

FIRST REGULAR SESSION

# HOUSE BILL NO. 325

## 98TH GENERAL ASSEMBLY

---

INTRODUCED BY REPRESENTATIVE MCCAHERTY.

0301H.021

D. ADAM CRUMBLISS, Chief Clerk

---

### AN ACT

To amend chapter 143, RSMo, by adding thereto one new section relating to the bring jobs home act.

---

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

Section A. Chapter 143, RSMo, is amended by adding thereto one new section, to be  
2 known as section 143.1100, to read as follows:

3       **143.1100. 1. This section shall be known and may be cited as the "Bring Jobs**  
4 **Home Act".**

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

6       **(1) "Business unit":**

7       **(a) Any trade or business; and**

8       **(b) Any line of business or function unit which is part of any trade or business;**

9       **(2) "Deduction", an amount subtracted from the taxpayer's Missouri adjusted gross**  
10 **income to determine Missouri taxable income for the tax year in which such deduction is**  
11 **claimed;**

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

13       **(4) "Eligible expenses":**

14       **(a) Any amount for which a deduction is allowed to the taxpayer under Section 162**  
15 **of the Internal Revenue Code of 1986, as amended; and**

16       **(b) Permit and license fees, lease brokerage fees, equipment installation costs, and**  
17 **other similar expenses.**

18       **(5) "Eligible insourcing expenses":**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 (a) Eligible expenses paid or incurred by the taxpayer in connection with the  
18 elimination of any business unit of the taxpayer or of any member of any expanded  
19 affiliated group in which the taxpayer is also a member located outside the state of  
20 Missouri; and

21 (b) Eligible expenses paid or incurred by the taxpayer in connection with the  
22 establishment of any business unit of the taxpayer or of any member of any expanded  
23 affiliated group in which the taxpayer is also a member located within the state of Missouri  
24 if such establishment constitutes the relocation of the business unit so eliminated.

25

26 For purposes of this subdivision, a relocation shall not be treated as failing to occur if such  
27 elimination occurs in a different taxable year than such establishment;

28 (6) "Expanded affiliated group", an affiliated group as defined in Section 1504(a)  
29 of the Internal Revenue Code of 1986, as amended, determined without regard to Section  
30 1504(b)(3) of the Internal Revenue Code of 1986, as amended, and by substituting more  
31 than fifty percent for at least eighty percent each place it appears in Section 1504(a) of the  
32 Internal Revenue Code of 1986, as amended. A partnership or any other entity other than  
33 a corporation shall be treated as a member of an expanded affiliated group if such entity  
34 is controlled by members of such group including any entity treated as a member of such  
35 group by reason of this subdivision;

36 (7) "Expenses shall be under insourcing plan", amounts that shall be taken into  
37 account under subdivision (3) of this subsection only to the extent that such amounts are  
38 paid or incurred under a written plan to carry out the relocation described in subdivision  
39 (3) of this subsection;

40 (8) "Full-time equivalent employee", the same meaning as ascribed to the term  
41 under Sections 45R(d) and 45R(e) of the Internal Revenue Code of 1986, as amended,  
42 determined by only taking into account wages as otherwise defined in Section 45R(e) of the  
43 Internal Revenue Code of 1986, as amended, paid with respect to services performed  
44 within Missouri. In order to receive the tax deduction authorized in this section, a  
45 taxpayer's full-time equivalent employee performing services in Missouri shall be paid the  
46 same salary or hourly wage as an employee of the taxpayer in the same position prior to  
47 the relocation of the business unit;

48 (9) "Taxpayer", any individual, firm, a partner in a firm, corporation, partnership,  
49 shareholder in an S-corporation, or member of a limited liability company subject to the  
50 income tax imposed under chapter 143, excluding withholding tax imposed by sections  
51 143.191 to 143.265.

52           **3. For all taxable years beginning on or after January 1, 2015, a taxpayer shall be**  
53 **allowed a deduction in an amount equal to twenty percent of the eligible insourcing**  
54 **expenses of the taxpayer which are taken into account in such taxable year under**  
55 **subsection 5 of this section. The amount of the deduction claimed shall not exceed the**  
56 **amount of the taxpayer's Missouri adjusted gross income for the taxable year for which**  
57 **the deduction is claimed.**

58           **4. No deduction shall be allowed under this section until the department determines**  
59 **the number of full-time equivalent employees of the taxpayer for the taxable year for which**  
60 **the deduction is claimed exceeds the number of full-time equivalent employees of the**  
61 **taxpayer for the last taxable year ending before the first taxable year in which such eligible**  
62 **insourcing expenses were paid or incurred.**

63           **5. (1) Except as provided in subdivisions (2) and (3) of this subsection, eligible**  
64 **insourcing expenses shall be taken into account in the taxable year during which the plan**  
65 **described in subdivision (5) of subsection 2 of this section has been completed and all**  
66 **eligible insourcing expenses under such plan have been paid or incurred.**

67           **(2) If the taxpayer elects the application of this subdivision, eligible insourcing**  
68 **expenses shall be taken into account in the first taxable year after the taxable year**  
69 **described in subdivision (1) of this subsection.**

70           **(3) If a taxpayer is not allowed a deduction under subsection 3 for a given year,**  
71 **then the taxpayer may claim the deduction in the following year.**

72           **6. Notwithstanding any other provision of law to the contrary, no deduction shall**  
73 **be allowed for any expenses incurred if dissolving a business unit in Missouri and**  
74 **relocating such business unit to another state.**

75           **7. The total amount of deductions authorized under this section shall not exceed ten**  
76 **million dollars in any taxable year. In the event that more than ten million dollars in**  
77 **deductions are claimed in a taxable year, deductions shall be issued on a first-come, first-**  
78 **served filing basis.**

79           **8. A taxpayer that receives a deduction under the provisions of this section shall be**  
80 **ineligible to receive incentives under the provisions of any other state tax deduction**  
81 **program for the same expenses incurred.**

82           **9. Any taxpayer allowed a deduction under this section who, within ten years of**  
83 **receiving the deduction, eliminates the business unit for which the deduction was allowed**  
84 **shall repay the state an amount equal to the amount of the deduction allowed.**

85           **10. The department of economic development and the department of revenue shall**  
86 **promulgate rules to implement the provisions of this section. Any rule or portion of a rule,**  
87 **as that term is defined in section 536.010, that is created under the authority delegated in**

88 **this section shall become effective only if it complies with and is subject to all the provisions**  
89 **of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are**  
90 **nonseverable, and if any of the powers vested with the general assembly under chapter 536**  
91 **to review, to delay the effective date, or to disapprove and annul a rule are subsequently**  
92 **held unconstitutional, then the grant of rulemaking authority and any rule proposed or**  
93 **adopted after August 28, 2015, shall be invalid and void.**

94 **11. Under section 23.253 of the Missouri sunset act:**

95 **(1) The provisions of the new program authorized under this section shall**  
96 **automatically sunset six years after the effective date, unless reauthorized by an act of the**  
97 **general assembly; and**

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

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

✓