

HCS HB 630 -- TAX CREDIT FOR CERTAIN CATTLE SALES

SPONSOR: Quinn, 7 (Schlottach)

COMMITTEE ACTION: Voted "do pass" by the Committee on Agriculture Policy by a vote of 10 to 0.

This substitute establishes the Qualified Beef Tax Credit Act which authorizes the Missouri Agricultural and Small Business Development Authority in the Department of Agriculture to issue a tax credit certificate in an amount equal to 10 cents per pound above 450 pounds when qualified beef cattle are sold and 10 cents per pound if the weight of the qualified beef at a subsequent sale is greater than the weight at the previous sale. The beef cattle must be born in Missouri after August 28, 2007, must not be breeding stock, and must have been raised and finished instate to qualify for the tax credit. The authority will require submission of an application for the tax credit including certain information which will be confidential.

The tax credit must be claimed in the year in which the qualifying sale occurs; but any unused portion may be carried back three taxable years, carried forward five taxable years, assigned, transferred, or sold. The maximum amount of tax credits that may be claimed beginning January 1, 2009, and ending December 31, 2016, is \$10 million in any tax year but cannot exceed \$30 million. If the demand among qualified applicants exceeds \$10 million in any year, the tax credits will be prorated among the qualified applicants.

FISCAL NOTE: Estimated Cost on General Revenue Fund of \$3,085,323 in FY 2008, \$10,096,988 in FY 2009, and \$10,099,896 in FY 2010. No impact on Other State Funds in FY 2008, FY 2009, and FY 2010.

PROPOSERS: Supporters say that Missouri cattle producers need to utilize feed byproducts from renewable fuel facilities. The total annual economic benefit to the state from adding value and retaining cattle under the provisions of the bill will be \$407,000 per year for every 1,000 head, and every \$1 in tax incentives provides a \$13.50 value to the state.

Testifying for the bill were Representative Schlottach; Mike John, MFA, Incorporated; Missouri Cattlemen's Association; Missouri Corn Growers Association; Dennis Michaelcree, Circle A Ranch; Dr. Vern Price, University of Missouri; Missouri Farm Bureau; Department of Agriculture; and Missouri Agricultural and Small Business Development Authority.

OPPOSERS: There was no opposition voiced to the committee.