

HCS HB 2632 -- DEPARTMENT OF AGRICULTURE

SPONSOR: Reiboldt

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Agriculture Policy by a vote of 15 to 1. Voted "Do Pass with HCS" by the Select Committee on Agriculture by a vote of 11 to 0.

This bill modifies the Qualified Beef Tax Credit Act by modifying the baseline weight to be the average of the previous two years and extending the sunset on the credit from December 31, 2016, to December 31, 2021. Currently, a farmer can receive the tax credit of 10 cents per pound for each pound as long as the sale weight is 200 pounds over the baseline weight. The bill would allow for a credit of 10 cents per pound for each pound as long as the sale weight is 100 pounds over the baseline weight if the sale weight is under 600 pounds and 25 cents per pound for each pound as long as the sale weight is 100 pounds over the baseline weight if the sale weight is 600 pounds or greater. A taxpayer may not claim credit of more than \$10,000 per year and can only claim the credit for up to three years.

This bill also creates Livestock Risk Protection Tax Credit Act, which beginning January 1, 2017, and ending December 31, 2021, authorizes a tax credit for 50% of a taxpayer's cost of the livestock risk protection premiums for the year. The taxpayer may not claim a credit of more than \$10,000 per year and can only claim the credit for up to three years. The credit may be assigned, transferred, or sold. A taxpayer may not claim a credit under this credit and the Qualified Beef Tax Credit in the same year.

This bill also creates the Meat Processing Facility Investment Tax Credit Act, which beginning January 1, 2017, and ending December 31, 2021, authorizes a tax credit for 25% of the amount the taxpayer spent for meat processing modernization or expansion for the year. The taxpayer may not claim a credit of more than \$75,000 per year. The credit may be assigned, transferred, or sold.

The amount of credit claimed under the Qualified Beef Tax Credit, the Livestock Risk Protection Tax Credit, and the Meat Processing Facility Investment Tax Credit may not exceed \$3 million per calendar year.

Currently the agricultural product utilization contributor tax credit and the new generation cooperative incentive tax credit expire on December 31, 2016. The bill extends the sunset on these tax credits to December 31, 2021.

Currently, the fee for the inspection of certain motor fuels shall not be less than 1.5 cents per barrel and shall not exceed 2.5 cents per barrel. This bill specifies that the per barrel fee may not exceed 4 cents per barrel from 2017 to 2021, and may not exceed 5 cents per barrel from 2022 and thereafter.

PROPOSERS: Supporters say that the Qualified Beef Tax Credit as currently written is underutilized and this bill would allow for more farmers to apply for this credit. The bill would also encourage cattle farmers to invest more in the cattle in Missouri.

Testifying for the bill were Representative Reiboldt; Missouri Farm Bureau; and the Missouri Cattlemen's Association.

OPPOSERS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill discussed the economic benefit the cattle industry has in Missouri and what expanding the program can do for the state.

Testifying on the bill were David Meyer, MASBDA -- Missouri Department Of Agriculture; Joe Horner, University Of Missouri Commercial Agriculture Program; and Ryan Mahoney, University Of Missouri Extension.