

FIRST REGULAR SESSION

HOUSE BILL NO. 674

96TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE LARGENT.

1636L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 137.1018, RSMo, and to enact in lieu thereof one new section relating to tax credits for freight line companies.

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

Section A. Section 137.1018, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 137.1018, to read as follows:

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

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

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

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

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

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

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

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

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

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

35 (1) [The provisions of the new program authorized under this section shall automatically
36 sunset six years after August 28, 2008, unless reauthorized by an act of the general assembly; and

37 (2) If such program is reauthorized,] The program authorized under this section shall
38 [automatically sunset twelve years after the effective date of the reauthorization of this section]
39 **expire on August 28, 2020;** and

40 [(3)] (2) This section shall terminate on September [first of the calendar year
41 immediately following the calendar year in which the program authorized under this section is
42 sunset] **1, 2021.**