

FIRST REGULAR SESSION

HOUSE BILL NO. 1106

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE MESSENGER.

2249H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 144, RSMo, by adding thereto one new section relating to a sales tax exemption.

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

Section A. Chapter 144, RSMo, is amended by adding thereto one new section, to be
2 known as section 144.065, to read as follows:

144.064. 1. For purposes of this section, the following terms shall mean:

2 **(1) "Business organization", any corporation, company, limited liability company,**
3 **partnership, limited liability partnership, sole proprietorship, association, or other**
4 **organization duly licensed and authorized to conduct business and commerce under the**
5 **laws of this state;**

6 **(2) "Eligible products", any materials or supplies directly used in the actual**
7 **construction or renovation of commercial buildings. Eligible products may include, but**
8 **are not limited to, building supplies such as flooring, roofing, paint, lumber, concrete,**
9 **doors, windows, and lighting and plumbing fixtures;**

10 **(3) "New employee criterion", for any business organization, a requirement that**
11 **all employees hired on or after January 1, 2020, receive wages that meet or exceed the**
12 **median wage of the census tract, as defined by the United States Census Bureau, in which**
13 **the business is located;**

14 **(4) "Qualifying area", a census tract, as defined by the United States Census**
15 **Bureau, where the average household income is at least twenty percent below the federal**
16 **poverty guidelines for a household of four persons, according to the most recent poverty**
17 **guidelines issued by the United States Department of Health and Human Services;**

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 **(5) "Qualifying business", any business organization which is located in a**
19 **qualifying area, which meets the new employee criterion, and which also meets at least five**
20 **of the following conditions:**

21 **(a) The business is located in a certified historic structure as defined under section**
22 **253.545;**

23 **(b) The business is located in an industrial park;**

24 **(c) The business is located in a building which has been connected to a utilities grid**
25 **or network, including an electricity, water, or sewer network, within the previous twelve**
26 **months, provided that the expenses associated with such connection were paid directly by**
27 **the government of a county or municipality within this state;**

28 **(d) The business has local property taxes authorized under chapter 137 which have**
29 **been deferred for at least five consecutive years;**

30 **(e) The business is a new business organization or a franchise of an existing**
31 **business organization and is located on a parcel of land that is less than ten acres in size;**

32 **(f) The business has hired, within the previous twelve months, at least one new**
33 **employee who qualifies for benefits under Medicaid or the Supplemental Nutrition**
34 **Assistance Program;**

35 **(g) The business has hired, within the previous twelve months, at least two new**
36 **employees who customarily work at least forty hours per week. If, as of January 1, 2020,**
37 **the business has at least ten employees, such business commits to hiring at least three new**
38 **employees for every ten existing employees;**

39 **(h) The business has renovated a building that was previously vacant for at least**
40 **five consecutive years, and has relocated, or is in the process of relocating, to such building;**
41 **or**

42 **(i) A local chamber of commerce has submitted an affidavit to the department of**
43 **economic development on such business's behalf, stating and explaining how such business**
44 **has adequate financial backing to successfully realize its business plan.**

45 **2. (1) Notwithstanding any provision of law to the contrary, in addition to all other**
46 **sales tax exemptions under this chapter, beginning January 1, 2020, there is hereby**
47 **specifically exempted from state and local sales tax all sales of eligible products to a**
48 **qualifying business.**

49 **(2) The department of revenue shall design and publish an application for**
50 **businesses who qualify for the sales tax exemption authorized under this section to receive**
51 **a sales tax exemption certificate. The department of revenue shall issue such a certificate**
52 **upon approval of a qualifying business's application.**

53 **3. The department of economic development and the department of revenue shall**
54 **jointly promulgate such rules as are necessary to implement the provisions of this section.**
55 **Any rule or portion of a rule, as that term is defined in section 536.010, that is created**
56 **under the authority delegated in this section shall become effective only if it complies with**
57 **and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028.**
58 **This section and chapter 536 are nonseverable, and if any of the powers vested with the**
59 **general assembly pursuant to chapter 536 to review, to delay the effective date, or to**
60 **disapprove and annul a rule are subsequently held unconstitutional, then the grant of**
61 **rulemaking authority and any rule proposed or adopted after August 28, 2019, shall be**
62 **invalid and void.**

✓