

CCS HS HCS SS SCS SB 1099 -- TAX CREDITS

Regarding the Tax Credit Accountability Act, this bill:

(1) Classifies all tax credit programs by subject. These subjects are agricultural, business recruitment, community development, domestic and social, entrepreneurial, environmental, housing, redevelopment, and training and educational;

(2) Requires specific additional information be included in all tax credit applications submitted after January 1, 2005. The bill explains these requirements. If the tax credit is given to someone who makes a contribution to a group, the application requirements apply to the recipient of the contribution, not the contributor;

(3) Requires that specified follow-up information be reported for three years after tax credits have been issued. All of these reports are due on June 30. If the tax credit is given to someone who makes a contribution to a group, the reporting requirements apply to the recipient of the contribution, not the contributor;

(4) Assesses penalties for failure to report;

(5) Requires the departments of Revenue and Insurance to verify that tax credit applicants do not owe any delinquent taxes. If the applicant is delinquent, the amount of tax credits awarded will be reduced by the amount of taxes owed;

(6) Requires the administering agencies of all tax credit programs to implement a system that will track the amount of tax credits that are issued and redeemed except credits that are issued and redeemed simultaneously;

(7) Expands the duties of the Joint Committee on Tax Policy by requiring it to examine and assess the public benefit of any tax credit program that is subject to an audit by the State Auditor and provide a report to the General Assembly and the Governor with its findings and recommendations within six months of receiving the audit report;

(8) Allows a variety of information to be disclosed in a civil investigation, action, or proceeding. Current law only allows this information to be disclosed in criminal and quasi-criminal investigations, actions, or proceedings;

(9) States that records and documents related to tax credits that are submitted as part of the application will be considered closed records until a decision has been rendered regarding the

application;

(10) Requires the Department of Economic Development to prepare an annual report regarding all economic incentives administered in the previous calendar year and specifies what must be included in the report;

(11) Requires the department to perform a cost-benefit analysis evaluating the effectiveness of all tax credit programs every four years;

(12) Prohibits tax credits for donations to the Missouri Higher Education Scholarship Fund and the Advantage Missouri Program from being approved, awarded, or issued after January 1, 2005; and

(13) Prohibits the owner or new owner of a business located in an enterprise zone from receiving the tax abatement or exemption if the business is closed for 30 days or more. The owner or new owner can reapply to receive the abatement or exemption, but cannot receive these benefits for longer than the original life of the enterprise zone.