

HB 1865 with HCA 1 -- INCOME TAX CREDIT

SPONSOR: Dunn

COMMITTEE ACTION: Voted "Do Pass with Amendments" by the Standing Committee on Economic Development and Business Attraction and Retention by a vote of 10 to 0.

This bill authorizes an income tax credit for full-service grocery stores located in a food desert. A "food desert" is defined as a census tract that has a poverty rate of at least 20% or a median family income of less than 80% of the statewide average featuring at least 500 people or 33% of the population located at least one-half mile from a full-service grocery store in urban areas or 10 miles in rural areas.

A taxpayer is allowed to claim a tax credit in an amount equal to 50% of the amount incurred in the construction or development of property for the purpose of establishing a full-service grocery store by the taxpayer after initial expenses of \$1 million. A taxpayer cannot be allowed to claim a tax credit in excess of \$2.5 million per taxable year. The credit is nonrefundable, but may be carried over to the next three years. The credits can be transferred, sold, or assigned. The total amount of credits authorized cannot exceed \$25 million in any calendar year.

A taxpayer must repay the credits if he or she fails to complete construction of a full-service grocery store within five years or fails to operate a full-service grocery store at the same new location for at least 10 consecutive years.

The provisions of the bill will expire six years after the effective date.

This bill is similar to HB 568 (2015).

HCA #1: This amendment provides that the tax credits are available after initial expenses of \$1 million if the full service grocery store is built in a charter county, a county of the first classification, or St. Louis city, and available after \$500,000 if the full service grocery store is built in any other county or city.

PROPONENTS: Supporters say that the bill will encourage grocery stores to open in food insecure areas, thereby alleviating hunger and food insecurity throughout the state.

Testifying for the bill were Representative Dunn and Rachel Greathouse, Empower Missouri.

OPPONENTS: There was no opposition voiced to the committee.