HB 1142 -- Tax Credits and Exemptions

Sponsor: Loehner

Beginning January 1, 2009, this bill authorizes a tax credit for any resident taxpayer who is actively engaged in milk production. The allowable tax credit will be based on milk production for any month in which the average amount of revenue received from products drops below the announced production price determined by the Food and Agricultural Policy Research Institute on the basis of non-controllable input cost. Taxpayers must submit a tax credit application to the Missouri Agricultural and Small Business Development Authority. Beginning January 1, 2011, the authority must make available on a monthly basis the announced price based upon factors specified in the bill.

The credit is not refundable but may be carried forward for three years. No more than $5,000 in tax credits can be issued per milk producer per year.

Beginning January 1, 2009, the bill authorizes a tax credit for any resident taxpayer who is actively engaged in livestock production. The credit will be based on the amount of livestock produced and sold and upon losses incurred as a result of market fluctuations which result in current livestock production costs exceeding the current market value of livestock.

The Department of Agriculture will determine the market value of feed commodities used in the production of swine and beef cattle and the market value of the livestock. These market values will be calculated and posted on the fifteenth and last day of each month. Based on these market values, the department will determine on a bimonthly basis:

(1) The current per pound or per unit livestock production cost of bringing each type of livestock;

(2) The current per pound or per unit market price necessary for the livestock producer to equal the livestock production costs for each type of livestock;

(3) The current per pound or per unit market price of each type of livestock; and

(4) Whether the current livestock production costs exceed the current market price for each type of livestock.

Based on these calculations, if the current livestock production costs exceed the current market price of livestock, program participants will be eligible to receive a tax credit if he or she has a qualifying loss for a 12-month period. The credit will be equal to the 12-month qualifying loss. The credit may be carried forward for three years. No more than $5,000 in tax credits can be issued per livestock producer per year.

The authority or the department cannot issue more credits in any calendar year than are allocable to these programs; however, any remaining unissued tax credits in the following programs may also be made available annually for allocation to these programs:

(1) Up to $30 million in neighborhood assistance tax credits which have not been issued by April 30;

(2) Up to $10 million in distressed areas land assemblage tax credits which have not been issued by December 1;

(3) Up to $16 million in rebuilding communities and neighborhood preservation tax credits which have not been issued by December 1;

(4) Up to $10 million in tax credits for investment in, or relocating a business to, a distressed community which have not been issued by December 1;

(5) Up to $15 million in qualified equity investment tax credits which have not been issued by April 30; and

(6) Up to $4 million in family development account tax credits which have not been issued by April 30.

The bill also authorizes a state and local sales and use tax exemption for medical equipment, supplies, or devices which are prescribed by a practitioner or paid by Medicare, Medicaid, or a third-party health insurer.

The provisions regarding the Milk Producers Tax Credit and the Livestock Producers Tax Credit will expire December 31, 2015.