

HCS HB 879 -- MANAGED ENVIRONMENT LIVESTOCK OPERATION TAX CREDITS

SPONSOR: Munzlinger (Hobbs)

COMMITTEE ACTION: Voted "do pass" by the Special Committee on Agri-Business by a vote of 9 to 1.

This substitute authorizes the Missouri Agriculture and Small Business Development Authority to issue tax credits to owners of livestock operations to partially offset certain expenses incurred for implementing odor abatement best management practices and systems. The maximum tax credit amount for implementing a system necessary to achieve managed environment livestock operation (MELO) accreditation and/or improving basic infrastructure to increase the setback from the property line will be the lessor of 50% of the eligible expenses or \$50,000. The maximum tax credit amount for implementing a system necessary to meet preferred environmental practices and/or improving basic infrastructure to increase the setback from the property line will be the lessor of 75% of the eligible expenses or \$75,000. The yearly maximum amount of tax credits issued by the authority for odor abatement will be \$3 million. The tax credits may be carried back three years, forward five years, assigned, transferred, or sold and may be taken against the estimated quarterly tax or quarterly taxes.

The authority is required to establish rules for tax credit eligibility based on odor abatement impact, the owner's prospective use and funding of proven technologies, and other factors that the authority deems necessary. Ninety percent of the tax credits issued in any one year will go to livestock operation owners for the implementation of best management practices and systems necessary to achieve MELO accreditation. Ten percent and any remaining MELO tax credits will be issued to livestock operation owners for the implementation of preferred environmental practices. Any unissued tax credits will not carry over to the succeeding year. The authority will impose an application fee of .25% of the tax credit amount issued.

The provisions of the substitute will expire June 30, 2012.

FISCAL NOTE: Not available at time of printing.

PROPOSERS: Supporters say that the bill provides a proactive approach to the odor problem associated with raising livestock. Rural Missouri is changing due to an influx of urban families causing the livestock industry to find ways to be less intrusive. Decreasing animal odor through cutting edge management and technologies is an added expense for an industry that does not set the price of its product and operates on a very slim profit

margin.

Testifying for the bill were Representative Hobbs; Department of Agriculture; Missouri Soybean Association; Missouri Farm Bureau; Missouri Corn Growers Association; and Missouri Cattlemen's Association.

OPPONENTS: There was no opposition voiced to the committee.