

FIRST REGULAR SESSION

# HOUSE BILL NO. 596

101ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE MACKEY.

1509H.011

DANA RADEMAN MILLER, Chief Clerk

## AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to tax credits for grocery stores.

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

Section A. Chapter 135, RSMo, is amended by adding thereto one new section, to be known as section 135.1620, to read as follows:

**135.1620. 1. As used in this section, the following terms mean:**

(1) "Eligible expenses", expenses incurred in the reestablishment of a full-service grocery store within a food desert in the same location where a formerly operational grocery store has been permanently closed;

(2) "Food desert", a census tract that has a poverty rate of at least twenty percent or a median family income of less than eighty percent of the statewide average and where at least five hundred people or thirty-three percent of the population is located at least a mile away from a full-service grocery store in urban areas or at least ten miles away in rural areas;

(3) "Full-service grocery store", a grocery store that provides a full complement of healthful fruits, vegetables, grains, meats, and dairy products along with household items. Fresh fruits and vegetables shall be available for sale in quantities that are substantially similar to industry standards for facilities of similar size;

(4) "Rural area", a town or community within the state that is not within a standard metropolitan statistical area and has a population of six thousand or fewer inhabitants as determined by the last preceding federal decennial census or any unincorporated area not within a standard metropolitan statistical area;

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) "Tax credit", a credit against the tax otherwise due under chapter 143,  
19 excluding withholding tax imposed under sections 143.191 to 143.265;

20           (6) "Taxpayer", any individual, partnership, or corporation as described under  
21 section 143.441 or 143.471 that is subject to the tax imposed under chapter 143, excluding  
22 withholding tax imposed under sections 143.191 to 143.265, or any charitable organization  
23 that is exempt from federal income tax and whose Missouri unrelated business taxable  
24 income, if any, would be subject to the state income tax imposed under chapter 143;

25           (7) "Urban area", an urban place as designated by the United States Census  
26 Bureau.

27           2. For all tax years beginning on or after January 1, 2022, a taxpayer shall be  
28 allowed to claim a tax credit against the taxpayer's state income tax liability in an amount  
29 equal to fifty percent of the taxpayer's eligible expenses for reestablishing a full-service  
30 grocery store within a food desert in the same location where a formerly operational  
31 grocery store has been permanently closed, after initial expenses of:

32           (1) One million dollars if the full-service grocery store is established in a charter  
33 county, a county of the first classification, or a city not within a county; or

34           (2) Five hundred thousand dollars if the full-service grocery store is established in  
35 any other county.

36           3. The amount of the tax credit claimed shall not exceed the amount of the  
37 taxpayer's state tax liability in the tax year for which the credit is claimed, and such  
38 taxpayer shall not be allowed to claim a tax credit in excess of two million five hundred  
39 thousand dollars per tax year. However, any tax credit that cannot be claimed in the tax  
40 year the contribution was made may be carried over to the next three succeeding tax years  
41 until the full credit is claimed.

42           4. The total amount of tax credits authorized under this section shall not exceed  
43 twenty-five million dollars in any calendar year.

44           5. Tax credits issued under the provisions of this section may be transferred, sold,  
45 or assigned.

46           6. If the taxpayer fails to fully operate the reestablished full-service grocery store  
47 at the same location for at least five consecutive years, such taxpayer shall immediately  
48 submit payment to the state general revenue fund in an amount equal to the full value of  
49 the tax credit received, less twenty percent of the full value received for each full year in  
50 which the grocery store was fully operational at the same location.

51           7. The department of revenue and the department of economic development shall  
52 promulgate rules to implement the provisions of this section. Any rule or portion of a rule,  
53 as that term is defined in section 536.010, that is created under the authority delegated in

54 **this section shall become effective only if it complies with and is subject to all of the**  
55 **provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536**  
56 **are nonseverable, and if any of the powers vested with the general assembly pursuant to**  
57 **chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are**  
58 **subsequently held unconstitutional, then the grant of rulemaking authority and any rule**  
59 **proposed or adopted after August 28, 2021, shall be invalid and void.**

60 **8. Under section 23.253 of the Missouri sunset act:**

61 **(1) The program authorized under this section shall automatically sunset on**  
62 **December thirty-first six years after the effective date of this section unless reauthorized**  
63 **by an act of the general assembly;**

64 **(2) If such program is reauthorized, the program authorized under this section**  
65 **shall automatically sunset on December thirty-first twelve years after the effective date of**  
66 **the reauthorization of this section;**

67 **(3) This section shall terminate on September first of the calendar year immediately**  
68 **following the calendar year in which the program authorized under this section is sunset;**  
69 **and**

70 **(4) Nothing in this subsection shall prevent a taxpayer from claiming a tax credit**  
71 **properly issued before the program was sunset in a tax year after the program was sunset.**

✓