

FIRST REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 325

98TH GENERAL ASSEMBLY

0301H.03P

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 143, RSMo, by adding thereto one new section relating to tax deductions for out-of-state businesses relocating to Missouri.

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:

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

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

4 (1) "Business unit":

5 (a) Any trade or business; and

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

7 (2) "Deduction":

**8 (a) For individuals, an amount subtracted from the taxpayer's Missouri adjusted
9 gross income to determine Missouri taxable income for the tax year in which such
10 deduction is claimed; and**

**11 (b) For corporations, an amount subtracted from the taxpayer's Federal taxable
12 income to determine Missouri taxable income for the tax year in which such deduction is
13 claimed.**

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

15 (4) "Eligible expenses":

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

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.

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

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

21 **(a) Eligible expenses paid or incurred by the taxpayer in connection with the**
22 **elimination 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 outside the state of**
24 **Missouri; and**

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

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30 **For purposes of this subdivision, expenses shall be eligible if such elimination of the**
31 **business unit in another state or country occurs in a different taxable year from the**
32 **establishment of the business unit in Missouri;**

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

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

49 **(8) "Insourcing plan", a written plan to carry out the establishment of a business**
50 **unit in Missouri as described in subdivision (5) of this subsection;**

51 **(9) "Taxpayer", any individual, firm, a partner in a firm, corporation, partnership,**
52 **shareholder in an S-corporation, or member of a limited liability company subject to the**

53 income tax imposed under chapter 143, excluding withholding tax imposed by sections
54 143.191 to 143.265.

55 3. For all taxable years beginning on or after January 1, 2015, a taxpayer shall be
56 allowed a deduction in an amount equal to fifty percent of the eligible insourcing expenses
57 of the taxpayer which are taken into account in such taxable year under subsection 5 of
58 this section. The amount of the deduction claimed shall not exceed the amount of:

59 (1) For individuals, the taxpayer's Missouri adjusted gross income for the taxable
60 year for which the deduction is claimed; and

61 (2) For corporations, the taxpayer's Missouri taxable income for the taxable year
62 for which the deduction is claimed.

63 However, any deduction that cannot be claimed in the taxable year may be carried over
64 to the next five succeeding taxable years until the full deduction has been claimed.

65 4. No deduction shall be allowed under this section until the department determines
66 the number of full-time equivalent employees of the taxpayer for the taxable year for which
67 the deduction is claimed exceeds the number of full-time equivalent employees of the
68 taxpayer for the last taxable year ending before the first taxable year in which such eligible
69 insourcing expenses were paid or incurred.

70 5. (1) Except as provided in subdivisions (2) and (3) of this subsection, eligible
71 insourcing expenses shall be taken into account in the taxable year during which the plan
72 described in subdivision (8) of subsection 2 of this section has been completed and all
73 eligible insourcing expenses under such plan have been paid or incurred.

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

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

80 7. The total amount of deductions authorized under this section shall not exceed
81 twenty million dollars in any taxable year. In the event that more than twenty million
82 dollars in deductions are claimed in a taxable year, deductions shall be issued on a first-
83 come, first-served filing basis.

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

87 9. Any taxpayer allowed a deduction under this section who, within ten years of
88 receiving the deduction, eliminates the business unit for which the deduction was allowed

89 shall repay the state an amount equal to the tax savings realized for the deduction allowed
90 under this section, prorated by the number of years the business unit was in this state.

91 **10. The department of economic development and the department of revenue shall**
92 **promulgate rules to implement the provisions of this section. Any rule or portion of a rule,**
93 **as that term is defined in section 536.010, that is created under the authority delegated in**
94 **this section shall become effective only if it complies with and is subject to all the provisions**
95 **of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are**
96 **nonseverable, and if any of the powers vested with the general assembly under chapter 536**
97 **to review, to delay the effective date, or to disapprove and annul a rule are subsequently**
98 **held unconstitutional, then the grant of rulemaking authority and any rule proposed or**
99 **adopted after August 28, 2015, shall be invalid and void.**

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

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

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

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

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