenses, fees or special assessments other than payments in
34 lieu of taxes and penalties and interest thereon, any sales tax imposed by a county with a charter
35 form of government and with more than six hundred thousand but fewer than seven hundred
36 thousand inhabitants, for the purpose of sports stadium improvement or levied by such county under
37 section 238.410 for the purpose of the county transit authority operating transportation facilities, or
38 for redevelopment plans and projects adopted or redevelopment projects approved by ordinance after
39 August 28, 2013, taxes imposed on sales under and pursuant to section 67.700 or 650.399 for the
40 purpose of emergency communication systems, shall be allocated to, and paid by the local political
41 subdivision collecting officer to the treasurer or other designated financial officer of the

1 municipality, who shall deposit such funds in a separate segregated account within the special
2 allocation fund. Beginning August 28, 2014, if the voters in a taxing district vote to approve an
3 increase in such taxing district's sales tax or use tax, other than the renewal of an expiring sales or
4 use tax, any additional revenues generated within an existing redevelopment project area that are
5 directly attributable to the newly voter-approved incremental increase in such taxing district's levy
6 rate shall not be considered economic activity taxes subject to deposit into a special allocation fund
7 without the consent of such taxing district.

8 4. Beginning January 1, 1998, for redevelopment plans and projects adopted or
9 redevelopment projects approved by ordinance and which have complied with subsections 4 to 12 of
10 this section, in addition to the payments in lieu of taxes and economic activity taxes described in
11 subsections 1, 2 and 3 of this section, up to fifty percent of the new state revenues, as defined in
12 subsection 8 of this section, estimated for the businesses within the project area and identified by the
13 municipality in the application required by subsection 10 of this section, over and above the amount
14 of such taxes reported by businesses within the project area as identified by the municipality in their
15 application prior to the approval of the redevelopment project by ordinance, while tax increment
16 financing remains in effect, may be available for appropriation by the general assembly as provided
17 in subsection 10 of this section to the department of economic development supplemental tax
18 increment financing fund, from the general revenue fund, for distribution to the treasurer or other
19 designated financial officer of the municipality with approved plans or projects.

20 5. The treasurer or other designated financial officer of the municipality with approved plans
21 or projects shall deposit such funds in a separate segregated account within the special allocation
22 fund established pursuant to section 99.805.

23 6. No transfer from the general revenue fund to the Missouri supplemental tax increment
24 financing fund shall be made unless an appropriation is made from the general revenue fund for that
25 purpose. No municipality shall commit any state revenues prior to an appropriation being made for
26 that project. For all redevelopment plans or projects adopted or approved after December 23, 1997,
27 appropriations from the new state revenues shall not be distributed from the Missouri supplemental
28 tax increment financing fund into the special allocation fund unless the municipality's redevelopment
29 plan ensures that one hundred percent of payments in lieu of taxes and fifty percent of economic
30 activity taxes generated by the project shall be used for eligible redevelopment project costs while
31 tax increment financing remains in effect. This account shall be separate from the account into
32 which payments in lieu of taxes are deposited, and separate from the account into which economic
33 activity taxes are deposited.

34 7. In order for the redevelopment plan or project to be eligible to receive the revenue
35 described in subsection 4 of this section, the municipality shall comply with the requirements of
36 subsection 10 of this section prior to the time the project or plan is adopted or approved by
37 ordinance. The director of the department of economic development and the commissioner of the
38 office of administration may waive the requirement that the municipality's application be submitted
39 prior to the redevelopment plan's or project's adoption or the redevelopment plan's or project's
40 approval by ordinance.

41 8. For purposes of this section, "new state revenues" means:

1 (1) The incremental increase in the general revenue portion of state sales tax revenues
2 received pursuant to section 144.020, excluding sales taxes that are constitutionally dedicated, taxes
3 deposited to the school district trust fund in accordance with section 144.701, sales and use taxes on
4 motor vehicles, trailers, boats and outboard motors and future sales taxes earmarked by law. In no
5 event shall the incremental increase include any amounts attributable to retail sales unless the
6 municipality or authority has proven to the Missouri development finance board and the department
7 of economic development and such entities have made a finding that the sales tax increment
8 attributable to retail sales is from new sources which did not exist in the state during the baseline
9 year. The incremental increase in the general revenue portion of state sales tax revenues for an
10 existing or relocated facility shall be the amount that current state sales tax revenue exceeds the state
11 sales tax revenue in the base year as stated in the redevelopment plan as provided in subsection 10 of
12 this section; or

13 (2) The state income tax withheld on behalf of new employees by the employer pursuant to
14 section 143.221 at the business located within the project as identified by the municipality. The state
15 income tax withholding allowed by this section shall be the municipality's estimate of the amount of
16 state income tax withheld by the employer within the redevelopment area for new employees who
17 fill new jobs directly created by the tax increment financing project.

18 9. Subsection 4 of this section shall apply only to blighted areas located in enterprise zones,
19 pursuant to sections 135.200 to 135.256, blighted areas located in federal empowerment zones, or to
20 blighted areas located in central business districts or urban core areas of cities which districts or
21 urban core areas at the time of approval of the project by ordinance, provided that the enterprise
22 zones, federal empowerment zones or blighted areas contained one or more buildings at least fifty
23 years old; and

24 (1) Suffered from generally declining population or property taxes over the twenty-year
25 period immediately preceding the area's designation as a project area by ordinance; or

26 (2) Was a historic hotel located in a county of the first classification without a charter form
27 of government with a population according to the most recent federal decennial census in excess of
28 one hundred fifty thousand and containing a portion of a city with a population according to the most
29 recent federal decennial census in excess of three hundred fifty thousand.

30 10. The initial appropriation of up to fifty percent of the new state revenues authorized
31 pursuant to subsections 4 and 5 of this section shall not be made to or distributed by the department
32 of economic development to a municipality until all of the following conditions have been satisfied:

33 (1) The director of the department of economic development or his or her designee and the
34 commissioner of the office of administration or his or her designee have approved a tax increment
35 financing application made by the municipality for the appropriation of the new state revenues. The
36 municipality shall include in the application the following items in addition to the items in section
37 99.810:

38 (a) The tax increment financing district or redevelopment area, including the businesses
39 identified within the redevelopment area;

40 (b) The base year of state sales tax revenues or the base year of state income tax withheld on
41 behalf of existing employees, reported by existing businesses within the project area prior to

1 approval of the redevelopment project;

2 (c) The estimate of the incremental increase in the general revenue portion of state sales tax
3 revenue or the estimate for the state income tax withheld by the employer on behalf of new
4 employees expected to fill new jobs created within the redevelopment area after redevelopment;

5 (d) The official statement of any bond issue pursuant to this subsection after December 23,
6 1997;

7 (e) An affidavit that is signed by the developer or developers attesting that the provisions of
8 subdivision (1) of subsection 1 of section 99.810 have been met and specifying that the
9 redevelopment area would not be reasonably anticipated to be developed without the appropriation
10 of the new state revenues;

11 (f) The cost-benefit analysis required by section 99.810 includes a study of the fiscal impact
12 on the state of Missouri; and

13 (g) The statement of election between the use of the incremental increase of the general
14 revenue portion of the state sales tax revenues or the state income tax withheld by employers on
15 behalf of new employees who fill new jobs created in the redevelopment area;

16 (h) The name, street and mailing address, and phone number of the mayor or chief executive
17 officer of the municipality;

18 (i) The street address of the development site;

19 (j) The three-digit North American Industry Classification System number or numbers
20 characterizing the development project;

21 (k) The estimated development project costs;

22 (l) The anticipated sources of funds to pay such development project costs;

23 (m) Evidence of the commitments to finance such development project costs;

24 (n) The anticipated type and term of the sources of funds to pay such development project
25 costs;

26 (o) The anticipated type and terms of the obligations to be issued;

27 (p) The most recent equalized assessed valuation of the property within the development
28 project area;

29 (q) An estimate as to the equalized assessed valuation after the development project area is
30 developed in accordance with a development plan;

31 (r) The general land uses to apply in the development area;

32 (s) The total number of individuals employed in the development area, broken down by
33 full-time, part-time, and temporary positions;

34 (t) The total number of full-time equivalent positions in the development area;

35 (u) The current gross wages, state income tax withholdings, and federal income tax
36 withholdings for individuals employed in the development area;

37 (v) The total number of individuals employed in this state by the corporate parent of any
38 business benefitting from public expenditures in the development area, and all subsidiaries thereof,
39 as of December thirty-first of the prior fiscal year, broken down by full-time, part-time, and
40 temporary positions;

41 (w) The number of new jobs to be created by any business benefitting from public

1 expenditures in the development area, broken down by full-time, part-time, and temporary positions;

2 (x) The average hourly wage to be paid to all current and new employees at the project site,
3 broken down by full-time, part-time, and temporary positions;

4 (y) For project sites located in a metropolitan statistical area, as defined by the federal Office
5 of Management and Budget, the average hourly wage paid to nonmanagerial employees in this state
6 for the industries involved at the project, as established by the United States Bureau of Labor
7 Statistics;

8 (z) For project sites located outside of metropolitan statistical areas, the average weekly
9 wage paid to nonmanagerial employees in the county for industries involved at the project, as
10 established by the United States Department of Commerce;

11 (aa) A list of other community and economic benefits to result from the project;

12 (bb) A list of all development subsidies that any business benefitting from public
13 expenditures in the development area has previously received for the project, and the name of any
14 other granting body from which such subsidies are sought;

15 (cc) A list of all other public investments made or to be made by this state or units of local
16 government to support infrastructure or other needs generated by the project for which the funding
17 pursuant to this section is being sought;

18 (dd) A statement as to whether the development project may reduce employment at any
19 other site, within or without the state, resulting from automation, merger, acquisition, corporate
20 restructuring, relocation, or other business activity;

21 (ee) A statement as to whether or not the project involves the relocation of work from
22 another address and if so, the number of jobs to be relocated and the address from which they are to
23 be relocated;

24 (ff) A list of competing businesses in the county containing the development area and in each
25 contiguous county;

26 (gg) A market study for the development area;

27 (hh) A certification by the chief officer of the applicant as to the accuracy of the
28 development plan;

29 (2) The methodologies used in the application for determining the base year and determining
30 the estimate of the incremental increase in the general revenue portion of the state sales tax revenues
31 or the state income tax withheld by employers on behalf of new employees who fill new jobs created
32 in the redevelopment area shall be approved by the director of the department of economic
33 development or his or her designee and the commissioner of the office of administration or his or her
34 designee. Upon approval of the application, the director of the department of economic development
35 or his or her designee and the commissioner of the office of administration or his or her designee
36 shall issue a certificate of approval. The department of economic development may request the
37 appropriation following application approval;

38 (3) The appropriation shall be either a portion of the estimate of the incremental increase in
39 the general revenue portion of state sales tax revenues in the redevelopment area or a portion of the
40 estimate of the state income tax withheld by the employer on behalf of new employees who fill new
41 jobs created in the redevelopment area as indicated in the municipality's application, approved by the

1 director of the department of economic development or his or her designee and the commissioner of
2 the office of administration or his or her designee. At no time shall the annual amount of the new
3 state revenues approved for disbursements from the Missouri supplemental tax increment financing
4 fund exceed thirty-two million dollars;

5 (4) Redevelopment plans and projects receiving new state revenues shall have a duration of
6 up to fifteen years, unless prior approval for a longer term is given by the director of the department
7 of economic development or his or her designee and the commissioner of the office of administration
8 or his or her designee; except that, in no case shall the duration exceed twenty-three years.

9 11. In addition to the areas authorized in subsection 9 of this section, the funding authorized
10 pursuant to subsection 4 of this section shall also be available in a federally approved levee district,
11 where construction of a levee begins after December 23, 1997, and which is contained within a
12 county of the first classification without a charter form of government with a population between
13 fifty thousand and one hundred thousand inhabitants which contains all or part of a city with a
14 population in excess of four hundred thousand or more inhabitants.

15 12. There is hereby established within the state treasury a special fund to be known as the
16 "Missouri Supplemental Tax Increment Financing Fund", to be administered by the department of
17 economic development. The department shall annually distribute from the Missouri supplemental
18 tax increment financing fund the amount of the new state revenues as appropriated as provided in the
19 provisions of subsections 4 and 5 of this section if and only if the conditions of subsection 10 of this
20 section are met. The fund shall also consist of any gifts, contributions, grants or bequests received
21 from federal, private or other sources. Moneys in the Missouri supplemental tax increment financing
22 fund shall be disbursed per project pursuant to state appropriations.

23 13. Redevelopment project costs may include, at the prerogative of the state, the portion of
24 salaries and expenses of the department of economic development and the department of revenue
25 reasonably allocable to each redevelopment project approved for disbursements from the Missouri
26 supplemental tax increment financing fund for the ongoing administrative functions associated with
27 such redevelopment project. Such amounts shall be recovered from new state revenues deposited
28 into the Missouri supplemental tax increment financing fund created under this section.

29 14. For redevelopment plans or projects approved by ordinance that result in net new jobs
30 from the relocation of a national headquarters from another state to the area of the redevelopment
31 project, the economic activity taxes and new state tax revenues shall not be based on a calculation of
32 the incremental increase in taxes as compared to the base year or prior calendar year for such
33 redevelopment project, rather the incremental increase shall be the amount of total taxes generated
34 from the net new jobs brought in by the national headquarters from another state. In no event shall
35 this subsection be construed to allow a redevelopment project to receive an appropriation in excess
36 of up to fifty percent of the new state revenues.

37 15. Notwithstanding any other provision of law, the general assembly shall not appropriate
38 any new state revenues to the department of economic development supplemental tax increment
39 financing fund under the provisions of subsections 4 to 12 of this section for any plan or project not
40 approved by December 31, 2015.

41

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

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

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

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

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

11 (5) Does not exceed five million dollars;

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

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

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

21 3. Each application for a loan secured by the development and reserve fund, the
22 infrastructure development fund or the export finance fund shall be reviewed in the first instance by
23 any participating lender to whom the application was submitted. If satisfied that the standards
24 prescribed by the board are met and that the loan is otherwise eligible to be secured by the
25 development and reserve fund, the infrastructure development fund or the export finance fund, the
26 participating lender shall certify the same and forward the application for final approval to the board.

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

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

35 6. Any taxpayer, including any charitable organization that is exempt from federal income
36 tax and whose Missouri unrelated business taxable income, if any, would be subject to the state
37 income tax imposed under chapter 143, may, subject to the limitations provided under subsection 8
38 of this section, receive a tax credit against any tax otherwise due under the provisions of chapter 143,
39 excluding withholding tax imposed by sections 143.191 to 143.261, chapter 147, or chapter 148, in
40 the amount of fifty percent of any amount contributed in money or property by the taxpayer to the
41 development and reserve fund, the infrastructure development fund or the export finance fund during
42 the taxpayer's tax year, provided, however, the total tax credits awarded in any calendar year
43 beginning after January 1, 1994, shall not be the greater of ten million dollars or five percent of the
44 average growth in general revenue receipts in the preceding three fiscal years. This limit may be
45 exceeded only upon joint agreement by the commissioner of administration, the director of the
46 department of economic development, and the director of the department of revenue that such action
47 is essential to ensure retention or attraction of investment in Missouri. If the board receives, as a
48 contribution, real property, the contributor at such contributor's own expense shall have two

1 independent appraisals conducted by appraisers certified by the Master Appraisal Institute. Both
2 appraisals shall be submitted to the board, and the tax credit certified by the board to the contributor
3 shall be based upon the value of the lower of the two appraisals. The board shall not certify the tax
4 credit until the property is deeded to the board. Such credit shall not apply to reserve participation
5 fees paid by borrowers under sections 100.250 to 100.297. The portion of earned tax credits which
6 exceeds the taxpayer's tax liability may be carried forward for up to five years.

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

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

13 (2) In an amount not to exceed one hundred percent of annual earned credits. The taxpayer
14 acquiring earned credits, hereinafter the assignee for the purpose of this subsection, may use the
15 acquired credits to offset up to one hundred percent of the tax liabilities otherwise imposed by
16 chapter 143, excluding withholding tax imposed by sections 143.191 to 143.261, chapter 147, or
17 chapter 148. Unused credits in the hands of the assignee may be carried forward for up to five years,
18 provided all such credits shall be claimed within ten years following the tax years in which the
19 contribution was made. The assignor shall enter into a written agreement with the assignee
20 establishing the terms and conditions of the agreement and shall perfect such transfer by notifying
21 the board in writing within thirty calendar days following the effective day of the transfer and shall
22 provide any information as may be required by the board to administer and carry out the provisions
23 of this section. Notwithstanding any other provision of law to the contrary, the amount received by
24 the assignor of such tax credit shall be taxable as income of the assignor, and the excess of the par
25 value of such credit over the amount paid by the assignee for such credit shall be taxable as income
26 of the assignee.

27 8. Provisions of subsections 1 to 7 of this section to the contrary notwithstanding, no more
28 than ten million dollars in tax credits provided under this section, may be authorized or approved
29 annually. The limitation on tax credit authorization and approval provided under this subsection may
30 be exceeded only upon mutual agreement, evidenced by a signed and properly notarized letter, by the
31 commissioner of the office of administration, the director of the department of economic
32 development, and the director of the department of revenue that such action is essential to ensure
33 retention or attraction of investment in Missouri provided, however, that in no case shall more than
34 twenty-five million dollars in tax credits be authorized or approved during such year. No new tax
35 credits shall be authorized under the provisions of this section after December 31, 2015. Taxpayers
36 shall file, with the board, an application for tax credits authorized under this section on a form
37 provided by the board. The provisions of this subsection shall not be construed to limit or in any
38 way impair the ability of the board to authorize tax credits for issuance for projects authorized or
39 approved, by a vote of the board, on or before the thirtieth day following the effective date of this
40 act, or a taxpayer's ability to redeem such tax credits.

41 100.297. 1. The board may authorize a tax credit, as described in this section, to the owner
42 of any revenue bonds or notes issued by the board pursuant to the provisions of sections 100.250 to
43 100.297, for infrastructure facilities as defined in subdivision (9) of section 100.255, if, prior to the
44 issuance of such bonds or notes, the board determines that:

45 (1) The availability of such tax credit is a material inducement to the undertaking of the
46 project in the state of Missouri and to the sale of the bonds or notes;

1 (2) The loan with respect to the project is adequately secured by a first deed of trust or
2 mortgage or comparable lien, or other security satisfactory to the board.

3 2. Upon making the determinations specified in subsection 1 of this section, the board may
4 declare that each owner of an issue of revenue bonds or notes shall be entitled, in lieu of any other
5 deduction with respect to such bonds or notes, to a tax credit against any tax otherwise due by such
6 owner pursuant to the provisions of chapter 143, excluding withholding tax imposed by sections
7 143.191 to 143.261, chapter 147, or chapter 148, in the amount of one hundred percent of the unpaid
8 principal of and unpaid interest on such bonds or notes held by such owner in the taxable year of
9 such owner following the calendar year of the default of the loan by the borrower with respect to the
10 project. The occurrence of a default shall be governed by documents authorizing the issuance of the
11 bonds. The tax credit allowed pursuant to this section shall be available to the original owners of the
12 bonds or notes or any subsequent owner or owners thereof. Once an owner is entitled to a claim, any
13 such tax credits shall be transferable as provided in subsection 7 of section 100.286.

14 Notwithstanding any provision of Missouri law to the contrary, any portion of the tax credit to which
15 any owner of a revenue bond or note is entitled pursuant to this section which exceeds the total
16 income tax liability of such owner of a revenue bond or note shall be carried forward and allowed as
17 a credit against any future taxes imposed on such owner within the next ten years pursuant to the
18 provisions of chapter 143, excluding withholding tax imposed by sections 143.191 to 143.261,
19 chapter 147, or chapter 148. The eligibility of the owner of any revenue bond or note issued
20 pursuant to the provisions of sections 100.250 to 100.297 for the tax credit provided by this section
21 shall be expressly stated on the face of each such bond or note. The tax credit allowed pursuant to
22 this section shall also be available to any financial institution or guarantor which executes any credit
23 facility as security for bonds issued pursuant to this section to the same extent as if such financial
24 institution or guarantor was an owner of the bonds or notes, provided however, in such case the tax
25 credits provided by this section shall be available immediately following any default of the loan by
26 the borrower with respect to the project. In addition to reimbursing the financial institution or
27 guarantor for claims relating to unpaid principal and interest, such claim may include payment of
28 any unpaid fees imposed by such financial institution or guarantor for use of the credit facility.

29 3. The aggregate principal amount of revenue bonds or notes outstanding at any time with
30 respect to which the tax credit provided in this section shall be available shall not exceed fifty
31 million dollars. No new tax credits shall be authorized under the provisions of this section after
32 December 31, 2015.

33 100.850. 1. The approved company shall remit to the board a job development assessment
34 fee, not to exceed five percent of the gross wages of each eligible employee whose job was created as
35 a result of the economic development project, or not to exceed ten percent if the economic
36 development project is located within a distressed community as defined in section 135.530, for the
37 purpose of retiring bonds which fund the economic development project.

38 2. Any approved company remitting an assessment as provided in subsection 1 of this
39 section shall make its payroll books and records available to the board at such reasonable times as the
40 board shall request and shall file with the board documentation respecting the assessment as the
41 board may require.

42 3. Any assessment remitted pursuant to subsection 1 of this section shall cease on the date
43 the bonds are retired.

44 4. Any approved company which has paid an assessment for debt reduction shall be allowed
45 a tax credit equal to the amount of the assessment. The tax credit may be claimed against taxes

1 otherwise imposed by chapters 143 and 148, except withholding taxes imposed under the provisions
2 of sections 143.191 to 143.265, which were incurred during the tax period in which the assessment
3 was made.

4 5. In no event shall the aggregate amount of tax credits authorized by subsection 4 of this
5 section exceed twenty-five million dollars annually. Of such amount, nine hundred fifty thousand
6 dollars shall be reserved for an approved project for a world headquarters of a business whose
7 primary function is tax return preparation that is located in any home rule city with more than four
8 hundred thousand inhabitants and located in more than one county, which amount reserved shall end
9 in the year of the final maturity of the certificates issued for such approved project.

10 6. The director of revenue shall issue a refund to the approved company to the extent that the
11 amount of credits allowed in subsection 4 of this section exceeds the amount of the approved
12 company's income tax.

13 7. No new tax credits shall be authorized under the provisions of this section after December
14 31, 2015.

15 135.020. 1. A credit for property taxes shall be allowed for the amount provided in section
16 135.030. If the amount allowable as a credit exceeds the income tax reduced by other credits, then
17 the excess shall be considered an overpayment of the income tax.

18 2. No new tax credits shall be authorized under the provisions of sections 135.010 to
19 135.030 after December 31, 2015.

20 135.110. 1. Any taxpayer who shall establish a new business facility shall be allowed a
21 credit, each year for ten years, in an amount determined pursuant to subsection 2 or 3 of this section,
22 whichever is applicable, against the tax imposed by chapter 143, excluding withholding tax imposed
23 by sections 143.191 to 143.265, or an insurance company which shall establish a new business
24 facility by satisfying the requirements in subdivision (7) of section 135.100 shall be allowed a credit
25 against the tax otherwise imposed by chapter 148, and in the case of an insurance company exempt
26 from the thirty percent employee requirement of section 135.230, against any obligation imposed
27 pursuant to section 375.916, except that no taxpayer shall be entitled to multiple ten-year periods for
28 subsequent expansions at the same facility, except as otherwise provided in this section. For the
29 purpose of this section, the term "facility" shall mean, and be limited to, the facility or facilities
30 which are located on the same site in which the new business facility is located, and in which the
31 business conducted at such facility or facilities is directly related to the business conducted at the
32 new business facility. Notwithstanding the provisions of this subsection, a taxpayer may be entitled
33 to an additional ten-year period if a new business facility is expanded in the eighth, ninth or tenth
34 year of the current ten-year period or in subsequent years following the expiration of the ten-year
35 period, if the number of new business facility employees attributed to such expansion is at least
36 twenty-five and the amount of new business facility investment attributed to such expansion is at
37 least one million dollars. Credits may not be carried forward but shall be claimed for the taxable
38 year during which commencement of commercial operations occurs at such new business facility,
39 and for each of the nine succeeding taxable years. A letter of intent, as provided for in section
40 135.258, must be filed with the department of economic development no later than fifteen days prior
41 to the commencement of commercial operations at the new business facility. The initial application

1 for claiming tax credits must be made in the taxpayer's tax period immediately following the tax
2 period in which commencement of commercial operations began at the new business facility. This
3 provision shall have effect on all initial applications filed on or after August 28, 1992. No credit
4 shall be allowed pursuant to this section unless the number of new business facility employees
5 engaged or maintained in employment at the new business facility for the taxable year for which the
6 credit is claimed equals or exceeds two; except that the number of new business facility employees
7 engaged or maintained in employment by a revenue-producing enterprise other than a
8 revenue-producing enterprise defined in paragraphs (a) to (g) and (i) to (l) of subdivision [(11)] (12)
9 of section 135.100 which establishes an office as defined in subdivision [(8)] (9) of section 135.100
10 shall equal or exceed twenty-five.

11 2. For tax periods beginning after August 28, 1991, in the case of a taxpayer operating an
12 existing business facility, the credit allowed by subsection 1 of this section shall offset the greater of:

13 (1) Some portion of the income tax otherwise imposed by chapter 143, excluding
14 withholding tax imposed by sections 143.191 to 143.265, or in the case of an insurance company, the
15 tax on the direct premiums, as defined in chapter 148, and in the case of an insurance company
16 exempt from the thirty percent employee requirement of section 135.230, against any obligation
17 imposed pursuant to section 375.916 with respect to such taxpayer's new business facility income for
18 the taxable year for which such credit is allowed; or

19 (2) Up to fifty percent or, in the case of an economic development project located within a
20 distressed community as defined in section 135.530, seventy-five percent of the business income tax
21 otherwise imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to
22 143.265, or in the case of an insurance company, the tax on the direct premiums, as defined in
23 chapter 148, and in the case of an insurance company exempt from the thirty percent employee
24 requirement of section 135.230, against any obligation imposed pursuant to section 375.916 if the
25 business operates no other facilities in Missouri. In the case of an existing business facility operating
26 more than one facility in Missouri, the credit allowed in subsection 1 of this section shall offset up to
27 the greater of the portion prescribed in subdivision (1) of this subsection or twenty-five percent or, in
28 the case of an economic development project located within a distressed community as defined in
29 section 135.530, thirty-five percent of the business' tax, except that no taxpayer operating more than
30 one facility in Missouri shall be allowed to offset more than twenty-five percent or, in the case of an
31 economic development project located within a distressed community as defined in section 135.530,
32 thirty-five percent of the taxpayer's business income tax in any tax period under the method
33 prescribed in this subdivision. Such credit shall be an amount equal to the sum of one hundred
34 dollars or, in the case of an economic development project located within a distressed community as
35 defined in section 135.530, one hundred fifty dollars for each new business facility employee plus
36 one hundred dollars or, in the case of an economic development project located within a distressed
37 community as defined in section 135.530, one hundred fifty dollars for each one hundred thousand
38 dollars, or major fraction thereof (which shall be deemed to be fifty-one percent or more) in new
39 business facility investment. For the purpose of this section, tax credits earned by a taxpayer, who
40 establishes a new business facility because it satisfies the requirements of paragraph (c) of
41 subdivision [(4)] (5) of section 135.100, shall offset the greater of the portion prescribed in
42 subdivision (1) of this subsection or up to fifty percent or, in the case of an economic development
43 project located within a distressed community as defined in section 135.530, seventy-five percent of
44 the business' tax provided the business operates no other facilities in Missouri. In the case of a
45 business operating more than one facility in Missouri, the credit allowed in subsection 1 of this
46 section shall offset up to the greater of the portion prescribed in subdivision (1) of this subsection or

1 twenty-five percent or, in the case of an economic development project located within a distressed
2 community as defined in section 135.530, thirty-five percent of the business' tax, except that no
3 taxpayer operating more than one facility in Missouri shall be allowed to offset more than
4 twenty-five percent or, in the case of an economic development project located within a distressed
5 community as defined in section 135.530, thirty-five percent of the taxpayer's business income tax in
6 any tax period under the method prescribed in this subdivision.

7 3. For tax periods beginning after August 28, 1991, in the case of a taxpayer not operating an
8 existing business facility, the credit allowed by subsection 1 of this section shall offset the greater of:

9 (1) Some portion of the income tax otherwise imposed by chapter 143, excluding
10 withholding tax imposed by sections 143.191 to 143.265, or in the case of an insurance company, the
11 tax on the direct premiums, as defined in chapter 148, and in the case of an insurance company
12 exempt from the thirty percent employee requirement of section 135.230, against any obligation
13 imposed pursuant to section 375.916 with respect to such taxpayer's new business facility income for
14 the taxable year for which such credit is allowed; or

15 (2) Up to one hundred percent of the business income tax otherwise imposed by chapter 143,
16 excluding withholding tax imposed by sections 143.191 to 143.265, or in the case of an insurance
17 company, the tax on the direct premiums, as defined in chapter 148, and in the case of an insurance
18 company exempt from the thirty percent employee requirement of section 135.230, against any
19 obligation imposed pursuant to section 375.916 if the business has no other facilities operating in
20 Missouri. In the case of a taxpayer not operating an existing business and operating more than one
21 facility in Missouri, the credit allowed by subsection 1 of this section shall offset up to the greater of
22 the portion prescribed in subdivision (1) of this subsection or twenty-five percent or, in the case of an
23 economic development project located within a distressed community as defined in section 135.530,
24 thirty-five percent of the business' tax, except that no taxpayer operating more than one facility in
25 Missouri shall be allowed to offset more than twenty-five percent or, in the case of an economic
26 development project located within a distressed community as defined in section 135.530, thirty-five
27 percent of the taxpayer's business income tax in any tax period under the method prescribed in this
28 subdivision. Such credit shall be an amount equal to the sum of seventy-five dollars or, in the case of
29 an economic development project located within a distressed community as defined in section
30 135.530, one hundred twenty-five dollars for each new business facility employee plus seventy-five
31 dollars or, in the case of an economic development project located within a distressed community as
32 defined in section 135.530, one hundred twenty-five dollars for each one hundred thousand dollars,
33 or major fraction thereof (which shall be deemed to be fifty-one percent or more) in new business
34 facility investment.

35 4. The number of new business facility employees during any taxable year shall be
36 determined by dividing by twelve the sum of the number of individuals employed on the last
37 business day of each month of such taxable year. If the new business facility is in operation for less
38 than the entire taxable year, the number of new business facility employees shall be determined by
39 dividing the sum of the number of individuals employed on the last business day of each full
40 calendar month during the portion of such taxable year during which the new business facility was in
41 operation by the number of full calendar months during such period. For the purpose of computing
42 the credit allowed by this section in the case of a facility which qualifies as a new business facility
43 because it qualifies as a separate facility pursuant to subsection 6 of this section, and, in the case of a
44 new business facility which satisfies the requirements of paragraph (c) of subdivision [(4)] (5) of
45 section 135.100, or subdivision [(10)] (11) of section 135.100, the number of new business facility
46 employees at such facility shall be reduced by the average number of individuals employed,
47 computed as provided in this subsection, at the facility during the taxable year immediately
48 preceding the taxable year in which such expansion, acquisition, or replacement occurred and shall

1 further be reduced by the number of individuals employed by the taxpayer or related taxpayer that
2 was subsequently transferred to the new business facility from another Missouri facility and for
3 which credits authorized in this section are not being earned, whether such credits are earned because
4 of an expansion, acquisition, relocation or the establishment of a new facility.

5 5. For the purpose of computing the credit allowed by this section in the case of a facility
6 which qualifies as a new business facility because it qualifies as a separate facility pursuant to
7 subsection 6 of this section, and, in the case of a new business facility which satisfies the
8 requirements of paragraph (c) of subdivision [(4)] (5) of section 135.100 or subdivision [(10)] (11)
9 of section 135.100, the amount of the taxpayer's new business facility investment in such facility
10 shall be reduced by the average amount, computed as provided in subdivision [(7)] (8) of section
11 135.100 for new business facility investment, of the investment of the taxpayer, or related taxpayer
12 immediately preceding such expansion or replacement or at the time of acquisition. Furthermore,
13 the amount of the taxpayer's new business facility investment shall also be reduced by the amount of
14 investment employed by the taxpayer or related taxpayer which was subsequently transferred to the
15 new business facility from another Missouri facility and for which credits authorized in this section
16 are not being earned, whether such credits are earned because of an expansion, acquisition,
17 relocation or the establishment of a new facility.

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

20 (1) The taxpayer's new business facility investment in the expansion during the tax period in
21 which the credits allowed in this section are claimed exceeds one hundred thousand dollars, or, if
22 less, one hundred percent of the investment in the original facility prior to expansion and if the
23 number of new business facility employees engaged or maintained in employment at the expansion
24 facility for the taxable year for which credit is claimed equals or exceeds two, except that the number
25 of new business facility employees engaged or maintained in employment at the expansion facility
26 for the taxable year for which the credit is claimed equals or exceeds twenty-five if an office as
27 defined in subdivision [(8)] (9) of section 135.100 is established by a revenue-producing enterprise
28 other than a revenue-producing enterprise defined in paragraphs (a) to (g) and (i) to (l) of subdivision
29 [(11)] (12) of section 135.100 and the total number of employees at the facility after the expansion is
30 at least two greater than the total number of employees before the expansion, except that the total
31 number of employees at the facility after the expansion is at least greater than the number of
32 employees before the expansion by twenty-five, if an office as defined in subdivision [(8)] (9) of
33 section 135.100 is established by a revenue-producing enterprise other than a revenue-producing
34 enterprise defined in paragraphs (a) to (g) and (i) to (l) of subdivision [(11)] (12) of section 135.100;
35 and

36 (2) The expansion otherwise constitutes a new business facility. The taxpayer's investment
37 in the expansion and in the original facility prior to expansion shall be determined in the manner
38 provided in subdivision [(7)] (8) of section 135.100.

39 7. No credit shall be allowed pursuant to this section to a public utility, as such term is
40 defined in section 386.020. Notwithstanding any provision of this subsection to the contrary, motor
41 carriers, barge lines or railroads engaged in transporting property for hire, or any interexchange
42 telecommunications company or local exchange telecommunications company that establishes a new
43 business facility shall be eligible to qualify for credits allowed in this section.

44 8. For the purposes of the credit described in this section, in the case of a corporation
45 described in section 143.471 or partnership, in computing Missouri's tax liability, this credit shall be
46 allowed to the following:

47 (1) The shareholders of the corporation described in section 143.471;

48 (2) The partners of the partnership. This credit shall be apportioned to the entities described

1 in subdivisions (1) and (2) of this subsection in proportion to their share of ownership on the last day
2 of the taxpayer's tax period.

3 9. Notwithstanding any provision of law to the contrary, any employee-owned engineering
4 firm classified as SIC 8711, architectural firm as classified SIC 8712, or accounting firm classified
5 SIC 8721 establishing a new business facility because it qualifies as a headquarters as defined in
6 subsection 10 of this section, shall be allowed the credits described in subsection 11 of this section
7 under the same terms and conditions prescribed in sections 135.100 to 135.150; provided:

8 (1) Such facility maintains an average of at least five hundred new business facility
9 employees as defined in subdivision [(5)] (6) of section 135.100 during the taxpayer's tax period in
10 which such credits are being claimed; and

11 (2) Such facility maintains an average of at least twenty million dollars in new business
12 facility investment as defined in subdivision [(7)] (8) of section 135.100 during the taxpayer's tax
13 period in which such credits are being claimed.

14 10. For the purpose of the credits allowed in subsection 9 of this section:

15 (1) "Employee-owned" means the business employees own directly or indirectly, including
16 through an employee stock ownership plan or trust at least:

17 (a) Seventy-five percent of the total business stock, if the taxpayer is a corporation described
18 in section 143.441; or

19 (b) One hundred percent of the interest in the business if the taxpayer is a corporation
20 described in section 143.471, a partnership, or a limited liability company; and

21 (2) "Headquarters" means:

22 (a) The administrative management of at least three integrated facilities operated by the
23 taxpayer or related taxpayer; and

24 (b) The taxpayer's business has been headquartered in this state for more than fifty years.

25 11. The tax credits allowed in subsection 9 of this section shall be the greater of:

26 (1) Four hundred dollars for each new business facility employee as computed in subsection
27 4 of this section and four percent of new business facility investment as computed in subsection 5 of
28 this section; or

29 (2) Five hundred dollars for each new business facility employee as computed in subsection
30 4 of this section, and five hundred dollars of each one hundred thousand dollars of new business
31 facility investment as computed in subsection 5 of this section.

32 12. For the purpose of the credit described in subsection 9 of this section, in the case of a
33 small corporation described in section 143.471, or a partnership, or a limited liability company, the
34 credits allowed in subsection 9 of this section shall be apportioned in proportion to the share of
35 ownership of each shareholder, partner or stockholder on the last day of the taxpayer's tax period for
36 which such credits are being claimed.

37 13. For the purpose of the credit described in subsection 9 of this section, tax credits earned,
38 to the extent such credits exceed the taxpayer's Missouri tax on taxable business income, shall
39 constitute an overpayment of taxes and in such case, be refunded to the taxpayer provided such
40 refunds are used by the taxpayer to purchase specified facility items. For the purpose of the refund
41 as authorized in this subsection, "specified facility items" means equipment, computers, computer
42 software, copiers, tenant finishing, furniture and fixtures installed and in use at the new business
43 facility during the taxpayer's taxable year. The taxpayer shall perfect such refund by attesting in
44 writing to the director, subject to the penalties of perjury, the requirements prescribed in this
45 subsection have been met and submitting any other information the director may require.

46 14. Notwithstanding any provision of law to the contrary, any taxpayer may sell, assign,
47 exchange, convey or otherwise transfer tax credits allowed in subsection 9 of this section under the
48 terms and conditions prescribed in subdivisions (1) and (2) of this subsection. Such taxpayer,

1 referred to as the assignor for the purpose of this subsection, may sell, assign, exchange or otherwise
2 transfer earned tax credits:

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

4 (2) In an amount not to exceed one hundred percent of such earned credits. The taxpayer
5 acquiring the earned credits referred to as the assignee for the purpose of this subsection may use the
6 acquired credits to offset up to one hundred percent of the tax liabilities otherwise imposed by
7 chapter 143, excluding withholding tax imposed by sections 143.191 to 143.261, or chapter 148, or
8 in the case of an insurance company exempt from the thirty percent employee requirement of section
9 135.230, against any obligation imposed pursuant to section 375.916. Unused credits in the hands of
10 the assignee may be carried forward for up to five tax periods, provided all such credits shall be
11 claimed within ten tax periods following the tax period in which commencement of commercial
12 operations occurred at the new business facility. The assignor shall enter into a written agreement
13 with the assignee establishing the terms and conditions of the agreement and shall perfect such
14 transfer by notifying the director in writing within thirty calendar days following the effective date
15 of the transfer and shall provide any information as may be required by the director to administer and
16 carry out the provisions of this subsection. Notwithstanding any other provision of law to the
17 contrary, the amount received by the assignor of such tax credit shall be taxable as income of the
18 assignor, and the difference between the amount paid by the assignee and the par value of the credits
19 shall be taxable as income of the assignee.

20 15. No new tax credits shall be authorized under the provisions of this section after
21 December 31, 2015.

22 135.352. 1. A taxpayer owning an interest in a qualified Missouri project shall, subject to
23 the limitations provided under the provisions of [subsection] subsections 3 and 4 of this section, be
24 allowed a state tax credit, whether or not allowed a federal tax credit, to be termed the Missouri
25 low-income housing tax credit, if the commission issues an eligibility statement for that project.

26 2. For qualified Missouri projects placed in service after January 1, 1997, the Missouri
27 low-income housing tax credit available to a project shall be such amount as the commission shall
28 determine is necessary to ensure the feasibility of the project, up to an amount equal to the federal
29 low-income housing tax credit for a qualified Missouri project, for a federal tax period, and such
30 amount shall be subtracted from the amount of state tax otherwise due for the same tax period.

31 3. No more than six million dollars in tax credits shall be authorized each fiscal year for
32 projects financed through tax-exempt bond issuance.

33 4. The Missouri low-income housing tax credit shall be taken against the taxes and in the
34 order specified pursuant to section 32.115. The credit authorized by this section shall not be
35 refundable. Any amount of credit that exceeds the tax due for a taxpayer's taxable year may be
36 carried back to any of the taxpayer's three prior taxable years or carried forward to any of the
37 taxpayer's five subsequent taxable years.

38 [5.] 6. All or any portion of Missouri tax credits issued in accordance with the provisions of
39 sections 135.350 to 135.362 may be allocated to parties who are eligible pursuant to the provisions
40 of subsection 1 of this section. Beginning January 1, 1995, for qualified projects which began on or
41 after January 1, 1994, an owner of a qualified Missouri project shall certify to the director the
42 amount of credit allocated to each taxpayer. The owner of the project shall provide to the director
43 appropriate information so that the low-income housing tax credit can be properly allocated.

44 [6.] 7. In the event that recapture of Missouri low-income housing tax credits is required

1 pursuant to subsection 2 of section 135.355, any statement submitted to the director as provided in
2 this section shall include the proportion of the state credit required to be recaptured, the identity of
3 each taxpayer subject to the recapture and the amount of credit previously allocated to such taxpayer.

4 [7.] 8. The director of the department may promulgate rules and regulations necessary to
5 administer the provisions of this section. No rule or portion of a rule promulgated pursuant to the
6 authority of this section shall become effective unless it has been promulgated pursuant to the
7 provisions of section 536.024.

8 9. No new tax credits shall be authorized under the provisions of sections 135.350 to
9 135.362 after December 31, 2015.

10 135.484. 1. Beginning January 1, 2000, tax credits shall be allowed pursuant to section
11 135.481 in an amount not to exceed sixteen million dollars per year. Of this total amount of tax
12 credits in any given year, eight million dollars shall be set aside for projects in areas described in
13 subdivision (6) of section 135.478 and eight million dollars for projects in areas described in
14 subdivision (10) of section 135.478. The maximum tax credit for a project consisting of
15 multiple-unit qualifying residences in a distressed community shall not exceed three million dollars.
16 No new tax credits shall be authorized under the provisions of sections 135.475 to 135.487 after
17 December 31, 2015.

18 2. Any amount of credit which exceeds the tax liability of a taxpayer for the tax year in
19 which the credit is first claimed may be carried back to any of the taxpayer's three prior tax years and
20 carried forward to any of the taxpayer's five subsequent tax years. A certificate of tax credit issued
21 to a taxpayer by the department may be assigned, transferred, sold or otherwise conveyed.
22 Whenever a certificate of tax credit is assigned, transferred, sold or otherwise conveyed, a notarized
23 endorsement shall be filed with the department specifying the name and address of the new owner of
24 the tax credit and the value of the credit.

25 3. The tax credits allowed pursuant to sections 135.475 to 135.487 may not be claimed in
26 addition to any other state tax credits, with the exception of the historic structures rehabilitation tax
27 credit authorized pursuant to sections 253.545 to 253.559, which insofar as sections 135.475 to
28 135.487 are concerned may be claimed only in conjunction with the tax credit allowed pursuant to
29 subsection 4 of section 135.481. In order for a taxpayer eligible for the historic structures
30 rehabilitation tax credit to claim the tax credit allowed pursuant to subsection 4 of section 135.481,
31 the taxpayer must comply with the requirements of sections 253.545 to 253.559, and in such cases,
32 the amount of the tax credit pursuant to subsection 4 of section 135.481 shall be limited to the lesser
33 of twenty percent of the taxpayer's eligible costs or forty thousand dollars.

34 135.535. 1. A corporation, limited liability corporation, partnership or sole proprietorship,
35 which moves its operations from outside Missouri or outside a distressed community into a
36 distressed community, or which commences operations in a distressed community on or after
37 January 1, 1999, and in either case has more than seventy-five percent of its employees at the facility
38 in the distressed community, and which has fewer than one hundred employees for whom payroll
39 taxes are paid, and which is a manufacturing, biomedical, medical devices, scientific research,
40 animal research, computer software design or development, computer programming, including
41 internet, web hosting, and other information technology, wireless or wired or other
42 telecommunications or a professional firm shall receive a forty percent credit against income taxes

1 owed pursuant to chapter 143, 147 or 148, other than taxes withheld pursuant to sections 143.191 to
2 143.265, for each of the three years after such move, if approved by the department of economic
3 development, which shall issue a certificate of eligibility if the department determines that the
4 taxpayer is eligible for such credit. The maximum amount of credits per taxpayer set forth in this
5 subsection shall not exceed one hundred twenty-five thousand dollars for each of the three years for
6 which the credit is claimed. The department of economic development, by means of rule or
7 regulation promulgated pursuant to the provisions of chapter 536, shall assign appropriate North
8 American Industry Classification System numbers to the companies which are eligible for the tax
9 credits provided for in this section. Such three-year credits shall be awarded only one time to any
10 company which moves its operations from outside of Missouri or outside of a distressed community
11 into a distressed community or to a company which commences operations within a distressed
12 community. A taxpayer shall file an application for certification of the tax credits for the first year in
13 which credits are claimed and for each of the two succeeding taxable years for which credits are
14 claimed.

15 2. Employees of such facilities physically working and earning wages for that work within a
16 distressed community whose employers have been approved for tax credits pursuant to subsection 1
17 of this section by the department of economic development for whom payroll taxes are paid shall
18 also be eligible to receive a tax credit against individual income tax, imposed pursuant to chapter
19 143, equal to one and one-half percent of their gross salary paid at such facility earned for each of the
20 three years that the facility receives the tax credit provided by this section, so long as they were
21 qualified employees of such entity. The employer shall calculate the amount of such credit and shall
22 report the amount to the employee and the department of revenue.

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

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

41 5. An existing corporation, partnership or sole proprietorship that is located within a
42 distressed community and that relocates employees from another facility outside of the distressed
43 community to its facility within the distressed community, and an existing business located within a
44 distressed community that hires new employees for that facility may both be eligible for the tax
45 credits allowed by subsections 1 and 3 of this section. To be eligible for such tax credits, such a
46 business, during one of its tax years, shall employ within a distressed community at least twice as

1 many employees as were employed at the beginning of that tax year. A business hiring employees
 2 shall have no more than one hundred employees before the addition of the new employees. This
 3 subsection shall only apply to a business which is a manufacturing, biomedical, medical devices,
 4 scientific research, animal research, computer software design or development, computer
 5 programming or telecommunications business, or a professional firm.

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

9 7. The tax credits allowed pursuant to subsections 1, 2, 3, 4 and 5 of this section shall be for
 10 an amount of no more than ten million dollars for each year beginning in 1999. The total maximum
 11 credit for all entities already located in distressed communities and claiming credits pursuant to
 12 subsection 4 of this section shall be seven hundred and fifty thousand dollars. The department of
 13 economic development in approving taxpayers for the credit as provided for in subsection 6 of this
 14 section shall use information provided by the department of revenue regarding taxes paid in the
 15 previous year, or projected taxes for those entities newly established in the state, as the method of
 16 determining when this maximum will be reached and shall maintain a record of the order of
 17 approval. Any tax credit not used in the period for which the credit was approved may be carried
 18 over until the full credit has been allowed. No new tax credits shall be authorized under the
 19 provisions of this section after December 31, 2015.

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

26 9. Notwithstanding any provision of law to the contrary, no taxpayer shall earn the tax
 27 credits allowed in this section and the tax credits otherwise allowed in section 135.110, or the tax
 28 credits, exemptions, and refund otherwise allowed in sections 135.200, 135.220, 135.225 and
 29 135.245, respectively, for the same business for the same tax period.

30 135.750. 1. As used in this section, the following terms mean:

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

33 (2) "Qualified film production project", any film, video, commercial, or television
 34 production, as approved by the department of economic development and the office of the Missouri
 35 film commission, that is under thirty minutes in length with an expected in-state expenditure budget
 36 in excess of fifty thousand dollars, or that is over thirty minutes in length with an expected in-state
 37 expenditure budget in excess of one hundred thousand dollars. Regardless of the production costs,
 38 "qualified film production project" shall not include any:

39 (a) News or current events programming;

40 (b) Talk show;

41 (c) Production produced primarily for industrial, corporate, or institutional purposes, and for
 42 internal use;

43 (d) Sports event or sports program;

44 (e) Gala presentation or awards show;

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

1 (g) Political ad;

2 (h) Production that is considered obscene, as defined in section 573.010;

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

5 (a) Goods and services leased or purchased by the production company. For goods with a
6 purchase price of twenty-five thousand dollars or more, the amount included in qualifying expenses
7 shall be the purchase price less the fair market value of the goods at the time the production is
8 completed;

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

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

15 (5) "Taxpayer", any individual, partnership, or corporation as described in section 143.441,
16 143.471, or section 148.370 that is subject to the tax imposed in chapter 143, excluding withholding
17 tax imposed by sections 143.191 to 143.265, or the tax imposed in chapter 148 or any charitable
18 organization which is exempt from federal income tax and whose Missouri unrelated business
19 taxable income, if any, would be subject to the state income tax imposed under chapter 143.

20 2. For all taxable years beginning on or after January 1, 1999, but ending on or before
21 December 31, 2007, a taxpayer shall be granted a tax credit for up to fifty percent of the amount of
22 investment in production or production-related activities in any film production project with an
23 expected in-state expenditure budget in excess of three hundred thousand dollars. For all taxable
24 years beginning on or after January 1, 2008, a taxpayer shall be allowed a tax credit for up to
25 thirty-five percent of the amount of qualifying expenses in a qualified film production project. Each
26 film production company shall be limited to one qualified film production project per year.
27 Activities qualifying a taxpayer for the tax credit pursuant to this subsection shall be approved by the
28 office of the Missouri film commission and the department of economic development.

29 3. Taxpayers shall apply for the film production tax credit by submitting an application to the
30 department of economic development, on a form provided by the department. As part of the
31 application, the expected in-state expenditures of the qualified film production project shall be
32 documented. In addition, the application shall include an economic impact statement, showing the
33 economic impact from the activities of the film production project. Such economic impact statement
34 shall indicate the impact on the region of the state in which the film production or production-related
35 activities are located and on the state as a whole.

36 4. For all taxable years ending on or before December 31, 2007, tax credits certified pursuant
37 to subsection 2 of this section shall not exceed one million dollars per taxpayer per year, and shall
38 not exceed a total for all tax credits certified of one million five hundred thousand dollars per year.
39 For all taxable years beginning on or after January 1, 2008, tax credits certified under subsection 1 of
40 this section shall not exceed a total for all tax credits certified of four million five hundred thousand
41 dollars per year. Taxpayers may carry forward unused credits for up to five tax periods, provided all

1 such credits shall be claimed within ten tax periods following the tax period in which the film
2 production or production-related activities for which the credits are certified by the department
3 occurred.

4 5. Notwithstanding any provision of law to the contrary, any taxpayer may sell, assign,
5 exchange, convey or otherwise transfer tax credits allowed in subsection 2 of this section. The
6 taxpayer acquiring the tax credits may use the acquired credits to offset the tax liabilities otherwise
7 imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or
8 chapter 148. Unused acquired credits may be carried forward for up to five tax periods, provided all
9 such credits shall be claimed within ten tax periods following the tax period in which the film
10 production or production-related activities for which the credits are certified by the department
11 occurred.

12 6. [Under section 23.253 of the Missouri sunset act:

13 (1) The provisions of the new program authorized under this section shall automatically
14 sunset six years after November 28, 2007, unless reauthorized by an act of the general assembly; and

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

17 (3) This section shall terminate on September first of the calendar year immediately
18 following the calendar year in which the program authorized under this section is sunset.] No new
19 tax credits shall be authorized under the provisions of this section after December 31, 2015.

20 135.967. 1. A taxpayer who establishes a new business facility may, upon approval by the
21 department, be allowed a credit, each tax year for up to ten tax years, in an amount determined as set
22 forth in this section, against the tax imposed by chapter 143, excluding withholding tax imposed by
23 sections 143.191 to 143.265. No taxpayer shall receive multiple ten-year periods for subsequent
24 expansions at the same facility.

25 2. Notwithstanding any provision of law to the contrary, any taxpayer who establishes a new
26 business facility in an enhanced enterprise zone and is awarded state tax credits under this section
27 may not also receive tax credits under sections 135.100 to 135.150, sections 135.200 to 135.286, or
28 section 135.535, and may not simultaneously receive tax credits under sections 620.1875 to
29 620.1890 at the same facility.

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

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

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

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

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

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

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

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

45 (c) An additional credit of four hundred dollars for each new business facility employee who

1 is paid by the enhanced business enterprise a wage that exceeds the average wage paid within the
2 county in which the facility is located, as determined by the department; and

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

5 5. Prior to January 1, 2007, in no event shall the department authorize more than four million
6 dollars annually to be issued for all enhanced business enterprises. After December 31, 2006, in no
7 event shall the department authorize more than twenty-four million dollars annually to be issued for
8 all enhanced business enterprises. No new tax credits shall be authorized under the provisions of this
9 section after December 31, 2015.

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

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

18 (2) The taxpayer's investment in the expansion and in the original facility prior to expansion
19 shall be determined in the manner provided in subdivision (19) of section 135.950.

20 7. The number of new business facility employees during any taxable year shall be
21 determined by dividing by twelve the sum of the number of individuals employed on the last
22 business day of each month of such taxable year. If the new business facility is in operation for less
23 than the entire taxable year, the number of new business facility employees shall be determined by
24 dividing the sum of the number of individuals employed on the last business day of each full
25 calendar month during the portion of such taxable year during which the new business facility was in
26 operation by the number of full calendar months during such period. For the purpose of computing
27 the credit allowed by this section in the case of a facility which qualifies as a new business facility
28 under subsection 6 of this section, and in the case of a new business facility which satisfies the
29 requirements of paragraph (c) of subdivision (17) of section 135.950, or subdivision [(25)] (27) of
30 section 135.950, the number of new business facility employees at such facility shall be reduced by
31 the average number of individuals employed, computed as provided in this subsection, at the facility
32 during the taxable year immediately preceding the taxable year in which such expansion, acquisition,
33 or replacement occurred and shall further be reduced by the number of individuals employed by the
34 taxpayer or related taxpayer that was subsequently transferred to the new business facility from
35 another Missouri facility and for which credits authorized in this section are not being earned,
36 whether such credits are earned because of an expansion, acquisition, relocation, or the establishment
37 of a new facility.

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

45 9. For the purpose of computing the credit allowed by this section in the case of a facility
46 which qualifies as a new business facility pursuant to subsection 6 of this section, and in the case of a
47 new business facility which satisfies the requirements of paragraph (c) of subdivision (17) of section
48 135.950 or subdivision [(25)] (27) of section 135.950, the amount of the taxpayer's new business

1 facility investment in such facility shall be reduced by the average amount, computed as provided in
2 subdivision (19) of section 135.950 for new business facility investment, of the investment of the
3 taxpayer, or related taxpayer immediately preceding such expansion or replacement or at the time of
4 acquisition. Furthermore, the amount of the taxpayer's new business facility investment shall also be
5 reduced by the amount of investment employed by the taxpayer or related taxpayer which was
6 subsequently transferred to the new business facility from another Missouri facility and for which
7 credits authorized in this section are not being earned, whether such credits are earned because of an
8 expansion, acquisition, relocation, or the establishment of a new facility.

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

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

15 12. Certificates of tax credit authorized by this section may be transferred, sold, or assigned
16 by filing a notarized endorsement thereof with the department that names the transferee, the amount
17 of tax credit transferred, and the value received for the credit, as well as any other information
18 reasonably requested by the department. The sale price cannot be less than seventy-five percent of
19 the par value of such credits.

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

22 14. Prior to the issuance of tax credits, the department shall verify through the department of
23 revenue, or any other state department, that the tax credit applicant does not owe any delinquent
24 income, sales, or use tax or interest or penalties on such taxes, or any delinquent fees or assessments
25 levied by any state department and through the department of insurance, financial institutions and
26 professional registration that the applicant does not owe any delinquent insurance taxes. Such
27 delinquency shall not affect the authorization of the application for such tax credits, except that the
28 amount of credits issued shall be reduced by the applicant's tax delinquency. If the department of
29 revenue or the department of insurance, financial institutions and professional registration, or any
30 other state department, concludes that a taxpayer is delinquent after June fifteenth but before July
31 first of any year and the application of tax credits to such delinquency causes a tax deficiency on
32 behalf of the taxpayer to arise, then the taxpayer shall be granted thirty days to satisfy the deficiency
33 in which interest, penalties, and additions to tax shall be tolled. After applying all available credits
34 toward a tax delinquency, the administering agency shall notify the appropriate department, and that
35 department shall update the amount of outstanding delinquent tax owed by the applicant. If any
36 credits remain after satisfying all insurance, income, sales, and use tax delinquencies, the remaining
37 credits shall be issued to the applicant, subject to the restrictions of other provisions of law.

38 137.1018. 1. The commission shall ascertain the statewide average rate of property taxes
39 levied the preceding year, based upon the total assessed valuation of the railroad and street railway
40 companies and the total property taxes levied upon the railroad and street railway companies. It shall
41 determine total property taxes levied from reports prescribed by the commission from the railroad
42 and street railway companies. Total taxes levied shall not include revenues from the surtax on
43 subclass three real property.

44 2. The commission shall report its determination of average property tax rate for the

1 preceding year, together with the taxable distributable assessed valuation of each freight line
2 company for the current year to the director no later than October first of each year.

3 3. Taxes on property of such freight line companies shall be collected at the state level by the
4 director on behalf of the counties and other local public taxing entities and shall be distributed in
5 accordance with sections 137.1021 and 137.1024. The director shall tax such property based upon
6 the distributable assessed valuation attributable to Missouri of each freight line company, using the
7 average tax rate for the preceding year of the railroad and street railway companies certified by the
8 commission. Such tax shall be due and payable on or before December thirty-first of the year levied
9 and, if it becomes delinquent, shall be subject to a penalty equal to that specified in section 140.100.

10 4. (1) As used in this subsection, the following terms mean:

11 (a) "Eligible expenses", expenses incurred in this state to manufacture, maintain, or improve
12 a freight line company's qualified rolling stock;

13 (b) "Qualified rolling stock", any freight, stock, refrigerator, or other railcars subject to the
14 tax levied under this section.

15 (2) For all taxable years beginning on or after January 1, 2009, but ending on or before
16 December 31, 2015, a freight line company shall, subject to appropriation, be allowed a credit
17 against the tax levied under this section for the applicable tax year. The tax credit amount shall be
18 equal to the amount of eligible expenses incurred during the calendar year immediately preceding the
19 tax year for which the credit under this section is claimed. The amount of the tax credit issued shall
20 not exceed the freight line company's liability for the tax levied under this section for the tax year for
21 which the credit is claimed.

22 (3) A freight line company may apply for the credit by submitting to the commission an
23 application in the form prescribed by the state tax commission.

24 (4) Subject to appropriation, the state shall reimburse, on an annual basis, any political
25 subdivision of this state for any decrease in revenue due to the provisions of this subsection.

26 5. Notwithstanding the provisions of subsection 4 to the contrary, no new tax credits shall be
27 authorized under the provisions of this section after December 31, 2015.

28 6. Pursuant to section 23.253 of the Missouri sunset act:

29 (1) The program authorized under this section shall expire on August 28, 2020; and

30 (2) This section shall terminate on September 1, 2021.

31 143.011. 1. A tax is hereby imposed for every taxable year on the Missouri taxable income
32 of every resident. The tax shall be determined by applying the tax table or the rate provided in
33 section 143.021, which is based upon the following rates:

34 If the Missouri taxable income is: The tax is:

35 Not over \$1,000.00 1 1/2% of the Missouri
36 taxable income

37 Over \$1,000 but not over \$2,000 \$15 plus 2% of excess
38 over \$1,000

39 Over \$2,000 but not over \$3,000 \$35 plus 2 1/2% of excess
40 over \$2,000

41 Over \$3,000 but not over \$4,000 \$60 plus 3% of excess

1	over \$3,000	
2	Over \$4,000 but not over \$5,000	\$90 plus 3 1/2% of excess
3	over \$4,000	
4	Over \$5,000 but not over \$6,000	\$125 plus 4% of excess
5	over \$5,000	
6	Over \$6,000 but not over \$7,000	\$165 plus 4 1/2% of
7	excess over \$6,000	
8	Over \$7,000 but not over \$8,000	\$210 plus 5% of excess
9	over \$7,000	
10	Over \$8,000 but not over \$9,000	\$260 plus 5 1/2% of
11	excess over \$8,000	
12	Over \$9,000	\$315 plus 6% of excess
13	over \$9,000	

14 2. Beginning with the 2016 calendar year, the department of revenue shall calculate the
15 amount of additional tax revenue resulting from this act after any revenue reduction required in
16 subsection 3 of this section. The director of the department of revenue shall, by rule, adjust the tax
17 brackets under subsection 1 of this section to offset any additional tax revenue so as to produce a
18 revenue neutral effect. The resulting rates of tax shall be rounded to the nearest tenth of a percent.
19 The director shall notify the revisor of statutes of any changes to the tax tables of subsection 1 of this
20 section for updating as appropriate.

21 3. (1) Beginning with the 2017 calendar year, the top rate of tax under subsection 1 of this
22 section may be reduced over a period of years. Each reduction in the top rate of tax shall be by
23 one-tenth of a percent and no more than one reduction shall occur in a calendar year. The top rate of
24 tax shall not be reduced below [five] three and one-half percent. Reductions in the rate of tax shall
25 take effect on January first of a calendar year and such reduced rates shall continue in effect until the
26 next reduction occurs.

27 (2) A reduction in the rate of tax shall only occur if the amount of net general revenue
28 collected in the previous fiscal year exceeds the highest amount of net general revenue collected in
29 any of the three fiscal years prior to such fiscal year by at least one hundred fifty million dollars.

30 (3) Any modification of tax rates under this subsection shall only apply to tax years that
31 begin on or after a modification takes effect.

32 (4) The director of the department of revenue shall, by rule, adjust the tax tables under
33 subsection 1 of this section to effectuate the provisions of this subsection. [The bracket for income
34 subject to the top rate of tax shall be eliminated once the top rate of tax has been reduced to five and
35 one-half of a percent.]

36 [3.] 4. Beginning with the 2017 calendar year, the brackets of Missouri taxable income
37 identified in subsection 1 of this section shall be adjusted annually by the percent increase in
38 inflation. The director shall publish such brackets annually beginning on or after October 1, 2016.
39 Modifications to the brackets shall take effect on January first of each calendar year and shall apply
40 to tax years beginning on or after the effective date of the new brackets.

41 [4.] 5. As used in this section, the following terms mean:

1 (1) "CPI", the Consumer Price Index for All Urban Consumers for the United States as
2 reported by the Bureau of Labor Statistics, or its successor index;

3 (2) "CPI for the preceding calendar year", the average of the CPI as of the close of the twelve
4 month period ending on August thirty-first of such calendar year;

5 (3) "Percent increase in inflation", the percentage, if any, by which the CPI for the preceding
6 calendar year exceeds the CPI for the year beginning September 1, 2014, and ending August 31,
7 2015."; and

8
9 Further amend said bill, Page 3, Section 144.010, Line 79, by inserting after the word, "property."
10 the following: "The provisions of this item shall expire on December 31, 2015."; and

11
12 Further amend said bill, Page 5, section, Line 135, by inserting after all of said section and line the
13 following:

14 "144.011. 1. For purposes of sections 144.010 to 144.525 and 144.600 to 144.748, and the
15 taxes imposed thereby, the definition of "retail sale" or "sale at retail" shall not be construed to
16 include any of the following:

17 (1) The transfer by one corporation of substantially all of its tangible personal property to
18 another corporation pursuant to a merger or consolidation effected under the laws of the state of
19 Missouri or any other jurisdiction;

20 (2) The transfer of tangible personal property incident to the liquidation or cessation of a
21 taxpayer's trade or business, conducted in proprietorship, partnership or corporate form, except to the
22 extent any transfer is made in the ordinary course of the taxpayer's trade or business;

23 (3) The transfer of tangible personal property to a corporation solely in exchange for its
24 stock or securities;

25 (4) The transfer of tangible personal property to a corporation by a shareholder as a
26 contribution to the capital of the transferee corporation;

27 (5) The transfer of tangible personal property to a partnership solely in exchange for a
28 partnership interest therein;

29 (6) The transfer of tangible personal property by a partner as a contribution to the capital of
30 the transferee partnership;

31 (7) The transfer of tangible personal property by a corporation to one or more of its
32 shareholders as a dividend, return of capital, distribution in the partial or complete liquidation of the
33 corporation or distribution in redemption of the shareholder's interest therein;

34 (8) The transfer of tangible personal property by a partnership to one or more of its partners
35 as a current distribution, return of capital or distribution in the partial or complete liquidation of the
36 partnership or of the partner's interest therein;

37 (9) The transfer of reusable containers used in connection with the sale of tangible personal
38 property contained therein for which a deposit is required and refunded on return. The provisions of
39 this subdivision shall expire on December 31, 2015;

40 (10) The purchase by persons operating eating or food service establishments, of items of a
41 nonreusable nature which are furnished to the customers of such establishments with or in

1 conjunction with the retail sales of their food or beverage. Such items shall include, but not be
 2 limited to, wrapping or packaging materials and nonreusable paper, wood, plastic and aluminum
 3 articles such as containers, trays, napkins, dishes, silverware, cups, bags, boxes, straws, sticks and
 4 toothpicks;

5 (11) The purchase by persons operating hotels, motels or other transient accommodation
 6 establishments, of items of a nonreusable nature which are furnished to the guests in the guests'
 7 rooms of such establishments and such items are included in the charge made for such
 8 accommodations. Such items shall include, but not be limited to, soap, shampoo, tissue and other
 9 toiletries and food or confectionery items offered to the guests without charge. The provisions of
 10 this subdivision shall expire on December 31, 2015;

11 (12) The transfer of a manufactured home other than:

12 (a) A transfer which involves the delivery of the document known as the "Manufacturer's
 13 Statement of Origin" to a person other than a manufactured home dealer, as defined in section
 14 700.010, for purposes of allowing such person to obtain a title to the manufactured home from the
 15 department of revenue of this state or the appropriate agency or officer of any other state;

16 (b) A transfer which involves the delivery of a "Reposessed Title" to a resident of this state
 17 if the tax imposed by sections 144.010 to 144.525 was not paid on the transfer of the manufactured
 18 home described in paragraph (a) of this subdivision;

19 (c) The first transfer which occurs after December 31, 1985, if the tax imposed by sections
 20 144.010 to 144.525 was not paid on any transfer of the same manufactured home which occurred
 21 before December 31, 1985; or

22 (13) Charges for initiation fees or dues to:

23 (a) Fraternal beneficiaries societies, or domestic fraternal societies, orders or associations
 24 operating under the lodge system a substantial part of the activities of which are devoted to religious,
 25 charitable, scientific, literary, educational or fraternal purposes; or

26 (b) Posts or organizations of past or present members of the Armed Forces of the United
 27 States or an auxiliary unit or society of, or a trust or foundation for, any such post or organization
 28 substantially all of the members of which are past or present members of the Armed Forces of the
 29 United States or who are cadets, spouses, widows, or widowers of past or present members of the
 30 Armed Forces of the United States, no part of the net earnings of which inures to the benefit of any
 31 private shareholder or individual.

32 2. The assumption of liabilities of the transferor by the transferee incident to any of the
 33 transactions enumerated in the above subdivisions (1) to (8) of subsection 1 of this section shall not
 34 disqualify the transfer from the exclusion described in this section, where such liability assumption is
 35 related to the property transferred and where the assumption does not have as its principal purpose
 36 the avoidance of Missouri sales or use tax.

37 144.014. 1. Notwithstanding other provisions of law to the contrary, beginning October 1,
 38 1997, and ending December 31, 2015, the tax levied and imposed pursuant to sections 144.010 to
 39 144.525 and sections 144.600 to 144.746 on all retail sales of food shall be at the rate of one percent.
 40 The revenue derived from the one percent rate pursuant to this section shall be deposited by the state
 41 treasurer in the school district trust fund and shall be distributed as provided in section 144.701.

1 2. For the purposes of this section, the term "food" shall include only those products and
2 types of food for which food stamps may be redeemed pursuant to the provisions of the Federal Food
3 Stamp Program as contained in 7 U.S.C. Section 2012, as that section now reads or as it may be
4 amended hereafter, and shall include food dispensed by or through vending machines. For the
5 purpose of this section, except for vending machine sales, the term "food" shall not include food or
6 drink sold by any establishment where the gross receipts derived from the sale of food prepared by
7 such establishment for immediate consumption on or off the premises of the establishment
8 constitutes more than eighty percent of the total gross receipts of that establishment, regardless of
9 whether such prepared food is consumed on the premises of that establishment, including, but not
10 limited to, sales of food by any restaurant, fast food restaurant, delicatessen, eating house, or cafe.

11 3. The provisions of this section shall expire on December 31, 2015."; and
12

13 Further amend said bill, Page 7, Section 144.020, Line 37, by inserting immediately after the words,
14 "telecommunications services" the following:

15 " prior to December 31, 2015 or upon the expiration of the federal law that prohibits state and
16 local taxes on internet access, whichever comes later"; and
17

18 Further amend said bill, Page 8, section, Line 71, by inserting after all of said section and line the
19 following:

20 "144.030. 1. There is hereby specifically exempted from the provisions of sections 144.010
21 to 144.525 and from the computation of the tax levied, assessed or payable pursuant to sections
22 144.010 to 144.525 such retail sales as may be made in commerce between this state and any other
23 state of the United States, or between this state and any foreign country, and any retail sale which the
24 state of Missouri is prohibited from taxing pursuant to the Constitution or laws of the United States
25 of America, and such retail sales of tangible personal property which the general assembly of the
26 state of Missouri is prohibited from taxing or further taxing by the constitution of this state.

27 2. There are also specifically exempted from the provisions of the local sales tax law as
28 defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to 144.761
29 and from the computation of the tax levied, assessed or payable pursuant to the local sales tax law as
30 defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to 144.745:

31 (1) Motor fuel or special fuel subject to an excise tax of this state, unless all or part of such
32 excise tax is refunded pursuant to section 142.824; or upon the sale at retail of fuel to be consumed in
33 manufacturing or creating gas, power, steam, electrical current or in furnishing water to be sold
34 ultimately at retail; or feed for livestock or poultry; or grain to be converted into foodstuffs which are
35 to be sold ultimately in processed form at retail; or seed, limestone or fertilizer which is to be used
36 for seeding, liming or fertilizing crops which when harvested will be sold at retail or will be fed to
37 livestock or poultry to be sold ultimately in processed form at retail; economic poisons registered
38 pursuant to the provisions of the Missouri pesticide registration law (sections 281.220 to 281.310)
39 which are to be used in connection with the growth or production of crops, fruit trees or orchards
40 applied before, during, or after planting, the crop of which when harvested will be sold at retail or
41 will be converted into foodstuffs which are to be sold ultimately in processed form at retail;

1 (2) Materials, manufactured goods, machinery and parts which when used in manufacturing,
2 processing, compounding, mining, producing or fabricating become a component part or ingredient
3 of the new personal property resulting from such manufacturing, processing, compounding, mining,
4 producing or fabricating and which new personal property is intended to be sold ultimately for final
5 use or consumption; and materials, including without limitation, gases and manufactured goods,
6 including without limitation slagging materials and firebrick, which are ultimately consumed in the
7 manufacturing process by blending, reacting or interacting with or by becoming, in whole or in part,
8 component parts or ingredients of steel products intended to be sold ultimately for final use or
9 consumption;

10 (3) Materials, replacement parts and equipment purchased for use directly upon, and for the
11 repair and maintenance or manufacture of, motor vehicles, watercraft, railroad rolling stock or
12 aircraft engaged as common carriers of persons or property;

13 (4) Motor vehicles registered in excess of fifty-four thousand pounds, and the trailers pulled
14 by such motor vehicles, that are actually used in the normal course of business to haul property on
15 the public highways of the state, and that are capable of hauling loads commensurate with the motor
16 vehicle's registered weight; and the materials, replacement parts, and equipment purchased for use
17 directly upon, and for the repair and maintenance or manufacture of such vehicles. For purposes of
18 this subdivision, "motor vehicle" and "public highway" shall have the meaning as ascribed in section
19 390.020;

20 (5) Replacement machinery, equipment, and parts and the materials and supplies solely
21 required for the installation or construction of such replacement machinery, equipment, and parts,
22 used directly in manufacturing, mining, fabricating or producing a product which is intended to be
23 sold ultimately for final use or consumption; and machinery and equipment, and the materials and
24 supplies required solely for the operation, installation or construction of such machinery and
25 equipment, purchased and used to establish new, or to replace or expand existing, material recovery
26 processing plants in this state. For the purposes of this subdivision, a "material recovery processing
27 plant" means a facility that has as its primary purpose the recovery of materials into a usable product
28 or a different form which is used in producing a new product and shall include a facility or
29 equipment which are used exclusively for the collection of recovered materials for delivery to a
30 material recovery processing plant but shall not include motor vehicles used on highways. For
31 purposes of this section, the terms motor vehicle and highway shall have the same meaning pursuant
32 to section 301.010. Material recovery is not the reuse of materials within a manufacturing process or
33 the use of a product previously recovered. The material recovery processing plant shall qualify
34 under the provisions of this section regardless of ownership of the material being recovered;

35 (6) Machinery and equipment, and parts and the materials and supplies solely required for
36 the installation or construction of such machinery and equipment, purchased and used to establish
37 new or to expand existing manufacturing, mining or fabricating plants in the state if such machinery
38 and equipment is used directly in manufacturing, mining or fabricating a product which is intended
39 to be sold ultimately for final use or consumption;

40 (7) Tangible personal property which is used exclusively in the manufacturing, processing,
41 modification or assembling of products sold to the United States government or to any agency of the

1 United States government;

2 (8) Animals or poultry used for breeding or feeding purposes, or captive wildlife;

3 (9) Newsprint, ink, computers, photosensitive paper and film, toner, printing plates and other
4 machinery, equipment, replacement parts and supplies used in producing newspapers published for
5 dissemination of news to the general public;

6 (10) The rentals of films, records or any type of sound or picture transcriptions for public
7 commercial display. The provisions of this subdivision shall expire on December 31, 2015;

8 (11) Pumping machinery and equipment used to propel products delivered by pipelines
9 engaged as common carriers;

10 (12) Railroad rolling stock for use in transporting persons or property in interstate commerce
11 and motor vehicles licensed for a gross weight of twenty-four thousand pounds or more or trailers
12 used by common carriers, as defined in section 390.020, in the transportation of persons or property;

13 (13) Electrical energy used in the actual primary manufacture, processing, compounding,
14 mining or producing of a product, or electrical energy used in the actual secondary processing or
15 fabricating of the product, or a material recovery processing plant as defined in subdivision (5) of
16 this subsection, in facilities owned or leased by the taxpayer, if the total cost of electrical energy so
17 used exceeds ten percent of the total cost of production, either primary or secondary, exclusive of the
18 cost of electrical energy so used or if the raw materials used in such processing contain at least
19 twenty-five percent recovered materials as defined in section 260.200. There shall be a rebuttable
20 presumption that the raw materials used in the primary manufacture of automobiles contain at least
21 twenty-five percent recovered materials. For purposes of this subdivision, "processing" means any
22 mode of treatment, act or series of acts performed upon materials to transform and reduce them to a
23 different state or thing, including treatment necessary to maintain or preserve such processing by the
24 producer at the production facility;

25 (14) Anodes which are used or consumed in manufacturing, processing, compounding,
26 mining, producing or fabricating and which have a useful life of less than one year;

27 (15) Machinery, equipment, appliances and devices purchased or leased and used solely for
28 the purpose of preventing, abating or monitoring air pollution, and materials and supplies solely
29 required for the installation, construction or reconstruction of such machinery, equipment, appliances
30 and devices;

31 (16) Machinery, equipment, appliances and devices purchased or leased and used solely for
32 the purpose of preventing, abating or monitoring water pollution, and materials and supplies solely
33 required for the installation, construction or reconstruction of such machinery, equipment, appliances
34 and devices;

35 (17) Tangible personal property purchased by a rural water district;

36 (18) All amounts paid or charged for admission or participation or other fees paid by or other
37 charges to individuals in or for any place of amusement, entertainment or recreation, games or
38 athletic events, including museums, fairs, zoos and planetariums, owned or operated by a
39 municipality or other political subdivision where all the proceeds derived therefrom benefit the
40 municipality or other political subdivision and do not inure to any private person, firm, or
41 corporation, provided, however, that a municipality or other political subdivision may enter into

1 revenue-sharing agreements with private persons, firms, or corporations providing goods or services,
2 including management services, in or for the place of amusement, entertainment or recreation, games
3 or athletic events, and provided further that nothing in this subdivision shall exempt from tax any
4 amounts retained by any private person, firm, or corporation under such revenue-sharing agreement.
5 The provisions of this subdivision shall expire on December 31, 2015;

6 (19) All sales of insulin and prosthetic or orthopedic devices as defined on January 1, 1980,
7 by the federal Medicare program pursuant to Title XVIII of the Social Security Act of 1965,
8 including the items specified in Section 1862(a)(12) of that act, and also specifically including
9 hearing aids and hearing aid supplies and all sales of drugs which may be legally dispensed by a
10 licensed pharmacist only upon a lawful prescription of a practitioner licensed to administer those
11 items, including samples and materials used to manufacture samples which may be dispensed by a
12 practitioner authorized to dispense such samples and all sales or rental of medical oxygen, home
13 respiratory equipment and accessories, hospital beds and accessories and ambulatory aids, all sales or
14 rental of manual and powered wheelchairs, stairway lifts, Braille writers, electronic Braille
15 equipment and, if purchased or rented by or on behalf of a person with one or more physical or
16 mental disabilities to enable them to function more independently, all sales or rental of scooters,
17 reading machines, electronic print enlargers and magnifiers, electronic alternative and augmentative
18 communication devices, and items used solely to modify motor vehicles to permit the use of such
19 motor vehicles by individuals with disabilities or sales of over-the-counter or nonprescription drugs
20 to individuals with disabilities, and drugs required by the Food and Drug Administration to meet the
21 over-the-counter drug product labeling requirements in 21 CFR 201.66, or its successor, as
22 prescribed by a health care practitioner licensed to prescribe;

23 (20) All sales made by or to religious and charitable organizations and institutions in their
24 religious, charitable or educational functions and activities and all sales made by or to all elementary
25 and secondary schools operated at public expense in their educational functions and activities;

26 (21) All sales of aircraft to common carriers for storage or for use in interstate commerce
27 and all sales made by or to not-for-profit civic, social, service or fraternal organizations, including
28 fraternal organizations which have been declared tax-exempt organizations pursuant to Section
29 501(c)(8) or (10) of the 1986 Internal Revenue Code, as amended, in their civic or charitable
30 functions and activities and all sales made to eleemosynary institutions, and all sales made to penal
31 institutions prior to December 31, 2015, and all sales made to industries of the state, and all sales
32 made to any private not-for-profit institution of higher education not otherwise excluded pursuant to
33 subdivision (20) of this subsection or any institution of higher education supported by public funds,
34 and all sales made to a state relief agency in the exercise of relief functions and activities;

35 (22) All ticket sales made by benevolent, scientific and educational associations which are
36 formed to foster, encourage, and promote progress and improvement in the science of agriculture and
37 in the raising and breeding of animals, and by nonprofit summer theater organizations if such
38 organizations are exempt from federal tax pursuant to the provisions of the Internal Revenue Code
39 and all admission charges and entry fees to the Missouri state fair or any fair conducted by a county
40 agricultural and mechanical society organized and operated pursuant to sections 262.290 to 262.530;

41 (23) All sales made to any private not-for-profit elementary or secondary school, all sales of

1 feed additives, medications or vaccines administered to livestock or poultry in the production of food
2 or fiber, all sales of pesticides used in the production of crops, livestock or poultry for food or fiber,
3 all sales of bedding used in the production of livestock or poultry for food or fiber, all sales of
4 propane or natural gas, electricity or diesel fuel used exclusively for drying agricultural crops,
5 natural gas used in the primary manufacture or processing of fuel ethanol as defined in section
6 142.028, natural gas, propane, and electricity used by an eligible new generation cooperative or an
7 eligible new generation processing entity as defined in section 348.432, and all sales of farm
8 machinery and equipment, other than airplanes, motor vehicles and trailers, and any freight charges
9 on any exempt item. As used in this subdivision, the term "feed additives" means tangible personal
10 property which, when mixed with feed for livestock or poultry, is to be used in the feeding of
11 livestock or poultry. As used in this subdivision, the term "pesticides" includes adjuvants such as
12 crop oils, surfactants, wetting agents and other assorted pesticide carriers used to improve or enhance
13 the effect of a pesticide and the foam used to mark the application of pesticides and herbicides for the
14 production of crops, livestock or poultry. As used in this subdivision, the term "farm machinery and
15 equipment" means new or used farm tractors and such other new or used farm machinery and
16 equipment and repair or replacement parts thereon and any accessories for and upgrades to such farm
17 machinery and equipment, rotary mowers used exclusively for agricultural purposes, and supplies
18 and lubricants used exclusively, solely, and directly for producing crops, raising and feeding
19 livestock, fish, poultry, pheasants, chukar, quail, or for producing milk for ultimate sale at retail,
20 including field drain tile, and one-half of each purchaser's purchase of diesel fuel therefor which is:

21 (a) Used exclusively for agricultural purposes;

22 (b) Used on land owned or leased for the purpose of producing farm products; and

23 (c) Used directly in producing farm products to be sold ultimately in processed form or
24 otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold
25 ultimately in processed form at retail;

26 (24) Except as otherwise provided in section 144.032, all sales of metered water service,
27 electricity, electrical current, natural, artificial or propane gas, wood, coal or home heating oil for
28 domestic use and in any city not within a county, all sales of metered or unmetered water service for
29 domestic use:

30 (a) "Domestic use" means that portion of metered water service, electricity, electrical
31 current, natural, artificial or propane gas, wood, coal or home heating oil, and in any city not within
32 a county, metered or unmetered water service, which an individual occupant of a residential premises
33 uses for nonbusiness, noncommercial or nonindustrial purposes. Utility service through a single or
34 master meter for residential apartments or condominiums, including service for common areas and
35 facilities and vacant units, shall be deemed to be for domestic use. Each seller shall establish and
36 maintain a system whereby individual purchases are determined as exempt or nonexempt;

37 (b) Regulated utility sellers shall determine whether individual purchases are exempt or
38 nonexempt based upon the seller's utility service rate classifications as contained in tariffs on file
39 with and approved by the Missouri public service commission. Sales and purchases made pursuant
40 to the rate classification "residential" and sales to and purchases made by or on behalf of the
41 occupants of residential apartments or condominiums through a single or master meter, including

1 service for common areas and facilities and vacant units, shall be considered as sales made for
2 domestic use and such sales shall be exempt from sales tax. Sellers shall charge sales tax upon the
3 entire amount of purchases classified as nondomestic use. The seller's utility service rate
4 classification and the provision of service thereunder shall be conclusive as to whether or not the
5 utility must charge sales tax;

6 (c) Each person making domestic use purchases of services or property and who uses any
7 portion of the services or property so purchased for a nondomestic use shall, by the fifteenth day of
8 the fourth month following the year of purchase, and without assessment, notice or demand, file a
9 return and pay sales tax on that portion of nondomestic purchases. Each person making nondomestic
10 purchases of services or property and who uses any portion of the services or property so purchased
11 for domestic use, and each person making domestic purchases on behalf of occupants of residential
12 apartments or condominiums through a single or master meter, including service for common areas
13 and facilities and vacant units, under a nonresidential utility service rate classification may, between
14 the first day of the first month and the fifteenth day of the fourth month following the year of
15 purchase, apply for credit or refund to the director of revenue and the director shall give credit or
16 make refund for taxes paid on the domestic use portion of the purchase. The person making such
17 purchases on behalf of occupants of residential apartments or condominiums shall have standing to
18 apply to the director of revenue for such credit or refund;

19 (25) All sales of handicraft items made by the seller or the seller's spouse if the seller or the
20 seller's spouse is at least sixty-five years of age, and if the total gross proceeds from such sales do not
21 constitute a majority of the annual gross income of the seller;

22 (26) Excise taxes, collected on sales at retail, imposed by Sections 4041, 4061, 4071, 4081,
23 4091, 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code. The director of revenue
24 shall promulgate rules pursuant to chapter 536 to eliminate all state and local sales taxes on such
25 excise taxes;

26 (27) Sales of fuel consumed or used in the operation of ships, barges, or waterborne vessels
27 which are used primarily in or for the transportation of property or cargo, or the conveyance of
28 persons for hire, on navigable rivers bordering on or located in part in this state, if such fuel is
29 delivered by the seller to the purchaser's barge, ship, or waterborne vessel while it is afloat upon such
30 river;

31 (28) All sales made to an interstate compact agency created pursuant to sections 70.370 to
32 70.441 or sections 238.010 to 238.100 in the exercise of the functions and activities of such agency
33 as provided pursuant to the compact;

34 (29) Computers, computer software and computer security systems purchased for use by
35 architectural or engineering firms headquartered in this state. For the purposes of this subdivision,
36 "headquartered in this state" means the office for the administrative management of at least four
37 integrated facilities operated by the taxpayer is located in the state of Missouri. The provisions of
38 this subdivision shall expire on December 31, 2015;

39 (30) All livestock sales when either the seller is engaged in the growing, producing or
40 feeding of such livestock, or the seller is engaged in the business of buying and selling, bartering or
41 leasing of such livestock;

1 (31) All sales of barges which are to be used primarily in the transportation of property or
2 cargo on interstate waterways;

3 (32) Electrical energy or gas, whether natural, artificial or propane, water, or other utilities
4 which are ultimately consumed in connection with the manufacturing of cellular glass products or in
5 any material recovery processing plant as defined in subdivision (5) of this subsection;

6 (33) Notwithstanding other provisions of law to the contrary, all sales of pesticides or
7 herbicides used in the production of crops, aquaculture, livestock or poultry;

8 (34) Tangible personal property and utilities purchased for use or consumption directly or
9 exclusively in the research and development of agricultural/biotechnology and plant genomics
10 products and prescription pharmaceuticals consumed by humans or animals;

11 (35) All sales of grain bins for storage of grain for resale;

12 (36) All sales of feed which are developed for and used in the feeding of pets owned by a
13 commercial breeder when such sales are made to a commercial breeder, as defined in section
14 273.325, and licensed pursuant to sections 273.325 to 273.357;

15 (37) All purchases by a contractor on behalf of an entity located in another state, provided
16 that the entity is authorized to issue a certificate of exemption for purchases to a contractor under the
17 provisions of that state's laws. For purposes of this subdivision, the term "certificate of exemption"
18 shall mean any document evidencing that the entity is exempt from sales and use taxes on purchases
19 pursuant to the laws of the state in which the entity is located. Any contractor making purchases on
20 behalf of such entity shall maintain a copy of the entity's exemption certificate as evidence of the
21 exemption. If the exemption certificate issued by the exempt entity to the contractor is later
22 determined by the director of revenue to be invalid for any reason and the contractor has accepted the
23 certificate in good faith, neither the contractor or the exempt entity shall be liable for the payment of
24 any taxes, interest and penalty due as the result of use of the invalid exemption certificate. Materials
25 shall be exempt from all state and local sales and use taxes when purchased by a contractor for the
26 purpose of fabricating tangible personal property which is used in fulfilling a contract for the
27 purpose of constructing, repairing or remodeling facilities for the following:

28 (a) An exempt entity located in this state, if the entity is one of those entities able to issue
29 project exemption certificates in accordance with the provisions of section 144.062; or

30 (b) An exempt entity located outside the state if the exempt entity is authorized to issue an
31 exemption certificate to contractors in accordance with the provisions of that state's law and the
32 applicable provisions of this section;

33 (38) All sales or other transfers of tangible personal property to a lessor who leases the
34 property under a lease of one year or longer executed or in effect at the time of the sale or other
35 transfer to an interstate compact agency created pursuant to sections 70.370 to 70.441 or sections
36 238.010 to 238.100;

37 (39) Sales of tickets to any collegiate athletic championship event that is held in a facility
38 owned or operated by a governmental authority or commission, a quasi-governmental agency, a state
39 university or college or by the state or any political subdivision thereof, including a municipality, and
40 that is played on a neutral site and may reasonably be played at a site located outside the state of
41 Missouri. For purposes of this subdivision, "neutral site" means any site that is not located on the

1 campus of a conference member institution participating in the event. The provisions of this
2 subdivision shall expire on December 31, 2015;

3 (40) All purchases by a sports complex authority created under section 64.920, and all sales
4 of utilities by such authority at the authority's cost that are consumed in connection with the
5 operation of a sports complex leased to a professional sports team. The provisions of this
6 subdivision shall expire on December 31, 2015;

7 (41) All materials, replacement parts, and equipment purchased for use directly upon, and
8 for the modification, replacement, repair, and maintenance of aircraft, aircraft power plants, and
9 aircraft accessories;

10 (42) Sales of sporting clays, wobble, skeet, and trap targets to any shooting range or similar
11 places of business for use in the normal course of business and money received by a shooting range
12 or similar places of business from patrons and held by a shooting range or similar place of business
13 for redistribution to patrons at the conclusion of a shooting event.

14 3. Any ruling, agreement, or contract, whether written or oral, express or implied, between a
15 person and this state's executive branch, or any other state agency or department, stating, agreeing, or
16 ruling that such person is not required to collect sales and use tax in this state despite the presence of
17 a warehouse, distribution center, or fulfillment center in this state that is owned or operated by the
18 person or an affiliated person shall be null and void unless it is specifically approved by a majority
19 vote of each of the houses of the general assembly. For purposes of this subsection, an "affiliated
20 person" means any person that is a member of the same controlled group of corporations as defined
21 in Section 1563(a) of the Internal Revenue Code of 1986, as amended, as the vendor or any other
22 entity that, notwithstanding its form of organization, bears the same ownership relationship to the
23 vendor as a corporation that is a member of the same controlled group of corporations as defined in
24 Section 1563(a) of the Internal Revenue Code, as amended.

25 144.039. In addition to the exemptions granted under the provisions of section 144.030,
26 there shall also be specifically exempted from the provisions of sections 66.600 to 66.635, sections
27 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739,
28 67.782, sections 92.400 to 92.420, sections 94.500 to 94.570, 94.600 to 94.655, 94.700 to 94.755,
29 and sections 144.010 to 144.510 and 144.600 to 144.745 and from the computation of the tax levied,
30 assessed or payable under sections 66.600 to 66.635, sections 67.500 to 67.545, 67.547, 67.581,
31 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, 67.782, sections 92.400 to 92.420,
32 sections 94.500 to 94.570, 94.600 to 94.655, 94.700 to 94.755, and sections 144.010 to 144.510 and
33 144.600 to 144.745, purchases of all tangible personal property made by, or on behalf of, a state
34 senator or state representative if such purchases are made from funds in such state senator's or state
35 representative's state expense account. The provisions of this section shall expire on December 31,
36 2015.

37 144.045. 1. Notwithstanding any other provision of law to the contrary, the department of
38 revenue shall not consider the transfer for consideration of court transcripts, depositions, compressed
39 transcripts, exhibits, computer disks containing any such item, or copies of any such item which are
40 prepared by a court reporter as tangible personal property, but rather as a nontaxable service for
41 purposes of administrative interpretation. [In addition, the department of revenue shall, for purposes

1 of administrative interpretation, consider as nontaxable any machinery or equipment meeting the
2 definition of "farm machinery" under subdivision (23) of subsection 2 of section 144.030, whether or
3 not such machinery or equipment is attached to a vehicle or real property.]

4 2. In addition to the exemptions granted under the provisions of section 144.030, there shall
5 also be specifically exempted from the provisions of sections 144.010 to 144.525, sections 144.600
6 to 144.748, section 238.235, and from the provisions of any local sales tax law, as defined in section
7 32.085, and from the computation of the tax levied, assessed or payable under sections 144.010 to
8 144.525, sections 144.600 to 144.748, section 238.235, and under any local sales tax law, as defined
9 in section 32.085, all sales of court transcripts, depositions, compressed transcripts, exhibits,
10 computer disks containing any such item, and all copies of any such item, which are prepared by a
11 court reporter.

12 3. The provisions of subsections 1 and 2 of this section shall expire on December 31, 2015.

13 4. The department of revenue shall, for purposes of administrative interpretation, consider as
14 nontaxable any machinery or equipment meeting the definition of "farm machinery" under
15 subdivision (23) of subsection 2 of section 144.030, whether or not such machinery or equipment is
16 attached to a vehicle or real property.

17 144.054. 1. As used in this section, the following terms mean:

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

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

24 2. In addition to all other exemptions granted under this chapter, there is hereby specifically
25 exempted from the provisions of sections 144.010 to 144.525 and 144.600 to 144.761, and from the
26 computation of the tax levied, assessed, or payable under sections 144.010 to 144.525 and 144.600 to
27 144.761, electrical energy and gas, whether natural, artificial, or propane, water, coal, and energy
28 sources, chemicals, machinery, equipment, and materials used or consumed in the manufacturing,
29 processing, compounding, mining, or producing of any product, or used or consumed in the
30 processing of recovered materials, or used in research and development related to manufacturing,
31 processing, compounding, mining, or producing any product. The exemptions granted in this
32 subsection shall not apply to local sales taxes as defined in section 32.085 and the provisions of this
33 subsection shall be in addition to any state and local sales tax exemption provided in section 144.030.

34 3. In addition to all other exemptions granted under this chapter, there is hereby specifically
35 exempted from the provisions of sections 144.010 to 144.525 and 144.600 to 144.761, and section
36 238.235, and the local sales tax law as defined in section 32.085, and from the computation of the tax
37 levied, assessed, or payable under sections 144.010 to 144.525 and 144.600 to 144.761, and section
38 238.235, and the local sales tax law as defined in section 32.085, all utilities, machinery, and
39 equipment used or consumed directly in television or radio broadcasting and all sales and purchases
40 of tangible personal property, utilities, services, or any other transaction that would otherwise be
41 subject to the state or local sales or use tax when such sales are made to or purchases are made by a

1 contractor for use in fulfillment of any obligation under a defense contract with the United States
2 government prior to December 31, 2015, and all sales and leases of tangible personal property by
3 any county, city, incorporated town, or village, made prior to December 31, 2015, provided such sale
4 or lease is authorized under chapter 100, and such transaction is certified for sales tax exemption by
5 the department of economic development, and tangible personal property used for railroad
6 infrastructure brought into this state for processing, fabrication, or other modification for use outside
7 the state in the regular course of business.

8 4. In addition to all other exemptions granted under this chapter, there is hereby specifically
9 exempted from the provisions of sections 144.010 to 144.525 and 144.600 to 144.761, and section
10 238.235, and the local sales tax law as defined in section 32.085, and from the computation of the tax
11 levied, assessed, or payable under sections 144.010 to 144.525 and 144.600 to 144.761, and section
12 238.235, and the local sales tax law as defined in section 32.085, all sales and purchases of tangible
13 personal property, utilities, services, or any other transaction that would otherwise be subject to the
14 state or local sales or use tax when such sales are made to or purchases are made by a private partner
15 for use in completing a project under sections 227.600 to 227.669.

16 144.057. In addition to the exemptions granted under this chapter, there shall also be
17 specifically exempted from state and local sales and use taxes defined, levied, or calculated under
18 section 32.085, sections 144.010 to 144.525, sections 144.600 to 144.761, or section 238.235, all
19 tangible personal property included on the United States munitions list, as provided in 22 CFR
20 121.1, sold to or purchased by any foreign government or agency or instrumentality of such foreign
21 government which is used for a governmental purpose. The provisions of this section shall expire on
22 December 31, 2015.

23 144.062. 1. With respect to exempt sales at retail of tangible personal property and materials
24 for the purpose of constructing, repairing or remodeling facilities for:

25 (1) A county, other political subdivision or instrumentality thereof exempt from taxation
26 under subdivision (10) of Section 39 of Article III of the Constitution of Missouri; or

27 (2) An organization sales to which are exempt from taxation under the provisions of
28 subdivision (20) of subsection 2 of section 144.030; or

29 (3) Any institution of higher education supported by public funds or any private
30 not-for-profit institution of higher education, exempt from taxation under subdivision (21) of
31 subsection 2 of section 144.030; or

32 (4) Any private not-for-profit elementary or secondary school exempt from taxation under
33 subdivision (23) of subsection 2 of section 144.030; or

34 (5) Any authority exempt from taxation under subdivision (40) of subsection 2 of section
35 144.030; or

36 (6) After June 30, 2007, but before December 31, 2015, the department of transportation or
37 the state highways and transportation commission; hereinafter collectively referred to as exempt
38 entities, such exemptions shall be allowed for such purchases if the purchases are related to the
39 entities' exempt functions and activities. In addition, the sales shall not be rendered nonexempt nor
40 shall any material supplier or contractor be obligated to pay, collect or remit sales tax with respect to
41 such purchases made by or on behalf of an exempt entity due to such purchases being billed to or

1 paid for by a contractor or the exempt entity contracting with any entity to render any services in
2 relation to such purchases, including but not limited to selection of materials, ordering, pickup,
3 delivery, approval on delivery, taking of delivery, transportation, storage, assumption of risk of loss
4 to materials or providing warranties on materials as specified by contract, use of materials or other
5 purchases for construction of the building or other facility, providing labor, management services,
6 administrative services, design or technical services or advice to the exempt entity, whether or not
7 the contractor or other entity exercises dominion or control in any other manner over the materials in
8 conjunction with services or labor provided to the exempt entity.

9 2. When any exempt entity contracts for the purpose of constructing, repairing or remodeling
10 facilities, and purchases of tangible personal property and materials to be incorporated into or
11 consumed in the construction of the project are to be made on a tax-exempt basis, such entity shall
12 furnish to the contractor an exemption certificate authorizing such purchases for the construction,
13 repair or remodeling project. The form and content of such project exemption certificate shall be
14 approved by the director of revenue. The project exemption certificate shall include but not be
15 limited to:

16 (1) The exempt entity's name, address, Missouri tax identification number and signature of
17 authorized representative;

18 (2) The project location, description, and unique identification number;

19 (3) The date the contract is entered into, which is the earliest date materials may be
20 purchased for the project on a tax-exempt basis;

21 (4) The estimated project completion date; and

22 (5) The certificate expiration date.

23 Such certificate is renewable for a given project at the option of the exempt entity, only for the
24 purpose of revising the certificate expiration date as necessary to complete the project.

25 3. The contractor shall furnish the certificate prescribed in subsection 2 of this section to all
26 subcontractors, and any contractor purchasing materials shall present such certificate to all material
27 suppliers as authorization to purchase, on behalf of the exempt entity, all tangible personal property
28 and materials to be incorporated into or consumed in the construction of that project and no other on
29 a tax-exempt basis. Such suppliers shall execute to the purchasing contractor invoices bearing the
30 name of the exempt entity and the project identification number. Nothing in this section shall be
31 deemed to exempt the purchase of any construction machinery, equipment or tools used in
32 constructing, repairing or remodeling facilities for the exempt entity. All invoices for all personal
33 property and materials purchased under a project exemption certificate shall be retained by the
34 purchasing contractor for a period of five years and shall be subject to audit by the director of
35 revenue.

36 4. Any excess resalable tangible personal property or materials which were purchased for the
37 project by a contractor under a project exemption certificate but which were not incorporated into or
38 consumed in the construction of the project shall either be returned to the supplier for credit or the
39 appropriate sales or use tax on such excess property or materials shall be reported on a return and
40 paid by such contractor not later than the due date of the contractor's Missouri sales or use tax return
41 following the month in which it was determined that the materials were not to be used in the project.

1 5. No contractor or material supplier shall, upon audit, be required to pay tax on tangible
2 personal property and materials incorporated into or consumed in the construction of the project due
3 to the failure of the exempt entity to revise the certificate expiration date as necessary to complete
4 any work required by the contract. If it is determined that tax is owed on such property and materials
5 due to the failure of the exempt entity to revise such certificate expiration date, the exempt entity
6 shall be liable for the tax owed.

7 6. If an entity issues exemption certificates for the purchase of tangible personal property
8 and materials which are incorporated into or consumed in the construction of its project and such
9 entity is found not to have had the authority granted by this section to issue such exemption
10 certificates, then such entity shall be liable for the tax owed on such personal property and materials.
11 In addition, if an entity which does have the authority granted by this section to issue exemption
12 certificates issues such certificates for the purchase of tangible personal property and materials which
13 are incorporated into or consumed in the construction of a project, or part of a project, which is
14 found not to be related to such entity's exempt functions and activities, then such entity shall be
15 liable for the tax owed on such personal property and materials.

16 144.518. 1. In addition to the exemptions granted pursuant to section 144.030, there is
17 hereby specifically exempted from the provisions of sections 144.010 to 144.525, sections 144.600
18 to 144.761, sections 190.335 to 190.337, section 238.235, section 238.236, section 238.410, section
19 321.242, section 573.505, section 644.032, and any local sales tax law as defined in section 32.085,
20 and from the computation of the tax levied, assessed or payable pursuant to sections 144.010 to
21 144.525, sections 144.600 to 144.761, sections 190.335 to 190.337, section 238.235, section
22 238.236, section 238.410, section 321.242, section 573.505, section 644.032, and any local sales tax
23 law as defined in section 32.085, coin-operated amusement devices and parts for such devices
24 purchased prior to September 1, 2007, where sales tax is paid on the gross receipts derived from the
25 use of such devices. The provisions of this subsection shall expire on December 31, 2015.

26 2. Beginning September 1, 2007, in addition to any other exemption provided by law, there
27 is hereby specifically exempted from the provisions of sections 144.010 to 144.525, sections 144.600
28 to 144.761, sections 190.335 to 190.337, section 238.235, section 238.236, section 238.410, section
29 321.242, section 573.505, section 644.032, and any local sales tax law as defined in section 32.085,
30 and from the computation of the tax levied, assessed, or payable pursuant to sections 144.010 to
31 144.525, sections 144.600 to 144.761, sections 190.335 to 190.337, section 238.235, section
32 238.236, section 238.410, section 321.242, section 573.505, section 644.032, and any local sales tax
33 law as defined in section 32.085, amounts paid for the temporary use of a coin-operated amusement
34 device. The provisions of this subsection shall expire on December 31, 2015.

35 3. As used in this section, "coin-operated amusement device" means a device accepting
36 payment or items representing payments to allow one or more users temporary use of the device for
37 entertainment or amusement purposes. Examples of coin-operated amusement devices include, but
38 are not limited to, video games, pinball games, table games such as billiards and air hockey, and
39 redemption games such as the claw and skee ball that may award prizes of tangible personal
40 property.

41 4. In addition to any other exemptions provided by law, there is hereby specifically

1 exempted from the provisions of sections 144.010 to 144.525, sections 144.600 to 144.761, sections
 2 190.335 to 190.337, section 238.235, section 238.236, section 238.410, section 321.242, section
 3 573.505, section 644.032, and any local sales tax law as defined in section 32.085, and from the
 4 computation of the tax levied, assessed, or payable pursuant to sections 144.010 to 144.525, sections
 5 144.600 to 144.761, sections 190.335 to 190.337, section 238.235, section 238.236, section 238.410,
 6 section 321.242, section 573.505, section 644.032, and any local sales tax law as defined in section
 7 32.085, vending machines or parts for vending machines used in a commercial vending business
 8 where sales tax is paid on the gross receipts derived from such vending machines.

9 5. Beginning January 1, 2016, sales tax shall be paid for all coin-operated amusement
 10 devices and parts for such devices upon the gross receipts derived from the use of such devices.

11 144.526. 1. This section shall be known and may be cited as the "Show Me Green Sales Tax
 12 Holiday".

13 2. For purposes of this section, the following terms mean:

14 (1) "Appliance", clothes washers and dryers, water heaters, trash compactors, dishwashers,
 15 conventional ovens, ranges, stoves, air conditioners, furnaces, refrigerators and freezers; and

16 (2) "Energy star certified", any appliance approved by both the United States Environmental
 17 Protection Agency and the United States Department of Energy as eligible to display the energy star
 18 label, as amended from time to time.

19 3. In each year beginning on or after January 1, 2009, there is hereby specifically exempted
 20 from state sales tax law all retail sales of any energy star certified new appliance, up to one thousand
 21 five hundred dollars per appliance, during a seven-day period beginning at 12:01 a.m. on April
 22 nineteenth and ending at midnight on April twenty-fifth.

23 4. A political subdivision may allow the sales tax holiday under this section to apply to its
 24 local sales taxes by enacting an ordinance to that effect. Any such political subdivision shall notify
 25 the department of revenue not less than forty-five calendar days prior to the beginning date of the
 26 sales tax holiday occurring in that year of any such ordinance or order.

27 5. This section may not apply to any retailer when less than two percent of the retailer's
 28 merchandise offered for sale qualifies for the sales tax holiday. The retailer shall offer a sales tax
 29 refund in lieu of the sales tax holiday.

30 6. The provisions of this section shall expire on December 31, 2015.

31 253.550. 1. Any taxpayer incurring costs and expenses for the rehabilitation of eligible
 32 property, which is a certified historic structure or structure in a certified historic district, may, subject
 33 to the provisions of this section and section 253.559, receive a credit against the taxes imposed
 34 pursuant to chapters 143 and 148, except for sections 143.191 to 143.265, on such taxpayer in an
 35 amount equal to twenty-five percent of the total costs and expenses of rehabilitation incurred after
 36 January 1, 1998, which shall include, but not be limited to, qualified rehabilitation expenditures as
 37 defined under section 47(c)(2)(A) of the Internal Revenue Code of 1986, as amended, and the related
 38 regulations thereunder, provided the rehabilitation costs associated with rehabilitation and the
 39 expenses exceed fifty percent of the total basis in the property and the rehabilitation meets standards
 40 consistent with the standards of the Secretary of the United States Department of the Interior for
 41 rehabilitation as determined by the state historic preservation officer of the Missouri department of

1 natural resources.

2 2. During the period beginning on January 1, 2010, but ending on or after June 30, 2010, the
3 department of economic development shall not approve applications for tax credits under the
4 provisions of subsections 3 and 8 of section 253.559 which, in the aggregate, exceed seventy million
5 dollars, increased by any amount of tax credits for which approval shall be rescinded under the
6 provisions of section 253.559. For each fiscal year beginning on or after July 1, 2010, but ending on
7 or before June 30, 2016, the department of economic development shall not approve applications for
8 tax credits under the provisions of subsections 3 and 8 of section 253.559 which, in the aggregate,
9 exceed one hundred forty million dollars, increased by any amount of tax credits for which approval
10 shall be rescinded under the provisions of section 253.559. The limitations provided under this
11 subsection shall not apply to applications approved under the provisions of subsection 3 of section
12 253.559 for projects to receive less than two hundred seventy-five thousand dollars in tax credits.

13 3. For all applications for tax credits approved on or after January 1, 2010, no more than two
14 hundred fifty thousand dollars in tax credits may be issued for eligible costs and expenses incurred in
15 the rehabilitation of an eligible property which is a nonincome producing single-family,
16 owner-occupied residential property and is either a certified historic structure or a structure in a
17 certified historic district.

18 4. The limitations on tax credit authorization provided under the provisions of subsections 2
19 and 3 of this section shall not apply to:

20 (1) Any application submitted by a taxpayer, which has received approval from the
21 department prior to January 1, 2010; or

22 (2) Any taxpayer applying for tax credits, provided under this section, which, on or before
23 January 1, 2010, has filed an application with the department evidencing that such taxpayer:

24 (a) Has incurred costs and expenses for an eligible property which exceed the lesser of five
25 percent of the total project costs or one million dollars and received an approved Part I from the
26 Secretary of the United States Department of Interior; or

27 (b) Has received certification, by the state historic preservation officer, that the rehabilitation
28 plan meets the standards consistent with the standards of the Secretary of the United States
29 Department of the Interior, and the rehabilitation costs and expenses associated with such
30 rehabilitation shall exceed fifty percent of the total basis in the property.

31 5. No new tax credits shall be authorized under the provisions of sections 253.545 to
32 253.559 after December 31, 2015.

33 262.250. 1. The commission may charge a fee on any entry to be paid at the time of entry.
34 All animals and articles must be entered in their proper classes and no other. The director shall
35 determine all questions of classification.

36 2. In addition to any exemption in chapter 144, no sales taxes shall be levied and collected on
37 any entry fee or charge authorized in this section. The provisions of this subsection shall expire on
38 December 31, 2015.

39 313.821. 1. In addition to the exemptions granted under the provisions of section 144.030,
40 there shall also be specifically exempted from the provisions of sections 66.600 to 66.635, sections
41 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, and

1 67.782, sections 92.400 to 92.420, sections 94.500 to 94.570, 94.600 to 94.655, and 94.700 to
2 94.755, and sections 144.010 to 144.510 and 144.600 to 144.745, and from the computation of the
3 tax levied, assessed or payable under sections 66.600 to 66.635, sections 67.500 to 67.545, 67.547,
4 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739, and 67.782, sections 92.400
5 to 92.420, sections 94.500 to 94.570, 94.600 to 94.655, and 94.700 to 94.755, and sections 144.010
6 to 144.510 and 144.600 to 144.745, any state or local admission fees imposed upon excursion
7 gambling boat operators to be collected from each passenger boarding such excursion gambling
8 boats. The provisions of this subsection shall expire on December 31, 2015.

9 2. Nothing in this section shall exempt from the taxes referenced in subsection 1 of this
10 section any fees of admission voluntarily charged by excursion boat gambling operators to
11 passengers boarding such excursion gambling boats.

12 447.708. 1. For eligible projects, the director of the department of economic development,
13 with notice to the directors of the departments of natural resources and revenue, and subject to the
14 other provisions of sections 447.700 to 447.718, may not create a new enterprise zone but may
15 decide that a prospective operator of a facility being remedied and renovated pursuant to sections
16 447.700 to 447.718 may receive the tax credits and exemptions pursuant to sections 135.100 to
17 135.150 and sections 135.200 to 135.257. The tax credits allowed pursuant to this subsection shall
18 be used to offset the tax imposed by chapter 143, excluding withholding tax imposed by sections
19 143.191 to 143.265, or the tax otherwise imposed by chapter 147, or the tax otherwise imposed by
20 chapter 148. For purposes of this subsection:

21 (1) For receipt of the ad valorem tax abatement pursuant to section 135.215, the eligible
22 project must create at least ten new jobs or retain businesses which supply at least twenty-five
23 existing jobs. The city, or county if the eligible project is not located in a city, must provide ad
24 valorem tax abatement of at least fifty percent for a period not less than ten years and not more than
25 twenty-five years;

26 (2) For receipt of the income tax exemption pursuant to section 135.220 and tax credit for
27 new or expanded business facilities pursuant to sections 135.100 to 135.150, and 135.225, the
28 eligible project must create at least ten new jobs or retain businesses which supply at least
29 twenty-five existing jobs, or combination thereof. For purposes of sections 447.700 to 447.718, the
30 tax credits described in section 135.225 are modified as follows: the tax credit shall be four hundred
31 dollars per employee per year, an additional four hundred dollars per year for each employee
32 exceeding the minimum employment thresholds of ten and twenty-five jobs for new and existing
33 businesses, respectively, an additional four hundred dollars per year for each person who is a person
34 difficult to employ as defined by section 135.240, and investment tax credits at the same amounts
35 and levels as provided in subdivision (4) of subsection 1 of section 135.225;

36 (3) For eligibility to receive the income tax refund pursuant to section 135.245, the eligible
37 project must create at least ten new jobs or retain businesses which supply at least twenty-five
38 existing jobs, or combination thereof, and otherwise comply with the provisions of section 135.245
39 for application and use of the refund and the eligibility requirements of this section;

40 (4) The eligible project operates in compliance with applicable environmental laws and
41 regulations, including permitting and registration requirements, of this state as well as the federal

1 and local requirements;

2 (5) The eligible project operator shall file such reports as may be required by the director of
3 economic development or the director's designee;

4 (6) The taxpayer may claim the state tax credits authorized by this subsection and the state
5 income exemption for a period not in excess of ten consecutive tax years. For the purpose of this
6 section, "taxpayer" means an individual proprietorship, partnership or corporation described in
7 section 143.441 or 143.471 who operates an eligible project. The director shall determine the
8 number of years the taxpayer may claim the state tax credits and the state income exemption based
9 on the projected net state economic benefits attributed to the eligible project;

10 (7) For the purpose of meeting the new job requirement prescribed in subdivisions (1), (2)
11 and (3) of this subsection, it shall be required that at least ten new jobs be created and maintained
12 during the taxpayer's tax period for which the credits are earned, in the case of an eligible project that
13 does not replace a similar facility in Missouri. "New job" means a person who was not previously
14 employed by the taxpayer or related taxpayer within the twelve-month period immediately preceding
15 the time the person was employed by that taxpayer to work at, or in connection with, the eligible
16 project on a full-time basis. "Full-time basis" means the employee works an average of at least
17 thirty-five hours per week during the taxpayer's tax period for which the tax credits are earned. For
18 the purposes of this section, related taxpayer has the same meaning as defined in subdivision (9) of
19 section 135.100;

20 (8) For the purpose of meeting the existing job retention requirement, if the eligible project
21 replaces a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer's tax
22 period in which the tax credits are earned, it shall be required that at least twenty-five existing jobs
23 be retained at, and in connection with the eligible project, on a full-time basis during the taxpayer's
24 tax period for which the credits are earned. "Retained job" means a person who was previously
25 employed by the taxpayer or related taxpayer, at a facility similar to the eligible project that closed
26 elsewhere in Missouri prior to the end of the taxpayer's tax period in which the tax credits are earned,
27 within the tax period immediately preceding the time the person was employed by the taxpayer to
28 work at, or in connection with, the eligible project on a full-time basis. "Full-time basis" means the
29 employee works an average of at least thirty-five hours per week during the taxpayer's tax period for
30 which the tax credits are earned;

31 (9) In the case where an eligible project replaces a similar facility that closed elsewhere in
32 Missouri prior to the end of the taxpayer's tax period in which the tax credits are earned, the owner
33 and operator of the eligible project shall provide the director with a written statement explaining the
34 reason for discontinuing operations at the closed facility. The statement shall include a comparison
35 of the activities performed at the closed facility prior to the date the facility ceased operating, to the
36 activities performed at the eligible project, and a detailed account describing the need and rationale
37 for relocating to the eligible project. If the director finds the relocation to the eligible project
38 significantly impaired the economic stability of the area in which the closed facility was located, and
39 that such move was detrimental to the overall economic development efforts of the state, the director
40 may deny the taxpayer's request to claim tax benefits;

41 (10) Notwithstanding any provision of law to the contrary, for the purpose of this section, the

1 number of new jobs created and maintained, the number of existing jobs retained, and the value of
2 new qualified investment used at the eligible project during any tax year shall be determined by
3 dividing by twelve, in the case of jobs, the sum of the number of individuals employed at the eligible
4 project, or in the case of new qualified investment, the value of new qualified investment used at the
5 eligible project, on the last business day of each full calendar month of the tax year. If the eligible
6 project is in operation for less than the entire tax year, the number of new jobs created and
7 maintained, the number of existing jobs retained, and the value of new qualified investment created
8 at the eligible project during any tax year shall be determined by dividing the sum of the number of
9 individuals employed at the eligible project, or in the case of new qualified investment, the value of
10 new qualified investment used at the eligible project, on the last business day of each full calendar
11 month during the portion of the tax year during which the eligible project was in operation, by the
12 number of full calendar months during such period;

13 (11) For the purpose of this section, "new qualified investment" means new business facility
14 investment as defined and as determined in subdivision (7) of section 135.100 which is used at and in
15 connection with the eligible project. "New qualified investment" shall not include small tools,
16 supplies and inventory. "Small tools" means tools that are portable and can be hand held.

17 2. The determination of the director of economic development pursuant to subsection 1 of
18 this section shall not affect requirements for the prospective purchaser to obtain the approval of the
19 granting of real property tax abatement by the municipal or county government where the eligible
20 project is located.

21 3. (1) The director of the department of economic development, with the approval of the
22 director of the department of natural resources, may, in addition to the tax credits allowed in
23 subsection 1 of this section, grant a remediation tax credit to the applicant for up to one hundred
24 percent of the costs of materials, supplies, equipment, labor, professional engineering, consulting and
25 architectural fees, permitting fees and expenses, demolition, asbestos abatement, and direct utility
26 charges for performing the voluntary remediation activities for the preexisting hazardous substance
27 contamination and releases, including, but not limited to, the costs of performing operation and
28 maintenance of the remediation equipment at the property beyond the year in which the systems and
29 equipment are built and installed at the eligible project and the costs of performing the voluntary
30 remediation activities over a period not in excess of four tax years following the taxpayer's tax year
31 in which the system and equipment were first put into use at the eligible project, provided the
32 remediation activities are the subject of a plan submitted to, and approved by, the director of natural
33 resources pursuant to sections 260.565 to 260.575. The tax credit may also include up to one
34 hundred percent of the costs of demolition that are not directly part of the remediation activities,
35 provided that the demolition is on the property where the voluntary remediation activities are
36 occurring, the demolition is necessary to accomplish the planned use of the facility where the
37 remediation activities are occurring, and the demolition is part of a redevelopment plan approved by
38 the municipal or county government and the department of economic development. The demolition
39 may occur on an adjacent property if the project is located in a municipality which has a population
40 less than twenty thousand and the above conditions are otherwise met. The adjacent property shall
41 independently qualify as abandoned or underutilized. The amount of the credit available for

1 demolition not associated with remediation cannot exceed the total amount of credits approved for
2 remediation including demolition required for remediation.

3 (2) The amount of remediation tax credits issued shall be limited to the least amount
4 necessary to cause the project to occur, as determined by the director of the department of economic
5 development.

6 (3) The director may, with the approval of the director of natural resources, extend the tax
7 credits allowed for performing voluntary remediation maintenance activities, in increments of
8 three-year periods, not to exceed five consecutive three-year periods. The tax credits allowed in this
9 subsection shall be used to offset the tax imposed by chapter 143, excluding withholding tax imposed
10 by sections 143.191 to 143.265, or the tax otherwise imposed by chapter 147, or the tax otherwise
11 imposed by chapter 148. The remediation tax credit may be taken in the same tax year in which the
12 tax credits are received or may be taken over a period not to exceed twenty years.

13 (4) The project facility shall be projected to create at least ten new jobs or at least
14 twenty-five retained jobs, or a combination thereof, as determined by the department of economic
15 development, to be eligible for tax credits pursuant to this section.

16 (5) No more than seventy-five percent of earned remediation tax credits may be issued when
17 the remediation costs were paid, and the remaining percentage may be issued when the department
18 of natural resources issues a letter of completion letter or covenant not to sue following completion
19 of the voluntary remediation activities. It shall not include any costs associated with ongoing
20 operational environmental compliance of the facility or remediation costs arising out of spills, leaks,
21 or other releases arising out of the ongoing business operations of the facility. In the event the
22 department of natural resources issues a letter of completion for a portion of a property, an impacted
23 media such as soil or groundwater, or for a site or a portion of a site improvement, a prorated amount
24 of the remaining percentage may be released based on the percentage of the total site receiving a
25 letter of completion.

26 4. In the exercise of the sound discretion of the director of the department of economic
27 development or the director's designee, the tax credits and exemptions described in this section may
28 be terminated, suspended or revoked, if the eligible project fails to continue to meet the conditions
29 set forth in this section. In making such a determination, the director shall consider the severity of
30 the condition violation, actions taken to correct the violation, the frequency of any condition
31 violations and whether the actions exhibit a pattern of conduct by the eligible facility owner and
32 operator. The director shall also consider changes in general economic conditions and the
33 recommendation of the director of the department of natural resources, or his or her designee,
34 concerning the severity, scope, nature, frequency and extent of any violations of the environmental
35 compliance conditions. The taxpayer or person claiming the tax credits or exemptions may appeal
36 the decision regarding termination, suspension or revocation of any tax credit or exemption in
37 accordance with the procedures outlined in subsections 4 [to 6] and 5 of section 135.250. The
38 director of the department of economic development shall notify the directors of the departments of
39 natural resources and revenue of the termination, suspension or revocation of any tax credits as
40 determined in this section or pursuant to the provisions of section 447.716.

41 5. Notwithstanding any provision of law to the contrary, no taxpayer shall earn the tax

1 credits, exemptions or refund otherwise allowed in subdivisions (2), (3) and (4) of subsection 1 of
2 this section and the tax credits otherwise allowed in section 135.110, or the tax credits, exemptions
3 and refund otherwise allowed in sections 135.215, 135.220, 135.225 and 135.245, respectively, for
4 the same facility for the same tax period.

5 6. The total amount of the tax credits allowed in subsection 1 of this section may not exceed
6 the greater of:

7 (1) That portion of the taxpayer's income attributed to the eligible project; or

8 (2) One hundred percent of the total business' income tax if the eligible facility does not
9 replace a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer's tax
10 period in which the tax credits are earned, and further provided the taxpayer does not operate any
11 other facilities besides the eligible project in Missouri; fifty percent of the total business' income tax
12 if the eligible facility replaces a similar facility that closed elsewhere in Missouri prior to the end of
13 the taxpayer's tax period in which the credits are earned, and further provided the taxpayer does not
14 operate any other facilities besides the eligible project in Missouri; or twenty-five percent of the total
15 business income if the taxpayer operates, in addition to the eligible facility, any other facilities in
16 Missouri. In no case shall a taxpayer operating more than one eligible project in Missouri be allowed
17 to offset more than twenty-five percent of the taxpayer's business income in any tax period. That
18 portion of the taxpayer's income attributed to the eligible project as referenced in subdivision (1) of
19 this subsection, for which the credits allowed in sections 135.110 and 135.225 and subsection 3 of
20 this section, may apply, shall be determined in the same manner as prescribed in subdivision [(6)] (7)
21 of section 135.100. That portion of the taxpayer's franchise tax attributed to the eligible project for
22 which the remediation tax credit may offset, shall be determined in the same manner as prescribed in
23 paragraph (a) of subdivision [(6)] (7) of section 135.100.

24 7. Taxpayers claiming the state tax benefits allowed in subdivisions (2) and (3) of subsection
25 1 of this section shall be required to file all applicable tax credit applications, forms and schedules
26 prescribed by the director during the taxpayer's tax period immediately after the tax period in which
27 the eligible project was first put into use. Otherwise, the taxpayer's right to claim such state tax
28 benefits shall be forfeited. Unused business facility and enterprise zone tax credits shall not be
29 carried forward but shall be initially claimed for the tax period during which the eligible project was
30 first capable of being used, and during any applicable subsequent tax periods.

31 8. Taxpayers claiming the remediation tax credit allowed in subsection 3 of this section shall
32 be required to file all applicable tax credit applications, forms and schedules prescribed by the
33 director during the taxpayer's tax period immediately after the tax period in which the eligible
34 project was first put into use, or during the taxpayer's tax period immediately after the tax period in
35 which the voluntary remediation activities were performed.

36 9. The recipient of remediation tax credits, for the purpose of this subsection referred to as
37 assignor, may assign, sell or transfer, in whole or in part, the remediation tax credit allowed in
38 subsection 3 of this section to any other person, for the purpose of this subsection referred to as
39 assignee. To perfect the transfer, the assignor shall provide written notice to the director of the
40 assignor's intent to transfer the tax credits to the assignee, the date the transfer is effective, the
41 assignee's name, address and the assignee's tax period and the amount of tax credits to be transferred.

1 The number of tax periods during which the assignee may subsequently claim the tax credits shall
2 not exceed twenty tax periods, less the number of tax periods the assignor previously claimed the
3 credits before the transfer occurred.

4 10. In the case where an operator and assignor of an eligible project has been certified to
5 claim state tax benefits allowed in subdivisions (2) and (3) of subsection 1 of this section, and sells
6 or otherwise transfers title of the eligible project to another taxpayer or assignee who continues the
7 same or substantially similar operations at the eligible project, the director shall allow the assignee to
8 claim the credits for a period of time to be determined by the director; except that, the total number
9 of tax periods the tax credits may be earned by the assignor and the assignee shall not exceed ten. To
10 perfect the transfer, the assignor shall provide written notice to the director of the assignor's intent to
11 transfer the tax credits to the assignee, the date the transfer is effective, the assignee's name, address,
12 and the assignee's tax period, and the amount of tax credits to be transferred.

13 11. For the purpose of the state tax benefits described in this section, in the case of a
14 corporation described in section 143.471 or partnership, in computing Missouri's tax liability, such
15 state benefits shall be allowed to the following:

16 (1) The shareholders of the corporation described in section 143.471;

17 (2) The partners of the partnership. The credit provided in this subsection shall be
18 apportioned to the entities described in subdivisions (1) and (2) of this subsection in proportion to
19 their share of ownership on the last day of the taxpayer's tax period.

20 12. No new tax credits shall be authorized under the provisions of this section after
21 December 31, 2015.

22 620.495. 1. This section shall be known as the "Small Business Incubators Act".

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

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

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

30 (3) "Local sponsor" or "sponsor", an organization which enters into a written agreement with
31 the department to establish, operate and administer a small business incubator program or to provide
32 funding to an organization which operates such a program;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31 (3) Furnish and equip the program to provide business services to the tenants and
32 participants;

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

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

37 (6) Set rental and service fees;

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

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

43 7. The department:

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

46 (2) May make loans, loan guarantees and grants to local sponsors for incubators;

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

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

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

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

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

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

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

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

15 (5) The number of jobs provided by each incubator and tenants and participant of each
16 incubator;

17 (6) The occupancy rate of each incubator;

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

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

28 11. For any taxable year beginning after December 31, 1989, a taxpayer, including any
29 charitable organization which is exempt from federal income tax and whose Missouri unrelated
30 business taxable income, if any, would be subject to the state income tax imposed under chapter 143,
31 shall be entitled to a tax credit against any tax otherwise due under the provisions of chapter 143, or
32 chapter 147, or chapter 148, excluding withholding tax imposed by sections 143.191 to 143.265, in
33 the amount of fifty percent of any amount contributed by the taxpayer to the Missouri small business
34 incubators fund during the taxpayer's tax year or any contribution by the taxpayer to a local sponsor
35 after the local sponsor's application has been accepted and approved by the department. The tax
36 credit allowed by this subsection shall be claimed by the taxpayer at the time he files his or her return
37 and shall be applied against the income tax liability imposed by chapter 143, or chapter 147, or
38 chapter 148, after all other credits provided by law have been applied. That portion of earned tax
39 credits which exceeds the taxpayer's tax liability may be carried forward for up to five years. The
40 aggregate of all tax credits authorized under this section shall not exceed five hundred thousand
41 dollars in any taxable year. No new tax credits shall be authorized under the provisions of this
42 section after December 31, 2015.

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

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

1 (2) In an amount not to exceed one hundred percent of annual earned credits. The taxpayer
2 acquiring earned credits, hereinafter the assignee for the purpose of this subsection, may use the
3 acquired credits to offset up to one hundred percent of the tax liabilities otherwise imposed by
4 chapter 143, or chapter 147, or chapter 148 excluding withholding tax imposed by sections 143.191
5 to 143.265. Unused credits in the hands of the assignee may be carried forward for up to five years.
6 The assignor shall enter into a written agreement with the assignee establishing the terms and
7 conditions of the agreement and shall perfect such transfer by notifying the department of economic
8 development in writing within thirty calendar days following the effective day of the transfer and
9 shall provide any information as may be required by the department of economic development to
10 administer and carry out the provisions of this section. The director of the department of economic
11 development shall prescribe the method for submitting applications for claiming the tax credit
12 allowed under subsection 11 of this section and shall, if the application is approved, certify to the
13 director of revenue that the taxpayer claiming the credit has satisfied all the requirements specified in
14 this section and is eligible to claim the credit.

15 620.1881. 1. The department of economic development shall respond within thirty days to a
16 company who provides a notice of intent with either an approval or a rejection of the notice of intent.
17 The department shall give preference to qualified companies and projects targeted at an area of the
18 state which has recently been classified as a disaster area by the federal government. Failure to
19 respond on behalf of the department of economic development shall result in the notice of intent
20 being deemed an approval for the purposes of this section. A qualified company who is provided an
21 approval for a project shall be allowed a benefit as provided in this program in the amount and
22 duration provided in this section. A qualified company may receive additional periods for
23 subsequent new jobs at the same facility after the full initial period if the minimum thresholds are
24 met as set forth in sections 620.1875 to 620.1890. There is no limit on the number of periods a
25 qualified company may participate in the program, as long as the minimum thresholds are achieved
26 and the qualified company provides the department with the required reporting and is in proper
27 compliance for this program or other state programs. A qualified company may elect to file a notice
28 of intent to start a new project period concurrent with an existing project period if the minimum
29 thresholds are achieved and the qualified company provides the department with the required
30 reporting and is in proper compliance for this program and other state programs; however, the
31 qualified company may not receive any further benefit under the original approval for jobs created
32 after the date of the new notice of intent, and any jobs created before the new notice of intent may
33 not be included as new jobs for the purpose of benefit calculation in relation to the new approval.
34 When a qualified company has filed and received approval of a notice of intent and subsequently
35 files another notice of intent, the department shall apply the definition of project facility under
36 subdivision (19) of section 620.1878 to the new notice of intent as well as all previously approved
37 notices of intent and shall determine the application of the definitions of new job, new payroll,
38 project facility base employment, and project facility base payroll accordingly.

39 2. Notwithstanding any provision of law to the contrary, any qualified company that is
40 awarded benefits under this program may not simultaneously receive tax credits or exemptions under
41 sections 135.100 to 135.150, sections 135.200 to 135.286, section 135.535, or sections 135.900 to

1 135.906 at the same project facility. The benefits available to the company under any other state
2 programs for which the company is eligible and which utilize withholding tax from the new jobs of
3 the company must first be credited to the other state program before the withholding retention level
4 applicable under the Missouri quality jobs act will begin to accrue. These other state programs
5 include, but are not limited to, the Missouri works jobs training program under sections 620.800 to
6 620.809, the real property tax increment allocation redevelopment act, sections 99.800 to 99.865, or
7 the Missouri downtown and rural economic stimulus act under sections 99.915 to 99.980. If any
8 qualified company also participates in the Missouri works jobs training program in sections 620.800
9 to 620.809, the company shall retain no withholding tax, but the department shall issue a refundable
10 tax credit for the full amount of benefit allowed under this subdivision. The calendar year annual
11 maximum amount of tax credits which may be issued to a qualifying company that also participates
12 in the new job training program shall be increased by an amount equivalent to the withholding tax
13 retained by that company under the new jobs training program. However, if the combined benefits
14 of the quality jobs program and the new jobs training program exceed the projected state benefit of
15 the project, as determined by the department of economic development through a cost-benefit
16 analysis, the increase in the maximum tax credits shall be limited to the amount that would not cause
17 the combined benefits to exceed the projected state benefit. Any taxpayer who is awarded benefits
18 under this program who knowingly hires individuals who are not allowed to work legally in the
19 United States shall immediately forfeit such benefits and shall repay the state an amount equal to any
20 state tax credits already redeemed and any withholding taxes already retained.

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

22 (1) Small and expanding business projects: in exchange for the consideration provided by
23 the new tax revenues and other economic stimuli that will be generated by the new jobs created by
24 the program, a qualified company may retain an amount equal to the withholding tax as calculated
25 under subdivision (33) of section 620.1878 from the new jobs that would otherwise be withheld and
26 remitted by the qualified company under the provisions of sections 143.191 to 143.265 for a period
27 of three years from the date the required number of new jobs were created if the average wage of the
28 new payroll equals or exceeds the county average wage or for a period of five years from the date the
29 required number of new jobs were created if the average wage of the new payroll equals or exceeds
30 one hundred twenty percent of the county average wage;

31 (2) Technology business projects: in exchange for the consideration provided by the new tax
32 revenues and other economic stimuli that will be generated by the new jobs created by the program,
33 a qualified company may retain an amount equal to a maximum of five percent of new payroll for a
34 period of five years from the date the required number of jobs were created from the withholding tax
35 of the new jobs that would otherwise be withheld and remitted by the qualified company under the
36 provisions of sections 143.191 to 143.265 if the average wage of the new payroll equals or exceeds
37 the county average wage. An additional one-half percent of new payroll may be added to the five
38 percent maximum if the average wage of the new payroll in any year exceeds one hundred twenty
39 percent of the county average wage in the county in which the project facility is located, plus an
40 additional one-half percent of new payroll may be added if the average wage of the new payroll in
41 any year exceeds one hundred forty percent of the average wage in the county in which the project

1 facility is located. The department shall issue a refundable tax credit for any difference between the
2 amount of benefit allowed under this subdivision and the amount of withholding tax retained by the
3 company, in the event the withholding tax is not sufficient to provide the entire amount of benefit
4 due to the qualified company under this subdivision;

5 (3) High impact projects: in exchange for the consideration provided by the new tax
6 revenues and other economic stimuli that will be generated by the new jobs created by the program,
7 a qualified company may retain an amount from the withholding tax of the new jobs that would
8 otherwise be withheld and remitted by the qualified company under the provisions of sections
9 143.191 to 143.265, equal to three percent of new payroll for a period of five years from the date the
10 required number of jobs were created if the average wage of the new payroll equals or exceeds the
11 county average wage of the county in which the project facility is located. For high-impact projects
12 in a facility located within two adjacent counties, the new payroll shall equal or exceed the higher
13 county average wage of the adjacent counties. The percentage of payroll allowed under this
14 subdivision shall be three and one-half percent of new payroll if the average wage of the new payroll
15 in any year exceeds one hundred twenty percent of the county average wage in the county in which
16 the project facility is located. The percentage of payroll allowed under this subdivision shall be four
17 percent of new payroll if the average wage of the new payroll in any year exceeds one hundred forty
18 percent of the county average wage in the county in which the project facility is located. An
19 additional one percent of new payroll may be added to these percentages if local incentives equal
20 between ten percent and twenty-four percent of the new direct local revenue; an additional two
21 percent of new payroll is added to these percentages if the local incentives equal between twenty-five
22 percent and forty-nine percent of the new direct local revenue; or an additional three percent of
23 payroll is added to these percentages if the local incentives equal fifty percent or more of the new
24 direct local revenue. The department shall issue a refundable tax credit for any difference between
25 the amount of benefit allowed under this subdivision and the amount of withholding tax retained by
26 the company, in the event the withholding tax is not sufficient to provide the entire amount of benefit
27 due to the qualified company under this subdivision;

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

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

35 (b) The qualified company retained at the project facility the level of full-time employees
36 that existed in the taxable year immediately preceding the year in which application for the program
37 is made;

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

1 determination shall be made by the director of the department of economic development;

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

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

9 The quality jobs advisory task force may recommend to the department of economic development
10 that appropriate penalties be applied to the company for violating the agreement. The amount of the
11 job retention credit granted may be equal to up to fifty percent of the amount of withholding tax
12 generated by the full-time jobs at the project facility for a period of five years. The calendar year
13 annual maximum amount of tax credit that may be issued to any qualified company for a job
14 retention project or combination of job retention projects shall be seven hundred fifty thousand
15 dollars per year, but the maximum amount may be increased up to one million dollars if such action
16 is proposed by the department and approved by the quality jobs advisory task force established in
17 section 620.1887; provided, however, until such time as the initial at-large members of the quality
18 jobs advisory task force are appointed, this determination shall be made by the director of the
19 department of economic development. In considering such a request, the task force shall rely on
20 economic modeling and other information supplied by the department when requesting the increased
21 limit on behalf of the job retention project. In no event shall the total amount of all tax credits issued
22 for the entire job retention program under this subdivision exceed three million dollars annually.
23 Notwithstanding the above, no tax credits shall be issued for job retention projects approved by the
24 department after August 30, 2013;

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

28 (a) The qualified company did not receive any state or federal benefits, incentives, or tax
29 relief or abatement in locating its facility in a flood plain;

30 (b) The qualified company and related companies have fewer than one hundred employees at
31 the time application for the program is made;

32 (c) The average wage of the qualified company's and related companies' employees must
33 meet or exceed the county average wage;

34 (d) All of the qualified company's and related companies' facilities are located in this state;

35 (e) The facilities at the primary business site in this state have been directly damaged by
36 floodwater rising above the level of a five hundred year flood at least two years, but fewer than eight
37 years, prior to the time application is made;

38 (f) The qualified company made significant efforts to protect the facilities prior to any
39 impending danger from rising floodwaters;

40 (g) For each year it receives tax credits under sections 620.1875 to 620.1890, the qualified
41 company and related companies retained, at the company's facilities in this state, at least the level of

1 full-time, year-round employees that existed in the taxable year immediately preceding the year in
2 which application for the program is made; and

3 (h) In the years it receives tax credits under sections 620.1875 to 620.1890, the company
4 cumulatively invests at least two million dollars in capital improvements in facilities and equipment
5 located at such facilities that are not located within a five hundred year flood plain as designated by
6 the Federal Emergency Management Agency, and amended from time to time. The amount of the
7 small business job retention and flood survivor relief credit granted may be equal to up to one
8 hundred percent of the amount of withholding tax generated by the full-time jobs at the project
9 facility for a period of three years. The calendar year annual maximum amount of tax credit that
10 may be issued to any qualified company for a small business job retention and survivor relief project
11 shall be two hundred fifty thousand dollars per year, but the maximum amount may be increased up
12 to five hundred thousand dollars if such action is proposed by the department and approved by the
13 quality jobs advisory task force established in section 620.1887. In considering such a request, the
14 task force shall rely on economic modeling and other information supplied by the department when
15 requesting an increase in the limit on behalf of the small business job retention and flood survivor
16 relief project. In no event shall the total amount of all tax credits issued for the entire small business
17 job retention and flood survivor relief program under this subdivision exceed five hundred thousand
18 dollars annually. Notwithstanding the provisions of this subdivision to the contrary, no tax credits
19 shall be issued for small business job retention and flood survivor relief projects approved by the
20 department after August 30, 2010.

21 4. The qualified company shall provide an annual report of the number of jobs and such
22 other information as may be required by the department to document the basis for the benefits of this
23 program. The department may withhold the approval of any benefits until it is satisfied that proper
24 documentation has been provided, and shall reduce the benefits to reflect any reduction in full-time
25 employees or new payroll. Upon approval by the department, the qualified company may begin the
26 retention of the withholding taxes when it reaches the minimum number of new jobs and the average
27 wage exceeds the county average wage. Tax credits, if any, may be issued upon satisfaction by the
28 department that the qualified company has exceeded the county average wage and the minimum
29 number of new jobs. In such annual report, if the average wage is below the county average wage,
30 the qualified company has not maintained the employee insurance as required, or if the number of
31 new jobs is below the minimum, the qualified company shall not receive tax credits or retain the
32 withholding tax for the balance of the benefit period. In the case of a qualified company that initially
33 filed a notice of intent and received an approval from the department for high-impact benefits and
34 the minimum number of new jobs in an annual report is below the minimum for high-impact
35 projects, the company shall not receive tax credits for the balance of the benefit period but may
36 continue to retain the withholding taxes if it otherwise meets the requirements of a small and
37 expanding business under this program.

38 5. The maximum calendar year annual tax credits issued for the entire program shall not
39 exceed eighty million dollars. Notwithstanding any provision of law to the contrary, the maximum
40 annual tax credits authorized under section 135.535 are hereby reduced from ten million dollars to
41 eight million dollars, with the balance of two million dollars transferred to this program. There shall

1 be no limit on the amount of withholding taxes that may be retained by approved companies under
2 this program.

3 6. The department shall allocate the annual tax credits based on the date of the approval,
4 reserving such tax credits based on the department's best estimate of new jobs and new payroll of the
5 project, and the other factors in the determination of benefits of this program. However, the annual
6 issuance of tax credits is subject to the annual verification of the actual new payroll. The allocation
7 of tax credits for the period assigned to a project shall expire if, within two years from the date of
8 commencement of operations, or approval if applicable, the minimum thresholds have not been
9 achieved. The qualified company may retain authorized amounts from the withholding tax under
10 this section once the minimum new jobs thresholds are met for the duration of the project period. No
11 benefits shall be provided under this program until the qualified company meets the minimum new
12 jobs thresholds. In the event the qualified company does not meet the minimum new job threshold,
13 the qualified company may submit a new notice of intent or the department may provide a new
14 approval for a new project of the qualified company at the project facility or other facilities.

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

18 8. Tax credits may be claimed against taxes otherwise imposed by chapters 143 and 148, and
19 may not be carried forward but shall be claimed within one year of the close of the taxable year for
20 which they were issued, except as provided under subdivision (4) of subsection 3 of this section.

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

25 10. Prior to the issuance of tax credits, the department shall verify through the department of
26 revenue, or any other state department, that the tax credit applicant does not owe any delinquent
27 income, sales, or use tax or interest or penalties on such taxes, or any delinquent fees or assessments
28 levied by any state department and through the department of insurance, financial institutions and
29 professional registration that the applicant does not owe any delinquent insurance taxes. Such
30 delinquency shall not affect the authorization of the application for such tax credits, except that at
31 issuance credits shall be first applied to the delinquency and any amount issued shall be reduced by
32 the applicant's tax delinquency. If the department of revenue or the department of insurance,
33 financial institutions and professional registration, or any other state department, concludes that a
34 taxpayer is delinquent after June fifteenth but before July first of any year and the application of tax
35 credits to such delinquency causes a tax deficiency on behalf of the taxpayer to arise, then the
36 taxpayer shall be granted thirty days to satisfy the deficiency in which interest, penalties, and
37 additions to tax shall be tolled. After applying all available credits toward a tax delinquency, the
38 administering agency shall notify the appropriate department and that department shall update the
39 amount of outstanding delinquent tax owed by the applicant. If any credits remain after satisfying all
40 insurance, income, sales, and use tax delinquencies, the remaining credits shall be issued to the
41 applicant, subject to the restrictions of other provisions of law.

1 11. Except as provided under subdivision (4) of subsection 3 of this section, the director of
2 revenue shall issue a refund to the qualified company to the extent that the amount of credits allowed
3 in this section exceeds the amount of the qualified company's income tax.

4 12. An employee of a qualified company will receive full credit for the amount of tax
5 withheld as provided in section 143.211.

6 13. If any provision of sections 620.1875 to 620.1890 or application thereof to any person or
7 circumstance is held invalid, the invalidity shall not affect other provisions or application of these
8 sections which can be given effect without the invalid provisions or application, and to this end, the
9 provisions of sections 620.1875 to 620.1890 are hereby declared severable.

10 14. The provisions of this section shall expire on December 31, 2027. The total amount of
11 tax credits eligible to be awarded under subsection 5 of this section shall be reduced each year for ten
12 years in equal amounts beginning with the 2017 fiscal year until no tax credits are eligible to be
13 awarded under this section.

14 [135.680. 1. As used in this section, the following terms shall mean:

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

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

18 (b) The following fraction:

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

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

24 c. For purposes of calculating the amount of qualified low-income community investments
25 held by an issuer, an investment shall be considered held by an issuer even if the investment has been
26 sold or repaid; provided that the issuer reinvests an amount equal to the capital returned to or
27 recovered by the issuer from the original investment, exclusive of any profits realized, in another
28 qualified low-income community investment within twelve months of the receipt of such capital. An
29 issuer shall not be required to reinvest capital returned from qualified low-income community
30 investments after the sixth anniversary of the issuance of the qualified equity investment, the
31 proceeds of which were used to make the qualified low-income community investment, and the
32 qualified low-income community investment shall be considered held by the issuer through the
33 seventh anniversary of the qualified equity investment's issuance;

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

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

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

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

40 (4) "Long-term debt security", any debt instrument issued by a qualified community
41 development entity, at par value or a premium, with an original maturity date of at least seven years
42 from the date of its issuance, with no acceleration of repayment, amortization, or prepayment
43 features prior to its original maturity date, and with no distribution, payment, or interest features
44 related to the profitability of the qualified community development entity or the performance of the
45 qualified community development entity's investment portfolio. The foregoing shall in no way limit
46 the holder's ability to accelerate payments on the debt instrument in situations where the issuer has

1 defaulted on covenants designed to ensure compliance with this section or Section 45D of the
2 Internal Revenue Code of 1986, as amended;

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

7 (6) "Qualified community development entity", the meaning given such term in Section 45D
8 of the Internal Revenue Code of 1986, as amended; provided that such entity has entered into an
9 allocation agreement with the Community Development Financial Institutions Fund of the U.S.
10 Treasury Department with respect to credits authorized by Section 45D of the Internal Revenue Code
11 of 1986, as amended, which includes the state of Missouri within the service area set forth in such
12 allocation agreement;

13 (7) "Qualified equity investment", any equity investment in, or long-term debt security
14 issued by, a qualified community development entity that:

15 (a) Is acquired after September 4, 2007, at its original issuance solely in exchange for cash;

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

18 (c) Is designated by the issuer as a qualified equity investment under this subdivision and is
19 certified by the department of economic development as not exceeding the limitation contained in
20 subsection 2 of this section. This term shall include any qualified equity investment that does not
21 meet the provisions of paragraph (a) of this subdivision if such investment was a qualified equity
22 investment in the hands of a prior holder;

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

30 (9) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding
31 withholding tax imposed in sections 143.191 to 143.265, or otherwise due under section 375.916 or
32 chapter 147, 148, or 153;

33 (10) "Taxpayer", any individual or entity subject to the tax imposed in chapter 143,
34 excluding withholding tax imposed in sections 143.191 to 143.265, or the tax imposed in section
35 375.916 or chapter 147, 148, or 153.

36 2. A taxpayer that makes a qualified equity investment earns a vested right to tax credits
37 under this section. On each credit allowance date of such qualified equity investment the taxpayer,
38 or subsequent holder of the qualified equity investment, shall be entitled to a tax credit during the
39 taxable year including such credit allowance date. The tax credit amount shall be equal to the
40 applicable percentage of the adjusted purchase price paid to the issuer of such qualified equity
41 investment. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state
42 tax liability for the tax year for which the tax credit is claimed. No tax credit claimed under this
43 section shall be refundable or transferable. Tax credits earned by a partnership, limited liability
44 company, S-corporation, or other pass-through entity may be allocated to the partners, members, or
45 shareholders of such entity for their direct use in accordance with the provisions of any agreement
46 among such partners, members, or shareholders. Any amount of tax credit that the taxpayer is
47 prohibited by this section from claiming in a taxable year may be carried forward to any of the
48 taxpayer's five subsequent taxable years. The department of economic development shall limit the

1 monetary amount of qualified equity investments permitted under this section to a level necessary to
2 limit tax credit utilization at no more than twenty-five million dollars of tax credits in any fiscal year.
3 Such limitation on qualified equity investments shall be based on the anticipated utilization of credits
4 without regard to the potential for taxpayers to carry forward tax credits to later tax years.

5 3. The issuer of the qualified equity investment shall certify to the department of economic
6 development the anticipated dollar amount of such investments to be made in this state during the
7 first twelve-month period following the initial credit allowance date. If on the second credit
8 allowance date, the actual dollar amount of such investments is different than the amount estimated,
9 the department of economic development shall adjust the credits arising on the second allowance
10 date to account for such difference.

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

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

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

20 5. The department of economic development shall promulgate rules to implement the
21 provisions of this section, including recapture provisions on a scaled proportional basis, and to
22 administer the allocation of tax credits issued for qualified equity investments, which shall be
23 conducted on a first-come, first-serve basis. Any rule or portion of a rule, as that term is defined in
24 section 536.010, that is created under the authority delegated in this section shall become effective
25 only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable,
26 section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with
27 the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove
28 and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and
29 any rule proposed or adopted after September 4, 2007, shall be invalid and void.

30 6. For fiscal years following fiscal year 2010, qualified equity investments shall not be made
31 under this section unless reauthorization is made pursuant to this subsection. For all fiscal years
32 following fiscal year 2010, unless the general assembly adopts a concurrent resolution granting
33 authority to the department of economic development to approve qualified equity investments for the
34 Missouri new markets development program and clearly describing the amount of tax credits
35 available for the next fiscal year, or otherwise complies with the provisions of this subsection, no
36 qualified equity investments may be permitted to be made under this section. The amount of
37 available tax credits contained in such a resolution shall not exceed the limitation provided under
38 subsection 2 of this section. In any year in which the provisions of this section shall sunset pursuant
39 to subsection 7 of this section, reauthorization shall be made by general law and not by concurrent
40 resolution. Nothing in this subsection shall preclude a taxpayer who makes a qualified equity
41 investment prior to the expiration of authority to make qualified equity investments from claiming
42 tax credits relating to such qualified equity investment for each applicable credit allowance date.

43 7. Under section 23.253 of the Missouri sunset act:

44 (1) The provisions of the new program authorized under this section shall automatically
45 sunset six years after September 4, 2007, unless reauthorized by an act of the general assembly; and

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

48 (3) This section shall terminate on September first of the calendar year immediately

1 following the calendar year in which the program authorized under this section is sunset. However,
2 nothing in this subsection shall preclude a taxpayer who makes a qualified equity investment prior to
3 sunset of this section under the provisions of section 23.253 from claiming tax credits relating to
4 such qualified equity investment for each credit allowance date.]" ; and

5

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