

FIRST REGULAR SESSION

# HOUSE BILL NO. 1279

## 94TH GENERAL ASSEMBLY

---

INTRODUCED BY REPRESENTATIVES AVERY (Sponsor) AND PORTWOOD (Co-sponsor).

Read 1st time March 30, 2007 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

1984L.011

---

### AN ACT

To amend chapter 143, RSMo, by adding thereto one new section relating to financial institutions.

---

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

Section A. Chapter 143, RSMo, is amended by adding thereto one new section, to be known as section 143.472, to read as follows:

**143.472. 1. With respect to limited liability companies that are associations, a pro rata share of the tax credit for the tax payable under chapter 148, RSMo, shall be allowed against each limited liability company shareholders' state income tax as follows, provided the association otherwise complies with chapter 148, RSMo:**

(1) The credit allowed by this subsection shall be equal to the savings and loan association tax calculated under chapter 148, RSMo, based on the computations provided in chapter 148, RSMo, and such credit shall be allocated to the qualifying shareholder according to stock ownership, determined by multiplying a fraction, where the numerator is the shareholder's stock, and the denominator is the total stock issued by the association;

(2) The tax credit authorized in this subsection shall be permitted only to the shareholders that qualify as a limited liability shareholder, provided the stock at all times during the taxable period qualifies as limited liability company stock, and such stock is held by the shareholder during the taxable period. The credit created by this section on a yearly basis is available to each qualifying shareholder, including shareholders filing joint returns. A savings and loan association holding company is not allowed this credit,

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

16 except that, such credit shall flow through to such savings and loan association holding  
17 company's qualified shareholders, and be allocated to such shareholders under the same  
18 conditions; and

19 (3) In the event such shareholder cannot use all or part of the tax credit in the  
20 taxable period of receipt, such shareholder may carry forward such tax credit for a period  
21 of the lesser of five years or until used, provided such credits are used as soon as the  
22 taxpayer has Missouri taxable income.

23 2. With respect to limited liability companies that are credit institutions, a pro rata  
24 share of the tax credit for the tax payable under chapter 148, RSMo, shall be allowed  
25 against each limited liability company shareholders' state income tax as follows, provided  
26 the credit institution otherwise complies with chapter 148, RSMo:

27 (1) The credit allowed by this subsection shall be equal to the credit institution tax  
28 calculated under chapter 148, RSMo, and based on the computations provided in chapter  
29 148, RSMo, and such credit institution shall be allocated to the qualifying shareholder  
30 according to stock ownership, determined by multiplying a fraction, where the numerator  
31 is the shareholder's stock, and the denominator is the total stock issued by such credit  
32 institution;

33 (2) The tax credit authorized in this subsection shall be permitted only to the  
34 shareholders that qualify as limited liability company shareholders, provided the stock at  
35 all times during the taxable period qualifies as limited liability stock, and such stock is held  
36 by the shareholder during the taxable period. The credit created by this section on a yearly  
37 basis is available to each qualifying shareholder, including shareholders filing joint  
38 returns. A credit institution holding company is not allowed this credit, except that, such  
39 credit shall flow through to such credit institution holding company's qualified  
40 shareholders, and be allocated to such shareholders under the same conditions; and

41 (3) In the event such shareholder cannot use all or part of the tax credit in the  
42 taxable period of receipt, such shareholder may carry forward such tax credit for a period  
43 of the lesser of five years or until used, provided such credits are used as soon as the  
44 taxpayer has Missouri taxable income.

45 3. Limited liability company shareholders of an association required to pay such  
46 franchise taxes under chapter 148, RSMo, may take a tax credit against such shareholder's  
47 state income tax return, as provided in subsection 1 of this section. Such tax credit shall  
48 be the taxpayer's pro rata share of the franchise tax paid by the association as provided  
49 in chapter 148, RSMo.

50 4. Limited liability company shareholders of a credit institution required to pay  
51 franchise taxes under chapter 148, RSMo, may take a tax credit against such shareholder's

52 **state income tax return, as provided in subsection 2 of this section. Such tax credit shall**  
53 **be the taxpayer's pro rata share of the franchise tax paid by the credit institution as**  
54 **provided in chapter 148, RSMo.**

✓