

HB 110 -- TAX CREDITS FOR PORT FACILITIES

SPONSOR: McCaherty

This bill creates three new tax credits for port facilities. For all taxable years beginning on January 1, 2015, but before January 1, 2021, a tax credit is authorized against the income tax of a qualifying taxpayer that increases its port cargo volume by a minimum of 5% through a qualifying port. The amount of the tax credit is \$50 for each 20 foot equivalent unit or noncontainerized cargo equivalent the taxpayer is over its 2013 base year or the first calendar year of a major facility. A qualifying taxpayer may not receive more than \$250,000 unless the total annual amount of the tax credit is not used. The maximum amount that can be issued for all taxpayers in a calendar year is \$3.5 million. To claim a tax credit, the taxpayer must own the cargo at the time the port facilities are used. The taxpayer must submit an annual application to the Department of Economic Development by March 1 of the calendar year following the calendar year in which the increase in port cargo volume occurs.

For all taxable years beginning on January 1, 2015, but before January 1, 2021, a tax credit is authorized against the income tax, excluding the withholding tax imposed by Sections 143.191 to 143.265, RSMo, franchise tax, or bank tax of a company that is an international trade facility. The amount of the credit is \$25 per 20-foot equivalent unit or 16 tons of noncontainerized cargo moved by barge or rail rather than by trucks or other motor vehicles on the state's highways. The maximum amount of tax credits that can be issued in any fiscal year is \$2 million. The international trade facility must apply and be approved by the department to claim the credit. Unused credits may be carried forward for up to five years.

For all taxable years beginning on January 1, 2015, but before January 1, 2021, a tax credit is authorized against the income tax of an international trade facility that adds new full-time employees or makes capital investments. The amount of the credit is \$3,500 per qualified employee added as a result of increased trade activities or 2% of the capital investment made by the taxpayer to increase qualified trade activities. Both tax credits cannot be claimed for the same activities that occur in a calendar year, and it is the taxpayer's responsibility to choose which credit to claim. If an employee works less than a full year, the amount of the credit will be prorated. The maximum amount of tax credits that can be issued is \$500,000 per fiscal year. If more than \$500,000 is requested in any fiscal year, the credits will be allocated proportionately. To claim the credit, the taxpayer must apply, and the department must provide written certification of the

credit amount approved. The credit allowed must not exceed 50% of the taxes owed for any year, but any unused credits may be carried forward for up to 10 years. No credit can be earned for an employee that has been used to earn a credit for a related party, has been previously employed in the same job function in Missouri by a related party, or whose job function was previously performed at a different location in Missouri by another employee of the taxpayer. Two or more affiliated companies may aggregate the number of jobs created in order to qualify for the credits. The tax credits can be recaptured by increasing the taxes in any of the five succeeding years if the number of qualified full-time employees falls below the average number of qualified full-time employees during the taxable year.