

House _____ Amendment NO. _____

Offered By

1 AMEND Senate Bill No. 37, Page 1, Section A, Line 4, by inserting after all of said section and line
2 the following:

3
4 "135.305. A Missouri wood energy producer shall be eligible for a tax credit on taxes
5 otherwise due under chapter 143, except sections 143.191 to 143.261, as a production incentive to
6 produce processed wood products in a qualified wood-producing facility using Missouri forest
7 product residue. The tax credit to the wood energy producer shall be five dollars per ton of
8 processed material. The credit may be claimed for a period of five years and is to be a tax credit
9 against the tax otherwise due. No new tax credits, provided for under sections 135.300 to 135.311,
10 shall be authorized after June 30, [~~2020~~] 2027. In no event shall the aggregate amount of all tax
11 credits allowed under sections 135.300 to 135.311 exceed six million dollars in any given fiscal
12 year. There shall be no tax credits authorized under sections 135.300 to 135.311 unless an
13 appropriation is made for such tax credits.

14 135.686. 1. This section shall be known and may be cited as the "Meat Processing Facility
15 Investment Tax Credit Act".

16 2. As used in this section, the following terms mean:

17 (1) "Authority", the agricultural and small business development authority established in
18 chapter 348;

19 (2) "Meat processing facility", any commercial plant, as defined under section 265.300, at
20 which livestock are slaughtered or at which meat or meat products are processed for sale
21 commercially and for human consumption;

22 (3) "Meat processing modernization or expansion", constructing, improving, or acquiring
23 buildings or facilities, or acquiring equipment for meat processing including the following, if used
24 exclusively for meat processing and if acquired and placed in service in this state during tax years
25 beginning on or after January 1, 2017, but ending on or before December 31, [~~2021~~] 2027:

26 (a) Building construction including livestock handling, product intake, storage, and
27 warehouse facilities;

28 (b) Building additions;

29 (c) Upgrades to utilities including water, electric, heat, refrigeration, freezing, and waste
30 facilities;

31 (d) Livestock intake and storage equipment;

32 (e) Processing and manufacturing equipment including cutting equipment, mixers, grinders,
33 sausage stuffers, meat smokers, curing equipment, cooking equipment, pipes, motors, pumps, and
34 valves;

35 (f) Packaging and handling equipment including sealing, bagging, boxing, labeling,
36 conveying, and product movement equipment;

Action Taken _____ Date _____

- 1 (g) Warehouse equipment including storage and curing racks;
- 2 (h) Waste treatment and waste management equipment including tanks, blowers, separators,
3 dryers, digesters, and equipment that uses waste to produce energy, fuel, or industrial products;
- 4 (i) Computer software and hardware used for managing the claimant's meat processing
5 operation including software and hardware related to logistics, inventory management, production
6 plant controls, and temperature monitoring controls; and
- 7 (j) Construction or expansion of retail facilities or the purchase or upgrade of retail
8 equipment for the commercial sale of meat products if the retail facility is located at the same
9 location as the meat processing facility;
- 10 (4) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding
11 withholding tax imposed under sections 143.191 to 143.265, or otherwise due under chapter 147;
- 12 (5) "Taxpayer", any individual or entity who:
- 13 (a) Is subject to the tax imposed under chapter 143, excluding withholding tax imposed
14 under sections 143.191 to 143.265, or the tax imposed under chapter 147;
- 15 (b) In the case of an individual, is a resident of this state as verified by a 911 address or, in
16 the absence of a 911 system, a physical address; and
- 17 (c) Owns a meat processing facility located in this state;
- 18 (6) "Used exclusively", used to the exclusion of all other uses except for use not exceeding
19 five percent of total use.

20 3. For all tax years beginning on or after January 1, 2017, but ending on or before December
21 31, ~~2024~~ 2027, a taxpayer shall be allowed a tax credit for meat processing modernization or
22 expansion related to the taxpayer's meat processing facility. The tax credit amount shall be equal to
23 twenty-five percent of the amount the taxpayer paid in the tax year for meat processing
24 modernization or expansion.

25 4. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state
26 tax liability for the tax year for which the credit is claimed. No tax credit claimed under this section
27 shall be refundable. The tax credit shall be claimed in the tax year in which the meat processing
28 modernization or expansion expenses were paid, but any amount of credit that the taxpayer is
29 prohibited by this section from claiming in a tax year may be carried forward to any of the
30 taxpayer's four subsequent tax years. The total amount of tax credits that any taxpayer may claim
31 shall not exceed seventy-five thousand dollars per year. If two or more persons own and operate the
32 meat processing facility, each person may claim a credit under this section in proportion to his or her
33 ownership interest; except that, the aggregate amount of the credits claimed by all persons who own
34 and operate the meat processing facility shall not exceed seventy-five thousand dollars per year.
35 The amount of tax credits authorized in this section and section 135.679 in a calendar year shall not
36 exceed two million dollars. Tax credits shall be issued on an as-received application basis until the
37 calendar year limit is reached. Any credits not issued in any calendar year shall expire and shall not
38 be issued in any subsequent year.

39 5. To claim the tax credit allowed under this section, the taxpayer shall submit to the
40 authority an application for the tax credit on a form provided by the authority and any application
41 fee imposed by the authority. The application shall be filed with the authority at the end of each
42 calendar year in which a meat processing modernization or expansion project was completed and for
43 which a tax credit is claimed under this section. The application shall include any certified
44 documentation, proof of meat processing modernization or expansion, and any other information
45 required by the authority. All required information obtained by the authority shall be confidential
46 and not disclosed except by court order, subpoena, or as otherwise provided by law. If the taxpayer
47 and the meat processing modernization or expansion meet all criteria required by this section and
48 approval is granted by the authority, the authority shall issue a tax credit certificate in the
49 appropriate amount. Tax credit certificates issued under this section may be assigned, transferred,

1 sold, or otherwise conveyed, and the new owner of the tax credit certificate shall have the same
2 rights in the tax credit as the original taxpayer. If a tax credit certificate is assigned, transferred,
3 sold, or otherwise conveyed, a notarized endorsement shall be filed with the authority specifying the
4 name and address of the new owner of the tax credit certificate and the value of the tax credit.

5 6. Any information provided under this section shall be confidential information, to be
6 shared with no one except state and federal animal health officials, except as provided in subsection
7 5 of this section.

8 7. The authority shall promulgate rules establishing a process for verifying that a facility's
9 modernization or expansion for which tax credits were allowed under this section has in fact
10 expanded the facility's production within three years of the issuance of the tax credit and if not, the
11 authority shall promulgate through rulemaking a process by which the taxpayer shall repay the
12 authority an amount equal to that of the tax credit allowed.

13 8. The authority shall, at least annually, submit a report to the Missouri general assembly
14 reviewing the costs and benefits of the program established under this section.

15 9. The authority may promulgate rules to implement the provisions of this section. Any rule
16 or portion of a rule, as that term is defined in section 536.010, that is created under the authority
17 delegated in this section shall become effective only if it complies with and is subject to all of the
18 provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are
19 nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to
20 review, to delay the effective date, or to disapprove and annul a rule are subsequently held
21 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after
22 August 28, 2016, shall be invalid and void.

23 10. This section shall not be subject to the Missouri sunset act, sections 23.250 to 23.298.

24 137.1018. 1. The commission shall ascertain the statewide average rate of property taxes
25 levied the preceding year, based upon the total assessed valuation of the railroad and street railway
26 companies and the total property taxes levied upon the railroad and street railway companies. It
27 shall determine total property taxes levied from reports prescribed by the commission from the
28 railroad and street railway companies. Total taxes levied shall not include revenues from the surtax
29 on subclass three real property.

30 2. The commission shall report its determination of average property tax rate for the
31 preceding year, together with the taxable distributable assessed valuation of each freight line
32 company for the current year to the director no later than October first of each year.

33 3. Taxes on property of such freight line companies shall be collected at the state level by
34 the director on behalf of the counties and other local public taxing entities and shall be distributed in
35 accordance with sections 137.1021 and 137.1024. The director shall tax such property based upon
36 the distributable assessed valuation attributable to Missouri of each freight line company, using the
37 average tax rate for the preceding year of the railroad and street railway companies certified by the
38 commission. Such tax shall be due and payable on or before December thirty-first of the year levied
39 and, if it becomes delinquent, shall be subject to a penalty equal to that specified in section 140.100.

40 4. (1) As used in this subsection, the following terms mean:

41 (a) "Eligible expenses", expenses incurred in this state to manufacture, maintain, or improve
42 a freight line company's qualified rolling stock;

43 (b) "Qualified rolling stock", any freight, stock, refrigerator, or other railcars subject to the
44 tax levied under this section.

45 (2) For all taxable years beginning on or after January 1, 2009, a freight line company shall,
46 subject to appropriation, be allowed a credit against the tax levied under this section for the
47 applicable tax year. The tax credit amount shall be equal to the amount of eligible expenses
48 incurred during the calendar year immediately preceding the tax year for which the credit under this
49 section is claimed. The amount of the tax credit issued shall not exceed the freight line company's

1 liability for the tax levied under this section for the tax year for which the credit is claimed.

2 (3) A freight line company may apply for the credit by submitting to the commission an
3 application in the form prescribed by the state tax commission.

4 (4) Subject to appropriation, the state shall reimburse, on an annual basis, any political
5 subdivision of this state for any decrease in revenue due to the provisions of this subsection.

6 5. Pursuant to section 23.253 of the Missouri sunset act:

7 (1) The program authorized under subsection 4 of this section shall expire on August 28,
8 ~~[2020]~~ 2027; and

9 (2) Subsection 4 of this section shall terminate on September 1, ~~[2021]~~ 2028.

10 348.436. The provisions of sections 348.430 to 348.436 shall expire December 31, ~~[2021]~~
11 2027."; and

12
13 Further amend said bill by amending the title, enacting clause, and intersectional references
14 accordingly.