

HB 1106 -- SALES TAX EXEMPTION

SPONSOR: Messenger

Beginning January 1, 2020, a qualifying business shall receive a sales tax exemption on any materials or supplies directly used in the actual construction or renovation of commercial buildings.

This bill specifies that a qualifying business must be located in a census tract where the average household income is at least 20% below the federal poverty guidelines for a household of four persons, have new employees receive wages that meet or exceed the median wage of the census tract, and meet five of the nine following conditions:

- (1) Located in a certified historic structure as defined under Section 253.545, RSMo;
- (2) Located in an industrial park;
- (3) Located in a building which has been connected to a utilities grid or network, including an electricity, water, or sewer network, within the previous 12 months, provided that the expenses associated with such connection were paid directly by the government of a county or municipality within this state;
- (4) Has local property taxes authorized under Chapter 137 which have been deferred for at least five consecutive years;
- (5) Is a new business organization or a franchise of an existing business organization and is located on a parcel of land that is less than 10 acres in size;
- (6) Hired, within the previous 12 months, at least one new employee who qualifies for benefits under Medicaid or the Supplemental Nutrition Assistance Program;
- (7) Hired, within the previous 12 months, at least two new employees who customarily work at least 40 hours per week. If, as of January 1, 2020, the business has at least 10 employees, the business must commit to hiring at least three new employees for every 10 existing employees;
- (8) Renovated a building that was previously vacant for at least five consecutive years, and has relocated, or is in the process of relocating, to such building; or
- (9) A local chamber of commerce has submitted an affidavit to the Department of Economic Development on such business's behalf,

stating and explaining that the business has adequate financial backing to successfully realize its business plan.

Additionally, the Department of Revenue must design and publish an application for businesses who qualify for the sales tax exemption authorized and issue certificates upon approval of a qualifying business's application.