

FIRST REGULAR SESSION

# HOUSE BILL NO. 700

## 98TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE KORMAN.

1436H.04I

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To repeal section 135.700, RSMo, and to enact in lieu thereof one new section relating to a tax credit for alcohol production.

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

Section A. Section 135.700, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 135.700, to read as follows:

135.700. **1.** For all tax years beginning on or after January 1, 1999, **but ending on or before December 31, 2015**, a grape grower or wine producer shall be allowed a tax credit against the state tax liability incurred pursuant to chapter 143, exclusive of the provisions relating to the withholding of tax as provided in sections 143.191 to 143.265, in an amount equal to twenty-five percent of the purchase price of all new equipment and materials used directly in the growing of grapes or the production of wine in the state. Each grower or producer shall apply to the department of economic development and specify the total amount of such new equipment and materials purchased during the calendar year. The department of economic development shall certify to the department of revenue the amount of such tax credit to which a grape grower or wine producer is entitled pursuant to this section. The provisions of this section notwithstanding, a grower or producer may only apply for and receive the credit authorized by this section for five tax periods.

**2.** For all tax years beginning on or after January 1, 2016, a grape grower, wine producer, distillery, microbrewery as defined in section 311.195, or brewery required to be licensed under the provisions of chapter 311 shall be allowed a tax credit against the state tax liability incurred under chapter 143, exclusive of the provisions relating to the withholding of tax as provided in sections 143.191 to 143.265, in an amount equal to

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 **twenty-five percent of the purchase price of all new and used equipment and materials**  
19 **used directly in the growing of grapes, production of wine, distilling of spirits, or brewing**  
20 **of beer in the state, subject to the limitations provided in this section. Each grower,**  
21 **producer, distiller, or brewer shall apply to the department of economic development and**  
22 **specify the total amount of such new and used equipment and materials purchased during**  
23 **the calendar year. The department of economic development shall certify to the**  
24 **department of revenue the amount of such tax credit to which a grape grower, wine**  
25 **producer, distiller, or brewer is entitled under this section. The provisions of this section**  
26 **notwithstanding, a grower, producer, distiller, or brewer may apply for and receive the**  
27 **credit authorized under this section for no more than five consecutive tax periods with a**  
28 **total of ten tax periods.**

29 **3. For the tax years beginning on or after January 1, 2016, the total amount of tax**  
30 **credits authorized under this section shall not exceed four million dollars. The amount of**  
31 **tax credit claimed shall not exceed the amount of the taxpayer's state tax liability for the**  
32 **taxable year for which the credit is claimed, and such taxpayer shall not be allowed to**  
33 **claim a tax credit in excess of one hundred thousand dollars per taxable year.**

34 **4. Of the four million dollars of tax credits authorized under this section, no more**  
35 **than one million dollars shall go to each of the groups of taxpayers classified as growers,**  
36 **producers, distillers, or brewers except as provided in this subsection. After the conclusion**  
37 **of the third quarter of a taxable year, the remaining balance of tax credits authorized shall**  
38 **be issued to any qualified applicant, regardless of whether a grower, producer, distiller,**  
39 **or brewer, on a first-come, first-served filing basis.**

40 **5. A certificate of tax credit issued to a taxpayer by the department under this**  
41 **section may be assigned, transferred, sold, or otherwise conveyed by notarized**  
42 **endorsement which names the transferee.**

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