

FIRST REGULAR SESSION  
SENATE COMMITTEE SUBSTITUTE FOR  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 780**  
**91ST GENERAL ASSEMBLY**

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Reported from the Committee on Local Government and Economic Development, May 9, 2001, with recommendation that the Senate Committee Substitute do pass.

TERRY L. SPIELER, Secretary.

1669S.13C

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**AN ACT**

To repeal sections 67.1300, 67.1360, 135.150, 135.205, 135.230, 135.400, 135.403, 135.408, 135.411, 135.423, 135.460, 135.478, 135.481, 135.484, 135.487, 135.500, 135.503, 135.508, 135.516, 135.530, 135.545, 178.892, 208.770, 348.302, 447.700, 620.470, 620.474 and 620.1450, RSMo 2000, sections 135.200 and 135.535 as those sections were enacted by conference committee substitute for senate substitute for senate committee substitute for house substitute for house committee substitute for house bill no. 701, ninetieth general assembly, first regular session, section 135.200 as enacted by conference committee substitute for house committee substitute for senate bill no. 1, eighty-ninth general assembly, second extraordinary session, section 135.200 as enacted by senate substitute for senate committee substitute for house substitute for house committee substitute for house bill no. 1656, eighty-ninth general assembly, second regular session, and section 135.535 as enacted by conference committee substitute no. 2 for house substitute for house committee substitute for senate bill no. 20 relating to tax incentives for economic development, and to enact in lieu thereof thirty-two new sections relating to the same subject.

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

Section A. Sections 67.1300, 67.1360, 135.150, 135.205, 135.230, 135.400, 135.403,  
2 135.408, 135.411, 135.423, 135.460, 135.478, 135.481, 135.484, 135.487, 135.500, 135.503,  
3 135.508, 135.516, 135.530, 135.545, 178.892, 208.770, 348.302, 447.700, 620.470, 620.474 and  
4 620.1450, RSMo 2000, sections 135.200 and 135.535 as those sections were enacted by

**EXPLANATION--Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is  
he law.**

5 conference committee substitute for senate substitute for senate committee substitute for  
6 house substitute for house committee substitute for house bill no. 701, ninetieth general  
7 assembly, first regular session, section 135.200 as enacted by conference committee substitute  
8 for house committee substitute for senate bill no. 1, eighty-ninth general assembly, second  
9 extraordinary session, section 135.200 as enacted by senate substitute for senate committee  
10 substitute for house substitute for house committee substitute for house bill no. 1656, eighty-  
11 ninth general assembly, second regular session, and section 135.535 as enacted by conference  
12 committee substitute no. 2 for house substitute for house committee substitute for senate bill  
13 no. 20 are repealed and thirty-two new sections enacted in lieu thereof, to be known as  
14 sections 67.1300, 67.1360, 135.150, 135.200, 135.205, 135.230, 135.400, 135.403, 135.408,  
15 135.411, 135.423, 135.460, 135.478, 135.481, 135.484, 135.487, 135.500, 135.503, 135.508,  
16 135.516, 135.527, 135.530, 135.535, 135.545, 178.892, 208.770, 348.302, 447.700, 620.470,  
17 620.474, 620.1450 and 1, to read as follows:

67.1300. 1. The governing body of any of the contiguous counties of the third  
2 classification without a township form of government enumerated in subdivisions (1) to (5)  
3 of this subsection or in any county of the fourth classification acting as a county of the second  
4 classification, having a population of at least forty thousand but less than forty-five thousand  
5 with a state university, and adjoining a county of the first classification with part of a city  
6 with a population of three hundred fifty thousand or more inhabitants **or a county of the**  
7 **third classification with a township form of government and with a population of**  
8 **at least eight thousand but less than eight thousand four hundred inhabitants** or a  
9 county of the third classification with more than fifteen townships having a population of at  
10 least twenty-one thousand inhabitants or a county of the third classification without a  
11 township form of government and with a population of at least seven thousand four hundred  
12 but less than eight thousand inhabitants or any county of the third classification with a  
13 population greater than three thousand but less than four thousand or any county of the third  
14 classification with a population greater than six thousand one hundred but less than six  
15 thousand four hundred or any county of the third classification with a population greater than  
16 six thousand eight hundred but less than seven thousand or any county of the third  
17 classification with a population greater than seven thousand eight hundred but less than  
18 seven thousand nine hundred or any county of the third classification with a population  
19 greater than eight thousand four hundred sixty but less than eight thousand five hundred or  
20 any county of the third classification with a population greater than nine thousand but less  
21 than nine thousand two hundred or any county of the third classification with a population  
22 greater than ten thousand five hundred but less than ten thousand six hundred or any county  
23 of the third classification with a population greater than twenty-three thousand five hundred

24 but less than twenty-three thousand seven hundred or a county of the third classification with  
25 a population greater than thirty-three thousand but less than thirty-four thousand or a  
26 county of the third classification with a population greater than twenty thousand eight  
27 hundred but less than twenty-one thousand or a county of the third classification with a  
28 population greater than fourteen thousand one hundred but less than fourteen thousand five  
29 hundred or a county of the third classification with a population greater than twenty  
30 thousand eight hundred fifty but less than twenty-two thousand or a county of the third  
31 classification with a population greater than thirty-nine thousand but less than forty  
32 thousand or a county of the third classification with a township form of organization and a  
33 population greater than twenty-eight thousand but less than twenty-nine thousand or a  
34 county of the third classification with a population greater than fifteen thousand but less than  
35 fifteen thousand five hundred or a county of the third classification with a population greater  
36 than eighteen thousand but less than nineteen thousand seventy or a county of the third  
37 classification with a population greater than thirteen thousand nine hundred but less than  
38 fourteen thousand four hundred or a county of the third classification with a population  
39 greater than twenty-seven thousand but less than twenty-seven thousand five hundred or a  
40 county of the first classification without a charter form of government and a population of at  
41 least eighty thousand but not greater than eighty-three thousand or a county of the third  
42 classification with a population greater than fifteen thousand but less than fifteen thousand  
43 nine hundred without a township form of government which does not adjoin any county of the  
44 first, second or fourth classification or a county of the third classification with a population  
45 greater than twenty-three thousand but less than twenty-five thousand without a township  
46 form of government which does not adjoin any county of the second or fourth classification  
47 and does adjoin a county of the first classification with a population greater than one hundred  
48 twenty thousand but less than one hundred fifty thousand or in any county of the fourth  
49 classification acting as a county of the second classification, having a population of at least  
50 forty-eight thousand or any governing body of a municipality located in any of such counties  
51 may impose, by ordinance or order, a sales tax on all retail sales made in such county or  
52 municipality which are subject to taxation pursuant to the provisions of sections 144.010 to  
53 144.525, RSMo:

54 (1) A county with a population of at least four thousand two hundred inhabitants but  
55 not more than four thousand five hundred inhabitants;

56 (2) A county with a population of at least four thousand seven hundred inhabitants  
57 but not more than four thousand nine hundred inhabitants;

58 (3) A county with a population of at least seven thousand three hundred inhabitants  
59 but not more than seven thousand six hundred inhabitants;

60 (4) A county with a population of at least ten thousand one hundred inhabitants but  
61 not more than ten thousand three hundred inhabitants; and

62 (5) A county with a population of at least four thousand three hundred inhabitants  
63 but not more than four thousand five hundred inhabitants.

64 2. The maximum rate for a sales tax pursuant to this section shall be one percent for  
65 municipalities and one-half of one percent for counties.

66 3. The tax authorized by this section shall be in addition to any and all other sales  
67 taxes allowed by law, except that no ordinance or order imposing a sales tax pursuant to the  
68 provisions of this section shall be effective unless the governing body of the county or  
69 municipality submits to the voters of the county or municipality, at a regularly scheduled  
70 county, municipal or state general or primary election, a proposal to authorize the governing  
71 body of the county or municipality to impose a tax. Any sales tax imposed pursuant to this  
72 section shall not be authorized for a period of more than five years.

73 4. Such proposal shall be submitted in substantially the following form:

74 Shall the (city, town, village or county) of ..... impose a sales tax of ..... (insert  
75 amount) for the purpose of economic development in the (city, town, village or county)?

76  YES

NO

77 If a majority of the votes cast on the proposal by the qualified voters voting thereon are in  
78 favor of the proposal, then the ordinance or order and any amendments thereto shall be in  
79 effect on the first day of the second quarter after the director of revenue receives notice of  
80 adoption of the tax. If a majority of the votes cast by the qualified voters voting are opposed  
81 to the proposal, then the governing body of the county or municipality shall not impose the  
82 sales tax authorized in this section until the governing body of the county or municipality  
83 resubmits another proposal to authorize the governing body of the county or municipality to  
84 impose the sales tax authorized by this section and such proposal is approved by a majority  
85 of the qualified voters voting thereon; however no such proposal shall be resubmitted to the  
86 voters sooner than twelve months from the date of the submission of the last such proposal.

87 5. All revenue received by a county or municipality from the tax authorized pursuant  
88 to the provisions of this section shall be deposited in a special trust fund and shall be used  
89 solely for economic development purposes within such county or municipality for so long as  
90 the tax shall remain in effect.

91 6. Once the tax authorized by this section is abolished or is terminated by any means,  
92 all funds remaining in the special trust fund shall be used solely for economic development  
93 purposes within the county or municipality. Any funds in such special trust fund which are  
94 not needed for current expenditures may be invested by the governing body in accordance  
95 with applicable laws relating to the investment of other county or municipal funds.

96           7. All sales taxes collected by the director of revenue pursuant to this section on  
97 behalf of any county or municipality, less one percent for cost of collection which shall be  
98 deposited in the state's general revenue fund after payment of premiums for surety bonds as  
99 provided in section 32.087, RSMo, shall be deposited in a special trust fund, which is hereby  
100 created, to be known as the "Local Economic Development Sales Tax Trust Fund".

101           8. The moneys in the local economic development sales tax trust fund shall not be  
102 deemed to be state funds and shall not be commingled with any funds of the state. The  
103 director of revenue shall keep accurate records of the amount of money in the trust fund and  
104 which was collected in each county or municipality imposing a sales tax pursuant to this  
105 section, and the records shall be open to the inspection of officers of the county or municipality  
106 and the public.

107           9. Not later than the tenth day of each month the director of revenue shall distribute  
108 all moneys deposited in the trust fund during the preceding month to the county or  
109 municipality which levied the tax. Such funds shall be deposited with the county treasurer  
110 of each such county or the appropriate municipal officer in the case of a municipal tax, and  
111 all expenditures of funds arising from the local economic development sales tax trust fund  
112 shall be by an appropriation act to be enacted by the governing body of each such county or  
113 municipality. Expenditures may be made from the fund for any economic development  
114 purposes authorized in the ordinance or order adopted by the governing body submitting the  
115 tax to the voters.

116           10. The director of revenue may authorize the state treasurer to make refunds from  
117 the amounts in the trust fund and credited to any county or municipality for erroneous  
118 payments and overpayments made, and may redeem dishonored checks and drafts deposited  
119 to the credit of such counties and municipalities.

120           11. If any county or municipality abolishes the tax, the county or municipality shall  
121 notify the director of revenue of the action at least ninety days prior to the effective date of  
122 the repeal and the director of revenue may order retention in the trust fund, for a period of  
123 one year, of two percent of the amount collected after receipt of such notice to cover possible  
124 refunds or overpayment of the tax and to redeem dishonored checks and drafts deposited to  
125 the credit of such accounts. After one year has elapsed after the effective date of abolition of  
126 the tax in such county or municipality, the director of revenue shall remit the balance in the  
127 account to the county or municipality and close the account of that county or  
128 municipality. The director of revenue shall notify each county or municipality of each  
129 instance of any amount refunded or any check redeemed from receipts due the county or  
130 municipality.

131           12. Except as modified in this section, all provisions of sections 32.085 and 32.087,

132 RSMo, shall apply to the tax imposed pursuant to this section.

133 13. For purposes of this section, the term "economic development" is limited to the  
134 following:

135 (1) Operations of economic development or community development offices, including  
136 the salaries of employees;

137 (2) Provision of training for job creation or retention;

138 (3) Provision of infrastructure and sites for industrial development or for public  
139 infrastructure projects; and

140 (4) Refurbishing of existing structures and property relating to community  
141 development.

67.1360. The governing body of a city with a population of more than seven thousand  
2 and less than seven thousand five hundred and a county with a population of over nine  
3 thousand six hundred and less than twelve thousand which has a total assessed valuation of  
4 at least sixty-three million dollars, if the county submits the issue to the voters of such county  
5 prior to January 1, 2003, or a third class city which is the county seat of a county of the third  
6 classification without a township form of government with a population of at least twenty-five  
7 thousand but not more than thirty thousand inhabitants, or any fourth class city having,  
8 according to the last federal decennial census, a population of more than one thousand eight  
9 hundred fifty inhabitants but less than one thousand nine hundred fifty inhabitants in a  
10 county of the first classification with a charter form of government and having a population  
11 of greater than six hundred thousand but less than nine hundred thousand inhabitants, or  
12 any city having a population of more than three thousand but less than eight thousand  
13 inhabitants in a county of the fourth classification having a population of greater than  
14 forty-eight thousand inhabitants, or any city having a population of less than two hundred  
15 fifty inhabitants in a county of the fourth classification having a population of greater than  
16 forty-eight thousand inhabitants, or any fourth class city having a population of more than  
17 two thousand five hundred but less than three thousand inhabitants in a county of the third  
18 classification having a population of more than twenty-five thousand but less than  
19 twenty-seven thousand inhabitants, or any third class city with a population of more than  
20 three thousand two hundred but less than three thousand three hundred located in a county  
21 of the third classification having a population of more than thirty-five thousand but less than  
22 thirty-six thousand, or any county of the second classification without a township form of  
23 government and a population of less than thirty thousand or any city of the fourth class in  
24 a county of the second classification without a township form of government and a population  
25 of less than thirty thousand, or any county of the third classification with a township form of  
26 government and a population of at least twenty-eight thousand but not more than thirty

27 thousand and any city of the fourth class with a population of more than one thousand eight  
28 hundred but less than two thousand in a county of the third classification with a township  
29 form of government and a population of at least twenty-eight thousand but not more than  
30 thirty thousand, or any city of the third class with a population of more than seven thousand  
31 two hundred but less than seven thousand five hundred within a county of the third  
32 classification with a population of more than twenty-one thousand but less than twenty-three  
33 thousand, or any fourth class city having a population of more than two thousand eight  
34 hundred but less than three thousand one hundred inhabitants in a county of the third  
35 classification with a township form of government having a population of more than eight  
36 thousand four hundred but less than nine thousand inhabitants **or any county of the**  
37 **second classification with a population of more than forty-four thousand but less**  
38 **than fifty thousand inhabitants** may impose a tax on the charges for all sleeping rooms  
39 paid by the transient guests of hotels, motels, bed and breakfast inns and campgrounds and  
40 any docking facility which rents slips to recreational boats which are used by transients for  
41 sleeping, which shall be at least two percent, but not more than five percent per occupied  
42 room per night, except that such tax shall not become effective unless the governing body of  
43 the city or county submits to the voters of the city or county at a state general, primary or  
44 special election, a proposal to authorize the governing body of the city or county to impose a  
45 tax pursuant to the provisions of this section and section 67.1362. The tax authorized by this  
46 section and section 67.1362 shall be in addition to any charge paid to the owner or operator  
47 and shall be in addition to any and all taxes imposed by law and the proceeds of such tax  
48 shall be used by the city or county solely for funding the promotion of tourism. Such tax shall  
49 be stated separately from all other charges and taxes.

135.150. 1. [Until January 1, 1987, the director of revenue shall prescribe such rules  
2 and regulations necessary to carry out the provisions of sections 135.100 to 135.150.] **For**  
3 **taxpayers commencing operations on or after January 1, 2001, no more than four**  
4 **million dollars in tax credits may be authorized in any year under this**  
5 **program. The director of the department of economic development shall determine**  
6 **and implement appropriate procedures to ensure that the cap is not exceeded in**  
7 **any year. These procedures will be submitted to the joint committee on economic**  
8 **development policy and planning pursuant to section 620.080, RSMo.**

9 2. [Beginning January 1, 1987,] **The department may adopt such rules,**  
10 **statements of policy, procedures, forms and guidelines as may be necessary for the**  
11 **implementation of this program.** The director of economic development shall prescribe  
12 the method for submitting applications for [claiming] **participating in the program**  
13 **authorized by sections 135.100 to 135.150 and for a taxpayer receiving tax credits**

14 **to claim** the tax credits [allowed in] **authorized by** subsections [2 and] 3 **and 4** of section  
15 135.110 and shall, if such application or portion thereof is approved, certify same to the  
16 director of revenue or the director of insurance that the taxpayer claiming the credits has  
17 satisfied all requirements prescribed in sections 135.100 to 135.150 and is [therefore] eligible  
18 to claim the credits. The director of economic development shall also calculate and specify the  
19 amount of the credit earned by the taxpayer during the taxpayer's first taxable year in which  
20 such credits are claimed and for each of the nine succeeding taxable years the credits are  
21 claimed by the taxpayer and shall certify such amounts to the director of revenue or the  
22 director of insurance and shall notify the taxpayer in writing of the action taken on [his] **the**  
23 **taxpayer's** request for the credits and if the request for credits is disallowed, the director of  
24 economic development shall state the reason or reasons the claim for credit was  
25 disallowed. The director shall certify the extent to which earned credits can be claimed to the  
26 director of revenue or the director of insurance and shall notify the taxpayer in writing of such  
27 determination. [The director of economic development may prescribe such rules and  
28 regulations necessary to carry out the provisions of sections 135.100 to 135.150.]

29 3. The director of revenue and, when appropriate, the director of insurance may  
30 prescribe rules and regulations necessary to process the credits following certification by the  
31 director of economic development.

32 4. No rule or portion of a rule promulgated [under the authority of] **pursuant to**  
33 sections 135.100 to 135.160 shall become effective unless it has been promulgated pursuant  
34 to the provisions of [section 536.024] **chapter 536**, RSMo.

35 [4.] 5. Any taxpayer who **commences operations before January 1, 2002, or any**  
36 **taxpayer who commences operations on or after January 1, 2002, and has been**  
37 **approved for participation in the program and** has submitted an application for  
38 claiming tax credits as [allowed in] **authorized by** section 135.110 may file with the director  
39 of economic development, a protest within sixty days (one hundred fifty days if the taxpayer  
40 is outside the United States) after the date of such certification notice or the date of the notice  
41 denying such certification. The protest shall be in writing and shall set forth the grounds on  
42 which the protest is based.

43 [5.] 6. If a protest is filed, the director of economic development shall consider the  
44 taxpayer's grounds for protest and make a determination concerning such protest. The  
45 director of economic development shall notify the taxpayer in writing of such determination  
46 within thirty days following the date on which the written protest was received. Such notice  
47 shall be mailed to the taxpayer by certified or registered mail and such notice shall set forth  
48 briefly the director of economic development's findings of fact and the basis of decision.

49 [6.] 7. The decision of the director of economic development on the taxpayer's protest

50 is final upon the expiration of thirty days from the date when [he] **the director** mails notice  
51 of his **or her** action to the taxpayer unless within this period, the taxpayer seeks review of  
52 the [director of economic development's] **director's** determination by the administrative  
53 hearing commission, which is hereby authorized.

135.200. The following terms, whenever used in sections 135.200 to [135.256]

2 **135.257**, mean:

- 3 (1) "Department", the department of economic development;
- 4 (2) "Director", the director of the department of economic development;
- 5 (3) "Facility", any building used as a revenue-producing enterprise located within an  
6 enterprise zone, including the land on which the facility is located and all machinery,  
7 equipment and other real and depreciable tangible personal property acquired for use at and  
8 located at or within such facility and used in connection with the operation of such facility;
- 9 (4) "Governing authority", the body holding primary legislative authority over a  
10 county or incorporated municipality;
- 11 (5) "New business facility" shall have the meaning defined in section 135.100, except  
12 that the term "lease" as used therein shall not include the leasing of property defined in  
13 paragraph (d) of subdivision (6) of this section;
- 14 (6) "Revenue-producing enterprise" means:
- 15 (a) Manufacturing activities classified as SICs 20 through 39;
- 16 (b) Agricultural activities classified as SIC 025;
- 17 (c) Rail transportation terminal activities classified as SIC 4013;
- 18 (d) Renting or leasing of residential property to low and moderate income persons as  
19 defined in federal law, 42 U.S.C. 5302(a)(20);
- 20 (e) Motor freight transportation terminal activities classified as SIC 4231;
- 21 (f) Public warehousing and storage activities classified as SICs 422 and 423 except  
22 SIC 4221, miniwarehouse warehousing and warehousing self-storage;
- 23 (g) Water transportation terminal activities classified as SIC 4491;
- 24 (h) **Airports, flying fields and airport terminal services classified as SIC 4581;**
- 25 (i) Wholesale trade activities classified as SICs 50 and 51;
- 26 [(i)] **(j)** Insurance carriers activities classified as SICs 631, 632 and 633;
- 27 [(j)] **(k)** Research and development activities classified as SIC 873, except 8733;
- 28 [(k)] **(l)** Farm implement dealer activities classified as SIC 5999;
- 29 [(l)] **(m)** Employment agency activities classified as SIC 7361;
- 30 [(m)] **(n)** Computer programming, data processing and other computer-related  
31 activities classified as SIC 737;
- 32 [(n)] **(o)** Health service activities classified as SICs 801, 802, 803, 804, 806, 807, 8092

33 and 8093;

34 [(o)] **(p)** Interexchange telecommunications as defined in subdivision [(20)] **(24)** of  
35 section 386.020, RSMo, or training activities conducted by an interexchange  
36 telecommunications company as defined in subdivision [(19)] **(23)** of section 386.020, RSMo;

37 [(p)] **(q)** Recycling activities classified as SIC 5093;

38 [(q)] **(r)** Banking activities classified as SICs 602 and 603;

39 [(r)] **(s)** Office activities as defined in subdivision (8) of section 135.100,  
40 notwithstanding SIC classification;

41 [(s)] **(t)** Mining activities classified as SICs 10 through 14;

42 [(t)] **(u)** Photofinishing laboratory activities classified in SIC 7384 and microfilm  
43 recording and developing services as contained in SIC classification 7389, provided that each  
44 such revenue-producing enterprise employs a minimum of one hundred employees at a single  
45 business facility;

46 [(u)] **(v)** The administrative management of any of the foregoing activities; [or]

47 [(v)] **(w)** Any combination of any of the foregoing activities;

48 **(x) Hotel and motel activities located within a federally-designated**  
49 **champion community which is located in a city of the fourth classification with a**  
50 **population of more than four thousand located in a county of the third**  
51 **classification without a township form of government and with a population of**  
52 **more than thirteen thousand and less than thirteen thousand eight hundred and**  
53 **classified as SIC 7011 or NAICS 72111. Notwithstanding any other provisions of**  
54 **law to the contrary, hotel and motel activities as defined in this subdivision shall**  
55 **not be eligible for state enterprise zone tax credits but shall be eligible for the real**  
56 **property improvements exemption provided in subsection 1 of section 135.215,**  
57 **regardless of the number of new jobs created and maintained;**

58 **A revenue-producing enterprise which is identified by a SIC classification number**  
59 **includes enterprises with the corresponding classification number in the 1997**  
60 **edition of the North American Industry Classification System as prepared by the**  
61 **Executive Office of the President of the United States, Office of Management and**  
62 **Budget;**

63 (7) "Satellite zone", a noncontiguous addition to an existing state designated  
64 enterprise zone;

65 (8) "SIC", the **primary** standard industrial classification as such classifications are  
66 defined in the 1987 edition of the Standard Industrial Classification Manual as prepared by  
67 the Executive Office of the President, Office of Management and Budget. **For the purpose**  
68 **of this subdivision, "primary" means at least fifty percent of the activities so**

69 **classified are performed at the new business facility during the taxpayer's tax**  
70 **period in which such tax credits are being claimed.**

[135.200. The following terms, whenever used in sections 135.200 to  
2 135.256, mean:

3 (1) "Department", the department of economic development;

4 (2) "Director", the director of the department of economic development;

5 (3) "Facility", any building used as a revenue-producing enterprise  
6 located within an enterprise zone, including the land on which the facility is  
7 located and all machinery, equipment and other real and depreciable tangible  
8 personal property acquired for use at and located at or within such facility and  
9 used in connection with the operation of such facility;

10 (4) "Governing authority", the body holding primary legislative  
11 authority over a county or incorporated municipality;

12 (5) "New business facility" shall have the meaning defined in section  
13 135.100, except that the term "lease" as used therein shall not include the  
14 leasing of property defined in paragraph (d) of subdivision (6) of this section;

15 (6) "Revenue-producing enterprise", means:

16 (a) Manufacturing activities classified as SICs 20 through 39;

17 (b) Agricultural activities classified as SIC 025;

18 (c) Rail transportation terminal activities classified as SIC 4013;

19 (d) Renting or leasing of residential property to low- and moderate-  
20 income persons as defined in federal law, 42 U.S.C. 5302(a)(20);

21 (e) Motor freight transportation terminal activities classified as SIC  
22 4231;

23 (f) Public warehousing and storage activities classified as SICs 422 and  
24 423 except SIC 4221, miniwarehouse warehousing and warehousing  
25 self-storage;

26 (g) Water transportation terminal activities classified as SIC 4491;

27 (h) Airports, flying fields, and airport terminal services classified as  
28 SIC 4581;

29 (i) Wholesale trade activities classified as SICs 50 and 51;

30 (j) Insurance carriers activities classified as SICs 631, 632 and 633;

31 (k) Research and development activities classified as SIC 873, except  
32 8733;

33 (l) Farm implement dealer activities classified as SIC 5999;

34 (m) Employment agency activities classified as SIC 7361;

35 (n) Computer programming, data processing and other  
36 computer-related activities classified as SIC 737;

37 (o) Health service activities classified as SICs 801, 802, 803, 804, 806,  
38 807, 8092 and 8093;

39 (p) Interexchange telecommunications as defined in subdivision (20)  
40 of section 386.020, RSMo, or training activities conducted by an interexchange  
41 telecommunications company as defined in subdivision (19) of section 386.020,  
42 RSMo;

43 (q) Recycling activities classified as SIC 5093;

44 (r) Banking activities classified as SICs 602 and 603;

45 (s) Office activities as defined in subdivision (8) of section 135.100,  
46 notwithstanding SIC classification;

47 (t) Mining activities classified as SICs 10 through 14;

48 (u) The administrative management of any of the foregoing activities;  
49 or

50 (v) Any combination of any of the foregoing activities;

51 (7) "Satellite zone", a noncontiguous addition to an existing state  
52 designated enterprise zone;

53 (8) "SIC", the standard industrial classification as such classifications  
54 are defined in the 1987 edition of the Standard Industrial Classification  
55 Manual as prepared by the Executive Office of the President, Office of  
56 Management and Budget.]

[135.200. The following terms, whenever used in sections 135.200 to  
2 135.256, mean:

3 (1) "Department", the department of economic development;

4 (2) "Director", the director of the department of economic development;

5 (3) "Facility", any building used as a revenue-producing enterprise  
6 located within an enterprise zone, including the land on which the facility is  
7 located and all machinery, equipment and other real and depreciable tangible  
8 personal property acquired for use at and located at or within such facility and  
9 used in connection with the operation of such facility;

10 (4) "Governing authority", the body holding primary legislative  
11 authority over a county or incorporated municipality;

12 (5) "New business facility" shall have the meaning defined in section  
13 135.100, except that the term "lease" as used therein shall not include the  
14 leasing of property defined in paragraph (d) of subdivision (6) of this section;

- 15 (6) "Revenue-producing enterprise", means:
- 16 (a) Manufacturing activities classified as SICs 20 through 39;
- 17 (b) Agricultural activities classified as SIC 025;
- 18 (c) Rail transportation terminal activities classified as SIC 4013;
- 19 (d) Renting or leasing of residential property to low and moderate
- 20 income persons as defined in federal law, 42 U.S.C. 5302(a)(20);
- 21 (e) Motor freight transportation terminal activities classified as SIC
- 22 4231;
- 23 (f) Public warehousing and storage activities classified as SICs 422 and
- 24 423 except SIC 4221, miniwarehouse warehousing and warehousing
- 25 self-storage;
- 26 (g) Water transportation terminal activities classified as SIC 4491;
- 27 (h) Wholesale trade activities classified as SICs 50 and 51;
- 28 (i) Insurance carriers activities classified as SICs 631, 632 and 633;
- 29 (j) Research and development activities classified as SIC 873, except
- 30 8733;
- 31 (k) Farm implement dealer activities classified as SIC 5999;
- 32 (l) Employment agency activities classified as SIC 7361;
- 33 (m) Computer programming, data processing and other
- 34 computer-related activities classified as SIC 737;
- 35 (n) Health service activities classified as SICs 801, 802, 803, 804, 806,
- 36 807, 8092 and 8093;
- 37 (o) Interexchange telecommunications as defined in subdivision (20)
- 38 of section 386.020, RSMo, or training activities conducted by an interexchange
- 39 telecommunications company as defined in subdivision (19) of section 386.020,
- 40 RSMo;
- 41 (p) Recycling activities classified as SIC 5093;
- 42 (q) Banking activities classified as SICs 602 and 603;
- 43 (r) Office activities as defined in subdivision (8) of section 135.100,
- 44 notwithstanding SIC classification;
- 45 (s) Mining activities classified as SICs 10 through 14;
- 46 (t) The administrative management of any of the foregoing activities;
- 47 or
- 48 (u) Any combination of any of the foregoing activities;
- 49 (7) "Satellite zone", a noncontiguous addition to an existing state
- 50 designated enterprise zone;

51 (8) "SIC", the primary standard industrial classification as such  
52 classifications are defined in the 1987 edition of the Standard Industrial  
53 Classification Manual as prepared by the Executive Office of the President,  
54 Office of Management and Budget. For the purpose of this subdivision,  
55 "primary" means at least fifty percent of the activities so classified are  
56 performed at the new business facility during the taxpayer's tax period in  
57 which such tax credits are being claimed.]

135.205. For purposes of sections 135.200 to 135.256, an area must meet all the  
2 following criteria in order to qualify as an enterprise zone:

3 (1) The area is one of pervasive property, unemployment, and general distress;

4 (2) At least sixty-five percent of the residents living in the area have incomes below  
5 eighty percent of the median income of all residents within the state of Missouri according to  
6 the last decennial census or other appropriate source as approved by the director;

7 (3) The resident population of the area must be at least four thousand but not more  
8 than seventy-two thousand at the time of designation as an enterprise zone if the area lies  
9 within a metropolitan statistical area, as established by the United States Census Bureau;  
10 or, if the area does not lie within a metropolitan statistical area, the resident population of  
11 the area at the time of designation must be at least one thousand but not more than [twenty]  
12 **twenty-five** thousand inhabitants. If the population of the jurisdiction of the governing  
13 authority does not meet the minimum population requirements set forth in this subdivision,  
14 the population of the area must be at least fifty percent of the population of the jurisdiction;  
15 provided, however, no enterprise zone shall be created which consists of the total area within  
16 the political boundaries of a county; and

17 (4) The level of unemployment of persons, according to the most recent data available  
18 from the division of employment security or from the United States Bureau of Census and  
19 approved by the director, within the area exceeds one and one-half times the average rate of  
20 unemployment for the state of Missouri over the previous twelve months, or the percentage  
21 of area residents employed on a full-time basis is less than fifty percent of the statewide  
22 percentage of residents employed on a full-time basis.

135.230. 1. The exemption or credit established and allowed by section 135.220 and  
2 the credits allowed and established by subdivisions (1), (2), (3) and (4) of subsection 1 of  
3 section 135.225 shall be granted with respect to any new business facility located within an  
4 enterprise zone for a vested period not to exceed ten years following the date upon which the  
5 new business facility commences operation within the enterprise zone and such exemption  
6 shall be calculated, for each succeeding year of eligibility, in accordance with the formulas  
7 applied in the initial year in which the new business facility is certified as such, subject,

8 however, to the limitation that all such credits allowed in sections 135.225 and 135.235 and  
9 the exemption allowed in section 135.220 shall be removed not later than fifteen years after  
10 the enterprise zone is designated as such. No credits shall be allowed pursuant to subdivision  
11 (1), (2), (3) or (4) of subsection 1 of section 135.225 or section 135.235 and no exemption shall  
12 be allowed pursuant to section 135.220 unless the number of new business facility employees  
13 engaged or maintained in employment at the new business facility for the taxable year for  
14 which the credit is claimed equals or exceeds two or the new business facility is a  
15 revenue-producing enterprise as defined in paragraph (d) of subdivision (6) of section  
16 135.200. In order to qualify for either the exemption pursuant to section 135.220 or the credit  
17 pursuant to subdivision (4) of subsection 1 of section 135.225, or both, it shall be required that  
18 at least thirty percent of new business facility employees, as determined by subsection 4 of  
19 section 135.110, meet the criteria established in section 135.240 or are residents of an  
20 enterprise zone or some combination thereof, except taxpayers who establish a new business  
21 facility by operating a revenue-producing enterprise as defined in paragraph (d) of subdivision  
22 (6) of section 135.200 or any taxpayer that is an insurance company that established a new  
23 business facility satisfying the requirements of subdivision (8) of section 135.100 located  
24 within an enterprise zone after June 30, 1993, and before December 31, 1994, and that  
25 employs in excess of three hundred fifty new business facility employees at such facility each  
26 tax period for which the credits allowable pursuant to subdivisions (1) to (4) of subsection 1  
27 of section 135.225 are claimed shall not be required to meet such requirement. A new  
28 business facility described as SIC 3751 shall be required to employ fifteen percent of such  
29 employees instead of the required thirty percent. For the purpose of satisfying the  
30 thirty-percent requirement, residents must have lived in the enterprise zone for a period of  
31 at least one full calendar month and must have been employed at the new business facility  
32 for at least one full calendar month, and persons qualifying because they meet the  
33 requirements of section 135.240 must have satisfied such requirement at the time they were  
34 employed by the new business facility and must have been employed at the new business  
35 facility for at least one full calendar month. The director may temporarily reduce or waive  
36 this requirement for any business in an enterprise zone with ten or less full-time employees,  
37 and for businesses with eleven to twenty full-time employees this requirement may be  
38 temporarily reduced. No reduction or waiver may be granted for more than one tax period  
39 and shall not be renewable. The exemptions allowed in sections 135.215 and 135.220 and the  
40 credits allowed in sections 135.225 and 135.235 and the refund established and authorized  
41 in section 135.245 shall not be allowed to any "public utility", as such term is defined in  
42 section 386.020, RSMo.

43 2. Notwithstanding the provisions of subsection 1 of this section, motor carriers, barge

44 lines or railroads engaged in transporting property for hire or any interexchange  
45 telecommunications company that establish a new business facility shall be eligible to qualify  
46 for the exemptions allowed in sections 135.215 and 135.220, and the credits allowed in  
47 sections 135.225 and 135.235 and the refund established and authorized in section 135.245,  
48 except that trucks, truck-trailers, truck semitrailers, rail or barge vehicles or other rolling  
49 stock for hire, track, switches, bridges, barges, tunnels, rail yards and spurs shall not  
50 constitute new business facility investment nor shall truck drivers or rail or barge vehicle  
51 operators constitute new business facility employees.

52           3. Notwithstanding any other provision of sections 135.200 to 135.256 to the contrary,  
53 motor carriers establishing a new business facility on or after January 1, 1993, but before  
54 January 1, 1995, may qualify for the tax credits available pursuant to sections 135.225 and  
55 135.235 and the exemption provided in section 135.220, even if such new business facility has  
56 not satisfied the employee criteria, provided that such taxpayer employs an average of at least  
57 two hundred persons at such facility, exclusive of truck drivers and provided that such  
58 taxpayer maintains an average investment of at least ten million at such facility, exclusive  
59 of rolling stock, during the tax period for which such credits and exemption are being claimed.

60           4. Any governing authority having jurisdiction of an area that has been designated  
61 an enterprise zone may petition the department to expand the boundaries of such existing  
62 enterprise zone. The director may approve such expansion if the director finds that:

63           (1) The area to be expanded meets the requirements prescribed in section 135.207 or  
64 135.210, whichever is applicable;

65           (2) The area to be expanded is contiguous to the existing enterprise zone;

66           (3) The number of expansions do not exceed three after August 28, 1994.

67           5. Notwithstanding the fifteen-year limitation as prescribed in subsection 1 of this  
68 section, any governing authority having jurisdiction of an area that has been designated as  
69 an enterprise zone by the director, except one designated pursuant to this subsection, may file  
70 a petition, as prescribed by the director, for redesignation of such area for an additional period  
71 not to exceed seven years following the fifteenth anniversary of the enterprise zone's initial  
72 designation date; provided:

73           (1) The petition is filed with the director within three years prior to the date the tax  
74 credits authorized in sections 135.225 and 135.235 and the exemption allowed in section  
75 135.220 are required to be removed pursuant to subsection 1 of this section;

76           (2) The governing authority identifies and conforms the boundaries of the area to be  
77 designated a new enterprise zone to the political boundaries established by the latest  
78 decennial census, unless otherwise approved by the director;

79           (3) The area satisfies the requirements prescribed in subdivisions (3), (4) and (5) of

80 section 135.205 according to the latest decennial census or other appropriate source as  
81 approved by the director;

82 (4) The governing authority satisfies the requirements prescribed in sections 135.210,  
83 135.215 and 135.255;

84 (5) The director finds that the area is unlikely to support reasonable tax assessment  
85 or to experience reasonable economic growth without such designation; and

86 (6) The director's recommendation that the area be designated as an enterprise zone,  
87 is approved by the joint committee on economic development policy and planning, as  
88 otherwise required in subsection 3 of section 135.210.

89 6. Any taxpayer having established a new business facility in an enterprise zone  
90 except one designated pursuant to subsection 5 of this section, who did not earn the tax  
91 credits authorized in sections 135.225 and 135.235 and the exemption allowed in section  
92 135.220 for the full ten-year period because of the fifteen-year limitation as prescribed in  
93 subsection 1 of this section, shall be granted such benefits for ten tax years, less the number  
94 of tax years the benefits were claimed or could have been claimed prior to the expiration of  
95 the original fifteen-year period, except that such tax benefits shall not be earned for more  
96 than seven tax periods during the ensuing seven-year period, provided the taxpayer continues  
97 to operate the new business facility in an area that is designated an enterprise zone pursuant  
98 to subsection 5 of this section. Any taxpayer who establishes a new business facility  
99 subsequent to the commencement of the ensuing seven-year period, as authorized in  
100 subsection 5 of this section, may qualify for the tax credits authorized in sections 135.225 and  
101 135.235, and the exemptions authorized in sections 135.215 and 135.220, pursuant to the  
102 same terms and conditions as prescribed in sections 135.100 to 135.256. The designation of  
103 any enterprise zone pursuant to subsection 5 of this section shall not be subject to the fifty  
104 enterprise zone limitation imposed in subsection 4 of section 135.210.

105 **7. Any employee of a new business facility with an NAICS 336991 as**  
106 **described in this section who was a resident of an enterprise zone for at least one**  
107 **full calendar month on the date of employment and who has been employed at the**  
108 **new business facility, and who remains a resident of the enterprise zone for at least**  
109 **three months following the commencement of employment, may be counted as an**  
110 **enterprise zone resident for the purposes of this section regardless of whether such**  
111 **person continues to reside in an enterprise zone, as long as the employee remains**  
112 **employed by the new business facility and resides in Missouri.**

135.400. As used in sections 135.400 to 135.430, the following terms mean:

2 (1) "Certificate", a tax credit certificate issued by the department of economic  
3 development in accordance with sections 135.400 to 135.430;

4           (2) "Community bank", either a bank community development corporation or  
5 development bank, which are financial organizations which receive investments from  
6 commercial financial institutions regulated by the federal reserve, the office of the comptroller  
7 of the currency, the office of thrift supervision, or the Missouri division of  
8 finance. Community banks, in addition to their other privileges, shall be allowed to make  
9 loans to businesses or equity investments in businesses or in real estate provided that such  
10 transactions have associated public benefits;

11           (3) "Community development corporation", a not-for-profit corporation [and a recipient  
12 of Community Development Block Grant (CDBG) funds pursuant to the Housing Community  
13 Development Act of 1974. Such corporations design specific, comprehensive programs to  
14 stimulate economic development, housing or other public benefits leading to the development  
15 of economically sustainable neighborhoods or communities] **whose board of directors is**  
16 **composed of business, civic and community leaders, and whose primary purpose**  
17 **is to encourage and promote the industrial, economic, entrepreneurial, commercial**  
18 **and civic development or redevelopment of a community or area, including the**  
19 **provisions of housing and community economic development projects that benefit**  
20 **low-income individuals and communities;**

21           (4) "Department", the Missouri department of economic development;

22           (5) "Director", the director of the department of economic development, or a person  
23 acting under the supervision of the director;

24           (6) "Investment", a transaction in which a Missouri small business or a community  
25 bank receives a monetary benefit from an investor pursuant to the provisions of sections  
26 135.403 to 135.414;

27           (7) "Investor", an individual, partnership, financial institution, trust or corporation  
28 meeting the eligibility requirements of sections 135.403 to 135.414. In the case of  
29 partnerships and nontaxable trusts, the individual partners or beneficiaries shall be treated  
30 as the investors;

31           (8) "Missouri small business", an independently owned and operated business as  
32 defined in Title 15 U.S.C. Section 632(a) and as described by Title 13 CFR Part 121, which  
33 is headquartered in Missouri and which employs at least eighty percent of its employees in  
34 Missouri, except that no such small business shall employ more than one hundred  
35 employees. Such businesses must be involved in interstate or intrastate commerce for the  
36 purpose of manufacturing, processing or assembling products, conducting research and  
37 development, or providing services in interstate commerce, but excluding retail, real estate,  
38 insurance or professional services. For the purpose of qualifying for the tax credit pursuant  
39 to sections 135.400 to 135.430, "Missouri small business" shall include cooperative marketing

40 associations organized pursuant to chapter 274, RSMo, which are engaged in the business of  
41 producing and marketing fuels derived from agriculture commodities, without regard for  
42 whether a cooperative marketing association has more than one hundred  
43 employees. Cooperative marketing associations organized pursuant to chapter 274, RSMo,  
44 shall not be required to comply with the requirements of section 135.414;

45 (9) "Primary employment", work which pays at least the minimum wage and which  
46 is not seasonal or part-time;

47 (10) "Principal owners", one or more persons who own an aggregate of ~~[fifty]~~ **thirty-**  
48 **five** percent or more of the Missouri small business and who are involved in the operation of  
49 the business as a full-time professional activity;

50 (11) "Project", any commercial or industrial business or other economic development  
51 activity undertaken in a target area, designed to reduce conditions of blight, unemployment  
52 or widespread reliance on public assistance which creates permanent primary employment  
53 opportunities;

54 (12) "State tax liability", any liability incurred by a taxpayer pursuant to the  
55 provisions of chapter 143, RSMo, chapter 147, RSMo, chapter 148, RSMo, section 375.916,  
56 RSMo, and chapter 153, RSMo, exclusive of the provisions relating to the withholding of tax  
57 as provided for in sections 143.191 to 143.265, RSMo, and related provisions[;

58 (13) "Target area", a group of blocks or a self-defined neighborhood where the rate of  
59 poverty in the area is greater than twice the national poverty rate and as defined by the  
60 department of social services in conjunction with the department of economic  
61 development. Areas of the state satisfying the criteria of this subdivision may be designated  
62 as a "target area" following appropriate findings made and certified by the departments of  
63 economic development and social services. In making such findings, the departments of  
64 economic development and social services may use any commonly recognized records and  
65 statistical indices published or made available by any agency or instrumentality of the federal  
66 or state government. No area of the state shall be a target area until so certified by the  
67 department of social services and the revitalization plan submitted pursuant to section  
68 208.335, RSMo, has received approval].

135.403. 1. Any investor who makes a qualified investment in a Missouri small  
2 business shall be entitled to receive a tax credit equal to forty percent of the amount of the  
3 investment or, in the case of a qualified investment in a Missouri small business in a  
4 distressed community as defined by section 135.530, a credit equal to sixty percent of the  
5 amount of the investment, and any investor who makes a qualified investment in a  
6 community bank or a community development corporation shall be entitled to receive a tax  
7 credit equal to fifty percent of the amount of the investment if the investment is made in a

8 community bank or community development corporation for direct investment. The total  
9 amount of tax credits available for qualified investments in Missouri small businesses shall  
10 not exceed ~~[thirteen]~~ **four** million dollars **per year for ten years** and at least ~~[four]~~ **two**  
11 million dollars **per year** of the amount authorized by this section and certified by the  
12 department of economic development shall be for investment in Missouri small businesses in  
13 distressed communities. Authorization for all or any part of this ~~[four-million-dollar amount]~~  
14 **two million dollars per year** shall in no way restrict the eligibility of Missouri small  
15 businesses in distressed communities, as defined in section 135.530, for the remaining  
16 amounts authorized within this section. No more than twenty percent of the tax credits  
17 available each year for investments in community banks or community development  
18 corporations for direct investment shall be certified for any one project, as defined in section  
19 135.400. The tax credit shall be evidenced by a tax credit certificate in accordance with the  
20 provisions of sections 135.400 to 135.430 and may be used to satisfy the state tax liability of  
21 the owner of the certificate that becomes due in the tax year in which the qualified  
22 investment is made, or in any of the ~~[ten]~~ **five** tax years thereafter. When the qualified small  
23 business is in a distressed community, as defined in section 135.530, the tax credit may also  
24 be used to satisfy the state tax liability of the owner of the certificate that was due during  
25 each of the previous three years in addition to the year in which the investment is made and  
26 any of the ~~[ten]~~ **five** years thereafter. No investor may receive a tax credit pursuant to  
27 sections 135.400 to 135.430 unless that person presents a tax credit certificate to the  
28 department of revenue for payment of such state tax liability. The department of revenue  
29 shall grant tax credits in the same order as established by subsection 1 of section 32.115,  
30 RSMo. Subject to the provisions of sections 135.400 to 135.430, certificates of tax credit  
31 issued in accordance with these sections may be transferred, sold or assigned by **filing a**  
32 notarized endorsement thereof **with the department** which names the transferee **and the**  
33 **amount of tax credit transferred.**

34         2. Five hundred thousand dollars in tax credits shall be available annually from the  
35 total amount of tax credits authorized by section 32.110, RSMo, and subdivision (4) of  
36 subsection 2 of section 32.115, RSMo, as a result of investments in community banks or  
37 community development corporations. Aggregate investments eligible for tax credits in any  
38 one Missouri small business shall not be more than one million dollars. Aggregate  
39 investments eligible for tax credits in any one Missouri small business shall not be less than  
40 five thousand dollars as of the date of issuance of the first tax credit certificate for investment  
41 in that business.

42         3. This section and section 620.1039, RSMo, shall become effective January 1, 2001.  
135.408. A qualified investment in a Missouri small business may be made either

2 through an unsecured loan or the purchase of equity or unsecured debt securities of such  
3 business. Investors in a small business qualifying for tax credits [under] **pursuant to** the  
4 provisions of sections 135.400 to 135.430, however, must collectively own less than [fifty]  
5 **sixty-five** percent of a business after their investments are made. Qualified investments in  
6 a Missouri small business must be expended for capital improvements, plant, equipment,  
7 research and development, or working capital for the business or such business activity as  
8 may be approved by the department.

135.411. The amount of the qualified investment made in a Missouri small business  
2 must remain in that business for a minimum of [five] **three** years **and, if the business is**  
3 **in a distressed community, it must remain in the distressed community for a**  
4 **minimum of five years.** Withdrawal of the investment prior to the minimum [five-year]  
5 period shall result in revocation of the tax credit, and repayment of any amounts of the tax  
6 credit already applied against the investor's state tax liability, **but the department may**  
7 **pro rate the revocation or repayment authorized by this section. The sale, change**  
8 **in control or going public of a business shall not trigger such a revocation if the**  
9 **business continues to operate.**

135.423. **Except as otherwise provided by this section,** the department may  
2 revoke a tax credit certificate **issued pursuant to sections 135.400 to 135.430 or enforce**  
3 **repayment of any amount of the tax credit already applied against the investor's**  
4 **state tax liability** if any representation to the department in connection with the application  
5 proves to have been false when made or if the application violates any conditions established  
6 by the department and stated in the tax credit certificate. The revocation may be in full or  
7 in part as the department may determine. The department shall specify the amount of credit  
8 being revoked and shall send notice of the revocation to the investor and to the state  
9 department of revenue. **Any revocation, partial revocation or repayment of a tax**  
10 **credit issued pursuant to sections 135.400 to 135.430 shall apply only to the original**  
11 **applicant for the tax credit and not to a good faith subsequent purchaser or**  
12 **transferee thereof.**

135.460. 1. Section 135.460 and sections 620.1100 and 620.1103, RSMo, shall be  
2 known and may be cited as the "Youth Opportunities and Violence Prevention Act".

3 2. As used in this section, the term "taxpayer" shall include corporations as defined  
4 in section 143.441 or 143.471, RSMo, and individuals, individual proprietorships and  
5 partnerships.

6 3. A taxpayer shall be allowed a tax credit against the tax otherwise due pursuant to  
7 chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo,  
8 chapter 147, RSMo, chapter 148, RSMo, or chapter 153, RSMo, in an amount equal to thirty

9 percent for property contributions and fifty percent for monetary contributions of the amount  
10 such taxpayer contributed to the programs described in subsection 5 of this section, not to  
11 exceed two hundred thousand dollars per taxable year, per taxpayer; except as otherwise  
12 provided in subdivision (5) of subsection 5 of this section. The department of economic  
13 development shall prescribe the method for claiming the tax credits allowed in this  
14 section. No rule or portion of a rule promulgated under the authority of this section shall  
15 become effective unless it has been promulgated pursuant to the provisions of chapter 536,  
16 RSMo. All rulemaking authority delegated prior to June 27, 1997, is of no force and effect and  
17 repealed; however, nothing in this section shall be interpreted to repeal or affect the validity  
18 of any rule filed or adopted prior to June 27, 1997, if such rule complied with the provisions  
19 of chapter 536, RSMo. The provisions of this section and chapter 536, RSMo, are  
20 nonseverable and if any of the powers vested with the general assembly pursuant to chapter  
21 536, RSMo, including the ability to review, to delay the effective date, or to disapprove and  
22 annul a rule or portion of a rule, are subsequently held unconstitutional, then the purported  
23 grant of rulemaking authority and any rule so proposed and contained in the order of  
24 rulemaking shall be invalid and void.

25 4. The tax credits allowed by this section shall be claimed by the taxpayer to offset  
26 the taxes that become due in the taxpayer's tax period in which the contribution was  
27 made. Any tax credit not used in such tax period may be carried over the next five succeeding  
28 tax periods.

29 5. The tax credit allowed by this section may only be claimed for monetary or property  
30 contributions to public or private programs authorized to participate pursuant to this section  
31 by the department of economic development and may be claimed for the development,  
32 establishment, implementation, operation, and expansion of the following activities and  
33 programs:

34 (1) An adopt-a-school program. Components of the adopt-a-school program shall  
35 include donations for school activities, seminars, and functions; school-business employment  
36 programs; and the donation of property and equipment of the corporation to the school;

37 (2) Expansion of programs to encourage school dropouts to re-enter and complete high  
38 school or to complete a graduate equivalency degree program;

39 (3) Employment programs. Such programs shall initially, but not exclusively, target  
40 unemployed youth living in poverty and youth living in areas with a high incidence of crime;

41 (4) New or existing youth clubs or associations;

42 (5) Employment/internship/apprenticeship programs in business or trades for persons  
43 less than twenty years of age, in which case the tax credit claimed pursuant to this section  
44 shall be equal to one-half of the amount paid to the intern or apprentice in that tax year,

45 except that such credit shall not exceed ten thousand dollars per person;

46 (6) Mentor and role model programs;

47 (7) Drug and alcohol abuse prevention training programs for youth;

48 (8) Donation of property or equipment of the taxpayer to schools, including schools  
49 which primarily educate children who have been expelled from other schools, or donation of  
50 the same to municipalities, or not-for-profit corporations or other not-for-profit organizations  
51 which offer programs dedicated to youth violence prevention as authorized by the department;

52 (9) Not-for-profit, private or public youth activity centers;

53 (10) Nonviolent conflict resolution and mediation programs;

54 (11) Youth outreach and counseling programs.

55 **6. For programs serving youth in distressed communities, as defined in**  
56 **section 135.530, in addition to the eligible activities and programs set forth in**  
57 **subsection 5 of this section, the following are also eligible activities and programs:**

58 **(1) For an adopt-a-school program, donations for instructional training,**  
59 **curriculum development and evaluation initiatives;**

60 **(2) Expansion of programs to enhance student assessment and evaluation**  
61 **activities;**

62 **(3) Donation of property or equipment of the taxpayer and/or donation of**  
63 **monies to schools, including schools that primarily educate children who have been**  
64 **expelled from other schools, for the purpose of enhancing teacher recruitment,**  
65 **recruitment incentives and professional development initiatives;**

66 **(4) Donation of property or equipment of the taxpayer and/or donation of**  
67 **monies to schools for remodeling and/or building laboratory and classroom space**  
68 **for computer-assisted instruction; for recruitment and retention of school-based**  
69 **technical specialists who, among other things, maintain computer hardware and**  
70 **systems; and to supply software and library materials to support teacher**  
71 **professional development and student instruction;**

72 **(5) Donation of property or equipment of the taxpayer or donation of monies**  
73 **for the development and implementation, including expenses for personnel, of**  
74 **programs that provide preschool, after school and summer instructional programs**  
75 **for students;**

76 **(6) Donation of property or equipment of the taxpayer or donation of monies**  
77 **for the rehabilitation and renovation of a historic structure, as defined in section**  
78 **253.545, RSMo, for the sole purpose of providing a structure for housing a school**  
79 **for persons under the age of eighteen.**

80 **7. Any program authorized in subsection 5 or 6 of this section shall, at least annually,**  
81 **submit a report to the department of economic development outlining the purpose and**

82 objectives of such program, the number of youth served, the specific activities provided  
83 pursuant to such program, the duration of such program and recorded youth attendance  
84 where applicable.

85 [7.] 8. The department of economic development shall, at least annually submit a  
86 report to the Missouri general assembly listing the organizations participating, services  
87 offered and the number of youth served as the result of the implementation of this section.

88 [8. The tax credit allowed by this section shall apply to all taxable years beginning  
89 after December 31, 1995.]

90 9. For the purposes of the credits described in this section, in the case of a corporation  
91 described in section 143.471, RSMo, partnership, limited liability company described in  
92 section 347.015, RSMo, cooperative, marketing enterprise, or partnership, in computing  
93 Missouri's tax liability, such credits shall be allowed to the following:

- 94 (1) The shareholders of the corporation described in section 143.471, RSMo;  
95 (2) The partners of the partnership;  
96 (3) The members of the limited liability company; and  
97 (4) Individual members of the cooperative or marketing enterprise.

98 Such credits shall be apportioned to the entities described in subdivisions (1) and (2) of this  
99 subsection in proportion to their share of ownership on the last day of the taxpayer's tax  
100 period.

101 **10. Certificates of tax credit issued pursuant to this section may be**  
102 **transferred, sold or assigned by filing a notarized endorsement thereof with the**  
103 **department which names the transferee and the amount of tax credit transferred,**  
104 **as well as any other information reasonably requested by the department.**

135.478. As used in sections 135.481 to 135.487, the following terms mean:

- 2 (1) "Department", the department of economic development;  
3 (2) "Director", the director of the department of economic development;  
4 (3) "Distressed community", as defined in section 135.530;  
5 (4) "Eligible costs for a new residence", expenses incurred for property acquisition,  
6 development, site preparation, surveys, architectural and engineering services and  
7 construction and all other necessary and incidental expenses incurred for constructing a new  
8 market rate residence, which is or will be owner-occupied, which is not replacing a national  
9 register listed or local historic structure; except that, costs paid for by the taxpayer with  
10 grants or forgivable loans, other than tax credits, provided pursuant to state or federal  
11 governmental programs are ineligible;  
12 (5) "Eligible costs for rehabilitation", expenses incurred for the renovation or  
13 rehabilitation of an existing residence including site preparation, surveys, architectural and

14 engineering services, construction, modification, expansion, remodeling, structural alteration,  
15 replacements and alterations; except that, costs paid for by the taxpayer with grants or  
16 forgivable loans other than tax credits provided pursuant to state or federal governmental  
17 programs are ineligible;

18 (6) "Eligible residence", a single-family residence forty years of age or older, located  
19 in this state and not within a distressed community as defined by section 135.530, which is  
20 occupied or intended to be or occupied long-term by the owner or offered for sale at market  
21 rate for owner-occupancy and which is either located within a United States census block  
22 group which, if in a metropolitan statistical area, has a median household income of less than  
23 ninety percent, but greater than or equal to seventy percent of the median household income  
24 for the metropolitan statistical area in which the census block group is located, or which, if  
25 located within a United States census block group in a nonmetropolitan area, has a median  
26 household income of less than ninety percent, but greater than or equal to seventy percent  
27 of the median household income for the nonmetropolitan areas in the state. **An eligible  
28 residence shall include a condominium or residence within a multiple residential  
29 structure or a structure containing multiple single family residences;**

30 (7) "Flood plain", any land or area susceptible to being inundated by water from any  
31 source or located in a one hundred-year flood plain area determined by Federal Emergency  
32 Management Agency mapping as subject to flooding;

33 (8) "New residence", a residence constructed on land which if located within a  
34 distressed community has either been vacant for at least two years or is or was occupied by  
35 a structure which has been condemned by the local entity in which the structure is located  
36 or which, if located outside of a distressed community but within a census block group as  
37 described in subdivision (6) or (10) of this section, either replaces a residence forty years of  
38 age or older demolished for purposes of constructing a replacement residence, or which is  
39 constructed on vacant property which has been classified for not less than forty continuous  
40 years as residential or utility, commercial, railroad or other real property pursuant to article  
41 X, section 4(b) of the Missouri Constitution, as defined in section 137.016, RSMo[;], **or, if in  
42 a county of the third classification without a township form of government and a  
43 population of more than thirty-two thousand but less than thirty-five thousand, or  
44 a county of the first classification without a charter form of government and with  
45 a population of more than two hundred thousand but less than two hundred ten  
46 thousand, vacant property classified as agricultural and horticultural property, as  
47 defined in section 137.016, RSMo, and that is wholly within or contiguous to a  
48 central business district;** except that, no new residence shall be constructed in a floodplain  
49 or on property used for agricultural purposes **except as otherwise provided herein.** [In

50 a distressed community,] The term "new residence" shall include condominiums,  
51 owner-occupied units or other units intended to be owner-occupied in multiple unit structures  
52 **or as separate adjacent single-family units;**

53 (9) "Project", new construction, rehabilitation or substantial rehabilitation of a  
54 residence **or residences, whether comprised of one structure containing multiple**  
55 **single-family residences or multiple individual structures** that [qualifies] **qualify** for  
56 a tax credit pursuant to sections 135.475 to 135.487;

57 (10) "Qualifying residence", a single-family residence, forty years of age or older,  
58 located in this state which is occupied or intended to be occupied long-term by the owner or  
59 offered for sale at market rate for owner-occupancy and which is located in a metropolitan  
60 statistical area or nonmetropolitan statistical area within a United States census block group  
61 which has a median household income of less than seventy percent of the median household  
62 income for the metropolitan statistical area or nonmetropolitan area, respectively, or which  
63 is located within a distressed community. A qualifying residence shall include a condominium  
64 or residence within a multiple residential structure or a structure containing multiple  
65 single-family residences which is located within a distressed community;

66 (11) "Substantial rehabilitation", rehabilitation the costs of which exceed fifty percent  
67 of either the purchase price or the cost basis of the structure immediately prior to  
68 rehabilitation; provided that, the structure is at least fifty years old notwithstanding any  
69 provision of sections 135.475 to 135.487 to the contrary;

70 (12) "Tax liability", the tax due pursuant to chapter 143, 147 or 148, RSMo, other than  
71 taxes withheld pursuant to sections 143.191 to 143.265, RSMo;

72 (13) "Taxpayer", any person, partnership, corporation, trust or limited liability  
73 company;

74 **(14) "Central business district", the area in a municipality which is and**  
75 **traditionally has been the location of the principal business, commercial, financial,**  
76 **service and governmental center, zoned or used accordingly.**

135.481. 1. (1) Any taxpayer who incurs eligible costs for a new residence located in  
2 a distressed community or within a census block group as described in subdivision **(6) or** (10)  
3 of section 135.478, or for a multiple unit condominium described in subdivision (2) of this  
4 subsection, shall receive a tax credit equal to [fifteen] **twenty** percent of such costs against  
5 his or her tax liability. The tax credit shall not exceed forty thousand dollars per new  
6 residence in any ten-year period.

7 (2) For the purposes of this section, a "multiple unit condominium" is one that is  
8 intended to be owner occupied, which is constructed on property subject to an industrial  
9 development contract as defined in section 100.310, RSMo, and which lies within an area with

10 a city zoning classification of urban redevelopment district established after January 1, 2000,  
11 and before December 31, 2001, and which is constructed in connection with the qualified  
12 rehabilitation of a structure more than ninety years old eligible for the historic structures  
13 rehabilitation tax credit described in sections 253.545 to 253.559, RSMo, and is under way  
14 by January 1, 2000, and completed by January 1, 2002.

15 [2. Any taxpayer who incurs eligible costs for a new residence located within a census  
16 block as described in subdivision (6) of section 135.478 shall receive a tax credit equal to  
17 fifteen percent of such costs against his or her tax liability. The tax credit shall not exceed  
18 twenty-five thousand dollars per new residence in any ten-year period.]

19 [3.] 2. Any taxpayer who is not performing substantial rehabilitation and who incurs  
20 eligible costs for rehabilitation of an eligible residence or a qualifying residence shall receive  
21 a tax credit equal to twenty-five percent of such costs against his or her tax liability. The  
22 minimum eligible costs for rehabilitation of an eligible residence shall be ten thousand  
23 dollars. The minimum eligible costs for rehabilitation of a qualifying residence shall be five  
24 thousand dollars. The tax credit shall not exceed twenty-five thousand dollars in any ten-year  
25 period.

26 [4.] 3. Any taxpayer who incurs eligible costs for substantial rehabilitation of a  
27 qualifying residence shall receive a tax credit equal to thirty-five percent of such costs against  
28 his or her tax liability. The minimum eligible costs for substantial rehabilitation of a  
29 qualifying residence shall be ten thousand dollars. The tax credit shall not exceed seventy  
30 thousand dollars in any ten-year period.

31 [5.] 4. A taxpayer shall be eligible to receive tax credits for new construction or  
32 rehabilitation pursuant to only one subsection of this section.

33 [6.] 5. No tax credit shall be issued pursuant to this section for any structure which  
34 is in violation of any municipal or county property, maintenance or zoning code.

35 [7.] 6. No tax credit shall be issued pursuant to sections 135.475 to 135.487 for the  
36 construction or rehabilitation of rental property.

135.484. 1. Beginning January 1, 2000, tax credits shall be allowed pursuant to  
2 section 135.481 in an amount not to exceed sixteen million dollars per year. Of this total  
3 amount of tax credits in any given year, eight million dollars shall be set aside for projects in  
4 areas described in subdivision (6) of section 135.478 and eight million dollars for projects in  
5 areas described in subdivision (10) of section 135.478. The maximum tax credit for a project  
6 [consisting of multiple-unit qualifying residences in a distressed community] shall not exceed  
7 [three] **one million five hundred thousand** dollars. **If, by October first of any calendar**  
8 **year, the director has issued all eight million dollars of tax credits allowed for**  
9 **projects in areas described in subdivision (6) of section 135.478, but not for projects**

10 **in areas described in subdivision (10) of section 135.478, or vice versa, the director**  
11 **shall reallocate seventy percent of any credits not allocated to finally approved**  
12 **applications for issuance to taxpayers which:**

13 **(1) Are engaged in projects in the area in which tax credits totaling eight**  
14 **million dollars have already been issued for the same year; and**

15 **(2) Have already applied for, but have not yet been issued, tax credits**  
16 **pursuant to section 135.487 for the same year.**

17 **Reallocated credits shall be issued pursuant to section 135.487; except that, the**  
18 **maximum reallocated tax credit for any project shall not exceed five hundred**  
19 **thousand dollars.**

20 2. Any amount of credit which exceeds the tax liability of a taxpayer for the tax year  
21 in which the credit is first claimed may be carried back to any of the taxpayer's three prior  
22 tax years and carried forward to any of the taxpayer's five subsequent tax years. A certificate  
23 of tax credit issued to a taxpayer by the department may be assigned, transferred, sold or  
24 otherwise conveyed. Whenever a certificate of tax credit is assigned, transferred, sold or  
25 otherwise conveyed, a notarized endorsement shall be filed with the department specifying  
26 the name and address of the new owner of the tax credit and the value of the credit.

27 3. The tax credits allowed pursuant to sections 135.475 to 135.487 may not be claimed  
28 in addition to any other state tax credits, with the exception of the historic structures  
29 rehabilitation tax credit authorized pursuant to sections 253.545 to 253.559, RSMo, which  
30 insofar as sections 135.475 to 135.487 are concerned may be claimed only in conjunction with  
31 the tax credit allowed pursuant to subsection 4 of section 135.481. In order for a taxpayer  
32 eligible for the historic structures rehabilitation tax credit to claim the tax credit allowed  
33 pursuant to subsection 4 of section 135.481, the taxpayer must comply with the requirements  
34 of sections 253.545 to 253.559, RSMo, and in such cases, the amount of the tax credit  
35 pursuant to subsection 4 of section 135.481 shall be limited to the lesser of twenty percent of  
36 the taxpayer's eligible costs or forty thousand dollars.

135.487. 1. To obtain any credit allowed pursuant to sections 135.475 to 135.487, a  
2 taxpayer shall submit to the department, for preliminary approval, an application for tax  
3 credit. The director shall, upon final approval of an application and presentation of  
4 acceptable proof of substantial completion of construction, issue the taxpayer a certificate of  
5 tax credit. **In the case of projects involving the new construction, rehabilitation or**  
6 **substantial rehabilitation of more than one residence, one application for tax credit**  
7 **may be submitted to the department for preliminary approval for the entire**  
8 **project, and the director shall issue the taxpayer a certificate of tax credit upon**  
9 **final approval of an application and presentation of acceptable proof of substantial**

10 **completion of construction for each individual residence rather than delaying**  
11 **issuance of a tax credit pursuant to sections 135.475 to 135.487 until substantial**  
12 **completion of the entire project.** The director shall issue all credits allowed pursuant to  
13 sections 135.475 to 135.487 in the order the applications are received. In the case of a  
14 taxpayer other than an owner-occupant, the director shall not delay the issuance of a tax  
15 credit pursuant to sections 135.475 to 135.487 until the sale of a residence at market rate for  
16 owner-occupancy. A taxpayer, taxpayer other than an owner-occupant who receives a  
17 certificate of tax credit pursuant to sections 135.475 to 135.487 shall, within thirty days of the  
18 date of the sale of a residence, furnish to the director satisfactory proof that such residence  
19 was sold at market rate for owner-occupancy. If the director reasonably determines that a  
20 residence was not in good faith intended for long-term owner occupancy, the director make  
21 revoke any tax credits issued and seek recovery of any tax credits issued pursuant to section  
22 620.017, RSMo.

23         2. The department may cooperate with a municipality or a county in which a project  
24 is located to help identify the location of the project, the type and eligibility of the project, the  
25 estimated cost of the project and the completion date of the project.

26         3. The department may promulgate such rules or regulations or issue administrative  
27 guidelines as are necessary to administer the provisions of sections 135.475 to 135.487. No  
28 rule or portion of a rule promulgated pursuant to the authority of this section shall become  
29 effective unless it has been promulgated pursuant to the provisions of chapter 536, RSMo.

30         4. The department shall conduct annually a comprehensive program evaluation  
31 illustrating where the tax credits allowed pursuant to sections 135.475 to 135.487 are being  
32 utilized, explaining the economic impact of such program and making recommendations on  
33 appropriate program modifications to ensure the program's success.

135.500. 1. Sections 135.500 to 135.529 shall be known and may be cited as the  
2 "Missouri Certified Capital Company Law".

3         2. As used in sections 135.500 to 135.529, the following terms mean:

4         (1) "Affiliate of a certified company":

5             (a) Any person, directly or indirectly owning, controlling or holding power to vote [ten]  
6 **fifteen** percent or more of the outstanding voting securities or other ownership interests of  
7 the Missouri certified capital company;

8             (b) Any person [ten] **fifteen** percent or more of whose outstanding voting securities  
9 or other ownership interest are directly or indirectly owned, controlled or held with power to  
10 vote by the Missouri certified capital company;

11             (c) Any person directly or indirectly controlling, controlled by, or under common  
12 control with the Missouri certified capital company;

13 (d) A partnership in which the Missouri certified capital company is a general  
14 partner;

15 (e) Any person who is an officer, director or agent of the Missouri certified capital  
16 company or an immediate family member of such officer, director or agent;

17 (2) "Applicable percentage", one hundred percent;

18 (3) "Capital in a qualified Missouri business", any debt, equity or hybrid security, of  
19 any nature and description whatsoever, including a debt instrument or security which has  
20 the characteristics of debt but which provides for conversion into equity or equity  
21 participation instruments such as options or warrants which are acquired by a Missouri  
22 certified capital company as a result of a transfer of cash to a business. Capital in a qualified  
23 Missouri business shall not include secured debt instruments;

24 (4) "Certified capital **investment**", an investment of cash by an investor in a Missouri  
25 certified capital company **that fully funds either the investor's equity interest in a**  
26 **certified capital company, a qualified debt instrument that a certified capital**  
27 **company issues, or both;**

28 (5) "Certified capital company", any partnership, corporation, trust or limited liability  
29 company, whether organized on a profit or not-for-profit basis, that is located, headquartered  
30 and registered to conduct business in Missouri that has as its primary business activity, the  
31 investment of cash in qualified Missouri businesses, and which is certified by the department  
32 as meeting the criteria of sections 135.500 to 135.529;

33 (6) "Department", the Missouri department of economic development;

34 (7) "Director", the director of the department of economic development or a person  
35 acting under the supervision of the director;

36 (8) "Investor", any insurance company that contributes cash;

37 (9) "Liquidating distribution", payments to investors or to the certified capital  
38 company from earnings;

39 (10) "Person", any natural person or entity, including a corporation, general or limited  
40 partnership, trust or limited liability company;

41 (11) "**Qualified debt instrument**", a debt instrument that a certified capital  
42 **company issues at par value or at a premium that:**

43 (a) **Has an original maturity date of at least five years from the date on**  
44 **which it was issued;**

45 (b) **Has a repayment schedule that is no faster than a level principal**  
46 **amortization; and**

47 (c) **Until the certified capital company may make distributions other than**  
48 **qualified distributions, the interest, distribution or payment features of which are**

49 **not related to the certified capital company's profitability or the performance of its**  
50 **investment portfolio;**

51 **(12)** "Qualified distribution", any distribution of payment to equity holders of a  
52 certified capital company in connection with the following:

53 (a) Reasonable costs and expenses of forming, syndicating, managing and operating  
54 the certified capital company;

55 (b) Management fees for managing and operating the certified capital company [; and]  
56 **which, on an annual basis, do not exceed two and one-half percent of the certified**  
57 **capital company's total certified capital;**

58 **(c) Reasonable and necessary fees paid for professional services related to**  
59 **the operation of the certified capital company; and**

60 [(c)] **(d)** Any increase in federal or state taxes, penalties and interest, including those  
61 related to state and federal income taxes, of equity owners of a certified capital company  
62 which related to the ownership, management or operation of a certified capital company;

63 [(12)] **(13)** "Qualified investment", the investment of cash by a Missouri certified  
64 capital company in such a manner as to acquire capital in a qualified Missouri business. **The**  
65 **investment must also be for the purchase of an equity security of the qualified**  
66 **business or a debt security of the qualified business, provided the debt has a**  
67 **maturity of at least one year. The debt security must be unsecured or be**  
68 **convertible into equity securities or equity participation instruments such as**  
69 **options or warrants. As a condition of the investment, the qualified business must**  
70 **agree to retain its headquarters and principal business operations in the state, or**  
71 **in a distressed community, if the investment is to be credited to a distressed**  
72 **community allocation, for three years following any qualified investment;**

73 **(14)** "Qualified Missouri agricultural business", any independently owned  
74 **and operated business, which is headquartered and located in Missouri, which has**  
75 **at least eighty percent of its employees working in Missouri, which is involved in**  
76 **commerce for the purpose of manufacturing, processing or assembling products,**  
77 **conducting research and development, or providing services in interstate**  
78 **commerce, but excluding retail, real estate, real estate development, insurance and**  
79 **professional services provided by accountants, lawyers or physicians, and which**  
80 **is either:**

81 **(a) A rural agricultural business whose projects add value to agricultural**  
82 **products and aid the economy of a rural community, including any development**  
83 **facility as defined in subdivision (3) of subsection 2 of section 348.430, RSMo, and**  
84 **whose gross sales during its most recent complete fiscal year shall not have**  
85 **exceeded five million dollars; or**

86           **(b) Any business that is an eligible borrower as described pursuant to**  
87 **Section 4279.108 of the Rural Development Instructions of the United States**  
88 **Department of Agriculture and whose gross sales during its most recent complete**  
89 **fiscal year shall not have exceeded five million dollars;**

90           [(13)] **(15)** "Qualified Missouri business", an independently owned and operated  
91 business, which is headquartered and [located] **has its principal business operations** in  
92 Missouri and which is in need of venture capital and cannot obtain conventional  
93 financing. Such business:

94           **(a)** Shall have no more than two hundred employees[.];

95           **(b) Shall have at least** eighty percent of [which are] **its employees** employed in  
96 Missouri[. Such business];

97           **(c)** Shall be involved in commerce for the purpose of manufacturing, processing or  
98 assembling products, conducting research and development, or providing services in interstate  
99 commerce, but excluding retail, real estate, real estate development, insurance and  
100 professional services provided by accountants, lawyers or physicians[.];

101           **(d)** If [such business] **it** has been in existence for three years or less, its gross sales  
102 during its most recent complete fiscal years shall not have exceeded four million dollars. If  
103 such business has been in existence for longer than three years, its gross sales during its most  
104 recent complete fiscal year shall not have exceeded three million dollars[.];

105           **(e) Shall certify that it will maintain its headquarters and principal business**  
106 **operations in this state, or in a distressed community, if the investment is to be**  
107 **credited to a distressed community allocation, for three years following any**  
108 **qualified investment; and**

109           **(f)** If any business which is classified as a qualified Missouri business at the time of  
110 the first investment in such business by a Missouri certified capital company shall, for a  
111 period of seven years from the date of such first investment, remain classified as a qualified  
112 Missouri business and may receive follow-on investments from any Missouri certified capital  
113 company and such follow-on investments shall be qualified investments even though such  
114 business may not meet the [other] qualifications of **paragraphs (a), (b) and (d) of this**  
115 **[subsection] subdivision** at the time of such follow-on investments, **provided, however,**  
116 **that such business continues to meet the other requirements set forth in this**  
117 **subdivision, and such business reaffirms its intention to maintain its headquarters**  
118 **and its principal business operations in this state, or in a distressed community, if**  
119 **the investment is to be credited to a distressed community allocation;**

120           [(14)] **(16)** "State premium tax liability", any liability incurred by an insurance  
121 company pursuant to the provisions of section 148.320, 148.340, 148.370 or 148.376, RSMo,

122 and any other related provisions, which may impose a tax upon the premium income of  
123 insurance companies after January 1, 1997.

135.503. 1. Any investor that makes an investment of certified capital shall, in the  
2 year of investment, earn a vested credit against state premium tax liability equal to the  
3 applicable percentage of the investor's investment of certified capital. An investor shall be  
4 entitled to take up to ten percent of the vested credit in any taxable year of the investor. Any  
5 time after three years after August 28, 1996, the director, with the approval of the  
6 commissioner of administration, may reduce the applicable percentage on a prospective  
7 basis. Any such reduction in the applicable percentage by the director shall not have any  
8 effect on credits against state premium tax liability which have been claimed or will be  
9 claimed by any investor with respect to credits which have been earned and vested pursuant  
10 to an investment of certified capital prior to the effective date of any such change.

11 2. An insurance company claiming a state premium tax credit earned through an  
12 investment in a certified capital company shall not be required to pay any additional  
13 retaliatory tax levied pursuant to section 375.916, RSMo, as a result of claiming such credit.

14 3. The credit against state premium tax liability which is described in subsection 1  
15 of this section may not exceed the state premium tax liability of the investor for any taxable  
16 year. All such credits against state premium tax liability may be carried forward indefinitely  
17 until the credits are utilized. The maximum amount of certified capital in one or more  
18 certified capital companies for which earned and vested tax credits will be allowed in any year  
19 to any one investor or its affiliates shall be limited to ten million dollars.

20 4. Except as provided in subsection 5 of this section, the aggregate amount of certified  
21 capital for which earned and vested credits against state premium tax liability are allowed  
22 for all persons pursuant to sections 135.500 to 135.529 shall not exceed the following  
23 amounts: for calendar year 1996, \$0.00; for calendar year 1997, an amount which would  
24 entitle all Missouri certified capital company investors to take aggregate credits of five million  
25 dollars; and for any year thereafter, an additional amount to be determined by the director  
26 but not to exceed aggregate credits of ten million dollars for any year with the approval of the  
27 commissioner of administration and reported to the general assembly as provided in  
28 subsection 2 of section 33.282, RSMo, provided that the amount so determined shall not  
29 impair the ability of an investor with earned and vested credits which have been allowed in  
30 previous years to take them, pursuant to subsection 1 of this section. [During any calendar  
31 year in which the limitation described in this subsection will limit the amount of certified  
32 capital for which earned and vested credits against state premium tax liability are allowed,  
33 certified capital for which credits are allowed will be allocated in order of priority based upon  
34 the date of filing of information described in subdivision (1) of subsection 5 of section

35 135.516. Certified capital limited in any calendar year by the application of the provisions  
36 of this subsection shall be allowed and allocated in the immediately succeeding calendar year  
37 in the order of priority set forth in this subsection.] The department shall make separate  
38 allocations of certified capital for which credits are allowed under the limitations described  
39 in this subsection and under the limitations described in subsection 5 of this section.

40 5. In addition to the maximum amount pursuant to subsection 4 of this section, the  
41 aggregate amount of certified capital for which earned and vested credits against state  
42 premium tax liability are allowed for persons pursuant to sections 135.500 to 135.529 shall  
43 be the following: for calendar year 1999 [and for any year thereafter,] an amount to be  
44 determined by the director which would entitle all Missouri certified capital company  
45 investors to take aggregate credits not to exceed four million dollars for any year; **and for**  
46 **calendar year 2002, an amount to be determined by the director, but not to exceed**  
47 **forty million dollars, entitling all Missouri certified capital company investors in**  
48 **the applicable funds to take aggregate credits not to exceed four million dollars for**  
49 **any year**, with the approval of the commissioner of administration and reported to the  
50 general assembly as provided in subsection 2 of section 33.282, RSMo, provided that the  
51 amount so determined shall not impair the ability of an investor with earned and vested  
52 credits which have been allowed in previous years or pursuant to the provisions of subsection  
53 4 or 5 of this section to take them, pursuant to subsection 1 of this section. For purposes of  
54 any requirement regarding the schedule of qualified investments for certified capital for  
55 which earned and vested credits against state premium tax liability are allowed pursuant to  
56 this subsection only, the definition of a "qualified Missouri business" as set forth in  
57 subdivision [(13)] (15) of subsection 2 of section 135.500 means:

58 (a) A Missouri business that is located in a distressed community as defined in  
59 section 135.530, **has at least eighty percent of its employees in distressed**  
60 **communities**, and meets all of the requirements of subdivision [(13)] (15) of subsection 2 of  
61 section 135.500, except that its gross sales during its most recent complete fiscal year shall  
62 not have exceeded five million dollars; **or**

63 (b) **With respect to certified capital invested in 2002, a qualified Missouri**  
64 **agricultural business.**

65 During any calendar year in which the limitation described in this subsection limits the  
66 amount of additional certified capital for which earned and vested credits against state  
67 premium tax liability are allowed, additional certified capital for which credits are allowed  
68 shall be allocated in order of priority based upon the date of filing of information described  
69 in subdivision (1) of subsection 5 of section 135.516 with respect to such additional certified  
70 capital. The department shall make separate allocations of certified capital for which credits

71 are allowed under the limitations described in this subsection and under the limitations  
72 described in subsection 4 of this section. No limitation applicable to any certified capital  
73 company with respect to certified capital for which credits are allowed pursuant to subsection  
74 4 of this section shall limit the amount of certified capital for which credits are allowed  
75 pursuant to this subsection. No limitation applicable to any certified capital company with  
76 respect to certified capital for which credits are allowed pursuant to this subsection shall limit  
77 the amount of certified capital for which credits are allowed pursuant to subsection 4 of this  
78 section.

79           6. The department shall advise any Missouri certified capital company, in writing,  
80 within fifteen days after receiving the filing described in subdivision (1) of subsection 5 of  
81 section 135.516 whether the limitations of subsection [3] **4 or 5** of this section then in effect  
82 will be applicable with respect to the investments and credits described in such filing with the  
83 department.

84           **7. In no event shall the cumulative amount of tax credits authorized by this**  
85 **section exceed one hundred eighty million dollars.**

135.508. 1. The department may certify profit or not-for-profit entities which submit  
2 an application to be designated as a Missouri certified capital company. The department  
3 shall review the organizational documents for each applicant for certification and the business  
4 history of the applicant, determine that the Missouri certified capital company's cash,  
5 marketable securities and other liquid assets are at least five hundred thousand dollars,  
6 determine that the liquid asset base for certified companies is at least five hundred thousand  
7 dollars at all times during the company's participation in the program authorized by sections  
8 135.500 to 135.529, and determine that the officers and the board of directors, partners,  
9 trustees or managers are thoroughly acquainted with the requirements of sections 135.500  
10 to 135.529.

11           **2. To be certified, at least two of the principals have a minimum of five years**  
12 **of experience making venture capital investments out of private equity funds, with**  
13 **no less than twenty million dollars being provided by third-party investors for**  
14 **investment in the early stage of operating businesses. At least one full-time**  
15 **manager or principal of the certified capital company who has such experience**  
16 **must be primarily located in an office of the certified capital company which is**  
17 **based in this state.**

18           **3. To be certified, there must be no evidence that the applicant has:**

19           **(1) Violated any provision of this law;**

20           **(2) Made a material misrepresentation or false statement or concealed any**  
21 **essential or material fact from any person during the application process or with**

22 **respect to information and reports required of certified capital companies**  
23 **pursuant to this law;**

24 **(3) Been convicted of, or entered a plea of guilty or nolo contendere to, a**  
25 **crime against the laws of this state or any other state or of the United States or any**  
26 **other country or government, including a fraudulent act in connection with the**  
27 **operation of a certified capital company, or in connection with the performance of**  
28 **fiduciary duties in another capacity;**

29 **(4) Been adjudicated liable in a civil action on grounds of fraud,**  
30 **embezzlement, misrepresentation or deceit; or**

31 **(5) Been the subject of any decision, finding, injunction, suspension,**  
32 **prohibition, revocation, denial, judgment or administrative order by any court of**  
33 **competent jurisdiction, administrative law judge, or any state or federal agency,**  
34 **national securities, commodities, or option exchange, or national securities,**  
35 **commodities or option association, involving a material violation of any federal or**  
36 **state securities or commodities law or any rule or regulation adopted pursuant to**  
37 **such law, or any rule or regulation of any national securities, commodities or**  
38 **options exchange, or national securities, commodities or options association; or**

39 **(6) Been the subject of any injunction or adverse administrative order by a**  
40 **state or federal agency regulating banking, insurance, finance or small loan**  
41 **companies, real estate, mortgage brokers or other related or similar industries.**

42 **4. No insurance company which receives tax credits permitted under sections 135.500**  
43 **to 135.529 for an investment in a Missouri certified capital company shall, individually or**  
44 **with or through one or more affiliates, be a managing general partner of or control the**  
45 **direction of investments of that Missouri certified capital company. Within seventy-five days**  
46 **of application, the department shall either issue the certification and notify the department**  
47 **of revenue and the director of the department of insurance of such certification or shall refuse**  
48 **the certification and communicate in detail to the applicant the grounds for the refusal,**  
49 **including the suggestions for the removal of those grounds.**

50 **5. The department shall be responsible for the administration of the tax credits**  
51 **authorized by sections 135.500 to 135.529. No rule or portion of a rule promulgated under the**  
52 **authority of sections 135.500 to 135.529 shall become effective unless it has been promulgated**  
53 **pursuant to the provisions of chapter 536, RSMo. All rulemaking authority delegated prior**  
54 **to June 27, 1997, is of no force and effect and repealed; however, nothing in this section shall**  
55 **be interpreted to repeal or affect the validity of any rule filed or adopted prior to June 27,**  
56 **1997, if such rule complied with the provisions of chapter 536, RSMo. The provisions of this**  
57 **section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the**

58 general assembly pursuant to chapter 536, RSMo, including the ability to review, to delay the  
59 effective date, or to disapprove and annul a rule or portion of a rule, are subsequently held  
60 unconstitutional, then the purported grant of rulemaking authority and any rule so proposed  
61 and contained in the order of rulemaking shall be invalid and void.

135.516. 1. To continue to be certified, a Missouri certified capital company shall  
2 make qualified investments according to the following schedule:

3 (1) Within two years after the date on which a Missouri certified capital company is  
4 designated as a Missouri certified capital company at least twenty-five percent of its certified  
5 capital shall be, or have been, placed in qualified investments;

6 (2) Within three years after the date on which a Missouri certified capital company  
7 is designated as a Missouri certified capital company at least forty percent of its certified  
8 capital shall be, or have been, placed in qualified investments;

9 (3) Within four years after the date on which a Missouri certified capital company is  
10 designated as a Missouri certified capital company, at least fifty percent of its total certified  
11 capital shall be, or have been, placed in qualified investments. A Missouri certified capital  
12 company may not make an investment in an affiliate of the certified capital company. For the  
13 purposes of this subsection, if a legal entity is not an affiliate before a certified capital  
14 company initially invests in the entity, it will not be an affiliate if a certified capital company  
15 provides additional investment in such entity subsequent to its initial investment;

16 (4) A certified capital company, at least fifteen working days prior to making what it  
17 determines to be an initial qualified investment in a specific qualified Missouri business, shall  
18 certify to the department that the company in which it proposes to invest meets the definition  
19 of a qualified Missouri business pursuant to subdivision (14) of subsection 2 of section  
20 135.500. The certified capital company shall state the amount of capital it intends to invest  
21 and the name of the business in which it intends to invest. The certified capital company  
22 shall also provide to the department an explanation of its determination that the business  
23 meets the definition of a qualified Missouri business. If the department determines that the  
24 business does not meet the definition of a qualified Missouri business, it shall, within the  
25 fifteen-working-day period prior to the making of the proposed investment, notify the certified  
26 capital company of its determination and an explanation thereof. If the department fails to  
27 notify the certified capital company with respect to the proposed investment within the  
28 fifteen-working-day period prior to the making of the proposed investment, the company in  
29 which the certified capital company proposes to invest shall be deemed to be a qualified  
30 Missouri business. If a certified capital company fails to notify the department prior to  
31 making an initial investment in a business, the department may subsequently determine that  
32 the business in which the certified capital company invested was not a qualified Missouri

33 business even though the business, at the time of the investment, met the requirements of  
34 subdivision (14) of subsection 2 of section 135.500;

35 (5) All certified capital which is not required to be placed in qualified investments or  
36 which has been placed in qualified investments and can be received by the company[, may be  
37 held or invested in such manner as the Missouri certified capital company, in its discretion,  
38 deems appropriate]:

39 (a) **Shall be held in a financial institution or held by a registered broker-**  
40 **dealer;**

41 (b) **Shall not be invested in a certified investor of the certified capital**  
42 **company or any affiliate of the certified investor of the certified capital company;**

43 (c) **Shall be invested only in:**

44 a. **Any United States Treasury obligations;**

45 b. **Certificates of deposit or other obligations, maturing within three years**  
46 **after acquisitions of such certificates or obligations, issued by a financial**  
47 **institution or trust company incorporated pursuant to the laws of the United**  
48 **States;**

49 c. **Obligations which (i) are rated "A" or better by any nationally recognized**  
50 **credit rating agency, or (ii) issued by, or guaranteed with respect to payment by,**  
51 **an entity whose unsecured indebtedness is rated "A" or better by any nationally**  
52 **recognized credit rating agency and which is not subordinated to other unsecured**  
53 **indebtedness of the issuer or guarantor, as the case may be;**

54 d. **Mortgage-backed securities, with an average life of five years or less, after**  
55 **the acquisition of such securities, which are rated "A" or better by any nationally**  
56 **recognized credit rating agency;**

57 e. **Collateralized mortgage obligations and real estate mortgage investment**  
58 **conduits that are direct obligations of an agency of the United States government,**  
59 **are not private-label issues, are in book-entry form, and do not include the classes**  
60 **of interest only, principal only, residual or zero; or**

61 f. **Interests in money market funds, the portfolio of which is limited to cash**  
62 **and obligations described in subparagraphs a to e of this paragraph.**

63 2. The proceeds of all certified capital which is received by a certified capital company  
64 after it was originally placed in qualified investments may be placed again in qualified  
65 investments and shall count toward any requirement in sections 135.500 to 135.529 with  
66 respect to placing certified capital in qualified investments.

67 [2.] 3. A certified capital company may make qualified distributions at any time. In  
68 order to make distributions, other than qualified distributions, a certified capital company

69 must have placed an amount cumulatively equal to one hundred percent of its certified capital  
70 in qualified investments, **and, with respect to qualified investments made with**  
71 **certified capital raised after August 28, 2001, twenty-five percent of such qualified**  
72 **investment must be in qualified Missouri agricultural businesses.** Cumulative  
73 distributions to equity holders, other than qualified distributions, in excess of the certified  
74 capital company's original certified capital and any additional capital contributions to the  
75 certified capital company shall be subject to audit by a nationally recognized certified public  
76 accounting firm acceptable to the department, at the expense of the certified capital  
77 company. The audit shall determine whether aggregate cumulative distributions to all  
78 investors and equity holders, other than qualified distributions, when combined with all tax  
79 credits utilized by investors pursuant to sections 135.500 to 135.529, have resulted in an  
80 annual internal rate of return of fifteen percent computed on the sum of total original certified  
81 capital of the certified capital company and any additional capital contributions to the  
82 certified capital company. Twenty-five percent of distributions made, other than qualified  
83 distributions, in excess of the amount required to produce a fifteen percent annual internal  
84 rate of return, as determined by the audit, shall be payable by the certified capital company  
85 to the Missouri development finance board. Distributions or payments to debt holders of a  
86 certified capital company, however, may be made without restriction with respect to debt  
87 owed to them by a certified capital company. A debt holder that is also an investor or equity  
88 holder of a certified capital company may receive distributions or payments with respect to  
89 such debt without restriction.

90 **4. In the event that a business in which a qualified investment is made fails**  
91 **to comply with its agreement to retain its headquarters and principal business**  
92 **operations in the state, or in a distressed community, if the investment is to be**  
93 **credited to a distressed community allocation, for three years following any**  
94 **qualified investment, by relocating its headquarters or principal business**  
95 **operations of such business within the state to another state, the cumulative**  
96 **amount of qualified investment shall be reduced for purposes of this subsection**  
97 **only by the amount of such qualified investment, unless:**

98 **(1) The certified capital company invests an amount of at least equal to the**  
99 **investment of certified capital in the relocated business in a qualified business**  
100 **located in the state or in a distressed community, if the investment is to be credited**  
101 **to a distressed community allocation, within six months of the relocation; or**

102 **(2) The business demonstrates that it has returned its principal business**  
103 **operations to Missouri or a distressed community, if the investment is to be**  
104 **credited to a distressed community allocation, within three months of such**

**105 relocation.**

106 [3.] **5.** No qualified investment may be made at a cost to a Missouri certified capital  
107 company greater than fifteen percent of the total certified capital under management of the  
108 Missouri certified capital company at the time of investment.

109 [4.] **6.** Documents and other materials submitted by Missouri certified capital  
110 companies or by businesses for purposes of the continuance of certification may be deemed  
111 "closed records" pursuant to the provisions of section 620.014, RSMo.

112 [5.] **7.** Each Missouri certified capital company shall report the following to the  
113 department:

114 (1) As soon as practicable after the receipt of certified capital, the name of each  
115 investor from which the certified capital was received, the amount of each investor's  
116 investment of certified capital and tax credits computed without regard to any limitations  
117 under subsection [3] **4** of section 135.503, and the date on which the certified capital was  
118 received;

119 (2) On a quarterly basis, the amount of the Missouri certified capital company's  
120 certified capital at the end of the quarter, whether or not the Missouri certified capital  
121 company has invested more than fifteen percent of the total certified capital under  
122 management in any one company, and all qualified investments that the Missouri certified  
123 capital company has made;

124 (3) Each Missouri certified capital company shall provide annual audited financial  
125 statements to the department which include an opinion of an independent certified public  
126 accountant to the department within ninety days of the close of the fiscal year. The audit  
127 shall address the methods of operation and conduct of the business of the Missouri certified  
128 capital company to determine if the Missouri certified capital company is complying with the  
129 statutes and program rules and that the funds received by the Missouri certified capital  
130 company have been invested as required within the time limits provided by sections 135.500  
131 to 135.529.

**135.527. 1. On an annual basis, on or before January thirty-first, each  
2 certified capital company shall file with the department, on forms or in a manner  
3 prescribed by the department, a report for the period ending December thirty-first  
4 of the immediately preceding calendar year:**

5 **(1) The total dollar amount the certified capital company received from  
6 certified investors, the identity of the certified investors and the amount received  
7 from each certified investor;**

8 **(2) The total dollar amount the certified capital company invested and the  
9 amount invested in qualified businesses, together with the identity and location of**

10 those businesses and the amount invested in each qualified business; and

11 (3) The total number of permanent, full-time jobs either created or retained  
12 by the qualified business, the average wage of the jobs created or retained, the  
13 industry sectors in which the qualified businesses operate and any additional  
14 capital invested in qualified businesses from sources other than certified capital  
15 companies.

16 2. The report shall be verified by one or more principals of the certified  
17 capital company submitting the form.

18 3. The department may audit and examine the accounts, books or records  
19 of certified capital companies, certified investors and qualified Missouri businesses  
20 that received qualified investments for the purpose of ascertaining the correctness  
21 of any report filed, and to ascertain a certified capital company's compliance with  
22 the provisions of sections 135.500 to 135.529.

23 4. Beginning on March 31, 2002, and on March thirty-first of each even-  
24 numbered year thereafter, the department shall report on a biennial basis to the  
25 governor, the speaker of the house of representatives, and the president pro  
26 tempore of the senate on or before April first:

27 (1) The total dollar amount each certified capital company received from all  
28 certified investors and any other investor, the identity of the certified investors,  
29 and the total amount of premium tax credit used by each certified investor for the  
30 previous calendar year;

31 (2) The total dollar amount invested by each certified capital company and  
32 that portion invested in qualified businesses, the identity and location of those  
33 businesses, the amount invested in each qualified business and the total number  
34 of permanent, full-time jobs created or retained by each qualified business; and

35 (3) The return for the state as a result of the certified capital company  
36 investments, including the extent to which:

37 (a) Certified capital company investments have contributed to employment  
38 growth;

39 (b) The wage level of businesses in which certified capital companies have  
40 invested exceeds the average wage for the county in which the jobs are located; and

41 (c) The investments of the certified capital companies in qualified  
42 businesses have contributed to expanding or diversifying the economic base of the  
43 state.

135.530. For the purposes of sections 100.010, 100.710 and 100.850, RSMo, sections  
2 135.110, 135.200, 135.258, 135.313, 135.403, 135.405, 135.503, 135.530 and 135.545, section  
3 215.030, RSMo, sections 348.300 and 348.302, RSMo, and sections 620.1400 to 620.1460,

4 RSMo, "distressed community" means either a Missouri municipality within a metropolitan  
5 statistical area which has a median household income of under seventy percent of the median  
6 household income for the metropolitan statistical area, according to the last decennial census,  
7 or a United States census block group or contiguous group of block groups within a  
8 metropolitan statistical area which has a population of at least [two thousand five hundred]  
9 **five hundred**, and each block group having a median household income of under seventy  
10 percent of the median household income for the metropolitan area in Missouri, according to  
11 the last decennial census. In addition the definition shall include municipalities not in a  
12 metropolitan statistical area, with a median household income of under seventy percent of the  
13 median household income for the nonmetropolitan areas in Missouri according to the last  
14 decennial census or a census block group or contiguous group of block groups which has a  
15 population of at least two thousand five hundred each block group having a median household  
16 income of under seventy percent of the median household income for the nonmetropolitan  
17 areas of Missouri, according to the last decennial census. **In metropolitan statistical**  
18 **areas, the definition shall include areas that are designated as either a federal**  
19 **empowerment zone, a federal enhanced enterprise community, or a state enterprise**  
20 **zone that was originally designated before January 1, 1986, but will not include**  
21 **expansions of such zones done after March 16, 1988.**

[135.535. 1. A corporation, limited liability corporation, partnership  
2 or sole proprietorship, which moves its operations from outside Missouri or  
3 outside a distressed community into a distressed community, or which  
4 commences operations in a distressed community on or after January 1, 1999,  
5 and in either case has more than seventy-five percent of its employees at the  
6 facility in the distressed community, and which has fewer than one hundred  
7 employees for whom payroll taxes are paid, and which is a manufacturing,  
8 biomedical, medical devices, scientific research, animal research, computer  
9 software design or development, computer programming, telecommunications  
10 or a professional firm shall receive a forty percent credit against income taxes  
11 owed pursuant to chapter 143, 147 or 148, RSMo, other than taxes withheld  
12 pursuant to sections 143.191 to 143.265, RSMo, for each of the three years  
13 after such move, if approved by the department of economic development,  
14 which shall issue a certificate of eligibility if the department determines that  
15 the taxpayer is eligible for such credit. The maximum amount of credits per  
16 taxpayer set forth in this subsection shall not exceed one hundred twenty-five  
17 thousand dollars for each of the three years for which the credit is  
18 claimed. The department of economic development, by means of rule or

19 regulation promulgated pursuant to the provisions of chapter 536, RSMo, shall  
20 assign appropriate standard industrial classification numbers to the  
21 companies which are eligible for the tax credits provided for in this  
22 section. Such three-year credits shall be awarded only one time to any  
23 company which moves its operations from outside of Missouri or outside of a  
24 distressed community into a distressed community or to a company which  
25 commences operations within a distressed community. A taxpayer shall file  
26 an application for certification of the tax credits for the first year in which  
27 credits are claimed and for each of the two succeeding taxable years for which  
28 credits are claimed.

29 2. Employees of such facilities physically working and earning wages  
30 for that work within a distressed community whose employers have been  
31 approved for tax credits pursuant to subsection 1 of this section by the  
32 department of economic development for whom payroll taxes are paid shall,  
33 also be eligible to receive a tax credit against individual income tax, imposed  
34 pursuant to chapter 143, RSMo, equal to one and one-half percent of their  
35 gross salary paid at such facility earned for each of the three years that the  
36 facility receives the tax credit provided by this section, so long as they were  
37 qualified employees of such entity. The employer shall calculate the amount  
38 of such credit and shall report the amount to the employee and the department  
39 of revenue.

40 3. A tax credit against income taxes owed pursuant to chapter 143, 147  
41 or 148, RSMo, other than the taxes withheld pursuant to sections 143.191 to  
42 143.265, RSMo, in lieu of the credit against income taxes as provided in  
43 subsection 1 of this section, may be taken by such an entity in a distressed  
44 community in an amount of forty percent of the amount of funds expended for  
45 computer equipment and its maintenance, medical laboratories and  
46 equipment, research laboratory equipment, manufacturing equipment, fiber  
47 optic equipment, high speed telecommunications, wiring or software  
48 development expense up to a maximum of seventy-five thousand dollars in tax  
49 credits for such equipment or expense per year per entity and for each of three  
50 years after commencement in or moving operations into a distressed  
51 community. A corporation, partnership or sole proprietorship, which has no  
52 more than one hundred employees for whom payroll taxes are paid, and which  
53 is already located in a distressed community, which expends funds for such  
54 equipment as set forth in this subsection in an amount exceeding its average

55 of the prior two years for such equipment, shall be eligible to receive a  
56 twenty-five percent tax credit against income taxes owed pursuant to chapters  
57 143, 147 and 148, RSMo, up to a maximum of seventy-five thousand dollars in  
58 tax credits for such additional equipment and expense per such entity. Tax  
59 credits pursuant to this subsection or subsection 1 may be used to satisfy the  
60 state tax liability due in the tax year the credit is certified, and that was due  
61 during the previous three years, and in any of the five tax years thereafter.

62 4. Tax credits shall be approved for applicants meeting the  
63 requirements of this section in the order that such applications are  
64 received. Certificates of tax credits issued in accordance with this section may  
65 be transferred, sold or assigned by notarized endorsement which names the  
66 transferee.

67 5. The tax credits allowed pursuant to subsections 1, 2 and 3 of this  
68 section shall be for an amount of no more than ten million dollars for each year  
69 beginning in 1999. The total maximum credit for all entities already located  
70 in distressed communities and claiming credits pursuant to subsection 3 of  
71 this section shall be seven hundred and fifty thousand dollars. The  
72 department of economic development in approving taxpayers for the credit as  
73 provided for in subsection 4 of this section shall use information provided by  
74 the department of revenue regarding taxes paid in the previous year, or  
75 projected taxes for those entities newly established in the state, as the method  
76 of determining when this maximum will be reached and shall maintain a  
77 record of the order of approval. Any tax credit not used in the period for which  
78 the credit was approved may be carried over until the full credit has been  
79 allowed.

80 6. A Missouri employer relocating into a distressed community and  
81 having employees covered by a collective bargaining agreement at the facility  
82 from which it is relocating shall not be eligible for the credits in subsection 1  
83 or 3 of this section, and its employees shall not be eligible for the credit in  
84 subsection 2 of this section if the relocation violates or terminates a collective  
85 bargaining agreement covering employees at the facility, unless the affected  
86 collective bargaining unit concurs with the move.

87 7. Notwithstanding any provision of law to the contrary, no taxpayer  
88 shall earn the tax credits allowed in this section and the tax credits otherwise  
89 allowed in section 135.110, or the tax credits, exemptions, and refund  
90 otherwise allowed in sections 135.200, 135.220, 135.225 and 135.245,

91           respectively, for the same business for the same tax period.

92                     8. An existing business located within a distressed community, that  
93           hires new employees within such distressed communities may be eligible for  
94           the tax credits provided in this section. In order to be eligible for such tax  
95           credits, the business located within the distressed community, during one of  
96           its tax years, must employ within such distressed communities at least twice  
97           as many workers as were employed at the beginning of that tax year. Prior to  
98           the addition of the new employees, the business shall have no more than one  
99           hundred employees. The provisions of this section shall apply only to a  
100          business which is a manufacturing, biomedical, medical devices, scientific  
101          research, animal research, computer software design or development,  
102          computer programming, or telecommunications business or a professional  
103          firm.]

135.535. 1. A corporation, limited liability corporation, partnership or sole  
2          proprietorship, which moves its operations from outside Missouri or outside a distressed  
3          community into a distressed community, or which commences operations in a distressed  
4          community on or after January 1, 1999, and in either case has more than [seventy-five] **sixty**  
5          percent of its employees at [the facility] **facilities** in [the] distressed [community]  
6          **communities**, and which has fewer than one hundred **fifty** employees for whom payroll  
7          taxes are paid, and which is a manufacturing, biomedical, medical devices, scientific research,  
8          animal research, computer software design or development, computer programming,  
9          telecommunications or a professional firm shall receive a forty percent credit against income  
10         taxes owed pursuant to chapter 143, 147 or 148, RSMo, other than taxes withheld pursuant  
11         to sections 143.191 to 143.265, RSMo, for each of the three years after such move, if approved  
12         by the department of economic development, which shall issue a certificate of eligibility if the  
13         department determines that the taxpayer is eligible for such credit. The maximum amount  
14         of credits per taxpayer set forth in this subsection shall not exceed one hundred twenty-five  
15         thousand dollars for each of the three years for which the credit is claimed. The department  
16         of economic development, by means of rule or regulation promulgated pursuant to the  
17         provisions of chapter 536, RSMo, shall [assign] **specify which** appropriate standard  
18         industrial classification numbers [to the companies which are], **or the North American**  
19         **Industrial Classification System numbers assigned to a business make the business**  
20         eligible for the tax credits provided for in this section. Such three-year credits shall be  
21         awarded only one time to any company which moves its operations from outside of Missouri  
22         or outside of a distressed community into a distressed community or to a company which  
23         commences operations within a distressed community. A taxpayer shall file an application

24 for certification of the tax credits for the first year in which credits are claimed and for each  
25 of the two succeeding taxable years for which credits are claimed.

26         2. Employees of such facilities physically working and earning wages for that work  
27 within a distressed community whose employers have been approved for tax credits pursuant  
28 to subsection 1 of this section by the department of economic development for whom payroll  
29 taxes are paid shall, also be eligible to receive a tax credit against individual income tax,  
30 imposed pursuant to chapter 143, RSMo, equal to one and one-half percent of their gross  
31 salary paid at such facility earned for each of the three years that the facility receives the tax  
32 credit provided by this section, so long as they were qualified employees of such entity. The  
33 employer shall calculate the amount of such credit and shall report the amount to the  
34 employee and the department of revenue.

35         3. A tax credit against income taxes owed pursuant to chapter 143, 147 or 148, RSMo,  
36 other than the taxes withheld pursuant to sections 143.191 to 143.265, RSMo, in lieu of the  
37 credit against income taxes as provided in subsection 1 of this section, may be taken by such  
38 an entity in a distressed community in an amount of forty percent of the amount of funds  
39 expended for **the purchase of or at least a two-year lease of** computer equipment and its  
40 maintenance, medical laboratories and equipment, research laboratory equipment,  
41 manufacturing equipment, fiber optic equipment, high speed telecommunications, wiring or  
42 software development expense up to a maximum of [seventy-five] **one hundred fifty**  
43 thousand dollars in tax credits for such equipment or expense per year per entity and for each  
44 of three years after commencement in or moving operations into a distressed  
45 community. **The maximum tax credit allowed pursuant to this subsection shall apply**  
46 **to entities which have previously qualified for a tax credit pursuant to this**  
47 **subsection for future tax years for which such entities qualify.**

48         4. A corporation, partnership or sole partnership, which has no more than one  
49 hundred employees for whom payroll taxes are paid, which is already located in a distressed  
50 community and which expends funds for such equipment pursuant to subsection 3 of this  
51 section in an amount exceeding its average of the prior two years for such equipment, shall  
52 be eligible to receive a tax credit against income taxes owed pursuant to chapters 143, 147  
53 and 148, RSMo, in an amount equal to the lesser of seventy-five thousand dollars or  
54 twenty-five percent of the funds expended for such additional equipment per such entity. Tax  
55 credits allowed pursuant to this subsection or subsection 1 of this section may be carried back  
56 to any of the three prior tax years and carried forward to any of the five tax years.

57         5. An existing corporation, partnership or sole proprietorship that is located within  
58 a distressed community and that relocates employees from another facility outside of the  
59 distressed community to its facility within the distressed community, and an existing

60 business located within a distressed community that hires new employees for that facility  
61 may both be eligible for the tax credits allowed by subsections 1 and 3 of this section. To be  
62 eligible for such tax credits, such a business, during one of its tax years, shall employ within  
63 a distressed community at least twice as many employees as were employed at the beginning  
64 of that tax year. A business hiring employees shall have no more than **[one] two** hundred  
65 employees **in the distressed community** before the addition of the new employees. This  
66 subsection shall only apply to a business which is a manufacturing, biomedical, medical  
67 devices, scientific research, animal research, computer software design or development,  
68 computer programming or telecommunications business, or a professional firm.

69 6. Tax credits shall be approved for applicants meeting the requirements of this  
70 section in the order that such applications are received. Certificates of tax credits issued in  
71 accordance with this section may be transferred, sold or assigned by **filing a** notarized  
72 endorsement **thereof with the department** which names the transferee **and the amount**  
73 **of tax credits transferred, and any revocation, partial revocation or repayment of**  
74 **a tax credit issued pursuant to this section shall apply only to the original**  
75 **applicant for the tax credit and not to a good faith subsequent purchaser or**  
76 **transferee thereof.**

77 7. The tax credits allowed pursuant to subsections 1, 2, 3, 4 and 5 of this section shall  
78 be for an amount of no more than **[ten] seven million five hundred thousand** dollars for  
79 each year beginning in 1999. The total maximum credit for all entities already located in  
80 distressed communities and claiming credits pursuant to subsection 4 of this section shall be  
81 seven hundred and fifty thousand dollars. The department of economic development in  
82 approving taxpayers for the credit as provided for in subsection 6 of this section shall use  
83 information provided by the department of revenue regarding taxes paid in the previous year,  
84 or projected taxes for those entities newly established in the state, as the method of  
85 determining when this maximum will be reached and shall maintain a record of the order of  
86 approval. Any tax credit not used in the period for which the credit was approved may be  
87 carried over until the full credit has been allowed.

88 8. A Missouri employer relocating into a distressed community and having employees  
89 covered by a collective bargaining agreement at the facility from which it is relocating shall  
90 not be eligible for the credits in subsection 1, 3, 4 or 5 of this section, and its employees shall  
91 not be eligible for the credit in subsection 2 of this section if the relocation violates or  
92 terminates a collective bargaining agreement covering employees at the facility, unless the  
93 affected collective bargaining unit concurs with the move.

94 9. Notwithstanding any provision of law to the contrary, no taxpayer shall earn the  
95 tax credits allowed in this section and the tax credits otherwise allowed in section 135.110,

96 or the tax credits, exemptions, and refund otherwise allowed in sections 135.200, 135.220,  
97 135.225 and 135.245, respectively, for the same business for the same tax period. **A change**  
98 **in ownership or control of a taxpayer shall not revoke or otherwise restrict the tax**  
99 **credits allowed pursuant to this section.**

135.545. A taxpayer shall be allowed a credit for taxes paid pursuant to chapter 143,  
2 147 or 148, RSMo, in an amount equal to fifty percent of a qualified investment in  
3 transportation development for aviation, mass transportation, including parking facilities for  
4 users of mass transportation, railroads, ports, including parking facilities and limited access  
5 roads within ports, waterborne transportation, bicycle and pedestrian paths, or rolling stock  
6 located in a distressed community as defined in section 135.530, and which are part of a  
7 development plan approved by the appropriate local agency. If the department of economic  
8 development determines the investment has been so approved, the department shall grant  
9 the tax credit in order of date received. A taxpayer may carry forward any unused tax credit  
10 for up to ten years and may carry it back for the previous three years until such credit has  
11 been fully claimed. Certificates of tax credit issued in accordance with this section may be  
12 transferred, sold or assigned by notarized endorsement which names the transferee. The tax  
13 credits allowed pursuant to this section shall be for an amount of no more than **[ten] seven**  
14 **million five hundred thousand** dollars for each year. This credit shall apply to returns filed  
15 for all taxable years beginning on or after January 1, 1999. [Any unused portion of the tax  
16 credit authorized pursuant to this section shall be available for use in the future by those  
17 entities until fully claimed.]

178.892. As used in sections 178.892 to 178.896, the following terms mean:

- 2 (1) "Agreement", the agreement, between an employer and a junior college district,  
3 concerning a project. An agreement may be for a period not to exceed ten years when the  
4 program services associated with a project are not in excess of five hundred thousand  
5 dollars. For a project where associated program costs are greater than five hundred thousand  
6 dollars, the agreement may not exceed a period of eight years. No agreement shall be entered  
7 into between an employer and a community college district which involves the training of  
8 potential employees with the purpose of replacing or supplanting employees engaged in an  
9 authorized work stoppage;
- 10 (2) "Board of trustees", the board of trustees of a junior college district;
- 11 (3) "Certificate", industrial new jobs training certificates issued pursuant to section  
12 178.895;
- 13 (4) "Date of commencement of the project", the date of the agreement;
- 14 (5) "Employee", the person employed in a new job;
- 15 (6) "Employer", the person providing new jobs in conjunction with a project;

16 (7) "Industry", a business located within the state of Missouri which enters into an  
17 agreement with a community college district and which is engaged in interstate or intrastate  
18 commerce for the purpose of manufacturing, processing, or assembling products, conducting  
19 research and development, or providing services in interstate commerce, but excluding retail[,  
20 health, or professional] services. "Industry" does not include a business which closes or  
21 substantially reduces its operation in one area of the state and relocates substantially the  
22 same operation in another area of the state. This does not prohibit a business from expanding  
23 its operations in another area of the state provided that existing operations of a similar  
24 nature are not closed or substantially reduced;

25 (8) "New job", a job in a new or expanding industry not including jobs of recalled  
26 workers, or replacement jobs or other jobs that formerly existed in the industry in the state;

27 (9) "New jobs credit from withholding", the credit as provided in section 178.894;

28 (10) "New jobs training program" or "program", the project or projects established by  
29 a community college district for the creation of jobs by providing education and training of  
30 workers for new jobs for new or expanding industry in the state;

31 (11) "Program costs", all necessary and incidental costs of providing program services  
32 including payment of the principal of, premium, if any, and interest on certificates, including  
33 capitalized interest, issued to finance a project, funding and maintenance of a debt service  
34 reserve fund to secure such certificates and wages, salaries and benefits of employees  
35 participating in on-the-job training;

36 (12) "Program services" includes, but is not limited to, the following:

37 (a) New jobs training;

38 (b) Adult basic education and job-related instruction;

39 (c) Vocational and skill-assessment services and testing;

40 (d) Training facilities, equipment, materials, and supplies;

41 (e) On-the-job training;

42 (f) Administrative expenses equal to fifteen percent of the total training costs;

43 (g) Subcontracted services with state institutions of higher education, private colleges  
44 or universities, or other federal, state, or local agencies;

45 (h) Contracted or professional services; and

46 (i) Issuance of certificates;

47 (13) "Project", a training arrangement which is the subject of an agreement entered  
48 into between the community college district and an employer to provide program services;

49 (14) "Total training costs", costs of training, including supplies, wages and benefits  
50 of instructors, subcontracted services, on-the-job training, training facilities, equipment, skill  
51 assessment and all program services excluding issuance of certificates.

208.770. 1. Moneys deposited in or withdrawn pursuant to subsection 1 of section 208.760 from a family development account by an account holder are exempted from taxation pursuant to chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, and chapter 147, 148 or 153, RSMo, provided, however, that any money withdrawn for an unapproved use should be subject to tax as required by law.

2. Interest earned by a family development account is exempted from taxation pursuant to chapter 143, RSMo.

3. Any funds in a family development account, including accrued interest, shall be disregarded when determining eligibility to receive, or the amount of, any public assistance or benefits.

4. A program contributor shall be allowed a credit against the tax imposed by chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, and chapter 147, 148 or 153, RSMo, pursuant to sections 208.750 to 208.775. Contributions up to fifty thousand dollars per program contributor are eligible for the tax credit which shall not exceed fifty percent of the contribution amount.

5. The department of economic development shall verify all tax credit claims by contributors. The administrator of the community-based organization, with the cooperation of the participating financial institutions, shall submit the names of contributors and the total amount each contributor contributes to a family development account reserve fund for the calendar year. The director shall determine the date by which such information shall be submitted to the department by the local administrator. The department shall submit verification of qualified tax credits pursuant to sections 208.750 to 208.775 to the department of revenue.

6. The total tax credits authorized pursuant to sections 208.750 to 208.775 shall not exceed **[four] two** million dollars in any fiscal year.

348.302. 1. Any person who makes a qualified contribution to a qualified fund shall be entitled to receive a tax credit equal to fifty percent of the amount of the qualified contribution. The tax credit shall be evidenced by a tax credit certificate in accordance with the provisions of sections 348.300 to 348.318 and may be used to satisfy the state tax liability of the owner of such certificate that becomes due in the tax year in which the qualified contribution is made, or in any of the ten tax years thereafter. No person may receive a tax credit pursuant to sections 348.300 to 348.318 unless that person presents a tax credit certificate to the department of revenue for payment of such state tax liability.

2. The amount of such qualified contributions which can be made is limited so that the **[aggregate of all]** tax credits authorized under the provisions of sections 348.300 to 348.318 shall not exceed **[nine] two** million dollars **annually**. All tax credits authorized

12 under the provisions of this section may be transferred, sold or assigned.

447.700. As used in sections 447.700 to 447.718, the following terms mean:

2 (1) "Abandoned property", real property previously used for, or which has the  
3 potential to be used for, commercial or industrial purposes which reverted to the ownership  
4 of the state, a county, or municipal government, or an agency thereof, through donation,  
5 purchase, tax delinquency, foreclosure, default or settlement, including conveyance by deed  
6 in lieu of foreclosure; or a privately owned property endorsed by the city, or county if the  
7 property is not in a city, for inclusion in the program which will be transferred to a person  
8 other than the potentially responsible party as defined in chapter 260, RSMo, and has been  
9 vacant for a period of not less than three years from the time an application is made to the  
10 department of economic development;

11 (2) "Allowable cost", all or part of the costs of project facilities, including the costs of  
12 acquiring the property, relocating any remaining occupants, constructing, reconstructing,  
13 rehabilitating, renovating, enlarging, improving, equipping or furnishing project facilities,  
14 demolition, site clearance and preparation, supplementing and relocating public capital  
15 improvements or utility facilities, designs, plans, specifications, surveys, studies and  
16 estimates of costs, expenses necessary or incident to determining the feasibility or  
17 practicability of assisting an eligible project or providing project facilities, architectural,  
18 engineering and legal service fees and expenses, the costs of conducting any other activities  
19 as part of a voluntary remediation and such other expenses as may be necessary or incidental  
20 to the establishment or development of an eligible project and reimbursement of moneys  
21 advanced or applied by any governmental agency or other person for allowable costs. **In any  
22 third class city with a population of more than eleven thousand but less than  
23 twelve thousand inhabitants located in a county of the first classification with a  
24 population of more than eighty thousand but less than eighty-two thousand  
25 inhabitants, allowable costs shall also include twenty-five percent of the demolition  
26 costs up to one hundred twenty-five thousand dollars of any building or structure  
27 which is located on the site of an abandoned or underutilized property;**

28 (3) "Applicant", the person that submits an application for consideration of a project  
29 or location or real property for financial, tax credit or other assistance pursuant to sections  
30 447.700 to 447.718; an applicant may not be any party who intentionally or negligently caused  
31 the release or potential release of hazardous substances at the eligible project as that term  
32 is defined pursuant to chapter 260, RSMo;

33 (4) "Eligible project", abandoned or underutilized property to be acquired, established,  
34 expanded, remodeled, rehabilitated or modernized for industry, commerce, distribution or  
35 research or any combination thereof, the operation of which, alone or in conjunction with

36 other facilities, will create new jobs or preserve existing jobs and employment opportunities,  
37 attract new businesses to the state, prevent existing businesses from leaving the state and  
38 improve the economic welfare of the people of the state. The term "eligible project", without  
39 limitation, includes voluntary remediation conducted pursuant to sections 260.565 to 260.575,  
40 RSMo. To be an "eligible project" pursuant to sections 447.700 to 447.718, the obligations of  
41 the prospective applicant and the governmental agency shall be defined in a written  
42 agreement signed by both parties. The facility, when completed, shall be operated in  
43 compliance with applicable federal, state and local environmental statutes, regulations and  
44 ordinances. An "eligible project" shall be determined by consideration of the entire  
45 project. The definition or identification of an "eligible project" shall not be segmented into  
46 parts to separate commercial and industrial uses from residential uses;

47 (5) "Financial assistance", direct loans, loan guarantees, and grants pursuant to  
48 sections 447.702 to 447.706; and tax credits, inducements and abatements pursuant to section  
49 447.708;

50 (6) "Governmental action", any action by a state, county or municipal agency relating  
51 to the establishment, development or operation of an eligible project and project facilities that  
52 the governmental agency has authority to take or provide for the purpose under law, charter  
53 or ordinance, including but not limited to, actions relating to contracts and agreements,  
54 zoning, building, permits, acquisition and disposition of property, public capital  
55 improvements, utility and transportation service, taxation, employee recruitment and  
56 training, and liaison and coordination with and among governmental agencies;

57 (7) "Governmental agency", the state, county and municipality and any department,  
58 division, commission, agency, institution or authority, including a municipal corporation,  
59 township, and any agency thereof and any other political subdivision or public corporation;  
60 the United States or any agency thereof; any agency, commission or authority established  
61 pursuant to an interstate compact or agreement and any combination of the above;

62 (8) "Person", any individual, firm, partnership, association, limited liability company,  
63 corporation or governmental agency, and any combination thereof;

64 (9) "Project facilities", buildings, structures and other improvements and equipment  
65 and other property or fixtures, excluding small tools, supplies and inventory, and public  
66 capital improvements;

67 (10) "Public capital improvements", capital improvements or facilities owned by a  
68 governmental agency and which such agency has authority to acquire, pay the costs of,  
69 maintain, relocate or operate, or to contract with other persons to have the same done,  
70 including but not limited to, highways, roads, streets, electrical, gas, water and sewer  
71 facilities, railroad and other transportation facilities, and air and water pollution control and

72 solid waste disposal facilities;

73 (11) "Underutilized", real property of which less than thirty-five percent of the  
74 commercially usable space of the property and improvements thereon, are used for their most  
75 commercially profitable and economically productive use; or property that was used by the  
76 state of Missouri as a correctional center for a period of at least one hundred years and which  
77 requires environmental remediation before redevelopment can occur, if approval from the  
78 general assembly has been given for any improvements to, or remediation, lease or sale of,  
79 said property;

80 (12) "Voluntary remediation", an action to remediate hazardous substances and  
81 hazardous waste pursuant to sections 260.565 to 260.575, RSMo.

620.470. As used in sections 620.470 to 620.481, unless the context clearly requires  
2 otherwise, the following terms mean:

3 (1) "Department", the Missouri department of economic development;

4 (2) "Fund", the Missouri job development fund as established by section 620.478;

5 (3) "Industry", an entity the objective of which is to supply a service or the objective  
6 of which is the commercial production and sale of an article of trade or commerce. **The term**  
7 **includes a consortium of such entities organized for the purpose of providing for**  
8 **common training to the member entities' employees, provided that the consortium**  
9 **as a whole meets the requirements for participation in this program;**

10 (4) "Manufacturing", the making or processing of raw materials into a finished  
11 product, especially by means of large-scale machines of industry.

620.474. 1. The department shall establish a basic industry retraining program, the  
2 purpose of which is to provide assistance for industries in Missouri for the retraining and  
3 upgrading of employees' skills which are required to support new [capital] investment. Such  
4 program shall be operated with appropriations made by the general assembly from the fund.

5 2. Assistance under the basic industry retraining program may be made available for  
6 industries in Missouri which make new investments [in manufacturing] without the creation  
7 of new employment.

8 3. The department shall issue rules and regulations governing the awarding of funds  
9 administered through the basic industry retraining fund. When promulgating these rules and  
10 regulations, the department shall consider such factors as the number of jobs in jeopardy of  
11 being lost if retraining does not occur, the amount of private sector investment in new  
12 facilities and equipment, the ratio of jobs retained versus investment, the cost of normal,  
13 ongoing training required for the industry, the economic need of the affected community, and  
14 the importance of the industry to the economic development of Missouri.

620.1450. The maximum amount of tax credits allowable pursuant to the provisions

2 of the individual training account program shall not annually exceed [six] **one** million dollars.

**Section 1. The owner of a recreational facility having at least six baseball  
2 diamonds and located in a third class county with a township form of government  
3 and a population of at least eighteen thousand but less than twenty thousand  
4 inhabitants shall be eligible for a credit against such owner's income tax of eighty  
5 percent of the cost of improvements made to such facility after the effective date  
6 of this section, up to a maximum credit of ten thousand dollars.**

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