

HB 1985 -- MISSOURI RURAL CREDIT OPPORTUNITY ACT

SPONSOR: Thompson

This bill establishes the "Missouri Rural Credit Opportunity Act". For all tax years beginning on or after January 1, 2023, the bill authorizes any national banking association, state bank, trust company, or savings and loan association to deduct from its gross income all interest income received in a tax year from qualified agricultural real estate loans and rural single-family residence loans attributed to Missouri.

A qualified agricultural real estate loan is defined as a loan made on real property that is substantially used for production of one or more agricultural products and that:

- (1) Has a maturity of between five and 40 years;
- (2) Is secured by a first lien interest in real property; and
- (3) Has an outstanding loan balance when the loan is made that is less than 85% of the appraised value of the property, with exceptions as described in the bill.

A qualified rural single-family residence loan is defined as a residence that is:

- (1) The principal residence of the occupant;
- (2) Located in a rural area as defined by the U.S. Department of Agriculture and that has 2,500 or fewer inhabitants; and
- (3) Purchased or improved with the proceeds of a loan.

The provisions of this bill sunset on August 28, 2030, unless reauthorized by the General Assembly.