

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for House Bill No. 759, Page 1, In the Title, Lines 2-3, by
2 deleting the words, "sales tax refund claims" and inserting in lieu thereof the word, "taxation"; and
3

4 Further amend said bill, page, Section A, Line 2, 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.

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Action Taken _____ Date _____

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

- 3 (1) The annual tax on gross premium receipts of insurance companies in chapter 148;
4 (2) The tax on banks determined pursuant to subdivision (2) of subsection 2 of section
5 148.030;
6 (3) The tax on banks determined in subdivision (1) of subsection 2 of section 148.030;
7 (4) The tax on other financial institutions in chapter 148;
8 (5) The corporation franchise tax in chapter 147;
9 (6) The state income tax in chapter 143; and
10 (7) The annual tax on gross receipts of express companies in chapter 153.

11 2. For proposals approved pursuant to section 32.110:

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

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

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

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

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

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

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

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

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

15 3. For proposals approved pursuant to section 32.111:

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

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

40 (3) In the case of owner-occupied affordable housing units, the qualifying owner occupant
41 shall, before the end of the first year in which credits are claimed, certify to the commission that the

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

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

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

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

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

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

1 affected taxing districts in the manner required by law in the absence of the adoption of tax
2 increment allocation financing;

3 (2) (a) Payments in lieu of taxes attributable to the increase in the current equalized assessed
4 valuation of each taxable lot, block, tract, or parcel of real property in the area selected for the
5 redevelopment project and any applicable penalty and interest over and above the initial equalized
6 assessed value of each such unit of property in the area selected for the redevelopment project shall
7 be allocated to and, when collected, shall be paid to the municipal treasurer who shall deposit such
8 payment in lieu of taxes into a special fund called the "Special Allocation Fund" of the municipality
9 for the purpose of paying redevelopment costs and obligations incurred in the payment thereof.
10 Beginning August 28, 2014, if the voters in a taxing district vote to approve an increase in such
11 taxing district's levy rate for ad valorem tax on real property, any additional revenues generated
12 within an existing redevelopment project area that are directly attributable to the newly
13 voter-approved incremental increase in such taxing district's levy rate shall not be considered
14 payments in lieu of taxes subject to deposit into a special allocation fund without the consent of such
15 taxing district. Revenues will be considered directly attributable to the newly voter-approved
16 incremental increase to the extent that they are generated from the difference between the taxing
17 district's actual levy rate currently imposed and the maximum voter-approved levy rate at the time
18 that the redevelopment project was adopted. Payments in lieu of taxes which are due and owing
19 shall constitute a lien against the real estate of the redevelopment project from which they are
20 derived and shall be collected in the same manner as the real property tax, including the assessment
21 of penalties and interest where applicable. The municipality may, in the ordinance, pledge the funds
22 in the special allocation fund for the payment of such costs and obligations and provide for the
23 collection of payments in lieu of taxes, the lien of which may be foreclosed in the same manner as a
24 special assessment lien as provided in section 88.861. No part of the current equalized assessed
25 valuation of each lot, block, tract, or parcel of property in the area selected for the redevelopment
26 project attributable to any increase above the total initial equalized assessed value of such properties
27 shall be used in calculating the general state school aid formula provided for in section 163.031 until
28 such time as all redevelopment costs have been paid as provided for in this section and section
29 99.850.

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

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

40 (3) For purposes of this section, "levies upon taxable real property in such redevelopment
41 project by taxing districts" shall not include the blind pension fund tax levied under the authority of

1 Article III, Section 38(b) of the Missouri Constitution, or the merchants' and manufacturers'
2 inventory replacement tax levied under the authority of subsection 2 of Section 6 of Article X of the
3 Missouri Constitution, except in redevelopment project areas in which tax increment financing has
4 been adopted by ordinance pursuant to a plan approved by vote of the governing body of the
5 municipality taken after August 13, 1982, and before January 1, 1998.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

34 (1) The director of the department of economic development or his or her designee and the
35 commissioner of the office of administration or his or her designee have approved a tax increment
36 financing application made by the municipality for the appropriation of the new state revenues. The
37 municipality shall include in the application the following items in addition to the items in section
38 99.810:

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

41 (b) The base year of state sales tax revenues or the base year of state income tax withheld on

1 behalf of existing employees, reported by existing businesses within the project area prior to
2 approval of the redevelopment project;

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

6 (d) The official statement of any bond issue pursuant to this subsection after December 23,
7 1997;

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

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

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

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

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

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

22 (k) The estimated development project costs;

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

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

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

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

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

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

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

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

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

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

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

1 (w) The number of new jobs to be created by any business benefitting from public
2 expenditures in the development area, broken down by full-time, part-time, and temporary positions;

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

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

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

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

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

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

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

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

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

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

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

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

39 (3) The appropriation shall be either a portion of the estimate of the incremental increase in
40 the general revenue portion of state sales tax revenues in the redevelopment area or a portion of the
41 estimate of the state income tax withheld by the employer on behalf of new employees who fill new

1 jobs created in the redevelopment area as indicated in the municipality's application, approved by the
2 director of the department of economic development or his or her designee and the commissioner of
3 the office of administration or his or her designee. At no time shall the annual amount of the new
4 state revenues approved for disbursements from the Missouri supplemental tax increment financing
5 fund exceed thirty-two million dollars;

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

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

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

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

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

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

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.

8 144.010. 1. The following words, terms, and phrases when used in sections 144.010 to
9 144.525 have the meanings ascribed to them in this section, except when the context indicates a
10 different meaning:

11 (1) "Admission" includes seats and tables, reserved or otherwise, and other similar
12 accommodations and charges made therefor and amount paid for admission, exclusive of any
13 admission tax imposed by the federal government or by sections 144.010 to 144.525;

14 (2) "Business" includes any activity engaged in by any person, or caused to be engaged in by
15 him, with the object of gain, benefit or advantage, either direct or indirect, and the classification of
16 which business is of such character as to be subject to the terms of sections 144.010 to 144.525. A
17 person is "engaging in business" in this state for purposes of sections 144.010 to 144.525 if such
18 person "engages in business in this state" or "maintains a place of business in this state" under section
19 144.605. The isolated or occasional sale of tangible personal property, service, substance, or thing,
20 by a person not engaged in such business, does not constitute engaging in business within the
21 meaning of sections 144.010 to 144.525 unless the total amount of the gross receipts from such sales,
22 exclusive of receipts from the sale of tangible personal property by persons which property is sold in
23 the course of the partial or complete liquidation of a household, farm or nonbusiness enterprise,
24 exceeds three thousand dollars in any calendar year. The provisions of this subdivision shall not be
25 construed to make any sale of property which is exempt from sales tax or use tax on June 1, 1977,
26 subject to that tax thereafter;

27 (3) "Captive wildlife", includes but is not limited to exotic partridges, gray partridge,
28 northern bobwhite quail, ring-necked pheasant, captive waterfowl, captive white-tailed deer, captive
29 elk, and captive furbearers held under permit issued by the Missouri department of conservation for
30 hunting purposes. The provisions of this subdivision shall not apply to sales tax on a harvested
31 animal;

32 (4) "Gross receipts", except as provided in section 144.012, means the total amount of the
33 sale price of the sales at retail including any services other than charges incident to the extension of
34 credit that are a part of such sales made by the businesses herein referred to, capable of being valued
35 in money, whether received in money or otherwise; except that, the term "gross receipts" shall not
36 include the sale price of property returned by customers when the full sale price thereof is refunded
37 either in cash or by credit. In determining any tax due under sections 144.010 to 144.525 on the
38 gross receipts, charges incident to the extension of credit shall be specifically exempted. For the
39 purposes of sections 144.010 to 144.525 the total amount of the sale price above mentioned shall be
40 deemed to be the amount received. It shall also include the lease or rental consideration where the
41 right to continuous possession or use of any article of tangible personal property is granted under a

1 lease or contract and such transfer of possession would be taxable if outright sale were made and, in
2 such cases, the same shall be taxable as if outright sale were made and considered as a sale of such
3 article, and the tax shall be computed and paid by the lessee upon the rentals paid;

4 (5) "Livestock", cattle, calves, sheep, swine, ratite birds, including but not limited to, ostrich
5 and emu, aquatic products as defined in section 277.024, llamas, alpaca, buffalo, elk documented as
6 obtained from a legal source and not from the wild, goats, horses, other equine, or rabbits raised in
7 confinement for human consumption;

8 (6) "Motor vehicle leasing company" shall be a company obtaining a permit from the
9 director of revenue to operate as a motor vehicle leasing company. Not all persons renting or leasing
10 trailers or motor vehicles need to obtain such a permit; however, no person failing to obtain such a
11 permit may avail itself of the optional tax provisions of subsection 5 of section 144.070, as
12 hereinafter provided;

13 (7) "Person" includes any individual, firm, copartnership, joint adventure, association,
14 corporation, municipal or private, and whether organized for profit or not, state, county, political
15 subdivision, state department, commission, board, bureau or agency, except the state transportation
16 department, estate, trust, business trust, receiver or trustee appointed by the state or federal court,
17 syndicate, or any other group or combination acting as a unit, and the plural as well as the singular
18 number;

19 (8) "Purchaser" means a person who purchases tangible personal property or to whom are
20 rendered services, receipts from which are taxable under sections 144.010 to 144.525;

21 (9) "Research or experimentation activities" are the development of an experimental or pilot
22 model, plant process, formula, invention or similar property, and the improvement of existing
23 property of such type. Research or experimentation activities do not include activities such as
24 ordinary testing or inspection of materials or products for quality control, efficiency surveys,
25 advertising promotions or research in connection with literary, historical or similar projects;

26 (10) "Sale" or "sales" includes installment and credit sales, and the exchange of properties as
27 well as the sale thereof for money, every closed transaction constituting a sale, and means any
28 transfer, exchange or barter, conditional or otherwise, in any manner or by any means whatsoever, of
29 tangible personal property for valuable consideration and the rendering, furnishing or selling for a
30 valuable consideration any of the substances, things and services herein designated and defined as
31 taxable under the terms of sections 144.010 to 144.525;

32 (11) "Sale at retail" means any transfer made by any person engaged in business as defined
33 herein of the ownership of, or title to, tangible personal property to the purchaser, for use or
34 consumption and not for resale in any form as tangible personal property, for a valuable
35 consideration; except that, for the purposes of sections 144.010 to 144.525 and the tax imposed
36 thereby:

37 (i) purchases of tangible personal property made by duly licensed physicians, dentists,
38 optometrists and veterinarians and used in the practice of their professions shall be deemed to be
39 purchases for use or consumption and not for resale; and

40 (ii) the selling of computer printouts, computer output or microfilm or microfiche and
41 computer-assisted photo compositions to a purchaser to enable the purchaser to obtain for his or her

1 own use the desired information contained in such computer printouts, computer output on
 2 microfilm or microfiche and computer-assisted photo compositions shall be considered as the sale of
 3 a service and not as the sale of tangible personal property. The provisions of this item shall expire on
 4 December 31, 2015.

5 Where necessary to conform to the context of sections 144.010 to 144.525 and the tax
 6 imposed thereby, the term "sale at retail" shall be construed to embrace:

7 (a) Sales of admission tickets, cash admissions, charges and fees to or in places of
 8 amusement, entertainment and recreation, games and athletic events;

9 (b) Sales of electricity, electrical current, water and gas, natural or artificial, to domestic,
 10 commercial or industrial consumers;

11 (c) Sales of local and long distance telecommunications service to telecommunications
 12 subscribers and to others through equipment of telecommunications subscribers for the transmission
 13 of messages and conversations, and the sale, rental or leasing of all equipment or services pertaining
 14 or incidental thereto;

15 (d) Sales of service for transmission of messages by telegraph companies;

16 (e) Sales or charges for all rooms, meals and drinks furnished at any hotel, motel, tavern,
 17 inn, restaurant, eating house, drugstore, dining car, tourist camp, tourist cabin, or other place in
 18 which rooms, meals or drinks are regularly served to the public;

19 (f) Sales of tickets by every person operating a railroad, sleeping car, dining car, express car,
 20 boat, airplane, and such buses and trucks as are licensed by the division of motor carrier and railroad
 21 safety of the department of economic development of Missouri, engaged in the transportation of
 22 persons for hire;

23 (12) "Seller" means a person selling or furnishing tangible personal property or rendering
 24 services, on the receipts from which a tax is imposed pursuant to section 144.020;

25 (13) The noun "tax" means either the tax payable by the purchaser of a commodity or service
 26 subject to tax, or the aggregate amount of taxes due from the vendor of such commodities or services
 27 during the period for which he or she is required to report his or her collections, as the context may
 28 require;

29 (14) "Telecommunications service", for the purpose of this chapter, the transmission of
 30 information by wire, radio, optical cable, coaxial cable, electronic impulses, or other similar means.
 31 As used in this definition, "information" means knowledge or intelligence represented by any form
 32 of writing, signs, signals, pictures, sounds, or any other symbols. Telecommunications service does
 33 not include the following if such services are separately stated on the customer's bill or on records of
 34 the seller maintained in the ordinary course of business:

35 (a) Access to the internet, access to interactive computer services or electronic publishing
 36 services, except the amount paid for the telecommunications service used to provide such access;

37 (b) Answering services and one-way paging services;

38 (c) Private mobile radio services which are not two-way commercial mobile radio services
 39 such as wireless telephone, personal communications services or enhanced specialized mobile radio
 40 services as defined pursuant to federal law; or

41 (d) Cable or satellite television or music services; and

1 (15) "Product which is intended to be sold ultimately for final use or consumption" means
2 tangible personal property, or any service that is subject to state or local sales or use taxes, or any tax
3 that is substantially equivalent thereto, in this state or any other state.

4 2. For purposes of the taxes imposed under sections 144.010 to 144.525, and any other
5 provisions of law pertaining to sales or use taxes which incorporate the provisions of sections
6 144.010 to 144.525 by reference, the term "manufactured homes" shall have the same meaning given
7 it in section 700.010.

8 3. Sections 144.010 to 144.525 may be known and quoted as the "Sales Tax Law".

9 144.011. 1. For purposes of sections 144.010 to 144.525 and 144.600 to 144.748, and the
10 taxes imposed thereby, the definition of "retail sale" or "sale at retail" shall not be construed to
11 include any of the following:

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

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

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

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

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

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

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

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

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

35 (10) The purchase by persons operating eating or food service establishments, of items of a
36 nonreusable nature which are furnished to the customers of such establishments with or in
37 conjunction with the retail sales of their food or beverage. Such items shall include, but not be
38 limited to, wrapping or packaging materials and nonreusable paper, wood, plastic and aluminum
39 articles such as containers, trays, napkins, dishes, silverware, cups, bags, boxes, straws, sticks and
40 toothpicks;

41 (11) The purchase by persons operating hotels, motels or other transient accommodation

1 establishments, of items of a nonreusable nature which are furnished to the guests in the guests'
 2 rooms of such establishments and such items are included in the charge made for such
 3 accommodations. Such items shall include, but not be limited to, soap, shampoo, tissue and other
 4 toiletries and food or confectionery items offered to the guests without charge. The provisions of
 5 this subdivision shall expire on December 31, 2015;

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

7 (a) A transfer which involves the delivery of the document known as the "Manufacturer's
 8 Statement of Origin" to a person other than a manufactured home dealer, as defined in section
 9 700.010, for purposes of allowing such person to obtain a title to the manufactured home from the
 10 department of revenue of this state or the appropriate agency or officer of any other state;

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

14 (c) The first transfer which occurs after December 31, 1985, if the tax imposed by sections
 15 144.010 to 144.525 was not paid on any transfer of the same manufactured home which occurred
 16 before December 31, 1985; or

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

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

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

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

32 144.014. 1. Notwithstanding other provisions of law to the contrary, beginning October 1,
 33 1997, and ending December 31, 2015, the tax levied and imposed pursuant to sections 144.010 to
 34 144.525 and sections 144.600 to 144.746 on all retail sales of food shall be at the rate of one percent.
 35 The revenue derived from the one percent rate pursuant to this section shall be deposited by the state
 36 treasurer in the school district trust fund and shall be distributed as provided in section 144.701.

37 2. For the purposes of this section, the term "food" shall include only those products and
 38 types of food for which food stamps may be redeemed pursuant to the provisions of the Federal Food
 39 Stamp Program as contained in 7 U.S.C. Section 2012, as that section now reads or as it may be
 40 amended hereafter, and shall include food dispensed by or through vending machines. For the
 41 purpose of this section, except for vending machine sales, the term "food" shall not include food or

1 drink sold by any establishment where the gross receipts derived from the sale of food prepared by
2 such establishment for immediate consumption on or off the premises of the establishment
3 constitutes more than eighty percent of the total gross receipts of that establishment, regardless of
4 whether such prepared food is consumed on the premises of that establishment, including, but not
5 limited to, sales of food by any restaurant, fast food restaurant, delicatessen, eating house, or cafe.

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

7 144.020. 1. A tax is hereby levied and imposed for the privilege of titling new and used
8 motor vehicles, trailers, boats, and outboard motors purchased or acquired for use on the highways
9 or waters of this state which are required to be titled under the laws of the state of Missouri and,
10 except as provided in subdivision (9) of this subsection, upon all sellers for the privilege of engaging
11 in the business of selling tangible personal property or rendering taxable service at retail in this state.
12 The rate of tax shall be as follows:

13 (1) Upon every retail sale in this state of tangible personal property, excluding motor
14 vehicles, trailers, motorcycles, mopeds, motortricycles, boats and outboard motors required to be
15 titled under the laws of the state of Missouri and subject to tax under subdivision (9) of this
16 subsection, a tax equivalent to four percent of the purchase price paid or charged, or in case such sale
17 involves the exchange of property, a tax equivalent to four percent of the consideration paid or
18 charged, including the fair market value of the property exchanged at the time and place of the
19 exchange, except as otherwise provided in section 144.025;

20 (2) A tax equivalent to four percent of the amount paid for admission and seating
21 accommodations, or fees paid to, or in any place of amusement, entertainment or recreation, games
22 and athletic events;

23 (3) A tax equivalent to four percent of the basic rate paid or charged on all sales of electricity
24 or electrical current, water and gas, natural or artificial, to domestic, commercial or industrial
25 consumers;

26 (4) A tax equivalent to four percent on the basic rate paid or charged on all sales of local and
27 long distance telecommunications service to telecommunications subscribers and to others through
28 equipment of telecommunications subscribers for the transmission of messages and conversations
29 and upon the sale, rental or leasing of all equipment or services pertaining or incidental thereto;
30 except that, the payment made by telecommunications subscribers or others, pursuant to section
31 144.060, and any amounts paid for access to the internet or interactive computer services shall not be
32 considered as amounts paid for telecommunications services prior to December 31, 2015 or upon the
33 expiration of the federal law that prohibits state and local taxes on internet access, whichever comes
34 later;

35 (5) A tax equivalent to four percent of the basic rate paid or charged for all sales of services
36 for transmission of messages of telegraph companies;

37 (6) A tax equivalent to four percent on the amount of sales or charges for all rooms, meals
38 and drinks furnished at any hotel, motel, tavern, inn, restaurant, eating house, drugstore, dining car,
39 tourist cabin, tourist camp or other place in which rooms, meals or drinks are regularly served to the
40 public;

41 (7) A tax equivalent to four percent of the amount paid or charged for intrastate tickets by

1 every person operating a railroad, sleeping car, dining car, express car, boat, airplane and such buses
 2 and trucks as are licensed by the division of motor carrier and railroad safety of the department of
 3 economic development of Missouri, engaged in the transportation of persons for hire;

4 (8) A tax equivalent to four percent of the amount paid or charged for rental or lease of
 5 tangible personal property, provided that if the lessor or renter of any tangible personal property had
 6 previously purchased the property under the conditions of "sale at retail" or leased or rented the
 7 property and the tax was paid at the time of purchase, lease or rental, the lessor, sublessor, renter or
 8 subrenter shall not apply or collect the tax on the subsequent lease, sublease, rental or subrental
 9 receipts from that property. The purchase, rental or lease of motor vehicles, trailers, motorcycles,
 10 mopeds, motortricycles, boats, and outboard motors shall be taxed and the tax paid as provided in
 11 this section and section 144.070. In no event shall the rental or lease of boats and outboard motors
 12 be considered a sale, charge, or fee to, for or in places of amusement, entertainment or recreation nor
 13 shall any such rental or lease be subject to any tax imposed to, for, or in such places of amusement,
 14 entertainment or recreation. Rental and leased boats or outboard motors shall be taxed under the
 15 provisions of the sales tax laws as provided under such laws for motor vehicles and trailers. Tangible
 16 personal property which is exempt from the sales or use tax under section 144.030 upon a sale
 17 thereof is likewise exempt from the sales or use tax upon the lease or rental thereof;

18 (9) A tax equivalent to four percent of the purchase price, as defined in section 144.070, of
 19 new and used motor vehicles, trailers, boats, and outboard motors purchased or acquired for use on
 20 the highways or waters of this state which are required to be registered under the laws of the state of
 21 Missouri. This tax is imposed on the person titling such property, and shall be paid according to the
 22 procedures in section 144.440.

23 2. All tickets sold which are sold under the provisions of sections 144.010 to 144.525 which
 24 are subject to the sales tax shall have printed, stamped or otherwise endorsed thereon, the words
 25 "This ticket is subject to a sales tax."

26 144.030. 1. There is hereby specifically exempted from the provisions of sections 144.010
 27 to 144.525 and from the computation of the tax levied, assessed or payable pursuant to sections
 28 144.010 to 144.525 such retail sales as may be made in commerce between this state and any other
 29 state of the United States, or between this state and any foreign country, and any retail sale which the
 30 state of Missouri is prohibited from taxing pursuant to the Constitution or laws of the United States
 31 of America, and such retail sales of tangible personal property which the general assembly of the
 32 state of Missouri is prohibited from taxing or further taxing by the constitution of this state.

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

37 (1) Motor fuel or special fuel subject to an excise tax of this state, unless all or part of such
 38 excise tax is refunded pursuant to section 142.824; or upon the sale at retail of fuel to be consumed in
 39 manufacturing or creating gas, power, steam, electrical current or in furnishing water to be sold
 40 ultimately at retail; or feed for livestock or poultry; or grain to be converted into foodstuffs which are
 41 to be sold ultimately in processed form at retail; or seed, limestone or fertilizer which is to be used

1 for seeding, liming or fertilizing crops which when harvested will be sold at retail or will be fed to
2 livestock or poultry to be sold ultimately in processed form at retail; economic poisons registered
3 pursuant to the provisions of the Missouri pesticide registration law (sections 281.220 to 281.310)
4 which are to be used in connection with the growth or production of crops, fruit trees or orchards
5 applied before, during, or after planting, the crop of which when harvested will be sold at retail or
6 will be converted into foodstuffs which are to be sold ultimately in processed form at retail;

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

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

19 (4) Motor vehicles registered in excess of fifty-four thousand pounds, and the trailers pulled
20 by such motor vehicles, that are actually used in the normal course of business to haul property on
21 the public highways of the state, and that are capable of hauling loads commensurate with the motor
22 vehicle's registered weight; and the materials, replacement parts, and equipment purchased for use
23 directly upon, and for the repair and maintenance or manufacture of such vehicles. For purposes of
24 this subdivision, "motor vehicle" and "public highway" shall have the meaning as ascribed in section
25 390.020;

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

41 (6) Machinery and equipment, and parts and the materials and supplies solely required for

1 the installation or construction of such machinery and equipment, purchased and used to establish
2 new or to expand existing manufacturing, mining or fabricating plants in the state if such machinery
3 and equipment is used directly in manufacturing, mining or fabricating a product which is intended
4 to be sold ultimately for final use or consumption;

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

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

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

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

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

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

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

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

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

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

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

1 (18) All amounts paid or charged for admission or participation or other fees paid by or other
2 charges to individuals in or for any place of amusement, entertainment or recreation, games or
3 athletic events, including museums, fairs, zoos and planetariums, owned or operated by a
4 municipality or other political subdivision where all the proceeds derived therefrom benefit the
5 municipality or other political subdivision and do not inure to any private person, firm, or
6 corporation, provided, however, that a municipality or other political subdivision may enter into
7 revenue-sharing agreements with private persons, firms, or corporations providing goods or services,
8 including management services, in or for the place of amusement, entertainment or recreation, games
9 or athletic events, and provided further that nothing in this subdivision shall exempt from tax any
10 amounts retained by any private person, firm, or corporation under such revenue-sharing agreement.
11 The provisions of this subdivision shall expire on December 31, 2015;

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

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

32 (21) All sales of aircraft to common carriers for storage or for use in interstate commerce
33 and all sales made by or to not-for-profit civic, social, service or fraternal organizations, including
34 fraternal organizations which have been declared tax-exempt organizations pursuant to Section
35 501(c)(8) or (10) of the 1986 Internal Revenue Code, as amended, in their civic or charitable
36 functions and activities and all sales made to eleemosynary institutions, and all sales made to penal
37 institutions prior to December 31, 2015, and all sales made to industries of the state, and all sales
38 made to any private not-for-profit institution of higher education not otherwise excluded pursuant to
39 subdivision (20) of this subsection or any institution of higher education supported by public funds,
40 and all sales made to a state relief agency in the exercise of relief functions and activities;

41 (22) All ticket sales made by benevolent, scientific and educational associations which are

1 formed to foster, encourage, and promote progress and improvement in the science of agriculture and
2 in the raising and breeding of animals, and by nonprofit summer theater organizations if such
3 organizations are exempt from federal tax pursuant to the provisions of the Internal Revenue Code
4 and all admission charges and entry fees to the Missouri state fair or any fair conducted by a county
5 agricultural and mechanical society organized and operated pursuant to sections 262.290 to 262.530;

6 (23) All sales made to any private not-for-profit elementary or secondary school, all sales of
7 feed additives, medications or vaccines administered to livestock or poultry in the production of food
8 or fiber, all sales of pesticides used in the production of crops, livestock or poultry for food or fiber,
9 all sales of bedding used in the production of livestock or poultry for food or fiber, all sales of
10 propane or natural gas, electricity or diesel fuel used exclusively for drying agricultural crops,
11 natural gas used in the primary manufacture or processing of fuel ethanol as defined in section
12 142.028, natural gas, propane, and electricity used by an eligible new generation cooperative or an
13 eligible new generation processing entity as defined in section 348.432, and all sales of farm
14 machinery and equipment, other than airplanes, motor vehicles and trailers, and any freight charges
15 on any exempt item. As used in this subdivision, the term "feed additives" means tangible personal
16 property which, when mixed with feed for livestock or poultry, is to be used in the feeding of
17 livestock or poultry. As used in this subdivision, the term "pesticides" includes adjuvants such as
18 crop oils, surfactants, wetting agents and other assorted pesticide carriers used to improve or enhance
19 the effect of a pesticide and the foam used to mark the application of pesticides and herbicides for the
20 production of crops, livestock or poultry. As used in this subdivision, the term "farm machinery and
21 equipment" means new or used farm tractors and such other new or used farm machinery and
22 equipment and repair or replacement parts thereon and any accessories for and upgrades to such farm
23 machinery and equipment, rotary mowers used exclusively for agricultural purposes, and supplies
24 and lubricants used exclusively, solely, and directly for producing crops, raising and feeding
25 livestock, fish, poultry, pheasants, chukar, quail, or for producing milk for ultimate sale at retail,
26 including field drain tile, and one-half of each purchaser's purchase of diesel fuel therefor which is:

27 (a) Used exclusively for agricultural purposes;

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

29 (c) Used directly in producing farm products to be sold ultimately in processed form or
30 otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold
31 ultimately in processed form at retail;

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

36 (a) "Domestic use" means that portion of metered water service, electricity, electrical
37 current, natural, artificial or propane gas, wood, coal or home heating oil, and in any city not within
38 a county, metered or unmetered water service, which an individual occupant of a residential premises
39 uses for nonbusiness, noncommercial or nonindustrial purposes. Utility service through a single or
40 master meter for residential apartments or condominiums, including service for common areas and
41 facilities and vacant units, shall be deemed to be for domestic use. Each seller shall establish and

1 maintain a system whereby individual purchases are determined as exempt or nonexempt;

2 (b) Regulated utility sellers shall determine whether individual purchases are exempt or
3 nonexempt based upon the seller's utility service rate classifications as contained in tariffs on file
4 with and approved by the Missouri public service commission. Sales and purchases made pursuant
5 to the rate classification "residential" and sales to and purchases made by or on behalf of the
6 occupants of residential apartments or condominiums through a single or master meter, including
7 service for common areas and facilities and vacant units, shall be considered as sales made for
8 domestic use and such sales shall be exempt from sales tax. Sellers shall charge sales tax upon the
9 entire amount of purchases classified as nondomestic use. The seller's utility service rate
10 classification and the provision of service thereunder shall be conclusive as to whether or not the
11 utility must charge sales tax;

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

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

28 (26) Excise taxes, collected on sales at retail, imposed by Sections 4041, 4061, 4071, 4081,
29 4091, 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code. The director of revenue
30 shall promulgate rules pursuant to chapter 536 to eliminate all state and local sales taxes on such
31 excise taxes;

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

37 (28) All sales made to an interstate compact agency created pursuant to sections 70.370 to
38 70.441 or sections 238.010 to 238.100 in the exercise of the functions and activities of such agency
39 as provided pursuant to the compact;

40 (29) Computers, computer software and computer security systems purchased for use by
41 architectural or engineering firms headquartered in this state. For the purposes of this subdivision,

1 "headquartered in this state" means the office for the administrative management of at least four
2 integrated facilities operated by the taxpayer is located in the state of Missouri. The provisions of
3 this subdivision shall expire on December 31, 2015;

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

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

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

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

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

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

18 (36) All sales of feed which are developed for and used in the feeding of pets owned by a
19 commercial breeder when such sales are made to a commercial breeder, as defined in section
20 273.325, and licensed pursuant to sections 273.325 to 273.357;

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

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

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

39 (38) All sales or other transfers of tangible personal property to a lessor who leases the
40 property under a lease of one year or longer executed or in effect at the time of the sale or other
41 transfer to an interstate compact agency created pursuant to sections 70.370 to 70.441 or sections

1 238.010 to 238.100;

2 (39) Sales of tickets to any collegiate athletic championship event that is held in a facility
3 owned or operated by a governmental authority or commission, a quasi-governmental agency, a state
4 university or college or by the state or any political subdivision thereof, including a municipality, and
5 that is played on a neutral site and may reasonably be played at a site located outside the state of
6 Missouri. For purposes of this subdivision, "neutral site" means any site that is not located on the
7 campus of a conference member institution participating in the event. The provisions of this
8 subdivision shall expire on December 31, 2015;

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

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

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

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

31 144.039. In addition to the exemptions granted under the provisions of section 144.030,
32 there shall also be specifically exempted from the provisions of sections 66.600 to 66.635, sections
33 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,
34 67.782, sections 92.400 to 92.420, sections 94.500 to 94.570, 94.600 to 94.655, 94.700 to 94.755,
35 and sections 144.010 to 144.510 and 144.600 to 144.745 and from the computation of the tax levied,
36 assessed or payable under sections 66.600 to 66.635, sections 67.500 to 67.545, 67.547, 67.581,
37 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,
38 sections 94.500 to 94.570, 94.600 to 94.655, 94.700 to 94.755, and sections 144.010 to 144.510 and
39 144.600 to 144.745, purchases of all tangible personal property made by, or on behalf of, a state
40 senator or state representative if such purchases are made from funds in such state senator's or state
41 representative's state expense account. The provisions of this section shall expire on December 31,

1 2015.

2 144.045. 1. Notwithstanding any other provision of law to the contrary, the department of
3 revenue shall not consider the transfer for consideration of court transcripts, depositions, compressed
4 transcripts, exhibits, computer disks containing any such item, or copies of any such item which are
5 prepared by a court reporter as tangible personal property, but rather as a nontaxable service for
6 purposes of administrative interpretation. [In addition, the department of revenue shall, for purposes
7 of administrative interpretation, consider as nontaxable any machinery or equipment meeting the
8 definition of "farm machinery" under subdivision (23) of subsection 2 of section 144.030, whether or
9 not such machinery or equipment is attached to a vehicle or real property.]

10 2. In addition to the exemptions granted under the provisions of section 144.030, there shall
11 also be specifically exempted from the provisions of sections 144.010 to 144.525, sections 144.600
12 to 144.748, section 238.235, and from the provisions of any local sales tax law, as defined in section
13 32.085, and from the computation of the tax levied, assessed or payable under sections 144.010 to
14 144.525, sections 144.600 to 144.748, section 238.235, and under any local sales tax law, as defined
15 in section 32.085, all sales of court transcripts, depositions, compressed transcripts, exhibits,
16 computer disks containing any such item, and all copies of any such item, which are prepared by a
17 court reporter.

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

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

23 144.054. 1. As used in this section, the following terms mean:

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

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

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

40 3. In addition to all other exemptions granted under this chapter, there is hereby specifically
41 exempted from the provisions of sections 144.010 to 144.525 and 144.600 to 144.761, and section

1 238.235, and the local sales tax law as defined in section 32.085, and from the computation of the tax
2 levied, assessed, or payable under sections 144.010 to 144.525 and 144.600 to 144.761, and section
3 238.235, and the local sales tax law as defined in section 32.085, all utilities, machinery, and
4 equipment used or consumed directly in television or radio broadcasting and all sales and purchases
5 of tangible personal property, utilities, services, or any other transaction that would otherwise be
6 subject to the state or local sales or use tax when such sales are made to or purchases are made by a
7 contractor for use in fulfillment of any obligation under a defense contract with the United States
8 government prior to December 31, 2015, and all sales and leases of tangible personal property by
9 any county, city, incorporated town, or village, made prior to December 31, 2015, provided such sale
10 or lease is authorized under chapter 100, and such transaction is certified for sales tax exemption by
11 the department of economic development, and tangible personal property used for railroad
12 infrastructure brought into this state for processing, fabrication, or other modification for use outside
13 the state in the regular course of business.

14 4. In addition to all other exemptions granted under this chapter, there is hereby specifically
15 exempted from the provisions of sections 144.010 to 144.525 and 144.600 to 144.761, and section
16 238.235, and the local sales tax law as defined in section 32.085, and from the computation of the tax
17 levied, assessed, or payable under sections 144.010 to 144.525 and 144.600 to 144.761, and section
18 238.235, and the local sales tax law as defined in section 32.085, all sales and purchases of tangible
19 personal property, utilities, services, or any other transaction that would otherwise be subject to the
20 state or local sales or use tax when such sales are made to or purchases are made by a private partner
21 for use in completing a project under sections 227.600 to 227.669.

22 144.057. In addition to the exemptions granted under this chapter, there shall also be
23 specifically exempted from state and local sales and use taxes defined, levied, or calculated under
24 section 32.085, sections 144.010 to 144.525, sections 144.600 to 144.761, or section 238.235, all
25 tangible personal property included on the United States munitions list, as provided in 22 CFR
26 121.1, sold to or purchased by any foreign government or agency or instrumentality of such foreign
27 government which is used for a governmental purpose. The provisions of this section shall expire on
28 December 31, 2015.

29 144.062. 1. With respect to exempt sales at retail of tangible personal property and materials
30 for the purpose of constructing, repairing or remodeling facilities for:

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

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

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

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

40 (5) Any authority exempt from taxation under subdivision (40) of subsection 2 of section
41 144.030; or

1 (6) After June 30, 2007, but before December 31, 2015, the department of transportation or
2 the state highways and transportation commission; hereinafter collectively referred to as exempt
3 entities, such exemptions shall be allowed for such purchases if the purchases are related to the
4 entities' exempt functions and activities. In addition, the sales shall not be rendered nonexempt nor
5 shall any material supplier or contractor be obligated to pay, collect or remit sales tax with respect to
6 such purchases made by or on behalf of an exempt entity due to such purchases being billed to or
7 paid for by a contractor or the exempt entity contracting with any entity to render any services in
8 relation to such purchases, including but not limited to selection of materials, ordering, pickup,
9 delivery, approval on delivery, taking of delivery, transportation, storage, assumption of risk of loss
10 to materials or providing warranties on materials as specified by contract, use of materials or other
11 purchases for construction of the building or other facility, providing labor, management services,
12 administrative services, design or technical services or advice to the exempt entity, whether or not
13 the contractor or other entity exercises dominion or control in any other manner over the materials in
14 conjunction with services or labor provided to the exempt entity.

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

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

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

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

27 (4) The estimated project completion date; and

28 (5) The certificate expiration date.

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

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

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

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

13 6. If an entity issues exemption certificates for the purchase of tangible personal property
14 and materials which are incorporated into or consumed in the construction of its project and such
15 entity is found not to have had the authority granted by this section to issue such exemption
16 certificates, then such entity shall be liable for the tax owed on such personal property and materials.
17 In addition, if an entity which does have the authority granted by this section to issue exemption
18 certificates issues such certificates for the purchase of tangible personal property and materials which
19 are incorporated into or consumed in the construction of a project, or part of a project, which is
20 found not to be related to such entity's exempt functions and activities, then such entity shall be
21 liable for the tax owed on such personal property and materials."; and
22

23 Further amend said bill, Page 5, Section 144.190, Line 128, by inserting after all of said section and
24 line the following:

25 "144.518. 1. In addition to the exemptions granted pursuant to section 144.030, there is
26 hereby specifically exempted from the provisions of sections 144.010 to 144.525, sections 144.600
27 to 144.761, sections 190.335 to 190.337, section 238.235, section 238.236, section 238.410, section
28 321.242, section 573.505, section 644.032, and any local sales tax law as defined in section 32.085,
29 and from the computation of the tax levied, assessed or payable pursuant to sections 144.010 to
30 144.525, sections 144.600 to 144.761, sections 190.335 to 190.337, section 238.235, section
31 238.236, section 238.410, section 321.242, section 573.505, section 644.032, and any local sales tax
32 law as defined in section 32.085, coin-operated amusement devices and parts for such devices
33 purchased prior to September 1, 2007, where sales tax is paid on the gross receipts derived from the
34 use of such devices. The provisions of this subsection shall expire on December 31, 2015.

35 2. Beginning September 1, 2007, in addition to any other exemption provided by law, there
36 is hereby specifically exempted from the provisions of sections 144.010 to 144.525, sections 144.600
37 to 144.761, sections 190.335 to 190.337, section 238.235, section 238.236, section 238.410, section
38 321.242, section 573.505, section 644.032, and any local sales tax law as defined in section 32.085,
39 and from the computation of the tax levied, assessed, or payable pursuant to sections 144.010 to
40 144.525, sections 144.600 to 144.761, sections 190.335 to 190.337, section 238.235, section
41 238.236, section 238.410, section 321.242, section 573.505, section 644.032, and any local sales tax

1 law as defined in section 32.085, amounts paid for the temporary use of a coin-operated amusement
2 device. The provisions of this subsection shall expire on December 31, 2015.

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

9 4. In addition to any other exemptions provided by law, there is hereby specifically
10 exempted from the provisions of sections 144.010 to 144.525, sections 144.600 to 144.761, sections
11 190.335 to 190.337, section 238.235, section 238.236, section 238.410, section 321.242, section
12 573.505, section 644.032, and any local sales tax law as defined in section 32.085, and from the
13 computation of the tax levied, assessed, or payable pursuant to sections 144.010 to 144.525, sections
14 144.600 to 144.761, sections 190.335 to 190.337, section 238.235, section 238.236, section 238.410,
15 section 321.242, section 573.505, section 644.032, and any local sales tax law as defined in section
16 32.085, vending machines or parts for vending machines used in a commercial vending business
17 where sales tax is paid on the gross receipts derived from such vending machines.

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

20 144.526. 1. This section shall be known and may be cited as the "Show Me Green Sales Tax
21 Holiday".

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

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

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

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

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

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

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

40 253.550. 1. Any taxpayer incurring costs and expenses for the rehabilitation of eligible
41 property, which is a certified historic structure or structure in a certified historic district, may, subject

1 to the provisions of this section and section 253.559, receive a credit against the taxes imposed
2 pursuant to chapters 143 and 148, except for sections 143.191 to 143.265, on such taxpayer in an
3 amount equal to twenty-five percent of the total costs and expenses of rehabilitation incurred after
4 January 1, 1998, which shall include, but not be limited to, qualified rehabilitation expenditures as
5 defined under section 47(c)(2)(A) of the Internal Revenue Code of 1986, as amended, and the related
6 regulations thereunder, provided the rehabilitation costs associated with rehabilitation and the
7 expenses exceed fifty percent of the total basis in the property and the rehabilitation meets standards
8 consistent with the standards of the Secretary of the United States Department of the Interior for
9 rehabilitation as determined by the state historic preservation officer of the Missouri department of
10 natural resources.

11 2. During the period beginning on January 1, 2010, but ending on or after June 30, 2010, the
12 department of economic development shall not approve applications for tax credits under the
13 provisions of subsections 3 and 8 of section 253.559 which, in the aggregate, exceed seventy million
14 dollars, increased by any amount of tax credits for which approval shall be rescinded under the
15 provisions of section 253.559. For each fiscal year beginning on or after July 1, 2010, but ending on
16 or before June 30, 2016, the department of economic development shall not approve applications for
17 tax credits under the provisions of subsections 3 and 8 of section 253.559 which, in the aggregate,
18 exceed one hundred forty million dollars, increased by any amount of tax credits for which approval
19 shall be rescinded under the provisions of section 253.559. The limitations provided under this
20 subsection shall not apply to applications approved under the provisions of subsection 3 of section
21 253.559 for projects to receive less than two hundred seventy-five thousand dollars in tax credits.

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

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

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

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

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

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

40 5. No new tax credits shall be authorized under the provisions of sections 253.545 to
41 253.559 after December 31, 2015.

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

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

7 313.821. 1. In addition to the exemptions granted under the provisions of section 144.030,
8 there shall also be specifically exempted from the provisions of sections 66.600 to 66.635, sections
9 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
10 67.782, sections 92.400 to 92.420, sections 94.500 to 94.570, 94.600 to 94.655, and 94.700 to
11 94.755, and sections 144.010 to 144.510 and 144.600 to 144.745, and from the computation of the
12 tax levied, assessed or payable under sections 66.600 to 66.635, sections 67.500 to 67.545, 67.547,
13 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
14 to 92.420, sections 94.500 to 94.570, 94.600 to 94.655, and 94.700 to 94.755, and sections 144.010
15 to 144.510 and 144.600 to 144.745, any state or local admission fees imposed upon excursion
16 gambling boat operators to be collected from each passenger boarding such excursion gambling
17 boats. The provisions of this subsection shall expire on December 31, 2015.

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

21 447.708. 1. For eligible projects, the director of the department of economic development,
22 with notice to the directors of the departments of natural resources and revenue, and subject to the
23 other provisions of sections 447.700 to 447.718, may not create a new enterprise zone but may
24 decide that a prospective operator of a facility being remedied and renovated pursuant to sections
25 447.700 to 447.718 may receive the tax credits and exemptions pursuant to sections 135.100 to
26 135.150 and sections 135.200 to 135.257. The tax credits allowed pursuant to this subsection shall
27 be used to offset the tax imposed by chapter 143, excluding withholding tax imposed by sections
28 143.191 to 143.265, or the tax otherwise imposed by chapter 147, or the tax otherwise imposed by
29 chapter 148. For purposes of this subsection:

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

35 (2) For receipt of the income tax exemption pursuant to section 135.220 and tax credit for
36 new or expanded business facilities pursuant to sections 135.100 to 135.150, and 135.225, the
37 eligible project must create at least ten new jobs or retain businesses which supply at least
38 twenty-five existing jobs, or combination thereof. For purposes of sections 447.700 to 447.718, the
39 tax credits described in section 135.225 are modified as follows: the tax credit shall be four hundred
40 dollars per employee per year, an additional four hundred dollars per year for each employee
41 exceeding the minimum employment thresholds of ten and twenty-five jobs for new and existing

1 businesses, respectively, an additional four hundred dollars per year for each person who is a person
2 difficult to employ as defined by section 135.240, and investment tax credits at the same amounts
3 and levels as provided in subdivision (4) of subsection 1 of section 135.225;

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

8 (4) The eligible project operates in compliance with applicable environmental laws and
9 regulations, including permitting and registration requirements, of this state as well as the federal
10 and local requirements;

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

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

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

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

40 (9) In the case where an eligible project replaces a similar facility that closed elsewhere in
41 Missouri prior to the end of the taxpayer's tax period in which the tax credits are earned, the owner

1 and operator of the eligible project shall provide the director with a written statement explaining the
2 reason for discontinuing operations at the closed facility. The statement shall include a comparison
3 of the activities performed at the closed facility prior to the date the facility ceased operating, to the
4 activities performed at the eligible project, and a detailed account describing the need and rationale
5 for relocating to the eligible project. If the director finds the relocation to the eligible project
6 significantly impaired the economic stability of the area in which the closed facility was located, and
7 that such move was detrimental to the overall economic development efforts of the state, the director
8 may deny the taxpayer's request to claim tax benefits;

9 (10) Notwithstanding any provision of law to the contrary, for the purpose of this section, the
10 number of new jobs created and maintained, the number of existing jobs retained, and the value of
11 new qualified investment used at the eligible project during any tax year shall be determined by
12 dividing by twelve, in the case of jobs, the sum of the number of individuals employed at the eligible
13 project, or in the case of new qualified investment, the value of new qualified investment used at the
14 eligible project, on the last business day of each full calendar month of the tax year. If the eligible
15 project is in operation for less than the entire tax year, the number of new jobs created and
16 maintained, the number of existing jobs retained, and the value of new qualified investment created
17 at the eligible project during any tax year shall be determined by dividing the sum of the number of
18 individuals employed at the eligible project, or in the case of new qualified investment, the value of
19 new qualified investment used at the eligible project, on the last business day of each full calendar
20 month during the portion of the tax year during which the eligible project was in operation, by the
21 number of full calendar months during such period;

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

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

30 3. (1) The director of the department of economic development, with the approval of the
31 director of the department of natural resources, may, in addition to the tax credits allowed in
32 subsection 1 of this section, grant a remediation tax credit to the applicant for up to one hundred
33 percent of the costs of materials, supplies, equipment, labor, professional engineering, consulting and
34 architectural fees, permitting fees and expenses, demolition, asbestos abatement, and direct utility
35 charges for performing the voluntary remediation activities for the preexisting hazardous substance
36 contamination and releases, including, but not limited to, the costs of performing operation and
37 maintenance of the remediation equipment at the property beyond the year in which the systems and
38 equipment are built and installed at the eligible project and the costs of performing the voluntary
39 remediation activities over a period not in excess of four tax years following the taxpayer's tax year
40 in which the system and equipment were first put into use at the eligible project, provided the
41 remediation activities are the subject of a plan submitted to, and approved by, the director of natural

1 resources pursuant to sections 260.565 to 260.575. The tax credit may also include up to one
2 hundred percent of the costs of demolition that are not directly part of the remediation activities,
3 provided that the demolition is on the property where the voluntary remediation activities are
4 occurring, the demolition is necessary to accomplish the planned use of the facility where the
5 remediation activities are occurring, and the demolition is part of a redevelopment plan approved by
6 the municipal or county government and the department of economic development. The demolition
7 may occur on an adjacent property if the project is located in a municipality which has a population
8 less than twenty thousand and the above conditions are otherwise met. The adjacent property shall
9 independently qualify as abandoned or underutilized. The amount of the credit available for
10 demolition not associated with remediation cannot exceed the total amount of credits approved for
11 remediation including demolition required for remediation.

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

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

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

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

35 4. In the exercise of the sound discretion of the director of the department of economic
36 development or the director's designee, the tax credits and exemptions described in this section may
37 be terminated, suspended or revoked, if the eligible project fails to continue to meet the conditions
38 set forth in this section. In making such a determination, the director shall consider the severity of
39 the condition violation, actions taken to correct the violation, the frequency of any condition
40 violations and whether the actions exhibit a pattern of conduct by the eligible facility owner and
41 operator. The director shall also consider changes in general economic conditions and the

1 recommendation of the director of the department of natural resources, or his or her designee,
2 concerning the severity, scope, nature, frequency and extent of any violations of the environmental
3 compliance conditions. The taxpayer or person claiming the tax credits or exemptions may appeal
4 the decision regarding termination, suspension or revocation of any tax credit or exemption in
5 accordance with the procedures outlined in subsections 4 [to 6] and 5 of section 135.250. The
6 director of the department of economic development shall notify the directors of the departments of
7 natural resources and revenue of the termination, suspension or revocation of any tax credits as
8 determined in this section or pursuant to the provisions of section 447.716.

9 5. Notwithstanding any provision of law to the contrary, no taxpayer shall earn the tax
10 credits, exemptions or refund otherwise allowed in subdivisions (2), (3) and (4) of subsection 1 of
11 this section and the tax credits otherwise allowed in section 135.110, or the tax credits, exemptions
12 and refund otherwise allowed in sections 135.215, 135.220, 135.225 and 135.245, respectively, for
13 the same facility for the same tax period.

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

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

33 7. Taxpayers claiming the state tax benefits allowed in subdivisions (2) and (3) of subsection
34 1 of this section shall be required to file all applicable tax credit applications, forms and schedules
35 prescribed by the director during the taxpayer's tax period immediately after the tax period in which
36 the eligible project was first put into use. Otherwise, the taxpayer's right to claim such state tax
37 benefits shall be forfeited. Unused business facility and enterprise zone tax credits shall not be
38 carried forward but shall be initially claimed for the tax period during which the eligible project was
39 first capable of being used, and during any applicable subsequent tax periods.

40 8. Taxpayers claiming the remediation tax credit allowed in subsection 3 of this section shall
41 be required to file all applicable tax credit applications, forms and schedules prescribed by the

1 director during the taxpayer's tax period immediately after the tax period in which the eligible
 2 project was first put into use, or during the taxpayer's tax period immediately after the tax period in
 3 which the voluntary remediation activities were performed.

4 9. The recipient of remediation tax credits, for the purpose of this subsection referred to as
 5 assignor, may assign, sell or transfer, in whole or in part, the remediation tax credit allowed in
 6 subsection 3 of this section to any other person, for the purpose of this subsection referred to as
 7 assignee. To perfect the transfer, the assignor shall provide written notice to the director of the
 8 assignor's intent to transfer the tax credits to the assignee, the date the transfer is effective, the
 9 assignee's name, address and the assignee's tax period and the amount of tax credits to be transferred.
 10 The number of tax periods during which the assignee may subsequently claim the tax credits shall
 11 not exceed twenty tax periods, less the number of tax periods the assignor previously claimed the
 12 credits before the transfer occurred.

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

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

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

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

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

31 620.495. 1. This section shall be known as the "Small Business Incubators Act".

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

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

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

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

42 (4) "Participant", a sole proprietorship, business partnership or corporation operating a
 43 business for profit through which the owner avails himself or herself of business development

1 services in an incubator program;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

41 (3) Furnish and equip the program to provide business services to the tenants and
42 participants;

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

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

47 (6) Set rental and service fees;

48 (7) Encourage the sharing of ideas between tenants and participants and otherwise aid the

1 tenants and participants in an innovative manner while they are within the incubator;

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

5 7. The department:

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

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

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

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

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

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

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

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

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

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

25 (5) The number of jobs provided by each incubator and tenants and participant of each
26 incubator;

27 (6) The occupancy rate of each incubator;

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

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

38 11. For any taxable year beginning after December 31, 1989, a taxpayer, including any
39 charitable organization which is exempt from federal income tax and whose Missouri unrelated
40 business taxable income, if any, would be subject to the state income tax imposed under chapter 143,
41 shall be entitled to a tax credit against any tax otherwise due under the provisions of chapter 143, or
42 chapter 147, or chapter 148, excluding withholding tax imposed by sections 143.191 to 143.265, in
43 the amount of fifty percent of any amount contributed by the taxpayer to the Missouri small business
44 incubators fund during the taxpayer's tax year or any contribution by the taxpayer to a local sponsor
45 after the local sponsor's application has been accepted and approved by the department. The tax
46 credit allowed by this subsection shall be claimed by the taxpayer at the time he files his or her return
47 and shall be applied against the income tax liability imposed by chapter 143, or chapter 147, or
48 chapter 148, after all other credits provided by law have been applied. That portion of earned tax

1 credits which exceeds the taxpayer's tax liability may be carried forward for up to five years. The
2 aggregate of all tax credits authorized under this section shall not exceed five hundred thousand
3 dollars in any taxable year. No new tax credits shall be authorized under the provisions of this
4 section after December 31, 2015.

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

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

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

25 620.1881. 1. The department of economic development shall respond within thirty days to a
26 company who provides a notice of intent with either an approval or a rejection of the notice of intent.
27 The department shall give preference to qualified companies and projects targeted at an area of the
28 state which has recently been classified as a disaster area by the federal government. Failure to
29 respond on behalf of the department of economic development shall result in the notice of intent
30 being deemed an approval for the purposes of this section. A qualified company who is provided an
31 approval for a project shall be allowed a benefit as provided in this program in the amount and
32 duration provided in this section. A qualified company may receive additional periods for
33 subsequent new jobs at the same facility after the full initial period if the minimum thresholds are
34 met as set forth in sections 620.1875 to 620.1890. There is no limit on the number of periods a
35 qualified company may participate in the program, as long as the minimum thresholds are achieved
36 and the qualified company provides the department with the required reporting and is in proper
37 compliance for this program or other state programs. A qualified company may elect to file a notice
38 of intent to start a new project period concurrent with an existing project period if the minimum
39 thresholds are achieved and the qualified company provides the department with the required
40 reporting and is in proper compliance for this program and other state programs; however, the
41 qualified company may not receive any further benefit under the original approval for jobs created
42 after the date of the new notice of intent, and any jobs created before the new notice of intent may

1 not be included as new jobs for the purpose of benefit calculation in relation to the new approval.
2 When a qualified company has filed and received approval of a notice of intent and subsequently
3 files another notice of intent, the department shall apply the definition of project facility under
4 subdivision (19) of section 620.1878 to the new notice of intent as well as all previously approved
5 notices of intent and shall determine the application of the definitions of new job, new payroll,
6 project facility base employment, and project facility base payroll accordingly.

7 2. Notwithstanding any provision of law to the contrary, any qualified company that is
8 awarded benefits under this program may not simultaneously receive tax credits or exemptions under
9 sections 135.100 to 135.150, sections 135.200 to 135.286, section 135.535, or sections 135.900 to
10 135.906 at the same project facility. The benefits available to the company under any other state
11 programs for which the company is eligible and which utilize withholding tax from the new jobs of
12 the company must first be credited to the other state program before the withholding retention level
13 applicable under the Missouri quality jobs act will begin to accrue. These other state programs
14 include, but are not limited to, the Missouri works jobs training program under sections 620.800 to
15 620.809, the real property tax increment allocation redevelopment act, sections 99.800 to 99.865, or
16 the Missouri downtown and rural economic stimulus act under sections 99.915 to 99.980. If any
17 qualified company also participates in the Missouri works jobs training program in sections 620.800
18 to 620.809, the company shall retain no withholding tax, but the department shall issue a refundable
19 tax credit for the full amount of benefit allowed under this subdivision. The calendar year annual
20 maximum amount of tax credits which may be issued to a qualifying company that also participates
21 in the new job training program shall be increased by an amount equivalent to the withholding tax
22 retained by that company under the new jobs training program. However, if the combined benefits
23 of the quality jobs program and the new jobs training program exceed the projected state benefit of
24 the project, as determined by the department of economic development through a cost-benefit
25 analysis, the increase in the maximum tax credits shall be limited to the amount that would not cause
26 the combined benefits to exceed the projected state benefit. Any taxpayer who is awarded benefits
27 under this program who knowingly hires individuals who are not allowed to work legally in the
28 United States shall immediately forfeit such benefits and shall repay the state an amount equal to any
29 state tax credits already redeemed and any withholding taxes already retained.

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

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

40 (2) Technology business projects: in exchange for the consideration provided by the new tax
41 revenues and other economic stimuli that will be generated by the new jobs created by the program,

1 a qualified company may retain an amount equal to a maximum of five percent of new payroll for a
2 period of five years from the date the required number of jobs were created from the withholding tax
3 of the new jobs that would otherwise be withheld and remitted by the qualified company under the
4 provisions of sections 143.191 to 143.265 if the average wage of the new payroll equals or exceeds
5 the county average wage. An additional one-half percent of new payroll may be added to the five
6 percent maximum if the average wage of the new payroll in any year exceeds one hundred twenty
7 percent of the county average wage in the county in which the project facility is located, plus an
8 additional one-half percent of new payroll may be added if the average wage of the new payroll in
9 any year exceeds one hundred forty percent of the average wage in the county in which the project
10 facility is located. The department shall issue a refundable tax credit for any difference between the
11 amount of benefit allowed under this subdivision and the amount of withholding tax retained by the
12 company, in the event the withholding tax is not sufficient to provide the entire amount of benefit
13 due to the qualified company under this subdivision;

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

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

40 (a) For each of the twenty-four months preceding the year in which application for the
41 program is made the qualified company must have maintained at least one thousand full-time

1 employees at the employer's site in the state at which the jobs are based, and the average wage of
2 such employees must meet or exceed the county average wage;

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

6 (c) The qualified company is considered to have a significant statewide effect on the
7 economy, and has been determined to represent a substantial risk of relocation from the state by the
8 quality jobs advisory task force established in section 620.1887; provided, however, until such time
9 as the initial at-large members of the quality jobs advisory task force are appointed, this
10 determination shall be made by the director of the department of economic development;

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

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

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

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

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

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

41 (c) The average wage of the qualified company's and related companies' employees must

1 meet or exceed the county average wage;

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

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

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

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

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

30 4. The qualified company shall provide an annual report of the number of jobs and such
31 other information as may be required by the department to document the basis for the benefits of this
32 program. The department may withhold the approval of any benefits until it is satisfied that proper
33 documentation has been provided, and shall reduce the benefits to reflect any reduction in full-time
34 employees or new payroll. Upon approval by the department, the qualified company may begin the
35 retention of the withholding taxes when it reaches the minimum number of new jobs and the average
36 wage exceeds the county average wage. Tax credits, if any, may be issued upon satisfaction by the
37 department that the qualified company has exceeded the county average wage and the minimum
38 number of new jobs. In such annual report, if the average wage is below the county average wage,
39 the qualified company has not maintained the employee insurance as required, or if the number of
40 new jobs is below the minimum, the qualified company shall not receive tax credits or retain the
41 withholding tax for the balance of the benefit period. In the case of a qualified company that initially

1 filed a notice of intent and received an approval from the department for high-impact benefits and
2 the minimum number of new jobs in an annual report is below the minimum for high-impact
3 projects, the company shall not receive tax credits for the balance of the benefit period but may
4 continue to retain the withholding taxes if it otherwise meets the requirements of a small and
5 expanding business under this program.

6 5. The maximum calendar year annual tax credits issued for the entire program shall not
7 exceed eighty million dollars. Notwithstanding any provision of law to the contrary, the maximum
8 annual tax credits authorized under section 135.535 are hereby reduced from ten million dollars to
9 eight million dollars, with the balance of two million dollars transferred to this program. There shall
10 be no limit on the amount of withholding taxes that may be retained by approved companies under
11 this program.

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

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

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

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

34 10. Prior to the issuance of tax credits, the department shall verify through the department of
35 revenue, or any other state department, that the tax credit applicant does not owe any delinquent
36 income, sales, or use tax or interest or penalties on such taxes, or any delinquent fees or assessments
37 levied by any state department and through the department of insurance, financial institutions and
38 professional registration that the applicant does not owe any delinquent insurance taxes. Such
39 delinquency shall not affect the authorization of the application for such tax credits, except that at
40 issuance credits shall be first applied to the delinquency and any amount issued shall be reduced by
41 the applicant's tax delinquency. If the department of revenue or the department of insurance,

1 financial institutions and professional registration, or any other state department, concludes that a
 2 taxpayer is delinquent after June fifteenth but before July first of any year and the application of tax
 3 credits to such delinquency causes a tax deficiency on behalf of the taxpayer to arise, then the
 4 taxpayer shall be granted thirty days to satisfy the deficiency in which interest, penalties, and
 5 additions to tax shall be tolled. After applying all available credits toward a tax delinquency, the
 6 administering agency shall notify the appropriate department and that department shall update the
 7 amount of outstanding delinquent tax owed by the applicant. If any credits remain after satisfying all
 8 insurance, income, sales, and use tax delinquencies, the remaining credits shall be issued to the
 9 applicant, subject to the restrictions of other provisions of law.

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

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

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

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

23 [135.680. 1. As used in this section, the following terms shall mean:

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

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

27 (b) The following fraction:

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

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

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

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

1 dates;

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

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

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

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

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

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

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

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

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

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

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

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

44 (10) "Taxpayer", any individual or entity subject to the tax imposed in chapter 143,
45 excluding withholding tax imposed in sections 143.191 to 143.265, or the tax imposed in section
46 375.916 or chapter 147, 148, or 153.

47 2. A taxpayer that makes a qualified equity investment earns a vested right to tax credits
48 under this section. On each credit allowance date of such qualified equity investment the taxpayer,

1 or subsequent holder of the qualified equity investment, shall be entitled to a tax credit during the
2 taxable year including such credit allowance date. The tax credit amount shall be equal to the
3 applicable percentage of the adjusted purchase price paid to the issuer of such qualified equity
4 investment. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state
5 tax liability for the tax year for which the tax credit is claimed. No tax credit claimed under this
6 section shall be refundable or transferable. Tax credits earned by a partnership, limited liability
7 company, S-corporation, or other pass-through entity may be allocated to the partners, members, or
8 shareholders of such entity for their direct use in accordance with the provisions of any agreement
9 among such partners, members, or shareholders. Any amount of tax credit that the taxpayer is
10 prohibited by this section from claiming in a taxable year may be carried forward to any of the
11 taxpayer's five subsequent taxable years. The department of economic development shall limit the
12 monetary amount of qualified equity investments permitted under this section to a level necessary to
13 limit tax credit utilization at no more than twenty-five million dollars of tax credits in any fiscal year.
14 Such limitation on qualified equity investments shall be based on the anticipated utilization of credits
15 without regard to the potential for taxpayers to carry forward tax credits to later tax years.

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

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

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

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

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

41 6. For fiscal years following fiscal year 2010, qualified equity investments shall not be made
42 under this section unless reauthorization is made pursuant to this subsection. For all fiscal years
43 following fiscal year 2010, unless the general assembly adopts a concurrent resolution granting
44 authority to the department of economic development to approve qualified equity investments for the
45 Missouri new markets development program and clearly describing the amount of tax credits
46 available for the next fiscal year, or otherwise complies with the provisions of this subsection, no
47 qualified equity investments may be permitted to be made under this section. The amount of
48 available tax credits contained in such a resolution shall not exceed the limitation provided under

1 subsection 2 of this section. In any year in which the provisions of this section shall sunset pursuant
2 to subsection 7 of this section, reauthorization shall be made by general law and not by concurrent
3 resolution. Nothing in this subsection shall preclude a taxpayer who makes a qualified equity
4 investment prior to the expiration of authority to make qualified equity investments from claiming
5 tax credits relating to such qualified equity investment for each applicable credit allowance date.

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

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

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

11 (3) This section shall terminate on September first of the calendar year immediately
12 following the calendar year in which the program authorized under this section is sunset. However,
13 nothing in this subsection shall preclude a taxpayer who makes a qualified equity investment prior to
14 sunset of this section under the provisions of section 23.253 from claiming tax credits relating to
15 such qualified equity investment for each credit allowance date.]; and

16
17 Further amend said bill by amending the title, enacting clause, and intersectional references
18 accordingly.