0053S.13F

SENATE SUBSTITUTE

FOR

SENATE COMMITTEE SUBSTITUTE

FOR

HOUSE COMMITTEE SUBSTITUTE

FOR

HOUSE BILLS NOS. 116 & 316

AN ACT

To repeal sections 32.028, 32.087, 32.105, 32.110, 32.115, 32.117, 32.120, 99.1205, 100.286, 100.297, 105.716, 135.010, 135.025, 135.030, 135.090, 135.313, 135.326, 135.327, 135.352, 135.460, 135.481, 135.484, 135.487, 135.490, 135.535, 135.550, 135.562, 135.575, 135.600, 135.630, 135.647, 135.679, 135.700, 135.802, 135.815, 135.825, 135.1150, 136.055, 137.1018, 143.119, 144.030, 144.062, 144.083, 168.071, 178.760, 178.761, 178.762, 178.763, 178.764, 178.892, 178.893, 178.894, 178.895, 178.896, 208.770, 253.545, 253.550, 253.557, 253.559, 348.430, 348.432, 348.434, 348.500, 348.505, 447.708, 620.470, 620.472, 620.474, 620.475, 620.476, 620.478, 620.479, 620.480, 620.481, 620.482, 620.495, and 660.055, RSMo, and to enact in lieu thereof eighty-nine new sections relating to collection of state money, with a penalty provision and an emergency clause.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI, AS FOLLOWS:

1 Section A. Sections 32.028, 32.087, 32.105, 32.110, 32.115,
2 32.117, 32.120, 99.1205, 100.286, 100.297, 105.716, 135.010,
3 135.025, 135.030, 135.090, 135.313, 135.326, 135.327, 135.352,
4 135.460, 135.481, 135.484, 135.487, 135.490, 135.535, 135.550,
5 135.562, 135.575, 135.600, 135.630, 135.647, 135.679, 135.700,
6 135.802, 135.815, 135.825, 135.1150, 136.055, 137.1018, 143.119,
7 144.030, 144.062, 144.083, 168.071, 178.760, 178.761, 178.762,

178.763, 178.764, 178.892, 178.893, 178.894, 178.895, 178.896, 208.770, 253.545, 253.550, 253.557, 253.559, 348.430, 348.432, 348.434, 348.500, 348.505, 447.708, 620.470, 620.472, 620.474, 620.475, 620.476, 620.478, 620.479, 620.480, 620.481, 620.482, 620.495, and 660.055, RSMo, are repealed and eighty-nine new sections enacted in lieu thereof, to be known as sections 32.028, 32.058, 32.087, 32.088, 32.105, 32.110, 32.115, 32.117, 32.120, 32.383, 32.385, 32.410, 32.420, 32.430, 32.440, 32.450, 32.460, 67.3000, 67.3005, 99.1205, 100.286, 100.297, 105.716, 135.010, 135.025, 135.030, 135.090, 135.326, 135.327, 135.352, 135.460, 135.481, 135.484, 135.487, 135.490, 135.535, 135.550, 135.562, 135.575, 135.600, 135.630, 135.647, 135.648, 135.679, 135.700, 135.802, 135.815, 135.825, 135.1150, 135.1500, 135.1503, 135.1505, 135.1507, 135.1509, 135.1511, 135.1513, 135.1515, 135.1517, 135.1519, 135.1521, 136.055, 137.1018, 140.910, 144.030, 144.062, 144.083, 144.540, 168.071, 208.770, 253.545, 253.550, 253.557, 253.559, 348.430, 348.432, 348.434, 348.500, 447.708, 620.495, 620.800, 620.803, 620.806, 620.809, 620.2000, 620.2005, 620.2010, 620.2015, 620.2020, and 660.055, to read as follows:

32.028. 1. There is hereby created a department of revenue in charge of a director appointed by the governor, by and with the advice and consent of the senate. The department shall collect all taxes and fees payable to the state as provided by law <u>and may collect, upon referral by a state agency, debts owed to any state agency subject to section 32.420</u>.

2. The powers, duties and functions of the department of revenue, chapter 32 and others, are transferred by type I

transfer to the department of revenue. All powers, duties and function of the collector of revenue are transferred to the director of the department by type I transfer and the position of collector of revenue is abolished.

3. The powers, duties and functions of the state tax commission, chapter 138 and others, are transferred by type III transfer to the department of revenue.

4. All of the powers, duties and functions of the state tax commission relating to administration of the corporation franchise tax, chapter 152, and others, are transferred by type I transfer to the department of revenue; provided, however, that the provision of section 138.430 relating to appeals from decisions of the director of revenue shall apply to these taxes.

5. All the powers, duties and functions of the highway reciprocity commission, chapter 301, are transferred by type II transfer to the department of revenue.

<u>32.058. For all years beginning after January 1, 2012, notwithstanding the certified mail provisions contained in chapters 32, 140, 142, 143, 144, 147, 148, 149, and 302, the director of revenue may choose to mail any document by first class mail.</u>

32.087. 1. Within ten days after the adoption of any ordinance or order in favor of adoption of any local sales tax authorized under the local sales tax law by the voters of a taxing entity, the governing body or official of such taxing entity shall forward to the director of revenue by United States registered mail or certified mail a certified copy of the ordinance or order. The ordinance or order shall reflect the

effective date thereof.

2. Any local sales tax so adopted shall become effective on the first day of the second calendar quarter after the director of revenue receives notice of adoption of the local sales tax, except as provided in subsection 18 of this section.

3. Every retailer within the jurisdiction of one or more taxing entities which has imposed one or more local sales taxes under the local sales tax law shall add all taxes so imposed along with the tax imposed by the sales tax law of the state of Missouri to the sale price and, when added, the combined tax shall constitute a part of the price, and shall be a debt of the purchaser to the retailer until paid, and shall be recoverable at law in the same manner as the purchase price. The combined rate of the state sales tax and all local sales taxes shall be the sum of the rates, multiplying the combined rate times the amount of the sale.

4. The brackets required to be established by the director of revenue under the provisions of section 144.285 shall be based upon the sum of the combined rate of the state sales tax and all local sales taxes imposed under the provisions of the local sales tax law.

5. The ordinance or order imposing a local sales tax under the local sales tax law shall impose upon all sellers a tax for the privilege of engaging in the business of selling tangible personal property or rendering taxable services at retail to the extent and in the manner provided in sections 144.010 to 144.525, and the rules and regulations of the director of revenue issued pursuant thereto; except that the rate of the tax shall be the

sum of the combined rate of the state sales tax or state highway use tax and all local sales taxes imposed under the provisions of the local sales tax law.

6. On and after the effective date of any local sales tax imposed under the provisions of the local sales tax law, the director of revenue shall perform all functions incident to the administration, collection, enforcement, and operation of the tax, and the director of revenue shall collect in addition to the sales tax for the state of Missouri all additional local sales taxes authorized under the authority of the local sales tax law. The director shall retain one percent of the amount of any local sales or use tax collected for cost of collection. All local sales taxes imposed under the local sales tax law together with all taxes imposed under the sales tax law of the state of Missouri shall be collected together and reported upon such forms and under such administrative rules and regulations as may be prescribed by the director of revenue.

7. All applicable provisions contained in sections 144.010 to 144.525 governing the state sales tax and section 32.057, the uniform confidentiality provision, shall apply to the collection of any local sales tax imposed under the local sales tax law except as modified by the local sales tax law.

8. All exemptions granted to agencies of government, organizations, persons and to the sale of certain articles and items of tangible personal property and taxable services under the provisions of sections 144.010 to 144.525, as these sections now read and as they may hereafter be amended, it being the intent of this general assembly to ensure that the same sales tax

exemptions granted from the state sales tax law also be granted under the local sales tax law, are hereby made applicable to the imposition and collection of all local sales taxes imposed under the local sales tax law.

9. The same sales tax permit, exemption certificate and retail certificate required by sections 144.010 to 144.525 for the administration and collection of the state sales tax shall satisfy the requirements of the local sales tax law, and no additional permit or exemption certificate or retail certificate shall be required; except that the director of revenue may prescribe a form of exemption certificate for an exemption from any local sales tax imposed by the local sales tax law.

10. All discounts allowed the retailer under the provisions of the state sales tax law for the collection of and for payment of taxes under the provisions of the state sales tax law are hereby allowed and made applicable to any local sales tax collected under the provisions of the local sales tax law.

11. The penalties provided in section 32.057 and sections 144.010 to 144.525 for a violation of the provisions of those sections are hereby made applicable to violations of the provisions of the local sales tax law.

12. (1) For the purposes of any local sales tax imposed by an ordinance or order under the local sales tax law, all sales, except the sale of motor vehicles, trailers, boats, and outboard motors, shall be deemed to be consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination. In the event a retailer has more than one place of

business in this state which participates in the sale, the sale shall be deemed to be consummated at the place of business of the retailer where the initial order for the tangible personal property is taken, even though the order must be forwarded elsewhere for acceptance, approval of credit, shipment or billing. A sale by a retailer's agent or employee shall be deemed to be consummated at the place of business from which he works.

(2) For the purposes of any local sales tax imposed by an ordinance or order under the local sales tax law, all sales of motor vehicles, trailers, boats, and outboard motors shall be deemed to be consummated at the residence of the purchaser and not at the place of business of the retailer, or the place of business from which the retailer's agent or employee works.

(3) For the purposes of any local tax imposed by an ordinance or under the local sales tax law on charges for mobile telecommunications services, all taxes of mobile telecommunications service shall be imposed as provided in the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sections 116 through 124, as amended.

13. Local sales taxes imposed pursuant to the local sales tax law on the purchase and sale of motor vehicles, trailers, boats, and outboard motors shall not be collected and remitted by the seller, but shall be collected by the director of revenue at the time application is made for a certificate of title, if the address of the applicant is within a taxing entity imposing a local sales tax under the local sales tax law.

14. The director of revenue and any of his <u>or her</u> deputies,

assistants and employees who have any duties or responsibilities in connection with the collection, deposit, transfer, transmittal, disbursement, safekeeping, accounting, or recording of funds which come into the hands of the director of revenue under the provisions of the local sales tax law shall enter a surety bond or bonds payable to any and all taxing entities in whose behalf such funds have been collected under the local sales tax law in the amount of one hundred thousand dollars for each such tax; but the director of revenue may enter into a blanket bond covering himself or herself and all such deputies, assistants and employees. The cost of any premium for such bonds shall be paid by the director of revenue from the share of the collections under the sales tax law retained by the director of revenue for the benefit of the state.

15. The director of revenue shall annually report on his or her management of each trust fund which is created under the local sales tax law and administration of each local sales tax imposed under the local sales tax law. He or she shall provide each taxing entity imposing one or more local sales taxes authorized by the local sales tax law with a detailed accounting of the source of all funds received by him for the taxing entity. Notwithstanding any other provisions of law, the state auditor shall annually audit each trust fund. A copy of the director's report and annual audit shall be forwarded to each taxing entity imposing one or more local sales taxes.

16. Within the boundaries of any taxing entity where one or more local sales taxes have been imposed, if any person is delinquent in the payment of the amount required to be paid by

him or her under the local sales tax law or in the event a determination has been made against him or her for taxes and penalty under the local sales tax law, the limitation for bringing suit for the collection of the delinquent tax and penalty shall be the same as that provided in sections 144.010 to 144.525. Where the director of revenue has determined that suit must be filed against any person for the collection of delinquent taxes due the state under the state sales tax law, and where such person is also delinquent in payment of taxes under the local sales tax law, the director of revenue shall notify the taxing entity in the event any person fails or refuses to pay the amount of any local sales tax due so that appropriate action may be taken by the taxing entity.

17. Where property is seized by the director of revenue under the provisions of any law authorizing seizure of the property of a taxpayer who is delinquent in payment of the tax imposed by the state sales tax law, and where such taxpayer is also delinquent in payment of any tax imposed by the local sales tax law, the director of revenue shall permit the taxing entity to join in any sale of property to pay the delinquent taxes and penalties due the state and to the taxing entity under the local sales tax law. The proceeds from such sale shall first be applied to all sums due the state, and the remainder, if any, shall be applied to all sums due such taxing entity.

18. If a local sales tax has been in effect for at least one year under the provisions of the local sales tax law and voters approve reimposition of the same local sales tax at the same rate at an election as provided for in the local sales tax

law prior to the date such tax is due to expire, the tax so reimposed shall become effective the first day of the first calendar quarter after the director receives a certified copy of the ordinance, order or resolution accompanied by a map clearly showing the boundaries thereof and the results of such election, provided that such ordinance, order or resolution and all necessary accompanying materials are received by the director at least thirty days prior to the expiration of such tax. Any administrative cost or expense incurred by the state as a result of the provisions of this subsection shall be paid by the city or county reimposing such tax.

32.088. 1. Beginning January 1, 2012, the possession of a statement from the department of revenue stating no tax is due under chapters 142, 143, 144, 147, and 149, and that no fees are due under sections 260.262 or 260.273, shall be a prerequisite to the issuance or renewal of any city or county occupation license or any state license required for conducting any business. The statement of no tax due shall be dated no longer than ninety days before the date of submission for application or renewal of the city or county license.

2. Beginning January 1, 2012, in lieu of subsection 1 of this section, the director may enter into an agreement with any state agency responsible for issuing any state license for conducting any business requiring the agency to provide the director of revenue with the name and Missouri tax identification number of each applicant for licensure within one month of the date the application is filed or at least one month prior to the anticipated renewal of a licensee's license. If such licensee is

delinquent on any taxes under chapters 142, 143, 144, 147, and 149, or fees under sections 260.262 or 260.273, the director shall then send notice to each such entity and licensee. In the case of such delinquency or failure to file, the licensee's license shall be suspended within ninety days after notice of such delinquency or failure to file, unless the director of revenue verifies that such delinquency or failure has been remedied or arrangements have been made to achieve such remedy. The director of revenue shall, within ten business days of notification to the governmental entity issuing the license that the delinquency has been remedied or arrangements have been made to remedy such delinquency, send written notification to the licensee that the delinquency has been remedied. Tax liability paid in protest or reasonably founded disputes with such liability shall be considered paid for the purposes of this section.

32.105. As used in sections 32.100 to 32.125, the following terms mean:

(1) "Affordable housing assistance activities", money, real or personal property, or professional services expended or devoted to the construction, or rehabilitation of affordable housing units;

(2) "Affordable housing unit", a residential unit generally occupied by persons and families with incomes at or below the levels described in this subdivision and bearing a cost to the occupant no greater than thirty percent of the maximum eligible household income for the affordable housing unit. In the case of owner-occupied units, the cost to the occupant shall be

1 considered the amount of the gross monthly mortgage payment,
2 including casualty insurance, mortgage insurance, and taxes. In
3 the case of rental units, the cost to the occupant shall be
4 considered the amount of the gross rent. The cost to the
5 occupant shall include the cost of any utilities, other than
6 telephone. If any utilities are paid directly by the occupant,
7 the maximum cost that may be paid by the occupant is to be
8 reduced by a utility allowance prescribed by the commission. For
9 rental units, persons or families are eligible occupants of
10 affordable housing units if the household combined, adjusted
11 gross income as defined by the commission is equal to or less
12 than the following percentages of the median family income for
13 the geographic area in which the residential unit is located, or
14 the median family income for the state of Missouri, whichever is
15 larger; ("geographic area", as used in this subdivision, means
16 the metropolitan area or county designated as an area by the
17 federal Department of Housing and Urban Development under Section
18 8 of the United States Housing Act of 1937, as amended, for
19 purposes of determining fair market rental rates):

Size of Household	Percent of State or Geographic Area Family Median Income
One Person	35%
Two Persons	40%
Three Persons	45%
Four Persons	50%
Five Persons	54%
Six Persons	58%

Seven Persons	62%
Eight Persons	66%

For owner-occupied units, persons or families are eligible occupants of affordable housing units if the household combined, adjusted gross income as defined by the commission is equal to or less than the following percentages of the median family income for the geographic area in which the residential unit is located, or the median family income for the state of Missouri, whichever is larger:

Size of Household	Percent of State or Geographic Area Family Median Income
One Person	70%
Two Persons	80%
Three Persons	90%
Four Persons	100%
Five Persons	108%
Six Persons	116%
Seven Persons	124%
Eight Persons	132%

(3) **[**"Business firm", person, firm, a partner in a firm, corporation or a shareholder in an S corporation doing business in the state of Missouri and subject to the state income tax imposed by the provisions of chapter 143, including any charitable organization that is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under such chapter, or a corporation subject to the annual corporation

franchise tax imposed by the provisions of chapter 147, or an insurance company paying an annual tax on its gross premium receipts in this state, or other financial institution paying taxes to the state of Missouri or any political subdivision of this state pursuant to the provisions of chapter 148, or an express company which pays an annual tax on its gross receipts in this state;

(4)**]** "Commission", the Missouri housing development commission;

[(5)**]** (4) "Community services", any type of counseling and advice, emergency assistance or medical care furnished to individuals or groups in the state of Missouri or transportation services at below-cost rates as provided in sections 208.250 to 208.275;

[(6)**]** (5) "Crime prevention", any activity which aids in the reduction of crime in the state of Missouri;

[(7)**]** (6) "Defense industry contractor", a person, corporation or other entity which will be or has been negatively impacted as a result of its status as a prime contractor of the Department of Defense or as a second or third tier contractor. A "second tier contractor" means a person, corporation or other entity which contracts to perform manufacturing, maintenance or repair services for a prime contractor of the Department of Defense, and a "third tier contractor" means a person, corporation or other entity which contracts with a person, corporation or other entity which contracts with a prime contractor of the Department of Defense;

[(8)**]** (7) "Doing business", among other methods of doing

business in the state of Missouri, a partner in a firm or a shareholder in an S corporation shall be deemed to be doing business in the state of Missouri if such firm or S corporation, as the case may be, is doing business in the state of Missouri;

[(9)**]** (8) "Economic development", the acquisition, renovation, improvement, or the furnishing or equipping of existing buildings and real estate in distressed or blighted areas of the state when such acquisition, renovation, improvement, or the furnishing or equipping of the business development projects will result in the creation or retention of jobs within the state. Only neighborhood organizations, as defined in subdivision **[**(13)**]** (12) of this section, may apply to conduct economic development projects. Prior to the approval of an economic development project, the neighborhood organization shall enter into a contractual agreement with the department of economic development. Credits approved for economic development projects may not exceed six million dollars from within any one fiscal year's allocation. Neighborhood assistance program tax credits for economic development projects and affordable housing assistance as defined in section 32.111 may be transferred, sold or assigned by a notarized endorsement thereof naming the transferee;

[(10)**]** (9) "Education", any type of scholastic instruction or scholarship assistance to an individual who resides in the state of Missouri that enables the individual to prepare himself or herself for better opportunities or community awareness activities rendered by a statewide organization established for the purpose of archeological education and preservation;

1 **[**(11)**]** (10) "Homeless assistance pilot project", the
2 program established pursuant to section 32.117;
3 **[**(12)**]** (11) "Job training", any type of instruction to an
4 individual who resides in the state of Missouri that enables the
5 individual to acquire vocational skills so that the individual
6 can become employable or be able to seek a higher grade of
7 employment;
8 **[**(13)**]** (12) "Neighborhood organization", any organization
9 performing community services or economic development activities
10 in the state of Missouri and:
11 (a) Holding a ruling from the Internal Revenue Service of
12 the United States Department of the Treasury that the
13 organization is exempt from income taxation pursuant to the
14 provisions of the Internal Revenue Code; or
15 (b) Incorporated in the state of Missouri as a
16 not-for-profit corporation pursuant to the provisions of chapter
17 355; or
18 (c) Designated as a community development corporation by
19 the United States government pursuant to the provisions of Title
20 VII of the Economic Opportunity Act of 1964;
21 **[**(14)**]** (13) "Physical revitalization", furnishing financial
22 assistance, labor, material, or technical advice to aid in the
23 physical improvement or rehabilitation of any part or all of a
24 neighborhood area;
25 **[**(15)**]** (14) "S corporation", a corporation described in
26 Section 1361(a)(1) of the United States Internal Revenue Code and
27 not subject to the taxes imposed by section 143.071 by reason of
28 section 143.471;

(15) "Taxpayer", an individual, a firm, a partner in a firm, sole proprietorship, partner in a limited or general partnership, member of a limited liability company, corporation as defined under sections 143.441 or 143.471, a shareholder in an S corporation doing business in this state and subject to the state income tax imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or a charitable organization, trust, or public or private foundation which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to state income tax imposed under chapter 143;

(16) "Workfare renovation project", any project initiated pursuant to sections 215.340 to 215.355.

32.110. Any [business firm] taxpayer which engages in the activities of providing physical revitalization, economic development, job training or education for individuals, community services, or crime prevention in the state of Missouri shall receive a tax credit as provided in section 32.115 if the director of the department of economic development annually approves the proposal of the [business firm] taxpayer; except that, no proposal shall be approved which does not have the endorsement of the agency of local government within the area in which the [business firm] taxpayer is engaging in such activities which has adopted an overall community or neighborhood development plan that the proposal is consistent with such plan. The proposal shall set forth the program to be conducted, the neighborhood area to be served, why the program is needed, the estimated amount to be contributed to the program and the plans

for implementing the program. If, in the opinion of the director of the department of economic development, a **[**business firm's**]** taxpayer's contribution can more consistently with the purposes of sections 32.100 to 32.125 be made through contributions to a neighborhood organization as defined in subdivision (13) of section 32.105, tax credits may be allowed as provided in section 32.115. The director of the department of economic development is hereby authorized to promulgate rules and regulations for establishing criteria for evaluating such proposals by **[**business firms**]** taxpayers for approval or disapproval and for establishing priorities for approval or disapproval of such proposals by **[**business firms**]** taxpayers with the assistance and approval of the director of the department of revenue. The total amount of tax credit granted for programs approved pursuant to sections 32.100 to 32.125 shall not exceed fourteen million dollars in fiscal year 1999 and twenty-six million dollars in fiscal year 2000, and any subsequent fiscal year, except as otherwise provided for proposals approved pursuant to section 32.111, 32.112 or 32.117. All tax credits authorized pursuant to the provisions of sections 32.100 to 32.125 may be used as a state match to secure additional federal funding. Tax credits provided under this section may be transferred, sold, or assigned.

32.115. 1. The department of revenue shall grant a tax credit, to be applied in the following order until used, against:

(1) The annual tax on gross premium receipts of insurance companies in chapter 148;

(2) The tax on banks determined pursuant to subdivision (2) of subsection 2 of section 148.030;

(3) The tax on banks determined in subdivision (1) of subsection 2 of section 148.030;

(4) The tax on other financial institutions in chapter 148;

(5) The corporation franchise tax in chapter 147;

(6) The state income tax in chapter 143; and

(7) The annual tax on gross receipts of express companies in chapter 153.

2. For proposals approved pursuant to section 32.110:

(1) For all taxable years ending on or before December 31, 2011, the amount of the tax credit shall not exceed fifty percent of the total amount contributed during the taxable year by the **[**business firm**]** taxpayer or, in the case of a financial institution, where applicable, during the relevant income period in programs approved pursuant to section 32.110. For all taxable years beginning on or after January 1, 2012, the amount of the tax credit shall not exceed fifty percent of contributions made during the taxable year by the taxpayer or, in the case of a financial institution, where applicable, during the relevant income period in programs approved pursuant to section 32.110, if such contributions are equal to or less than one thousand dollars. In addition to the fifty percent credit for contributions equal to or less than one thousand dollars, for contributions in excess of one thousand dollars, a credit shall be allowed in an amount equal to thirty-five percent of such excess;

(2) Except as provided in subsection 2 or 5 of this section, for all taxable years ending on or before December 31, 2011, a tax credit of up to seventy percent may be allowed for

contributions to programs where activities fall within the scope of special program priorities as defined with the approval of the governor in regulations promulgated by the director of the department of economic development. For all taxable years beginning on or after January 1, 2012, except as provided in subsection 2 or 5 of this section, a tax credit of up to seventy percent may be allowed for contributions to programs where activities fall within the scope of special program priorities as defined with the approval of the governor in regulations promulgated by the director of the department of economic development, if such contributions are equal to or less than one thousand dollars. In addition to the seventy percent credit for contributions equal to or less than one thousand dollars, for contributions in excess of one thousand dollars, a credit shall be allowed in an amount equal to fifty percent of such excess;

(3) Except as provided in subsection 2 or 5 of this section, for all taxable years ending on or before December 31, 2011, the tax credit allowed for contributions to programs located in any community shall be equal to seventy percent of the total amount contributed where such community is a city, town or village which has fifteen thousand or less inhabitants as of the last decennial census and is located in a county which is either located in:

(a) An area that is not part of a standard metropolitan statistical area;

(b) A standard metropolitan statistical area but such county has only one city, town or village which has more than fifteen thousand inhabitants; or

(c) A standard metropolitan statistical area and a substantial number of persons in such county derive their income from agriculture. Such community may also be in an unincorporated area in such county as provided in subdivision (1), (2) or (3) of this subsection. Except in no case shall the total economic benefit of the combined federal and state tax savings to the taxpayer exceed the amount contributed by the taxpayer during the tax year;

(4) Except as provided in subsection 2 or 5 of this section, for all taxable years beginning on or after January 1, 2012, the tax credit allowed for contributions to programs located in any community shall be equal to seventy percent of the total amount contributed if such amount is equal to or less than one thousand dollars and fifty percent of any amount in excess of one thousand dollars where such community is a city, town, or village which has fifteen thousand or less inhabitants as of the last decennial census and is located in a county which is either located in:

(a) An area that is not part of a standard metropolitan statistical area;

(b) A standard metropolitan statistical area but such county has only one city, town, or village which has more than fifteen thousand inhabitants; or

(c) A standard metropolitan statistical area and a substantial number of persons in such county derive their income from agriculture. Such community may also be in an unincorporated area in such county as provided in subdivision (1), (2), (3), or (4) of this subsection. Except in no case

shall the total economic benefit of the combined federal and state tax savings to the taxpayer exceed the amount contributed by the taxpayer during the tax year;

(5) Such tax credit allocation, equal to seventy percent of the total amount contributed, shall not exceed four million dollars in fiscal year 1999 and six million dollars in fiscal year 2000 and any subsequent fiscal year ending on or before June 30, 2011. When the maximum dollar limit on the seventy percent tax credit allocation is committed, the tax credit allocation for such programs shall then be equal to fifty percent credit of the total amount contributed. For all fiscal years beginning on or after July 1, 2011, allocations of tax credits under subdivisions (2) and (4) of this subsection shall not exceed six million dollars. Regulations establishing special program priorities are to be promulgated during the first month of each fiscal year and at such times during the year as the public interest dictates. For tax credits issued on or before December 31, 2011, such credit shall not exceed two hundred and fifty thousand dollars annually except as provided in subdivision **[**(5)**]** (6) of this subsection. For tax credits issued on or after January 1, 2012, there shall be no annual per contribution limit on tax credits. No tax credit shall be approved for any bank, bank and trust company, insurance company, trust company, national bank, savings association, or building and loan association for activities that are a part of its normal course of business. Any tax credit not used in the period the contribution was made may be carried over the next five succeeding calendar or fiscal years until the full credit has been claimed. Except as otherwise provided for

proposals approved pursuant to section 32.111, 32.112 or 32.117, in no event shall the total amount of all other tax credits allowed pursuant to sections 32.100 to 32.125 exceed thirty-two million dollars in any one fiscal year, of which six million shall be credits allowed pursuant to section 135.460. If six million dollars in credits are not approved, then the remaining credits may be used for programs approved pursuant to sections 32.100 to 32.125;

[(5)**]** (6) The credit may exceed two hundred fifty thousand dollars annually and shall not be limited if community services, crime prevention, education, job training, physical revitalization or economic development, as defined by section 32.105, is rendered in an area defined by federal or state law as an impoverished, economically distressed, or blighted area or as a neighborhood experiencing problems endangering its existence as a viable and stable neighborhood, or if the community services, crime prevention, education, job training, physical revitalization or economic development is limited to impoverished persons.

3. For proposals approved pursuant to section 32.111:

(1) For all taxable years ending on or before December 31, 2011, the amount of the tax credit shall not exceed fifty-five percent of the total amount invested in affordable housing assistance activities or market rate housing in distressed communities as defined in section 135.530 by a **[**business firm**]** taxpayer. For all taxable years beginning on or after January 1, 2012, the amount of the tax credit shall not exceed forty percent of the total amount invested in affordable housing assistance

activities or market rate housing in distressed communities as defined in section 135.530 by a taxpayer. Whenever such investment is made in the form of an equity investment or a loan, as opposed to a donation alone, tax credits may be claimed only where the loan or equity investment is accompanied by a donation which is eligible for federal income tax charitable deduction, and where the total value of the tax credits herein plus the value of the federal income tax charitable deduction is less than or equal to the value of the donation. Any tax credit not used in the period for which the credit was approved may be carried over the next ten succeeding calendar or fiscal years until the full credit has been allowed. If the affordable housing units or market rate housing units in distressed communities for which a tax is claimed are within a larger structure, parts of which are not the subject of a tax credit claim, then expenditures applicable to the entire structure shall be reduced on a prorated basis in proportion to the ratio of the number of square feet devoted to the affordable housing units or market rate housing units in distressed communities, for purposes of determining the amount of the tax credit. The total amount of tax credit granted for programs approved pursuant to section 32.111 for the fiscal year beginning July 1, 1991, shall not exceed two million dollars, to be increased by no more than two million dollars each succeeding fiscal year, until the total tax credits that may be approved reaches ten million dollars in any fiscal year but before June 30, 2011. For all fiscal years beginning on or after July 1, 2011, the total amount of tax credits authorized for programs approved pursuant to section 32.111 shall not exceed

eight million five hundred thousand dollars;

(2) For any year during the compliance period indicated in the land use restriction agreement, the owner of the affordable housing rental units for which a credit is being claimed shall certify to the commission that all tenants renting claimed units are income eligible for affordable housing units and that the rentals for each claimed unit are in compliance with the provisions of sections 32.100 to 32.125. The commission is authorized, in its discretion, to audit the records and accounts of the owner to verify such certification;

(3) In the case of owner-occupied affordable housing units, the qualifying owner occupant shall, before the end of the first year in which credits are claimed, certify to the commission that the occupant is income eligible during the preceding two years, and at the time of the initial purchase contract, but not thereafter. The qualifying owner occupant shall further certify to the commission, before the end of the first year in which credits are claimed, that during the compliance period indicated in the land use restriction agreement, the cost of the affordable housing unit to the occupant for the claimed unit can reasonably be projected to be in compliance with the provisions of sections 32.100 to 32.125. Any succeeding owner occupant acquiring the affordable housing unit during the compliance period indicated in the land use restriction agreement shall make the same certification;

(4) If at any time during the compliance period the commission determines a project for which a proposal has been approved is not in compliance with the applicable provisions of

sections 32.100 to 32.125 or rules promulgated therefor, the commission may within one hundred fifty days of notice to the owner either seek injunctive enforcement action against the owner, or seek legal damages against the owner representing the value of the tax credits, or foreclose on the lien in the land use restriction agreement, selling the project at a public sale, and paying to the owner the proceeds of the sale, less the costs of the sale and less the value of all tax credits allowed herein. The commission shall remit to the director of revenue the portion of the legal damages collected or the sale proceeds representing the value of the tax credits. However, except in the event of intentional fraud by the taxpayer, the proposal's certificate of eligibility for tax credits shall not be revoked.

4. For proposals approved pursuant to section 32.112, the amount of the tax credit shall not exceed fifty-five percent of the total amount contributed to a neighborhood organization by **[**business firms**]** taxpayers. Any tax credit not used in the period for which the credit was approved may be carried over the next ten succeeding calendar or fiscal years until the full credit has been allowed. The total amount of tax credit granted for programs approved pursuant to section 32.112 shall not exceed one million dollars for each fiscal year ending on or before June 30, 2011. For all fiscal years beginning on or after July 1, 2011, the total amount of tax credits authorized for programs approved pursuant to section 32.112 shall not exceed two million five hundred thousand dollars.

5. The total amount of tax credits used for market rate housing in distressed communities pursuant to sections 32.100 to

32.125 shall not exceed thirty percent of the total amount of all tax credits authorized pursuant to sections 32.111 and 32.112.

6. Notwithstanding any provision of law to the contrary, no tax credits provided under sections 32.100 to 32.125 shall be authorized on or after August 28, 2015. The provisions of this subsection shall not be construed to limit or in any way impair the department's ability to issue tax credits authorized prior to August 28, 2015, or a taxpayer's ability to redeem such tax credits.

32.117. 1. Any **[**business firm**]** taxpayer which engages in the activity of providing a homeless assistance project for low-income persons in the state of Missouri shall receive a tax credit as provided in section 32.115, if the division of community development within the department of economic development annually approves the proposal of the **[**business firm**]** taxpayer. The proposal shall only be approved if the project is located in a city with a population of four hundred thousand or more inhabitants which is located in more than one county and which serves a mix of rural and urban counties.

2. For purposes of this section "low-income persons" shall mean families or persons with incomes of fifty percent or less of median income adjusted for family size as allowed by the Department of Housing and Urban Development (HUD) under section 8.

3. The purpose of a homeless assistance project shall be to serve low-income families or persons who are experiencing economic crisis caused by one or more of the following:

(1) Loss of employment;

(2) Medical disability or emergency;

(3) Loss or delay of some form of public assistance benefits;

(4) Natural disaster;

(5) Substantial change in household composition;

(6) Victimization by criminal activity;

(7) Illegal action by a landlord;

(8) Displacement by government or private action; or

(9) Some other condition which constitutes a hardship.

4. The amount of the tax credit shall not exceed fifty-five percent of the value of the proposal benefits, which shall include one or more of the following types of benefits to low-income persons in order to be eligible:

(1) Payment of rent or mortgage for not more than three months during any twelve-month period;

(2) Payment to a landlord of a rent deposit or a security deposit for not more than two months during any twelve-month period;

(3) Case management services which shall include support services such as child care, education resource assistance, job resource assistance, counseling, and resource and referral;

(4) Outreach services to low-income persons to prevent homelessness;

(5) Transitional housing facilities with support services.

5. The homeless assistance program shall give priority to the following types of low-income families or individuals:

(1) Families with minor children who are in imminent danger of removal from the family because of a lack of suitable housing

accommodation;

(2) Single parent household;

(3) Other households with children;

(4) Households with a disabled household member or a household member who is at least sixty-five years of age;

(5) All other households.

6. The organization implementing a homeless assistance program pursuant to this section shall make annual reports identifying the goal of the program, the number of recipients served, the type of services rendered, and moneys expended to provide the program. The program report shall be submitted to the governor, speaker of the house of representatives and the president pro tem of the senate. These reports shall also be available to the general public upon request.

7. For each of the fiscal years beginning on July 1, 1991, and July 1, 1992, one million dollars in tax credits may be allowed to be used for the homeless assistance pilot project, pursuant to this section.

32.120. The decision of the director of the department of economic development to approve or disapprove a proposal pursuant to section 32.110 shall be in writing, and if he approves the proposal, he shall state the maximum credit allowable to the **[**business firm**]** taxpayer. A copy of the decision of the director of the department of economic development shall be transmitted to the director of revenue and to the governor.

32.383. 1. Notwithstanding the provisions of any other law to the contrary, with respect to taxes administered by the department of revenue and imposed in chapters 143 and 144, an

amnesty from the assessment or payment of all penalties, additions to tax, and interest shall apply with respect to unpaid taxes or taxes due and owing reported and paid in full from August 1, 2011, to October 31, 2011, regardless of whether previously assessed, except for penalties, additions to tax, and interest paid before August 1, 2011. The amnesty shall apply only to state tax liabilities due or due but unpaid on or before December 31, 2010, and shall not extend to any taxpayer who at the time of payment is a party to any criminal investigations or to any civil or criminal litigation that is pending in any court of the United States or this state for nonpayment, delinquency, or fraud in relation to any state tax imposed by this state.

2. Upon written application by the taxpayer, on forms prescribed by the director of revenue, and upon compliance with the provisions of this section, the department of revenue shall not seek to collect any penalty, addition to tax, or interest that may be applicable. The department of revenue shall not seek civil or criminal prosecution for any taxpayer for the taxable period for which the amnesty has been granted, unless subsequent investigation or audit shows that the taxpayer engaged in fraudulent or criminal conduct in applying for amnesty.

3. Amnesty shall be granted only to those taxpayers who have applied for amnesty within the period stated in this section, who have filed a tax return for each taxable period for which amnesty is requested, who have paid the entire balance due within sixty days of approval by the department of revenue, and who agree to comply with state tax laws for the next eight years from the date of the agreement. No taxpayer shall be entitled to

a waiver of any penalty, addition to tax, or interest under this section unless full payment of the tax due is made in accordance with rules established by the director of revenue.

4. All taxpayers granted amnesty under this section shall comply with this state's tax laws for the eight years following the date of the amnesty agreement. If any such taxpayer fails to comply with all of this state's tax laws at any time during the eight years following the date of the agreement, all penalties, additions to tax, and interest that were waived under the amnesty agreement shall become due and owing immediately.

5. If a taxpayer elects to participate in the amnesty program established in this section as evidenced by full payment of the tax due as established by the director of revenue, that election shall constitute an express and absolute relinquishment of all administrative and judicial rights of appeal. No tax payment received under this section shall be eligible for refund or credit.

6. Nothing in this section shall be interpreted to disallow the department of revenue to adjust a taxpayer's tax return as a result of any state or federal audit.

7. All tax payments received as a result of the amnesty program established in this section, other than revenues earmarked by the Constitution of Missouri or this state's statutes, shall be deposited in the state general revenue fund.

8. The department may promulgate rules or issue administrative guidelines as are necessary to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under

the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly under chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after July 1, 2011, shall be invalid and void.

32.385. 1. The director of revenue and the commissioner of administration may jointly enter into a reciprocal collection and offset of indebtedness agreement with the federal government, under which the State will offset from state tax refunds and from payments otherwise due to vendors and contractors providing goods or services to state departments, agencies, or other state agencies non-tax debt owed to the federal government; and the federal government will offset from federal payments to vendors, contractors, and taxpayers debt owed to the state of Missouri.

2. When used in this section, the following words, terms, and phrases are defined as set forth herein:

(1) "Federal official" means a unit or official of the federal government charged with the collection of non-tax liabilities payable to the federal government under 31 U.S.C. section 3716;

(2) "State agency" means any department, division, board, commission, office, or other agency of the state of Missouri;

(3) "Non-tax liability due the state" means a liability certified to the director of revenue by a state agency and shall

include, but shall not be limited to, fines, fees, penalties, and other non-tax assessments imposed by or payable to any state agency that is finally determined to be due and owing;

(4) "Person" means an individual, partnership, society, association, joint stock company, corporation, public corporation, or any public authority, estate, receiver, trustee, assignee, referee, and any other person acting in a fiduciary or representative capacity whether appointed by a court or otherwise, and any combination of the foregoing;

(5) "Refund" means an amount described as a refund of tax under the provisions of the state tax law that authorized its payment;

(6) "Vendor payment" means any payment, other than a refund, made by the state to any person or entity, and shall include but shall not be limited to any expense reimbursement to an employee of the state; but shall not include a person's salary, wages, or pension;

(7) "Offset agreement" is the agreement authorized by this section.

3. Under the offset agreement, a federal official may:

(1) Certify to the state of Missouri the existence of a person's delinquent non-tax liability owed by the person to the federal government;

(2) Request that the state of Missouri withhold any refund and vendor payment to which the person is entitled;

(3) Certify and request the state of Missouri to withhold a refund or vendor payment only if the laws of the United States:

(a) Allow the state of Missouri to enter into a reciprocal

agreement with the United States, under which the federal official would be authorized to offset federal payments to collect delinquent tax and non-tax debts owed to the state; and

(b) Provide for the payment of the amount withheld to the state;

(4) Retain a portion of the proceeds of any collection setoff as provided under the setoff agreement.

4. Under the offset agreement, a certification by a federal official to the state of Missouri shall include:

(1) the full name of the person and any other names known to be used by the person;

(2) the social security number or federal tax identification number;

(3) the amount of the non-tax liability; and

(4) a statement that the debt is past due and legally enforceable in the amount certified.

5. If a person for whom a certification is received from a federal official is due a refund of Missouri tax or a vendor payment, the agreement may provide that the state of Missouri shall:

(1) Withhold a refund or vendor payment that is due a person whose name has been certified by a federal official;

(2) In accordance with the provisions of the offset agreement, notify the person of the amount withheld in satisfaction of a liability certified by a federal official;

(3) Pay to the federal official the lesser of:

(a) The entire refund or vendor payment; or

(b) The amount certified; and

(4) Pay any refund or vendor payment in excess of the certified amount to the person.

6. Under the agreement, the director of revenue shall:

(1) Certify to a federal official the existence of a person's delinquent tax or non-tax liability due the state owed by the person to any state agency;

(2) Request that the federal official withhold any eligible vendor payment to which the person is entitled; and

(3) Provide for the payment of the amount withheld to the state.

7. A certification by a state agency to the director of revenue and by the director of revenue to the federal official under the offset agreement shall include:

(1) The full name and address of the person and any other names known to be used by the person;

(2) The social security number or tax identification number;

(3) The amount of the tax or non-tax liability;

(4) A statement that the debt is past due and legally enforceable in the amount certified; and

(5) Any other information required by federal statute or regulation applicable to the collection of the debt by offset of federal payments.

8. Any other provisions of law to the contrary notwithstanding, the director of revenue and the commissioner of administration shall have the authority to enter into reciprocal agreements with any other state which extends a like comity to this state to set off offset from state tax refunds and from

payments otherwise due to vendors and contractors providing goods or services to state departments, agencies, or other state agencies non-tax debt for debts due the other state that extends a like comity to this state.

32.410. As used in sections 32.410 to 32.460, the following terms shall mean:

(1) "Debt", an amount owed to the state directly or through a state agency, on account of a fee, duty, lease, direct loan, loan insured or guaranteed by the state, rent, service, sale of real or personal property, overpayment, fine, assessment, penalty, restitution, damages, interest, tax, bail bond, forfeiture, reimbursement, liability owed, an assignment, recovery of costs incurred by the state, or any other source of indebtedness to the state;

(2) "Debtor", an individual, a corporation, a partnership, an unincorporated association, a limited liability company, a trust, an estate, or any other public or private entity, including a state, local, or federal government, or an Indian tribe, that is liable for a debt or against whom there is a claim for a debt;

(3) "Department", the department of revenue;

(4) "State agency", any division, board, commission, office, or other agency of the state of Missouri, including public community college districts and any state or municipal court.

32.420. 1. Notwithstanding any other provision of law to the contrary, all state agencies may refer to the department for collection debts owed to them. The department may provide

collection services on debts referred to the department by a state agency. This authority shall not supersede the authority granted to the attorney general pursuant to section 27.060 or any other statute.

2. A referring agency may refer the debt to the department for collection at any time after a debt becomes delinquent and uncontested and the debtor shall have no further administrative appeal of the amount of the debt. Methods and procedures for referral shall be governed by an agreement between the referring agency and the department.

3. The collection procedures and remedies under this chapter are in addition to any other procedure or remedy available by law. If the state agency's applicable state or federal law requires the use of a particular remedy or procedure for the collection of a debt, that particular remedy or procedure shall govern the collection of that debt to the extent the procedure or remedy is inconsistent with this chapter.

4. The state agency shall send notice to the debtor by United States mail at the debtor's last known address at least twenty days before the debt is referred to the department. The notice shall state the nature and amount of the debt, identify to whom the debt is owed, and inform the debtor of the remedies available under this chapter or the state agency's own procedures.

32.430. 1. Except as otherwise provided in this section, the department shall have the authority to use all general remedies afforded creditors of this state in collection of debt as well as any remedies afforded the state agency referring the

debt and to the state in general as a creditor. The department shall not have authority to prosecute or defend civil actions on behalf of any other state agency, except as necessary to defend any challenges made to actions pursuant to sections 143.902 or 143.910 for a debt referred by a state agency or to prosecute an action pursuant to subsection 10 of section 104.910.

2. In addition to the remedies identified in sections 32.410 to 32.460, the department may use the collection remedies afforded under sections 143.902 and 140.910 in the collection of any state debt referred to the department.

3. The department may employ department staff and attorneys, and at the department's discretion, prosecuting attorneys and private collection agencies as authorized in sections 136.150 and 140.850 in seeking collection of debts referred to the department by a state agency.

32.440. 1. The department shall add to the amount of debt referred to the department by a state agency the cost of collection which shall be ten percent of the total debt referred by the state agency. The department shall have the same authority to collect the cost of collection as the department has in collecting the debt referred by the state agency.

2. The cost of collection shall only be waived when:

(1) Within thirty days after the initial notice to the debtor by the department, the debtor establishes to the department reasonable cause for the failure to pay the debt prior to referral of the debt to the department, enters into an agreement satisfactory to the department to pay the debt in full, and fully abides by the terms of that agreement;

(2) A good faith dispute as to the legitimacy or the amount of the debt exists, and payment is remitted or an agreement satisfactory to the department to pay the debt in full is entered into within thirty days after resolution of the dispute, and the debtor fully abides by the terms of that agreement; or

(3) Collection costs have been added by the state agency and are included in the amount of the referred debt.

3. If the department collects an amount less than the total due, the payment shall be applied proportionally to collection costs and the underlying debt unless the department has waived this requirement for certain categories of debt. Collection costs collected by the department under this section shall be deposited in the general revenue fund.

32.450. The department may compromise state debt referred to the department in accordance with section 32.378 and any agreement with the referring agency.

32.460. The department and state agencies, including the judiciary, may exchange such information, including the debtor's Social Security number, as is necessary for the successful collection of the state debt referred. The referring state agency shall follow all applicable federal and state laws regarding the confidentiality of information and records regarding the debtor. The confidentiality laws applicable to the particular information received and retained by each agency shall apply to the employees of such state agency and to the department when such information has been forwarded to the department.

67.3000. 1. As used in this section and section 67.3005, the following words shall mean:

(1) "Active Member", an organization located in the state of Missouri, which solicits and services sports events, sports organizations, and other types of sports-related activities in that community;

(2) "Applicant" or "applicants", one or more certified sponsors, endorsing counties, endorsing municipalities, or a local organizing committee, acting individually or collectively;

(3) "Certified sponsor" or "certified sponsors", a nonprofit organization which is an active member of the National Association of Sports Commissions;

(4) "Department", the Missouri department of economic development;

(5) "Director", the director of revenue;

(6) "Eligible costs", shall include:

(a) Costs necessary for conducting the sporting event;

(b) Costs relating to the preparations necessary for the conduct of the sporting event; and

(c) An applicant's pledged obligations to the site selection organization as evidenced by the support contract for the sporting event.

Eligible costs shall not include any cost associated with the rehabilitation or construction of any facilities used to host the sporting event but may include costs associated with the retrofitting of a facility necessary to accommodate the sporting event, and direct payments to a for-profit site selection organization;

(7) "Eligible donation", donations received, by a certified

sponsor or local organizing committee, from a taxpayer that may include cash, publically traded stocks and bonds, and real estate that will be valued and documented according to rules promulgated by the department. Such donations shall be used solely to provide funding to attract sporting events to this state;

(8) "Endorsing municipality" or "endorsing municipalities", any city, town, incorporated village, or county that contains a site selected by a site selection organization for one or more sporting events;

(9) "Joinder agreement", an agreement entered into by one or more applicants, acting individually or collectively, and a site selection organization setting out representations and assurances by each applicant in connection with the selection of a site in this state for the location of a sporting event;

(10) "Joinder undertaking", an agreement entered into by one or more applicants, acting individually or collectively, and a site selection organization that each applicant will execute a joinder agreement in the event that the site selection organization selects a site in this state for a sporting event;

(11) "Local organizing committee", a nonprofit corporation or its successor in interest that:

(a) Has been authorized by one or more certified sponsors, endorsing municipalities, or endorsing counties, acting individually or collectively, to pursue an application and bid on its or the applicant's behalf to a site selection organization for selection as the site of one or more sporting events; or

(b) With the authorization of one or more certified sponsors, endorsing municipalities, or endorsing counties, acting

individually or collectively, executes an agreement with a site selection organization regarding a bid to host one or more sporting events;

(12) "Site selection organization", the National Collegiate Athletic Association (NCAA); an NCAA member conference, university, or institution; the National Association of Intercollegiate Athletics (NAIA); the United States Olympic Committee (USOC); a national governing body (NGB) or international federation of a sport recognized by the USOC; the United States Golf Association (USGA); the United States Tennis Association (USTA); the Amateur Softball Association of America (ASA); other major regional, national, and international sports associations, and amateur organizations that promote, organize, or administer sporting games, or competitions; or other major regional, national, and international organizations that promote or organize sporting events;

(13) "Sporting event" or "sporting events", an amateur sporting event that is competitively bid;

(14) "Support contract" or "support contracts", an event award notification, joinder undertaking, joinder agreement, or contract executed by an applicant and a site selection organization;

(15) "Tax credit" or "tax credits", a credit or credits issued by the department against the tax otherwise due under chapter 143 or 148, excluding withholding tax imposed by sections 143.191 to 143.265;

(16) "Taxpayer", any of the following individuals or entities who make an eligible donation to a provider:

(a) A person, firm, partner in a firm, corporation, or a shareholder in an S corporation doing business in the state of Missouri and subject to the state income tax imposed in chapter 143;

(b) A corporation subject to the annual corporation franchise tax imposed in chapter 147;

(c) An insurance company paying an annual tax on its gross premium receipts in this state;

(d) Any other financial institution paying taxes to the state of Missouri or any political subdivision of this state under chapter 148;

(e) An individual subject to the state income tax imposed in chapter 143;

(f) Any charitable organization which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143.

2. An applicant may submit a copy of a support contract for a sporting event to the department. Within sixty days of receipt of the sporting event support contract, the department may review the applicant's support contract and certify such support contract if it complies with the requirements of this section. Upon certification of the support contract by the department, the applicant may be authorized to receive the tax credit under subsection 4 of this section.

3. No more than thirty days following the conclusion of the sporting event, the applicant shall submit eligible costs and documentation of the costs evidenced by receipts, paid invoices,

or other documentation in a manner prescribed by the department.

4. No later than seven days following the conclusion of the sporting event, the department, in consultation with the director, may determine the total number of tickets sold at face value for such event. No later than sixty days following the receipt of eligible costs and documentation of such costs from the applicant as required in subsection 3 of this section, the department may issue a refundable tax credit to the applicant for the lesser of one hundred percent of eligible costs incurred by the applicant or an amount equal to five dollars for every admission ticket sold to such event. Tax credits authorized by this section may be claimed against taxes imposed by chapters 143 and 148 and shall be claimed within one year of the close of the taxable year for which the credits were issued. Tax credits authorized by this section may be transferred, sold, or assigned by filing a notarized endorsement thereof with the department that names the transferee, the amount of tax credit transferred, and the value received for the credit, as well as any other information reasonably requested by the department.

5. In no event shall the amount of tax credits issued by the department under subsection 4 of this section exceed three million dollars in any fiscal year.

6. An applicant shall provide any information necessary as determined by the department for the department and the director to fulfill the duties required by this section. At any time upon the request of the state of Missouri, a certified sponsor will subject itself to an audit conducted by the state.

7. This section shall not be construed as creating or

requiring a state guarantee of obligations imposed on an endorsing municipality under a support contract or any other agreement relating to hosting one or more sporting events in this state.

8. The department shall only certify an applicant's support contract for a sporting event in which the site selection organization has yet to select a location for the sporting event as of August 28, 2011. Support contracts shall not be certified by the department after August 28, 2017, provided that the support contracts may be certified prior to August 28, 2017, for sporting events that will be held after such date.

9. The department may promulgate rules, statements of policy, procedures, forms, and guidelines as necessary to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010 that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2011, shall be invalid and void.

67.3005. 1. For all taxable years beginning on or after January 1, 2011, any taxpayer shall be allowed a credit against the taxes otherwise due under chapter 143, 147, or 148 excluding

withholding tax imposed by sections 143.191 to 143.265 in an amount equal to fifty percent of the amount of an eligible donation, subject to the restrictions in this section. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state income tax liability in the tax year for which the credit is claimed. Any amount of credit that the taxpayer is prohibited by this section from claiming in a tax year shall not be refundable, but may be carried forward to any of the taxpayer's four subsequent taxable years.

2. To claim the credit authorized in this section, a certified sponsor or local organizing committee may submit to the department an application for the tax credit authorized by this section on behalf of taxpayers. The department shall verify that the provider has submitted the following items accurately and completely:

(1) A valid application in the form and format required by the department;

(2) A statement attesting to the eligible donation received, which shall include the name and taxpayer identification number of the individual making the eligible donation, the amount of the eligible donation, and the date the eligible donation was received by the provider; and

(3) Payment from the certified sponsor or local organizing committee equal to the value of the tax credit for which application is made.

If the certified sponsor or local organizing committee applying for the tax credit meets all criteria required by this

subsection, the department shall issue a certificate in the appropriate amount.

3. Tax credits issued under this section may be assigned, transferred, sold, or otherwise conveyed, and the new owner of the tax credit shall have the same rights in the credit as the taxpayer. Whenever a certificate is assigned, transferred, sold, or otherwise conveyed, a notarized endorsement shall be filed with the department specifying the name and address of the new owner of the tax credit or the value of the credit. In no event shall the amount of tax credits issued by the department under this section exceed ten million dollars in any fiscal year.

4. The department shall promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, and, if applicable, section 536.028. This section and chapter 536, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2011, shall be invalid and void.

5. Under section 23.253 of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset six years after August 28, 2011, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized

under this section shall automatically sunset twelve years after the effective date of the reauthorization of this section; and

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset.

99.1205. 1. This section shall be known and may be cited as the "Distressed Areas Land Assemblage Tax Credit Act".

2. As used in this section, the following terms mean:

(1) "Acquisition costs", the purchase price for the eligible parcel, costs of environmental assessments, closing costs, real estate brokerage fees, reasonable demolition costs of vacant structures, and reasonable maintenance costs incurred to maintain an acquired eligible parcel for a period of five years after the acquisition of such eligible parcel. Acquisition costs shall not include costs for title insurance and survey, attorney's fees, relocation costs, fines, or bills from a municipality;

(2) "Applicant", any person, firm, partnership, trust, limited liability company, or corporation which has:

(a) Incurred, within an eligible project area, acquisition costs for the acquisition of land sufficient to satisfy the requirements under subdivision (8) of this subsection; and

(b) Been appointed or selected, pursuant to a redevelopment agreement by a municipal authority, as a redeveloper or similar designation, under an economic incentive law, to redevelop an urban renewal area or a redevelopment area that includes all of an eligible project area or whose redevelopment plan or redevelopment area, which encompasses all of an eligible project

area, has been approved or adopted under an economic incentive law. In addition to being designated the redeveloper, the applicant shall have been designated to receive economic incentives only after the municipal authority has considered the amount of the tax credits in adopting such economic incentives as provided in subsection 8 of this section. The redevelopment agreement shall provide that:

a. The funds generated through the use or sale of the tax credits issued under this section shall be used to redevelop the eligible project area;

b. No more than seventy-five percent of the urban renewal area identified in the urban renewal plan or the redevelopment area identified in the redevelopment plan may be redeveloped by the applicant; and

c. The remainder of the urban renewal area or the redevelopment area shall be redeveloped by co-redevelopers or redevelopers to whom the applicant has assigned its redevelopment rights and obligations under the urban renewal plan or the redevelopment plan;

(3) "Certificate", a tax credit certificate issued under this section;

(4) "Condemnation proceedings", any action taken by, or on behalf of, an applicant to initiate an action in a court of competent jurisdiction to use the power of eminent domain to acquire a parcel within the eligible project area. Condemnation proceedings shall include any and all actions taken after the submission of a notice of intended acquisition to an owner of a parcel within the eligible project area by a municipal authority

or any other person or entity under section 523.250;

(5) "Department", the Missouri department of economic development;

(6) "Economic incentive laws", any provision of Missouri law pursuant to which economic incentives are provided to redevelopers of a parcel or parcels to redevelop the land, such as tax abatement or payments in lieu of taxes, or redevelopment plans or redevelopment projects approved or adopted which include the use of economic incentives to redevelop the land. Economic incentive laws include, but are not limited to, the land clearance for redevelopment authority law under sections 99.300 to 99.660, the real property tax increment allocation redevelopment act under sections 99.800 to 99.865, the Missouri downtown and rural economic stimulus act under sections 99.915 to 99.1060, and the downtown revitalization preservation program under sections 99.1080 to 99.1092;

(7) "Eligible parcel", a parcel:

(a) Which is located within an eligible project area;

(b) Which is to be redeveloped;

(c) On which the applicant has not commenced construction prior to November 28, 2007;

(d) Which has been acquired without the commencement of any condemnation proceedings with respect to such parcel brought by or on behalf of the applicant. Any parcel acquired by the applicant from a municipal authority shall not constitute an eligible parcel; and

(e) On which all outstanding taxes, fines, and bills levied by municipal governments that were levied by the municipality

during the time period that the applicant held title to the eligible parcel have been paid in full;

(8) "Eligible project area", an area which shall have satisfied the following requirements:

(a) The eligible project area shall consist of at least seventy-five acres and may include parcels within its boundaries that do not constitute an eligible parcel;

(b) At least eighty percent of the eligible project area shall be located within a Missouri qualified census tract area, as designated by the United States Department of Housing and Urban Development under 26 U.S.C. Section 42, or within a distressed community as that term is defined in section 135.530;

(c) The eligible parcels acquired by the applicant within the eligible project area shall total at least fifty acres, which may consist of contiguous and noncontiguous parcels;

(d) The average number of parcels per acre in an eligible project area shall be four or more;

(e) Less than five percent of the acreage within the boundaries of the eligible project area shall consist of owner-occupied residences which the applicant has identified for acquisition under the urban renewal plan or the redevelopment plan pursuant to which the applicant was appointed or selected as the redeveloper or by which the person or entity was qualified as an applicant under this section on the date of the approval or adoption of such plan;

(9) "Interest costs", interest, loan fees, and closing costs. Interest costs shall not include attorney's fees;

(10) "Maintenance costs", costs of boarding up and securing

vacant structures, costs of removing trash, and costs of cutting grass and weeds;

(11) "Municipal authority", any city, town, village, county, public body corporate and politic, political subdivision, or land trust of this state established and authorized to own land within the state;

(12) "Municipality", any city, town, village, or county;

(13) "Parcel", a single lot or tract of land, and the improvements thereon, owned by, or recorded as the property of, one or more persons or entities;

(14) "Redeveloped", the process of undertaking and carrying out a redevelopment plan or urban renewal plan pursuant to which the conditions which provided the basis for an eligible project area to be included in a redevelopment plan or urban renewal plan are to be reduced or eliminated by redevelopment or rehabilitation; and

(15) "Redevelopment agreement", the redevelopment agreement or similar agreement into which the applicant entered with a municipal authority and which is the agreement for the implementation of the urban renewal plan or redevelopment plan pursuant to which the applicant was appointed or selected as the redeveloper or by which the person or entity was qualified as an applicant under this section; and such appointment or selection shall have been approved by an ordinance of the governing body of the municipality, or municipalities, or in the case of any city not within a county, the board of aldermen, in which the eligible project area is located. The redevelopment agreement shall include a time line for redevelopment of the eligible project

area. The redevelopment agreement shall state that the named developer shall be subject to the provisions of chapter 290.

3. Any applicant shall be entitled to a tax credit against the taxes imposed under chapters 143, 147, and 148, except for sections 143.191 to 143.265, in an amount equal to fifty percent of the acquisition costs, and one hundred percent of the interest costs incurred **[**for a period of five years after the acquisition of an eligible parcel**]**. No tax credits shall be issued under this section until after January 1, 2008.

4. If the amount of such tax credit exceeds the total tax liability for the year in which the applicant is entitled to receive a tax credit, the amount that exceeds the state tax liability may be carried forward for credit against the taxes imposed under chapters 143, 147, and 148 for the succeeding six years, or until the full credit is used, whichever occurs first. The applicant shall not be entitled to a tax credit for taxes imposed under sections 143.191 to 143.265. Applicants entitled to receive such tax credits may transfer, sell, or assign the tax credits. Tax credits granted to a partnership, a limited liability company taxed as a partnership, or multiple owners of property shall be passed through to the partners, members, or owners respectively pro rata or pursuant to an executed agreement among the partners, members, or owners documenting an alternate distribution method.

5. A purchaser, transferee, or assignee of the tax credits authorized under this section may use acquired tax credits to offset up to one hundred percent of the tax liabilities otherwise imposed under chapters 143, 147, and 148, except for sections

143.191 to 143.265. A seller, transferor, or assignor shall perfect such transfer by notifying the department in writing within thirty calendar days following the effective date of the transfer and shall provide any information as may be required by the department to administer and carry out the provisions of this section.

6. To claim tax credits authorized under this section, an applicant shall submit to the department an application for a certificate. An applicant shall identify the boundaries of the eligible project area in the application. The department shall verify that the applicant has submitted a valid application in the form and format required by the department. The department shall verify that the municipal authority held the requisite hearings and gave the requisite notices for such hearings in accordance with the applicable economic incentive act, and municipal ordinances. On an annual basis, an applicant may file for the tax credit for the acquisition costs, and for the tax credit for the interest costs, subject to the limitations of this section. If an applicant applying for the tax credit meets the criteria required under this section, the department shall issue a certificate in the appropriate amount. If an applicant receives a tax credit for maintenance costs as a part of the applicant's acquisition costs, the department shall post on its Internet website the amount and type of maintenance costs and a description of the redevelopment project for which the applicant received a tax credit within thirty days after the department issues the certificate to the applicant.

7. The total aggregate amount of tax credits authorized

under this section shall not exceed ninety-five million dollars. [At no time shall] For all years ending on or before December 31, 2011, the annual amount of the tax credits issued under this section shall not exceed twenty million dollars. For all years beginning on or after January 1, 2012, the annual amount of the tax credits issued under this section shall not exceed fifteen million dollars. If the tax credits that are to be issued under this section exceed, in any year, the twenty million dollar limitation, the department shall either:

(1) Issue tax credits to the applicant in the amount of twenty million dollars, if there is only one applicant entitled to receive tax credits in that year; or

(2) Issue the tax credits on a pro rata basis to all applicants entitled to receive tax credits in that year. Any amount of tax credits, which an applicant is, or applicants are, entitled to receive on an annual basis and are not issued due to the twenty million dollar limitation, shall be carried forward for the benefit of the applicant or applicants to subsequent years. No tax credits provided under this section shall be authorized after August 28, 2013. Any tax credits which have been authorized on or before August 28, 2013, but not issued, may be issued, subject to the limitations provided under this subsection, until all such authorized tax credits have been issued.

8. Upon issuance of any tax credits pursuant to this section, the department shall report to the municipal authority the applicant's name and address, the parcel numbers of the eligible parcels for which the tax credits were issued, the

itemized acquisition costs and interest costs for which tax credits were issued, and the total value of the tax credits issued. The municipal authority and the state shall not consider the amount of the tax credits as an applicant's cost, but shall include the tax credits in any sources and uses and cost benefit analysis reviewed or created for the purpose of awarding other economic incentives. The amount of the tax credits shall not be considered an applicant's cost in the evaluation of the amount of any award of any other economic incentives, but shall be considered in measuring the reasonableness of the rate of return to the applicant with respect to such award of other economic incentives. The municipal authority shall provide the report to any relevant commission, board, or entity responsible for the evaluation and recommendation or approval of other economic incentives to assist in the redevelopment of the eligible project area. Tax credits authorized under this section shall constitute redevelopment tax credits, as such term is defined under section 135.800, and shall be subject to all provisions applicable to redevelopment tax credits provided under sections 135.800 to 135.830.

9. The department may promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to

delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

100.286. 1. Within the discretion of the board, the development and reserve fund, the infrastructure development fund or the export finance fund may be pledged to secure the payment of any bonds or notes issued by the board, or to secure the payment of any loan made by the board or a participating lender which loan:

(1) Is requested to finance any project or export trade activity;

(2) Is requested by a borrower who is demonstrated to be financially responsible;

(3) Can reasonably be expected to provide a benefit to the economy of this state;

(4) Is otherwise secured by a mortgage or deed of trust on real or personal property or other security satisfactory to the board; provided that loans to finance export trade activities may be secured by export accounts receivable or inventories of exportable goods satisfactory to the board;

(5) Does not exceed five million dollars;

(6) Does not have a term longer than five years if such loan is made to finance export trade activities; and

(7) Is, when used to finance export trade activities, made to small or medium size businesses or agricultural businesses, as may be defined by the board.

2. The board shall prescribe standards for the evaluation

of the financial condition, business history, and qualifications of each borrower and the terms and conditions of loans which may be secured, and may require each application to include a financial report and evaluation by an independent certified public accounting firm, in addition to such examination and evaluation as may be conducted by any participating lender.

3. Each application for a loan secured by the development and reserve fund, the infrastructure development fund or the export finance fund shall be reviewed in the first instance by any participating lender to whom the application was submitted. If satisfied that the standards prescribed by the board are met and that the loan is otherwise eligible to be secured by the development and reserve fund, the infrastructure development fund or the export finance fund, the participating lender shall certify the same and forward the application for final approval to the board.

4. The securing of any loans by the development and reserve fund, the infrastructure development fund or the export finance fund shall be conditioned upon approval of the application by the board, and receipt of an annual reserve participation fee, as prescribed by the board, submitted by or on behalf of the borrower.

5. The securing of any loan by the export finance fund for export trade activities shall be conditioned upon the board's compliance with any applicable treaties and international agreements, such as the general agreement on tariffs and trade and the subsidies code, to which the United States is then a party.

6. For any taxable year ending on or before December 31, 2011, any taxpayer, including any charitable organization that is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143, may, subject to the limitations provided under subsection 8 of this section, receive a tax credit against any tax otherwise due under the provisions of chapter 143, excluding withholding tax imposed by sections 143.191 to 143.261, chapter 147, or chapter 148, in the amount of fifty percent of any amount contributed in money or property by the taxpayer to the development and reserve fund, the infrastructure development fund or the export finance fund during the taxpayer's tax year, provided, however, the total tax credits awarded in any calendar year beginning after January 1, 1994, shall not be the greater of ten million dollars or five percent of the average growth in general revenue receipts in the preceding three fiscal years. For taxable years beginning on or after January 1, 2012, any taxpayer, including any charitable organization that is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143, may, subject to the limitations provided under subsection 8 of this section, receive a tax credit against any tax otherwise due under the provisions of chapter 143, excluding withholding tax imposed by sections 143.191 to 143.261, chapter 147, or chapter 148, in the amount of thirty-five percent of any amount contributed in money or property by the taxpayer to the development and reserve fund, the infrastructure development fund or the export finance

fund during the taxpayer's tax year, provided, however, the total tax credits awarded in any calendar year shall not be the greater of ten million dollars or five percent of the average growth in general revenue receipts in the preceding three fiscal years. This limit may be exceeded only upon joint agreement by the commissioner of administration, the director of the department of economic development, and the director of the department of revenue that such action is essential to ensure retention or attraction of investment in Missouri. If the board receives, as a contribution, real property, the contributor at such contributor's own expense shall have two independent appraisals conducted by appraisers certified by the Master Appraisal Institute. Both appraisals shall be submitted to the board, and the tax credit certified by the board to the contributor shall be based upon the value of the lower of the two appraisals. The board shall not certify the tax credit until the property is deeded to the board. Such credit shall not apply to reserve participation fees paid by borrowers under sections 100.250 to 100.297. The portion of earned tax credits which exceeds the taxpayer's tax liability may be carried forward for up to five years.

7. Notwithstanding any provision of law to the contrary, any taxpayer may sell, assign, exchange, convey or otherwise transfer tax credits allowed in subsection 6 of this section under the terms and conditions prescribed in subdivisions (1) and (2) of this subsection. Such taxpayer, hereinafter the assignor for the purpose of this subsection, may sell, assign, exchange or otherwise transfer earned tax credits:

(1) For no less than seventy-five percent of the par value of such credits; and

(2) In an amount not to exceed one hundred percent of annual earned credits. The taxpayer acquiring earned credits, hereinafter the assignee for the purpose of this subsection, may use the acquired credits to offset up to one hundred percent of the tax liabilities otherwise imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.261, chapter 147, or chapter 148. Unused credits in the hands of the assignee may be carried forward for up to five years, provided all such credits shall be claimed within ten years following the tax years in which the contribution was made. The assignor shall enter into a written agreement with the assignee establishing the terms and conditions of the agreement and shall perfect such transfer by notifying the board in writing within thirty calendar days following the effective day of the transfer and shall provide any information as may be required by the board to administer and carry out the provisions of this section. Notwithstanding any other provision of law to the contrary, the amount received by the assignor of such tax credit shall be taxable as income of the assignor, and the excess of the par value of such credit over the amount paid by the assignee for such credit shall be taxable as income of the assignee.

8. Provisions of subsections 1 to 7 of this section to the contrary notwithstanding, no more than ten million dollars in tax credits provided under this section, may be authorized or approved annually. The limitation on tax credit authorization and approval provided under this subsection may be exceeded only

upon mutual agreement, evidenced by a signed and properly notarized letter, by the commissioner of the office of administration, the director of the department of economic development, and the director of the department of revenue that such action is essential to ensure retention or attraction of investment in Missouri provided, however, that in no case shall more than twenty-five million dollars in tax credits be authorized or approved during such year. Taxpayers shall file, with the board, an application for tax credits authorized under this section on a form provided by the board. The provisions of this subsection shall not be construed to limit or in any way impair the ability of the board to authorize tax credits for issuance for projects authorized or approved, by a vote of the board, on or before the thirtieth day following the effective date of this act, or a taxpayer's ability to redeem such tax credits.

9. Notwithstanding any provision of law to the contrary, no tax credits provided under this section shall be authorized on or after August 28, 2014. The provisions of this subsection shall not be construed to limit or in any way impair the department's ability to issue tax credits authorized prior to August 28, 2014, or a taxpayer's ability to redeem such tax credits.

100.297. 1. The board may authorize a tax credit, as described in this section, to the owner of any revenue bonds or notes issued by the board pursuant to the provisions of sections 100.250 to 100.297, for infrastructure facilities as defined in subdivision (9) of section 100.255, if, prior to the issuance of such bonds or notes, the board determines that:

(1) The availability of such tax credit is a material inducement to the undertaking of the project in the state of Missouri and to the sale of the bonds or notes;

(2) The loan with respect to the project is adequately secured by a first deed of trust or mortgage or comparable lien, or other security satisfactory to the board.

2. Upon making the determinations specified in subsection 1 of this section, the board may declare that each owner of an issue of revenue bonds or notes shall be entitled, in lieu of any other deduction with respect to such bonds or notes, to a tax credit against any tax otherwise due by such owner pursuant to the provisions of chapter 143, excluding withholding tax imposed by sections 143.191 to 143.261, chapter 147, or chapter 148, in the amount of one hundred percent of the unpaid principal of and unpaid interest on such bonds or notes held by such owner in the taxable year of such owner following the calendar year of the default of the loan by the borrower with respect to the project. The occurrence of a default shall be governed by documents authorizing the issuance of the bonds. The tax credit allowed pursuant to this section shall be available to the original owners of the bonds or notes or any subsequent owner or owners thereof. Once an owner is entitled to a claim, any such tax credits shall be transferable as provided in subsection 7 of section 100.286. Notwithstanding any provision of Missouri law to the contrary, any portion of the tax credit to which any owner of a revenue bond or note is entitled pursuant to this section which exceeds the total income tax liability of such owner of a revenue bond or note shall be carried forward and allowed as a

credit against any future taxes imposed on such owner within the next ten years pursuant to the provisions of chapter 143, excluding withholding tax imposed by sections 143.191 to 143.261, chapter 147, or chapter 148. The eligibility of the owner of any revenue bond or note issued pursuant to the provisions of sections 100.250 to 100.297 for the tax credit provided by this section shall be expressly stated on the face of each such bond or note. The tax credit allowed pursuant to this section shall also be available to any financial institution or guarantor which executes any credit facility as security for bonds issued pursuant to this section to the same extent as if such financial institution or guarantor was an owner of the bonds or notes, provided however, in such case the tax credits provided by this section shall be available immediately following any default of the loan by the borrower with respect to the project. In addition to reimbursing the financial institution or guarantor for claims relating to unpaid principal and interest, such claim may include payment of any unpaid fees imposed by such financial institution or guarantor for use of the credit facility.

3. The aggregate principal amount of revenue bonds or notes outstanding at any time with respect to which the tax credit provided in this section shall be available shall not exceed fifty million dollars.

4. Notwithstanding any provision of law to the contrary, no tax credits provided under this section shall be authorized on or after August 28, 2014. The provisions of this subsection shall not be construed to limit or in any way impair the department's ability to issue tax credits authorized prior to August 28, 2014,

or a taxpayer's ability to redeem such tax credits.

105.716. 1. Any investigation, defense, negotiation, or compromise of any claim covered by sections 105.711 to 105.726 shall be conducted by the attorney general; provided, that in the case of any claim against the department of conservation, the department of transportation or a public institution which awards baccalaureate degrees, or any officer or employee of such department or such institution, any investigation, defense, negotiation, or compromise of any claim covered by sections 105.711 to 105.726 shall be conducted by legal counsel provided by the respective entity against which the claim is made or which employs the person against whom the claim is made.

In the case of any payment from the state legal expense fund based upon a claim or judgment against the department of conservation, the department of transportation or any officer or employee thereof, the department so affected shall immediately transfer to the state legal expense fund from the department funds a sum equal to the amount expended from the state legal expense fund on its behalf.

2. All persons and entities protected by the state legal expense fund shall cooperate with the attorneys conducting any investigation and preparing any defense under the provisions of sections 105.711 to 105.726 by assisting such attorneys in all respects, including the making of settlements, the securing and giving of evidence, and the attending and obtaining witness to attend hearings and trials. Funds in the state legal expense fund shall not be used to pay claims and judgments against those

persons and entities who do not cooperate as required by this subsection.

3. The provisions of sections 105.711 to 105.726 notwithstanding, the attorney general may investigate, defend, negotiate, or compromise any claim covered by sections 105.711 to 105.726 against any public institution which awards baccalaureate degrees whose governing body has declared a state of financial exigency.

4. Notwithstanding the provisions of subsection 2 of section 105.711, funds in the state legal expense fund may be expended prior to the payment of any claim or any final judgment to pay costs of defense, including reasonable attorney's fees for retention of legal counsel, when the attorney general determines that a conflict exists or particular expertise is required, and also to pay for related legal expenses including medical examination fees, expert witness fees, court reporter expenses, travel costs and ancillary legal expenses incurred prior to the payment of a claim or any final judgment.

5. Notwithstanding any other provision of law to the contrary, except for payments of less than ten thousand dollars for property damage, no funds shall be expended from the state legal expense fund for settlement of any liability claim except upon the production of a no tax due statement from the department of revenue by the party making claim or having judgment under section 105.711, which shall be satisfied from such fund. If the party is found by the director of revenue to owe a delinquent tax debt to the state of Missouri under the revenue laws of this state, after the payment of attorneys fees and expenses

associated with liability of the fund to the party, any remaining funds to be paid to the party from the state legal expense fund shall be offset to satisfy such tax debt before payment is made to the party making claim or having judgment.

135.010. As used in sections 135.010 to 135.030 the following words and terms mean:

(1) "Claimant", a person or persons claiming a credit under sections 135.010 to 135.030. If the persons are eligible to file a joint federal income tax return and reside at the same address at any time during the taxable year, then the credit may only be allowed if claimed on a combined Missouri income tax return or a combined claim return reporting their combined incomes and property taxes. A claimant shall not be allowed a property tax credit unless the claimant or spouse has attained the age of sixty-five on or before the last day of the calendar year and the claimant or spouse was a resident of Missouri for the entire year, or the claimant or spouse is a veteran of any branch of the armed forces of the United States or this state who became one hundred percent disabled as a result of such service, or the claimant or spouse is disabled as defined in subdivision (2) of this section, and such claimant or spouse provides proof of such disability in such form and manner, and at such times, as the director of revenue may require, or if the claimant has reached the age of sixty on or before the last day of the calendar year and such claimant received surviving spouse Social Security benefits during the calendar year and the claimant provides proof, as required by the director of revenue, that the claimant received surviving spouse Social Security benefits during the

calendar year for which the credit will be claimed. A claimant shall not be allowed a property tax credit if the claimant filed a valid claim for a credit under section 137.106 in the year following the year for which the property tax credit is claimed. The residency requirement shall be deemed to have been fulfilled for the purpose of determining the eligibility of a surviving spouse for a property tax credit if a person of the age of sixty-five years or older who would have otherwise met the requirements for a property tax credit dies before the last day of the calendar year. The residency requirement shall also be deemed to have been fulfilled for the purpose of determining the eligibility of a claimant who would have otherwise met the requirements for a property tax credit but who dies before the last day of the calendar year;

(2) "Disabled", the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve months. A claimant shall not be required to be gainfully employed prior to such disability to qualify for a property tax credit;

(3) **[**"Gross rent", amount paid by a claimant to a landlord for the rental, at arm's length, of a homestead during the calendar year, exclusive of charges for health and personal care services and food furnished as part of the rental agreement, whether or not expressly set out in the rental agreement. If the director of revenue determines that the landlord and tenant have not dealt at arm's length, and that the gross rent is excessive,

then he shall determine the gross rent based upon a reasonable amount of rent. Gross rent shall be deemed to be paid only if actually paid prior to the date a return is filed. The director of revenue may prescribe regulations requiring a return of information by a landlord receiving rent, certifying for a calendar year the amount of gross rent received from a tenant claiming a property tax credit and shall, by regulation, provide a method for certification by the claimant of the amount of gross rent paid for any calendar year for which a claim is made. The regulations authorized by this subdivision may require a landlord or a tenant or both to provide data relating to health and personal care services and to food. Neither a landlord nor a tenant may be required to provide data relating to utilities, furniture, home furnishings or appliances;

(4)**]** "Homestead", the dwelling in Missouri owned **[**or rented**]** by the claimant and not to exceed five acres of land surrounding it as is reasonably necessary for use of the dwelling as a home. It may consist of part of a multidwelling or multipurpose building and part of the land upon which it is built. "Owned" includes a vendee in possession under a land contract and one or more tenants by the entireties, joint tenants, or tenants in common and includes a claimant actually in possession if he was the immediate former owner of record, if a lineal descendant is presently the owner of record, and if the claimant actually pays all taxes upon the property. It may include a mobile home;

[(5)**]** <u>(4)</u> "Income", Missouri adjusted gross income as defined in section 143.121 less two thousand dollars, or in the

case of a homestead owned and occupied, for the entire year, by the claimant, less four thousand dollars as an exemption for the claimant's spouse residing at the same address, and increased, where necessary, to reflect the following:

(a) Social Security, railroad retirement, and veterans payments and benefits unless the claimant is a one hundred percent service-connected, disabled veteran or a spouse of a one hundred percent service-connected, disabled veteran. The one hundred percent service-connected disabled veteran shall not be required to list veterans payments and benefits;

(b) The total amount of all other public and private pensions and annuities;

(c) Public relief, public assistance, and unemployment benefits received in cash, other than benefits received under this chapter;

(d) No deduction being allowed for losses not incurred in a trade or business;

(e) Interest on the obligations of the United States, any state, or any of their subdivisions and instrumentalities;

[(6)**]** <u>(5)</u> "Property taxes accrued", property taxes paid, exclusive of special assessments, penalties, interest, and charges for service levied on a claimant's homestead in any calendar year. Property taxes shall qualify for the credit only if actually paid prior to the date a return is filed. The director of revenue shall require a tax receipt or other proof of property tax payment. If a homestead is owned only partially by claimant, then "property taxes accrued" is that part of property taxes levied on the homestead which was actually paid by the

claimant. For purposes of this subdivision, property taxes are "levied" when the tax roll is delivered to the director of revenue for collection. If a claimant owns a homestead part of the preceding calendar year and rents it or a different homestead for part of the same year, "property taxes accrued" means only taxes levied on the homestead both owned and occupied by the claimant, multiplied by the percentage of twelve months that such property was owned and occupied as the homestead of the claimant during the year. When a claimant owns and occupies two or more different homesteads in the same calendar year, property taxes accrued shall be the sum of taxes allocable to those several properties occupied by the claimant as a homestead for the year. If a homestead is an integral part of a larger unit such as a farm, or multipurpose or multidwelling building, property taxes accrued shall be that percentage of the total property taxes accrued as the value of the homestead is of the total value. For purposes of this subdivision "unit" refers to the parcel of property covered by a single tax statement of which the homestead is a part**[**;

(7) "Rent constituting property taxes accrued", twenty percent of the gross rent paid by a claimant and spouse in the calendar year**]**.

135.025. The property taxes accrued **[**and rent constituting property taxes accrued**]** on each return shall be totaled. This total, up to **[**seven hundred fifty dollars in rent constituting property taxes actually paid or**]** eleven hundred dollars in actual property tax paid, shall be used in determining the property tax credit. The director of revenue shall prescribe regulations

providing for allocations where part of a claimant's homestead is rented to another or used for nondwelling purposes or where a homestead is owned **[**or rented**]** or used as a dwelling for part of a year.

135.030. 1. As used in this section:

(1) The term "maximum upper limit" shall, for each calendar year after December 31, 1997, but before calendar year 2008, be the sum of twenty-five thousand dollars. For all calendar years beginning on or after January 1, 2008, the maximum upper limit shall be the sum of twenty-seven thousand five hundred dollars. In the case of a homestead owned and occupied for the entire year by the claimant, the maximum upper limit shall be the sum of thirty thousand dollars;

(2) The term "minimum base" shall, for each calendar year after December 31, 1997, but before calendar year 2008, be the sum of thirteen thousand dollars. For all calendar years beginning on or after January 1, 2008, the minimum base shall be the sum of fourteen thousand three hundred dollars.

2. If the income on a return is equal to or less than the maximum upper limit for the calendar year for which the return is filed, the property tax credit shall be determined from a table of credits based upon the amount by which the total property tax described in section 135.025 exceeds the percent of income in the following list:

If the income on the return is:	The percent is:
Not over the minimum base	0 percent with credit not to exceed $1,100 in actual property tax

	[or rent equivalent] paid [up to $750]
Over the minimum base but not over the maximum upper limit	1/16 percent accumulative per $300 from 0 percent to 4 percent.

The director of revenue shall prescribe a table based upon the preceding sentences. The property tax shall be in increments of twenty-five dollars and the income in increments of three hundred dollars. The credit shall be the amount rounded to the nearest whole dollar computed on the basis of the property tax and income at the midpoints of each increment. As used in this subsection, the term "accumulative" means an increase by continuous or repeated application of the percent to the income increment at each three hundred dollar level.

3. Notwithstanding subsection 4 of section 32.057, the department of revenue or any duly authorized employee or agent shall determine whether any taxpayer filing a report or return with the department of revenue who has not applied for the credit allowed pursuant to section 135.020 may qualify for the credit, and shall notify any qualified claimant of the claimant's potential eligibility, where the department determines such potential eligibility exists.

4. Notwithstanding any provision of law to the contrary, no tax credits provided under sections 135.010 to 135.030 shall be authorized on or after August 28, 2015. The provisions of this subsection shall not be construed to limit or in any way impair the department's ability to issue tax credits authorized prior to

August 28, 2015, or a taxpayer's ability to redeem such tax credits.

135.090. 1. As used in this section, the following terms mean:

(1) "Homestead", the dwelling in Missouri owned by the surviving spouse and not exceeding five acres of land surrounding it as is reasonably necessary for use of the dwelling as a home. As used in this section, "homestead" shall not include any dwelling which is occupied by more than two families;

(2) "Public safety officer", any firefighter, police officer, capitol police officer, parole officer, probation officer, correctional employee, water patrol officer, park ranger, conservation officer, commercial motor enforcement officer, emergency medical technician, first responder, or highway patrolman employed by the state of Missouri or a political subdivision thereof who is killed in the line of duty, unless the death was the result of the officer's own misconduct or abuse of alcohol or drugs;

(3) "Surviving spouse", a spouse, who has not remarried, of a public safety officer.

2. For all tax years beginning on or after January 1, 2008, a surviving spouse shall be allowed a credit against the tax otherwise due under chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, in an amount equal to the total amount of the property taxes on the surviving spouse's homestead paid during the tax year for which the credit is claimed. A surviving spouse may claim the credit authorized under this section for each tax year beginning the year of death

of the public safety officer spouse until the tax year in which the surviving spouse remarries. No credit shall be allowed for the tax year in which the surviving spouse remarries. If the amount allowable as a credit exceeds the income tax reduced by other credits, then the excess shall be considered an overpayment of the income tax.

3. The department of revenue shall promulgate rules to implement the provisions of this section.

4. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

5. **[**Pursuant to section 23.253 of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset six years after August 28, 2007, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset twelve years after the effective date of the reauthorization of this section; and

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which

the program authorized under this section is sunset.] Pursuant to section 23.253 of the Missouri sunset act, the provisions of the program authorized under this section are hereby reauthorized and shall automatically sunset on August 28, 2015.

135.326. As used in sections 135.325 to 135.339, the following terms shall mean:

(1) "Business entity", person, firm, a partner in a firm, corporation or a shareholder in an S corporation doing business in the state of Missouri and subject to the state income tax imposed by the provisions of chapter 143, or a corporation subject to the annual corporation franchise tax imposed by the provisions of chapter 147, or an insurance company paying an annual tax on its gross premium receipts in this state, or other financial institution paying taxes to the state of Missouri or any political subdivision of this state under the provisions of chapter 148, or an express company which pays an annual tax on its gross receipts in this state pursuant to chapter 153;

(2) "Handicap", a mental, physical, or emotional impairment that substantially limits one or more major life activities, whether the impairment is congenital or acquired by accident, injury or disease, and where the impairment is verified by medical findings;

(3) "Nonrecurring adoption expenses", reasonable and necessary adoption fees, court costs, attorney fees, and other expenses which are directly related to the legal adoption of a special needs child and which are not incurred in violation of federal, state, or local law. Nonrecurring adoption expenses shall not include expenses incurred as a result of an

international adoption;

(4) "Special needs child", a child for whom it has been determined by the division of family services, or by a child-placing agency licensed by the state, or by a court of competent jurisdiction to be a child:

(a) That cannot or should not be returned to the home of his or her parents; and

(b) Who has a specific factor or condition such as ethnic background, age, membership in a minority or sibling group, medical condition, or handicap because of which it is reasonable to conclude that such child cannot be easily placed with adoptive parents;

(5) "State tax liability", any liability incurred by a taxpayer under the provisions of chapter 143, chapter 147, chapter 148, and chapter 153, exclusive of the provisions relating to the withholding of tax as provided for in sections 143.191 to 143.265 and related provisions.

135.327. 1. As used in this section, the following terms shall mean:

(1) "CASA", an entity which receives funding from the court-appointed special advocate fund established under section 476.777, including an association based in this state, affiliated with a national association, organized to provide support to entities receiving funding from the court-appointed special advocate fund;

(2) "Child advocacy centers", the regional child assessment centers listed in subsection 2 of section 210.001;

(3) "Contribution", amount of donation to qualified agency;

(4) "Crisis care center", entities contracted with this state which provide temporary care for children whose age ranges from birth through seventeen years of age whose parents or guardian are experiencing an unexpected and unstable or serious condition that requires immediate action resulting in short-term care, usually three to five continuous, uninterrupted days, for children who may be at risk for child abuse, neglect, or in an emergency situation;

(5) "Department", the department of revenue;

(6) "Director", the director of the department of revenue;

(7) "Qualified agency", CASA, child advocacy centers, or a crisis care center;

(8) "Tax liability", the tax due under chapter 143 other than taxes withheld under sections 143.191 to 143.265;

(9) "Taxpayer", an individual, a firm, a partner in a firm, sole proprietorship, partner in a limited or general partnership, member of a limited liability company, corporation as defined under sections 143.441 or 143.471, a shareholder in an S corporation doing business in this state and subject to the state income tax imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or a charitable organization, trust, or public or private foundation which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to state income tax imposed under chapter 143.

2. Any person residing in this state who legally adopts a special needs child on or after January 1, 1988, and before January 1, 2000, shall be eligible to receive a tax credit of up

to ten thousand dollars for nonrecurring adoption expenses for each child adopted that may be applied to taxes due under chapter 143. Any business entity providing funds to an employee to enable that employee to legally adopt a special needs child shall be eligible to receive a tax credit of up to ten thousand dollars for nonrecurring adoption expenses for each child adopted that may be applied to taxes due under such business entity's state tax liability, except that only one ten thousand dollar credit is available for each special needs child that is adopted.

3. Any person residing in this state who proceeds in good faith with the adoption of a special needs child on or after January 1, 2000, shall be eligible to receive a tax credit of up to ten thousand dollars for nonrecurring adoption expenses for each child that may be applied to taxes due under chapter 143; provided, however, that beginning on or after July 1, 2004, two million dollars of the tax credits allowed shall be allocated for the adoption of special needs children who are residents or wards of residents of this state at the time the adoption is initiated. Any business entity providing funds to an employee to enable that employee to proceed in good faith with the adoption of a special needs child shall be eligible to receive a tax credit of up to ten thousand dollars for nonrecurring adoption expenses for each child that may be applied to taxes due under such business entity's state tax liability, except that only one ten thousand dollar credit is available for each special needs child that is adopted.

4. Individuals and business entities may claim a tax credit for their total nonrecurring adoption expenses in each year that

the expenses are incurred. A claim for fifty percent of the credit shall be allowed when the child is placed in the home. A claim for the remaining fifty percent shall be allowed when the adoption is final. The total of these tax credits shall not exceed the maximum limit of ten thousand dollars per child. The cumulative amount of tax credits which may be claimed by taxpayers claiming the credit for nonrecurring adoption expenses in any one fiscal year prior to July 1, 2004, shall not exceed two million dollars. The cumulative amount of tax credits that may be claimed by taxpayers claiming the credit for nonrecurring adoption expenses shall not be more than four million dollars but may be increased by appropriation in any fiscal year beginning on or after July 1, 2004; provided, however, that by December thirty-first following each July, if less than two million dollars in credits have been issued for adoption of special needs children who are not residents or wards of residents of this state at the time the adoption is initiated, the remaining amount of the cap shall be available for the adoption of special needs children who are residents or wards of residents of this state at the time the adoption is initiated. For all fiscal years beginning on or after July 1, 2006, applications to claim the adoption tax credit for special needs children who are residents or wards of residents of this state at the time the adoption is initiated shall be filed between July first and April fifteenth of each fiscal year. For all fiscal years beginning on or after July 1, 2006, applications to claim the adoption tax credit for special needs children who are not residents or wards of residents of this state at the time the adoption is initiated

shall be filed between July first and December thirty-first of each fiscal year.

5. Notwithstanding any provision of law to the contrary, any individual or business entity may assign, transfer or sell tax credits allowed in this section. Any sale of tax credits claimed pursuant to this section shall be at a discount rate of seventy-five percent or greater of the amount sold.

6. The director of revenue shall establish a procedure by which, for each fiscal year, the cumulative amount of tax credits authorized in this section is equally apportioned among all taxpayers within the two categories specified in subsection 3 of this section claiming the credit in that fiscal year. To the maximum extent possible, the director of revenue shall establish the procedure described in this subsection in such a manner as to ensure that taxpayers within each category can claim all the tax credits possible up to the cumulative amount of tax credits available for the fiscal year.

7. For all tax years beginning on or after January 1, 2006, <u>but ending on or before December 31, 2011,</u> a tax credit may be claimed in an amount equal to up to fifty percent of a verified contribution to a qualified agency and shall be named the children in crisis tax credit. <u>For all tax years beginning on or after January 1, 2012, taxpayers may claim a children in crisis tax credit in an amount equal to up to fifty percent of verified contributions made to qualified agencies which are equal to or less than one thousand dollars. In addition to the up to fifty percent credit for contributions equal to or less than one thousand dollars provided under this subsection, to the extent a</u>

taxpayer contributes an amount in excess of one thousand dollars to qualified agencies, such taxpayer shall be allowed to claim a credit equal to up to thirty-five percent of such excess. The minimum amount of any tax credit issued shall not be less than fifty dollars and shall be applied to taxes due under chapter 143, excluding sections 143.191 to 143.265. A contribution verification shall be issued to the taxpayer by the agency receiving the contribution. Such contribution verification shall include the taxpayer's name, Social Security number, amount of tax credit, amount of contribution, the name and address of the agency receiving the credit, and the date the contribution was made. The tax credit provided under this subsection shall be initially filed for the year in which the verified contribution is made.

8. The cumulative amount of the tax credits redeemed shall not exceed the unclaimed portion of the resident adoption category allocation as described in this section. The director of revenue shall determine the unclaimed portion available. The amount available shall be equally divided among the three qualified agencies: CASA, child advocacy centers, or crisis care centers to be used towards tax credits issued. In the event tax credits claimed under one agency do not total the allocated amount for that agency, the unused portion for that agency will be made available to the remaining agencies equally. In the event the total amount of tax credits claimed for any one agency exceeds the amount available for that agency, the amount redeemed shall and will be apportioned equally to all eligible taxpayers claiming the credit under that agency. After all children in

crisis tax credits have been claimed, any remaining unclaimed portion of the reserved allocation for adoptions of special needs children who are residents or wards of residents of this state shall then be made available for adoption tax credit claims of special needs children who are not residents or wards of residents of this state at the time the adoption is initiated.

9. Prior to December thirty-first of each year, the entities listed under the definition of qualified agency shall apply to the department of social services in order to verify their qualified agency status. Upon a determination that the agency is eligible to be a qualified agency, the department of social services shall provide a letter of eligibility to such agency. No later than February first of each year, the department of social services shall provide a list of qualified agencies to the department of revenue. All tax credit applications to claim the children in crisis tax credit shall be filed between July first and April fifteenth of each fiscal year. A taxpayer shall apply for the children in crisis tax credit by attaching a copy of the contribution verification provided by a qualified agency to such taxpayer's income tax return.

10. The tax credits provided under this section shall be subject to the provisions of section 135.333.

11. (1) In the event a credit denial, due to lack of available funds, causes a balance-due notice to be generated by the department of revenue, or any other redeeming agency, the taxpayer will not be held liable for any penalty or interest, provided the balance is paid, or approved payment arrangements have been made, within sixty days from the notice of denial.

(2) In the event the balance is not paid within sixty days from the notice of denial, the remaining balance shall be due and payable under the provisions of chapter 143.

12. The director shall calculate the level of appropriation necessary to issue all tax credits for nonresident special needs adoptions applied for under this section and provide such calculation to the speaker of the house of representatives, the president pro tempore of the senate, and the director of the division of budget and planning in the office of administration by January thirty-first of each year.

13. The department may promulgate such rules or regulations as are necessary to administer the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2006, shall be invalid and void.

14. **[**Pursuant to section 23.253 of the Missouri sunset act:

(1) The provisions of the new program authorized under subsections 7 to 12 of this section shall automatically sunset six years after August 28, 2006, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset twelve years after the effective date of the reauthorization of this section; and

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset.**]** Pursuant to section 23.253 of the Missouri sunset act, the provisions of the program authorized under this section are hereby reauthorized and shall automatically sunset on August 28, 2015.

135.352. 1. A taxpayer owning an interest in a qualified Missouri project shall, subject to the limitations provided under the provisions of **[**subsection 3**]** subsections 2, 4, and 8 of this section, be allowed a state tax credit, whether or not allowed a federal tax credit, to be termed the Missouri low-income housing tax credit, if the commission issues an eligibility statement for that project.

2. For qualified Missouri projects authorized on or before June 30, 2011, and placed in service after January 1, 1997, the Missouri low-income housing tax credit available to a project shall be such amount as the commission shall determine is necessary to ensure the feasibility of the project, up to an amount equal to the federal low-income housing tax credit for a qualified Missouri project, for a federal tax period, and such amount shall be subtracted from the amount of state tax otherwise due for the same tax period. For qualified Missouri projects authorized on or after July 1, 2011, the Missouri low-income housing tax credits available to a project shall be such amount as the commission shall determine is necessary to ensure the

feasibility of the project, for a five-year tax period, and such amount shall be subtracted from the amount of state tax otherwise due for the same tax period. No more than eighty million dollars in tax credits provided under sections 135.350 to 135.363 shall be authorized in any fiscal year beginning on or after July 1, 2011.

3. For qualified Missouri projects authorized on or after July 1, 2011, the Missouri low-income housing tax credits approved by the commission under the eligibility statement issued pursuant to subsection 1 of this section shall be claimed subject to the following requirements and restrictions:

(1) The full amount of the annual tax credits issued on the eligibility statement may be claimed in the calendar year in which the first low-income unit in the property is occupied by a qualified tenant; and

(2) The owner of the qualified Missouri project shall, within thirty calendar days of the end of the calendar year in which the first low-income unit is occupied by a qualified tenant, submit to the commission a notification indicating the number of low-income units in the project, or in each building of a multi-building project, that were occupied by qualified tenants as of the end of the calendar year in which the first low-income unit was occupied by a qualified tenant. Such notification shall be submitted with the cost certification report prepared by a certified public accountant;

(3) The commission shall promulgate rules to allow the discounting of tax credits or the adjustment of the time period for tax credit issuance where a qualified Missouri project has

satisfied the requirements necessary to claim the full amount of credits issued on the eligibility statement but has not yet rented all of the low income units to qualified tenants on or before the end of the calendar year following the year in which the first low income housing unit was occupied by a qualified tenant.

4. No more than six million dollars in tax credits shall be authorized each fiscal year for projects financed through tax-exempt bond issuance. No tax credits shall be authorized after June 30, 2011, for projects financed through tax-exempt bond issuance.

[4.**]** 5. The Missouri low-income housing tax credit shall be taken against the taxes and in the order specified pursuant to section 32.115. The credit authorized by this section shall not be refundable. Any amount of credit that exceeds the tax due for a taxpayer's taxable year may be carried back to any of the taxpayer's three prior taxable years or carried forward to any of the taxpayer's five subsequent taxable years. For projects authorized on or after July 1, 2011, any amount of credit that exceeds the tax due for a taxpayer's taxable year may be carried back to any of the taxpayer's two previous taxable years or carried forward to any of the taxpayer's five subsequent taxable years.

[5.**]** 6. All or any portion of Missouri tax credits issued in accordance with the provisions of sections 135.350 to 135.362 may be allocated to parties who are eligible pursuant to the provisions of subsection 1 of this section. Beginning January 1, 1995, for qualified projects which began on or after January 1,

1994, an owner of a qualified Missouri project shall certify to the director the amount of credit allocated to each taxpayer. The owner of the project shall provide to the director appropriate information so that the low-income housing tax credit can be properly allocated.

[6.**]** 7. In the event that recapture of Missouri low-income housing tax credits is required pursuant to subsection 2 of section 135.355, any statement submitted to the director as provided in this section shall include the proportion of the state credit required to be recaptured, the identity of each taxpayer subject to the recapture and the amount of credit previously allocated to such taxpayer.

[7.**]** 8. A taxpayer that receives tax credits under the provisions of sections 253.545 to 253.559 shall be ineligible to receive tax credits under the provisions of sections 135.350 to 135.363 for the same project.

9. The director of the department may promulgate rules and regulations necessary to administer the provisions of this section. No rule or portion of a rule promulgated pursuant to the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of section 536.024.

10. Notwithstanding provisions of subsection 9 of this section to the contrary, the commission shall have sole authority to promulgate rules and regulations necessary to administer the provisions of subsection 3 of this section. No rule or portion of a rule promulgated pursuant to the authority of this section shall become effective unless it has been promulgated pursuant to

the provisions of section 536.024.

11. Notwithstanding any provision of law to the contrary, no tax credits provided under this section shall be authorized on or after August 28, 2015. The provisions of this subsection shall not be construed to limit or in any way impair the department's ability to issue tax credits authorized prior to August 28, 2015, or a taxpayer's ability to redeem such tax credits.

135.460. 1. This section and sections 620.1100 and 620.1103 shall be known and may be cited as the "Youth Opportunities and Violence Prevention Act".

2. As used in this section, the term "taxpayer" shall include an individual, a firm, a partner in a firm, sole proprietorship, partner in a limited or general partnership, member of a limited liability company, corporations as defined in section 143.441 or 143.471, a shareholder in an S corporation doing business in this state and subject to the state income tax imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, any charitable organization which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143**[**, and individuals, individual proprietorships and partnerships**]**.

3. For all taxable years ending on or before December 31, 2011, a taxpayer shall be allowed a tax credit against the tax otherwise due pursuant to chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, chapter 147, chapter 148, or chapter 153 in an amount equal to thirty percent for property

contributions and fifty percent for monetary contributions of the amount such taxpayer contributed to the programs described in subsection 5 of this section, not to exceed two hundred thousand dollars per taxable year, per taxpayer; except as otherwise provided in subdivision (5) of subsection 5 of this section. For all taxable years beginning on or after January 1, 2012, for contributions made to programs described in subsection 5 of this section, a taxpayer shall be allowed a tax credit against the tax otherwise due pursuant to chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, chapter 147, chapter 148, or chapter 153 in an amount equal to thirty percent of property contributions and fifty percent for monetary contributions equal to or less than one thousand dollars. In addition to the fifty percent credit for monetary contributions equal to or less than one thousand dollars provided under this subsection, to the extent a taxpayer makes monetary contributions to programs described in subsection 5 of this section in excess of one thousand dollars, such taxpayer shall be allowed to claim a credit equal to thirty-five percent of such excess. The department of economic development shall prescribe the method for claiming the tax credits allowed in this section. No rule or portion of a rule promulgated under the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of chapter 536. All rulemaking authority delegated prior to June 27, 1997, is of no force and effect and repealed; however, nothing in this section shall be interpreted to repeal or affect the validity of any rule filed or adopted prior to June 27, 1997, if such rule complied with the provisions

of chapter 536. The provisions of this section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, including the ability to review, to delay the effective date, or to disapprove and annul a rule or portion of a rule, are subsequently held unconstitutional, then the purported grant of rulemaking authority and any rule so proposed and contained in the order of rulemaking shall be invalid and void.

4. The tax credits allowed by this section shall be claimed by the taxpayer to offset the taxes that become due in the taxpayer's tax period in which the contribution was made. Any tax credit not used in such tax period may be carried over the next five succeeding tax periods. Tax credits provided under this section may be transferred, sold, or assigned.

5. The tax credit allowed by this section may only be claimed for monetary or property contributions to public or private programs authorized to participate pursuant to this section by the department of economic development and may be claimed for the development, establishment, implementation, operation, and expansion of the following activities and programs:

(1) An adopt-a-school program. Components of the adopt-a-school program shall include donations for school activities, seminars, and functions; school-business employment programs; and the donation of property and equipment of the corporation to the school;

(2) Expansion of programs to encourage school dropouts to reenter and complete high school or to complete a graduate

equivalency degree program;

(3) Employment programs. Such programs shall initially, but not exclusively, target unemployed youth living in poverty and youth living in areas with a high incidence of crime;

(4) New or existing youth clubs or associations;

(5) Employment/internship/apprenticeship programs in business or trades for persons less than twenty years of age, in which case the tax credit claimed pursuant to this section shall be equal to one-half of the amount paid to the intern or apprentice in that tax year, except that such credit shall not exceed ten thousand dollars per person;

(6) Mentor and role model programs;

(7) Drug and alcohol abuse prevention training programs for youth;

(8) Donation of property or equipment of the taxpayer to schools, including schools which primarily educate children who have been expelled from other schools, or donation of the same to municipalities, or not-for-profit corporations or other not-for-profit organizations which offer programs dedicated to youth violence prevention as authorized by the department;

(9) Not-for-profit, private or public youth activity centers;

(10) Nonviolent conflict resolution and mediation programs;

(11) Youth outreach and counseling programs.

6. Any program authorized in subsection 5 of this section shall, at least annually, submit a report to the department of economic development outlining the purpose and objectives of such program, the number of youth served, the specific activities

provided pursuant to such program, the duration of such program and recorded youth attendance where applicable.

7. The department of economic development shall, at least annually submit a report to the Missouri general assembly listing the organizations participating, services offered and the number of youth served as the result of the implementation of this section.

8. The tax credit allowed by this section shall apply to all taxable years beginning after December 31, 1995.

9. For the purposes of the credits described in this section, in the case of a corporation described in section 143.471, partnership, limited liability company described in section 347.015, cooperative, marketing enterprise, or partnership, in computing Missouri's tax liability, such credits shall be allowed to the following:

(1) The shareholders of the corporation described in section 143.471;

(2) The partners of the partnership;

(3) The members of the limited liability company; and

(4) Individual members of the cooperative or marketing enterprise. Such credits shall be apportioned to the entities described in subdivisions (1) and (2) of this subsection in proportion to their share of ownership on the last day of the taxpayer's tax period.

<u>10. Notwithstanding any provision of law to the contrary, no tax credits provided under this section shall be authorized on or after August 28, 2015. The provisions of this subsection shall not be construed to limit or in any way impair the</u>

department's ability to issue tax credits authorized prior to August 28, 2015, or a taxpayer's ability to redeem such tax credits.

135.481. 1. (1) Any taxpayer who incurs eligible costs for a new residence located in a distressed community or within a census block group as described in subdivision (10) of section 135.478, or for a multiple unit condominium described in subdivision (2) of this subsection, **[**shall**]** may, upon final approval, receive a tax credit equal to fifteen percent of such costs **[**against his or her tax liability**]**. The tax credit shall not exceed forty thousand dollars per new residence in any ten-year period.

(2) For the purposes of this section, a "multiple unit condominium" is one that is intended to be owner occupied, which is constructed on property subject to an industrial development contract as defined in section 100.310 and which lies within an area with a city zoning classification of urban redevelopment district established after January 1, 2000, and before December 31, 2001, and which is constructed in connection with the qualified rehabilitation of a structure more than ninety years old eligible for the historic structures rehabilitation tax credit described in sections 253.545 to 253.559, and is under way by January 1, 2000, and completed by January 1, 2002.

2. Any taxpayer who incurs eligible costs for a new residence located within a census block as described in subdivision (6) of section 135.478 **[**shall**]** may, upon final approval, receive a tax credit equal to fifteen percent of such costs **[**against his or her tax liability**]**. The tax credit shall

not exceed twenty-five thousand dollars per new residence in any ten-year period.

3. Any taxpayer who is not performing substantial rehabilitation and who incurs eligible costs for rehabilitation of an eligible residence or a qualifying residence **[**shall**]** may, upon final approval, receive a tax credit equal to twenty-five percent of such costs **[**against his or her tax liability**]**. The minimum eligible costs for rehabilitation of an eligible residence shall be ten thousand dollars. The minimum eligible costs for rehabilitation of a qualifying residence shall be five thousand dollars. The tax credit shall not exceed twenty-five thousand dollars in any ten-year period.

4. Any taxpayer who incurs eligible costs for substantial rehabilitation of a qualifying residence **[**shall**]** may, upon final approval, receive a tax credit equal to thirty-five percent of such costs **[**against his or her tax liability**]**. The minimum eligible costs for substantial rehabilitation of a qualifying residence shall be ten thousand dollars. The tax credit shall not exceed seventy thousand dollars in any ten-year period.

5. A taxpayer **[**shall**]** may be eligible to receive tax credits for new construction or rehabilitation pursuant to only one subsection of this section.

6. No tax credit shall be issued pursuant to this section for any structure which is in violation of any municipal or county property, maintenance or zoning code.

7. No tax credit shall be issued pursuant to sections 135.475 to 135.487 for the construction or rehabilitation of rental property.

135.484. 1. Beginning January 1, 2000, tax credits shall be allowed pursuant to section 135.481 in an amount not to exceed sixteen million dollars per year. Of this total amount of tax credits in any given year, eight million dollars shall be set aside for projects in areas described in subdivision (6) of section 135.478 and eight million dollars for projects in areas described in subdivision (10) of section 135.478. The maximum tax credit for a project consisting of multiple-unit qualifying residences in a distressed community shall not exceed three million dollars.

2. Beginning January 1, 2012, tax credits shall be allowed pursuant to section 135.481 in an amount not to exceed ten million dollars per year and shall be available for projects described under subdivisions (6) and (10) of section 135.478 based upon demand. The maximum tax credit for a project consisting of multiple-unit qualifying residences in a distress community shall not exceed three million dollars.

3. Any amount of credit which exceeds the tax liability of a taxpayer for the tax year in which the credit is first claimed may be carried back to any of the taxpayer's three prior tax years and carried forward to any of the taxpayer's five subsequent tax years. A certificate of tax credit issued to a taxpayer by the department may be assigned, transferred, sold or otherwise conveyed. Whenever a certificate of tax credit is assigned, transferred, sold or otherwise conveyed, a notarized endorsement shall be filed with the department specifying the name and address of the new owner of the tax credit and the value of the credit.

1 **[**3.**]** 4. The tax credits allowed pursuant to sections
2 135.475 to 135.487 may not be claimed in addition to any other
3 state tax credits, with the exception of the historic structures
4 rehabilitation tax credit authorized pursuant to sections 253.545
5 to 253.559, which insofar as sections 135.475 to 135.487 are
6 concerned may be claimed only in conjunction with the tax credit
7 allowed pursuant to subsection 4 of section 135.481. In order
8 for a taxpayer eligible for the historic structures
9 rehabilitation tax credit to claim the tax credit allowed
10 pursuant to subsection 4 of section 135.481, the taxpayer must
11 comply with the requirements of sections 253.545 to 253.559, and
12 in such cases, the amount of the tax credit pursuant to
13 subsection 4 of section 135.481 shall be limited to the lesser of
14 twenty percent of the taxpayer's eligible costs or forty thousand
15 dollars.
16 5. Notwithstanding any provision of law to the contrary, no
17 tax credits provided under sections 135.475 to 135.487 shall be
18 authorized on or after August 28, 2014. The provisions of this
19 subsection shall not be construed to limit or in any way impair
20 the department's ability to issue tax credits authorized prior to
21 August 28, 2014, or a taxpayer's ability to redeem such tax
22 credits.
23 135.487. 1. To obtain any credit allowed pursuant to
24 sections 135.475 to 135.487, a taxpayer shall submit to the
25 department, for preliminary approval, an application for tax
26 credit. A neighborhood association may submit an application on
27 behalf of its homeowner members. The director shall review each
28 application and may grant preliminary approval to those

applications proposing projects that can be reasonably anticipated to provide the greatest impact on the neighborhood in which the project is located. The director shall, upon final approval of an application and presentation of acceptable proof of substantial completion of construction, issue **[**the**]** a taxpayer with preliminary approval for a certificate of tax credit. **[**The director shall issue all credits allowed pursuant to sections 135.475 to 135.487 in the order the applications are received.**]** In the case of a taxpayer other than an owner-occupant, the director shall not delay the issuance of a tax credit pursuant to sections 135.475 to 135.487 until the sale of a residence at market rate for owner-occupancy. A taxpayer**[**, taxpayer**]** other than an owner-occupant who receives a certificate of tax credit pursuant to sections 135.475 to 135.487 shall, within thirty days of the date of the sale of a residence, furnish to the director satisfactory proof that such residence was sold at market rate for owner-occupancy. Any taxpayer who receives a certificate of tax credit pursuant to sections 135.475 to 135.487 and who is an owner-occupant of a residence that is sold within five years of the date of substantial completion of construction shall repay the face amount of the tax credits received with respect to the residence, divided by the amount of time that the taxpayer occupied the residence following substantial completion of construction. If the director reasonably determines that a residence was not in good faith intended for long-term owner occupancy, the director make revoke any tax credits issued and seek recovery of any tax credits issued pursuant to section 620.017.

2. The department may cooperate with a municipality or a county in which a project is located to help identify the location of the project, the type and eligibility of the project, the estimated cost of the project and the completion date of the project.

3. The department may promulgate such rules or regulations or issue administrative guidelines as are necessary to administer the provisions of sections 135.475 to 135.487. No rule or portion of a rule promulgated pursuant to the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of chapter 536.

4. The department shall conduct annually a comprehensive program evaluation illustrating where the tax credits allowed pursuant to sections 135.475 to 135.487 are being utilized, explaining the economic impact of such program and making recommendations on appropriate program modifications to ensure the program's success.

135.490. 1. In order to encourage and foster community improvement, an eligible small business, as defined in Section 44 of the Internal Revenue Code, shall be allowed a credit not to exceed five thousand dollars against the tax otherwise due pursuant to chapter 143, not including sections 143.191 to 143.265, in an amount equal to fifty percent of all eligible access expenditures exceeding the monetary cap provided by Section 44 of the Internal Revenue Code. For purposes of this section, "eligible access expenditures" means amounts paid or incurred by the taxpayer in order to comply with applicable access requirements provided by the Americans With Disabilities

Act of 1990, as further defined in Section 44 of the Internal Revenue Code and federal rulings interpreting Section 44 of the Internal Revenue Code.

2. The tax credit allowed by this section shall be claimed by the taxpayer at the time such taxpayer files a return. Any amount of tax credit which exceeds the tax due shall be carried over to any subsequent taxable year, but shall not be refunded and shall not be transferable.

3. The director of the department of economic development and the director of the department of revenue shall jointly administer the tax credit authorized by this section. Both the director of the department of economic development and the director of the department of revenue are authorized to promulgate rules and regulations necessary to administer the provisions of this section. No rule or portion of a rule promulgated pursuant to the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of chapter 536.

4. The provisions of this section shall become effective on January 1, 2000, and shall apply to all taxable years beginning after December 31, 1999.

<u>5. Notwithstanding any provision of law to the contrary, no tax credits provided under this section shall be authorized on or after August 28, 2015. The provisions of this subsection shall not be construed to limit or in any way impair the department's ability to issue tax credits authorized prior to August 28, 2015, or a taxpayer's ability to redeem such tax credits.</u>

135.535. 1. A corporation, limited liability corporation,

partnership or sole proprietorship, which moves its operations from outside Missouri or outside a distressed community into a distressed community, or which commences operations in a distressed community on or after January 1, 1999, and in either case has more than seventy-five percent of its employees at the facility in the distressed community, and which has fewer than one hundred employees for whom payroll taxes are paid, and which is a manufacturing, biomedical, medical devices, scientific research, animal research, computer software design or development, computer programming, including Internet, web hosting, and other information technology, wireless or wired or other telecommunications or a professional firm shall receive a forty percent credit against income taxes owed pursuant to chapter 143, 147 or 148, other than taxes withheld pursuant to sections 143.191 to 143.265, for each of the three years after such move, if approved by the department of economic development, which shall issue a certificate of eligibility if the department determines that the taxpayer is eligible for such credit. The maximum amount of credits per taxpayer set forth in this subsection shall not exceed one hundred twenty-five thousand dollars for each of the three years for which the credit is claimed. The department of economic development, by means of rule or regulation promulgated pursuant to the provisions of chapter 536, shall assign appropriate North American Industry Classification System numbers to the companies which are eligible for the tax credits provided for in this section. Such three-year credits shall be awarded only one time to any company which moves its operations from outside of Missouri or outside of

a distressed community into a distressed community or to a company which commences operations within a distressed community. A taxpayer shall file an application for certification of the tax credits for the first year in which credits are claimed and for each of the two succeeding taxable years for which credits are claimed.

2. Employees of such facilities physically working and earning wages for that work within a distressed community whose employers have been approved for tax credits pursuant to subsection 1 of this section by the department of economic development for whom payroll taxes are paid shall also be eligible to receive a tax credit against individual income tax, imposed pursuant to chapter 143, equal to one and one-half percent of their gross salary paid at such facility earned for each of the three years that the facility receives the tax credit provided by this section, so long as they were qualified employees of such entity. The employer shall calculate the amount of such credit and shall report the amount to the employee and the department of revenue.

3. A tax credit against income taxes owed pursuant to chapter 143, 147 or 148, other than the taxes withheld pursuant to sections 143.191 to 143.265, in lieu of the credit against income taxes as provided in subsection 1 of this section, may be taken by such an entity in a distressed community in an amount of forty percent of the amount of funds expended for computer equipment and its maintenance, medical laboratories and equipment, research laboratory equipment, manufacturing equipment, fiber optic equipment, high speed telecommunications,

wiring or software development expense up to a maximum of seventy-five thousand dollars in tax credits for such equipment or expense per year per entity and for each of three years after commencement in or moving operations into a distressed community.

4. A corporation, partnership or sole partnership, which has no more than one hundred employees for whom payroll taxes are paid, which is already located in a distressed community and which expends funds for such equipment pursuant to subsection 3 of this section in an amount exceeding its average of the prior two years for such equipment, shall be eligible to receive a tax credit against income taxes owed pursuant to chapters 143, 147 and 148 in an amount equal to the lesser of seventy-five thousand dollars or twenty-five percent of the funds expended for such additional equipment per such entity. Tax credits allowed pursuant to this subsection or subsection 1 of this section may be carried back to any of the three prior tax years and carried forward to any of the five tax years.

5. An existing corporation, partnership or sole proprietorship that is located within a distressed community and that relocates employees from another facility outside of the distressed community to its facility within the distressed community, and an existing business located within a distressed community that hires new employees for that facility may both be eligible for the tax credits allowed by subsections 1 and 3 of this section. To be eligible for such tax credits, such a business, during one of its tax years, shall employ within a distressed community at least twice as many employees as were employed at the beginning of that tax year. A business hiring

employees shall have no more than one hundred employees before the addition of the new employees. This subsection shall only apply to a business which is a manufacturing, biomedical, medical devices, scientific research, animal research, computer software design or development, computer programming or telecommunications business, or a professional firm.

6. Tax credits shall be approved for applicants meeting the requirements of this section in the order that such applications are received. Certificates of tax credits issued in accordance with this section may be transferred, sold or assigned by notarized endorsement which names the transferee.

7. The tax credits allowed pursuant to subsections 1, 2, 3, 4 and 5 of this section shall be for an amount of no more than ten million dollars for each year beginning in 1999. **[**To the extent there are available tax credits remaining under the ten million dollar cap provided in this section, up to one hundred thousand dollars in the remaining credits shall first be used for tax credits authorized under section 135.562.**]** The total maximum credit for all entities already located in distressed communities and claiming credits pursuant to subsection 4 of this section shall be seven hundred and fifty thousand dollars. The department of economic development in approving taxpayers for the credit as provided for in subsection 6 of this section shall use information provided by the department of revenue regarding taxes paid in the previous year, or projected taxes for those entities newly established in the state, as the method of determining when this maximum will be reached and shall maintain a record of the order of approval. Any tax credit not used in the period for

which the credit was approved may be carried over until the full credit has been allowed.

8. A Missouri employer relocating into a distressed community and having employees covered by a collective bargaining agreement at the facility from which it is relocating shall not be eligible for the credits in subsection 1, 3, 4 or 5 of this section, and its employees shall not be eligible for the credit in subsection 2 of this section if the relocation violates or terminates a collective bargaining agreement covering employees at the facility, unless the affected collective bargaining unit concurs with the move.

9. Notwithstanding any provision of law to the contrary, no taxpayer shall earn the tax credits allowed in this section and the tax credits otherwise allowed in section 135.110, or the tax credits, exemptions, and refund otherwise allowed in sections 135.200, 135.220, 135.225 and 135.245, respectively, for the same business for the same tax period.

135.550. 1. As used in this section, the following terms shall mean:

(1) "Contribution", a donation of cash, stock, bonds or other marketable securities, or real property;

(2) "Shelter for victims of domestic violence", a facility located in this state which meets the definition of a shelter for victims of domestic violence pursuant to section 455.200 and which meets the requirements of section 455.220;

(3) "State tax liability", in the case of a business taxpayer, any liability incurred by such taxpayer pursuant to the provisions of chapter 143, chapter 147, chapter 148, and chapter

153, exclusive of the provisions relating to the withholding of tax as provided for in sections 143.191 to 143.265 and related provisions, and in the case of an individual taxpayer, any liability incurred by such taxpayer pursuant to the provisions of chapter 143;

(4) "Taxpayer", **[**a person**]** an individual, firm, a partner in a firm, sole proprietorship, partner in a limited or general partnership, member of a limited liability company, corporation, as defined under section 143.441 or 143.471, or a shareholder in an S corporation doing business in **[**the**]** this state **[**of Missouri**]** and subject to the state income tax imposed by the provisions of chapter 143, **[**or a corporation subject to the annual corporation franchise tax imposed by the provisions of chapter 147, including any**]** excluding withholding tax imposed by sections 143.191 to 143.265, or any charitable organization trust, or public or private foundation which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143**[**, or an insurance company paying an annual tax on its gross premium receipts in this state, or other financial institution paying taxes to the state of Missouri or any political subdivision of this state pursuant to the provisions of chapter 148, or an express company which pays an annual tax on its gross receipts in this state pursuant to chapter 153, or an individual subject to the state income tax imposed by the provisions of chapter 143**]**.

2. For all taxable years ending on or before December 31, 2011, a taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability, in an amount equal to fifty

percent of the amount such taxpayer contributed to a shelter for victims of domestic violence. For all taxable years beginning on or after January 1, 2012, a taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability, in an amount equal to fifty percent of the amount such taxpayer contributed to shelters for victims of domestic violence for contributions equal to or less than one thousand dollars. In addition to the fifty percent credit allowed for contributions equal to or less than one thousand dollars provided under this subsection, to the extent a taxpayer contributes an amount in excess of one thousand dollars to shelters for victims of domestic violence, such taxpayer shall be allowed to claim a credit equal to thirty-five percent of such excess.

3. For all tax credits issued on or before December 31, 2011, the amount of the tax credit claimed shall not exceed the amount of the taxpayer's state tax liability for the taxable year that the credit is claimed, and such taxpayer shall not be allowed to claim a tax credit in excess of fifty thousand dollars per taxable year. For all tax credits issued on or after January 1, 2012, the amount of the tax credit claimed shall not exceed the amount of the taxpayer's state tax liability for the taxable year that the credit is claimed. However, any tax credit that cannot be claimed in the taxable year the contribution was made may be carried over to the next four succeeding taxable years until the full credit has been claimed. Tax credits provided under this section may be transferred, sold, or assigned.

4. Except for any excess credit which is carried over pursuant to subsection 3 of this section, a taxpayer shall not be

allowed to claim a tax credit unless the total amount of such taxpayer's contribution or contributions to a shelter or shelters for victims of domestic violence in such taxpayer's taxable year has a value of at least one hundred dollars.

5. The director of the department of social services shall determine, at least annually, which facilities in this state may be classified as shelters for victims of domestic violence. The director of the department of social services may require of a facility seeking to be classified as a shelter for victims of domestic violence whatever information is reasonably necessary to make such a determination. The director of the department of social services shall classify a facility as a shelter for victims of domestic violence if such facility meets the definition set forth in subsection 1 of this section.

6. The director of the department of social services shall establish a procedure by which a taxpayer can determine if a facility has been classified as a shelter for victims of domestic violence, and by which such taxpayer can then contribute to such shelter for victims of domestic violence and claim a tax credit. Shelters for victims of domestic violence shall be permitted to decline a contribution from a taxpayer. The cumulative amount of tax credits which may be claimed by all the taxpayers contributing to shelters for victims of domestic violence in any one fiscal year shall not exceed two million dollars.

7. The director of the department of social services shall establish a procedure by which, from the beginning of the fiscal year until some point in time later in the fiscal year to be determined by the director of the department of social services,

the cumulative amount of tax credits are equally apportioned among all facilities classified as shelters for victims of domestic violence. If a shelter for victims of domestic violence fails to use all, or some percentage to be determined by the director of the department of social services, of its apportioned tax credits during this predetermined period of time, the director of the department of social services may reapportion these unused tax credits to those shelters for victims of domestic violence that have used all, or some percentage to be determined by the director of the department of social services, of their apportioned tax credits during this predetermined period of time. The director of the department of social services may establish more than one period of time and reapportion more than once during each fiscal year. To the maximum extent possible, the director of the department of social services shall establish the procedure described in this subsection in such a manner as to ensure that taxpayers can claim all the tax credits possible up to the cumulative amount of tax credits available for the fiscal year.

8. This section shall become effective January 1, 2000, and shall apply to all tax years after December 31, 1999.

<u>9. Notwithstanding any provision of law to the contrary, no tax credits provided under this section shall be authorized on or after August 28, 2015. The provisions of this subsection shall not be construed to limit or in any way impair the department's ability to issue tax credits authorized prior to August 28, 2015, or a taxpayer's ability to redeem such tax credits.</u>

135.562. 1. If any taxpayer with a federal adjusted gross

income of thirty thousand dollars or less incurs costs for the purpose of making all or any portion of such taxpayer's principal dwelling accessible to an individual with a disability who permanently resides with the taxpayer, such taxpayer shall receive a tax credit against such taxpayer's Missouri income tax liability in an amount equal to the lesser of one hundred percent of such costs or two thousand five hundred dollars per taxpayer, per tax year.

2. Any taxpayer with a federal adjusted gross income greater than thirty thousand dollars but less than sixty thousand dollars who incurs costs for the purpose of making all or any portion of such taxpayer's principal dwelling accessible to an individual with a disability who permanently resides with the taxpayer shall receive a tax credit against such taxpayer's Missouri income tax liability in an amount equal to the lesser of fifty percent of such costs or two thousand five hundred dollars per taxpayer per tax year. No taxpayer shall be eligible to receive tax credits under this section in any tax year immediately following a tax year in which such taxpayer received tax credits under the provisions of this section.

3. Tax credits issued pursuant to this section may be refundable in an amount not to exceed two thousand five hundred dollars per tax year.

4. Eligible costs for which the credit may be claimed include:

(1) Constructing entrance or exit ramps;

(2) Widening exterior or interior doorways;

(3) Widening hallways;

(4) Installing handrails or grab bars;

(5) Moving electrical outlets and switches;

(6) Installing stairway lifts;

(7) Installing or modifying fire alarms, smoke detectors, and other alerting systems;

(8) Modifying hardware of doors; or

(9) Modifying bathrooms.

5. The tax credits allowed, including the maximum amount that may be claimed, pursuant to this section shall be reduced by an amount sufficient to offset any amount of such costs a taxpayer has already deducted from such taxpayer's federal adjusted gross income or to the extent such taxpayer has applied any other state or federal income tax credit to such costs.

6. A taxpayer shall claim a credit allowed by this section in the same taxable year as the credit is issued, and at the time such taxpayer files his or her Missouri income tax return; provided that such return is timely filed.

7. The department may, in consultation with the department of social services, promulgate such rules or regulations as are necessary to administer the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date or to disapprove and annul a rule are subsequently held

unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

8. The provisions of this section shall apply to all tax years beginning on or after January 1, 2008.

9. **[**The provisions of this section shall expire December 31, 2013.

10.**]** In no event shall the aggregate amount of all tax credits allowed pursuant to this section exceed one hundred thousand dollars in any given fiscal year. The tax credits issued pursuant to this section shall be on a first-come, first-served filing basis.

10. Notwithstanding any provision of law to the contrary, no tax credits provided under this section shall be authorized on or after August 28, 2015. The provisions of this subsection shall not be construed to limit or in any way impair the department's ability to issue tax credits authorized prior to August 28, 2015, or a taxpayer's ability to redeem such tax credits.

135.575. 1. As used in this section, the following terms mean:

(1) "Missouri health care access fund", the fund created in section 191.1056;

(2) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265;

(3) "Taxpayer", **[**any**]** an individual, **[**subject to the tax imposed in chapter 143, excluding withholding tax imposed by

sections 143.191 to 143.265] a firm, a partner in a firm, sole proprietorship, partner in a limited or general partnership, member of a limited liability company, corporation as defined under sections 143.441 or 143.471, a shareholder in an S corporation doing business in this state and subject to the state income tax imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or a charitable organization, trust, or public or private foundation which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to state income tax imposed under chapter 143.

2. The provisions of this section shall be subject to section 33.282. For all taxable years beginning on or after January 1, 2007, a taxpayer shall be allowed a tax credit for donations in excess of one hundred dollars made to the Missouri health care access fund. The tax credit shall be subject to annual approval by the senate appropriations committee and the house budget committee. For all taxable years ending on or before December 31, 2011, the tax credit amount shall be equal to one-half of the total donation made, but shall not exceed twenty-five thousand dollars per taxpayer claiming the credit. For all taxable years beginning on or after January 1, 2012, the tax credit amount shall be equal to fifty percent of donations made which are equal to or less than one thousand dollars. In addition to the fifty percent credit allowed for donations equal to or less than one thousand dollars provided under this subsection, if a taxpayer makes contributions in excess of one thousand dollars, such taxpayer shall be allowed a credit in an

amount equal to thirty-five percent of such excess. If the amount of the tax credit issued exceeds the amount of the taxpayer's state tax liability for the tax year for which the credit is claimed, the difference shall not be refundable but may be carried forward to any of the taxpayer's next four taxable years. [No tax credit] Tax credits granted under this section [shall] may be transferred, sold, or assigned. The cumulative amount of tax credits which may be issued under this section in any one fiscal year shall not exceed one million dollars.

3. The department of revenue may promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

4. [Pursuant to section 23.253 of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset six years after August 28, 2007, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset twelve years after

the effective date of the reauthorization of this section; and

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset.] Pursuant to section 23.253 of the Missouri sunset act, the provisions of the program authorized under this section are hereby reauthorized and shall automatically sunset on August 28, 2015.

135.600. 1. As used in this section, the following terms shall mean:

(1) "Contribution", a donation of cash, stock, bonds or other marketable securities, or real property;

(2) "Maternity home", a residential facility located in this state established for the purpose of providing housing and assistance to pregnant women who are carrying their pregnancies to term, and which is exempt from income taxation under the United States Internal Revenue Code;

(3) "State tax liability", in the case of a business taxpayer, any liability incurred by such taxpayer pursuant to the provisions of chapter 143, chapter 147, chapter 148, and chapter 153, exclusive of the provisions relating to the withholding of tax as provided for in sections 143.191 to 143.265, and related provisions, and in the case of an individual taxpayer, any liability incurred by such taxpayer pursuant to the provisions of chapter 143;

(4) "Taxpayer", [a person] an individual, firm, a partner in a firm, sole proprietorship, partner in a limited or general partnership, member of a limited liability company, corporation as defined under sections 143.441 or 143.471, [or] a shareholder

in an S corporation doing business in [the] this state [of Missouri] and subject to the state income tax imposed by the provisions of chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or a [including any] charitable organization, trust, or public or private foundation which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143, [or a corporation subject to the annual corporation franchise tax imposed by the provisions of chapter 147, or an insurance company paying an annual tax on its gross premium receipts in this state, or other financial institution paying taxes to the state of Missouri or any political subdivision of this state pursuant to the provisions of chapter 148, or an express company which pays an annual tax on its gross receipts in this state pursuant to chapter 153, or an individual subject to the state income tax imposed by the provisions of chapter 143].

2. For all taxable years ending on or before December 31, 2011, a taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability, in an amount equal to fifty percent of the amount such taxpayer contributed to a maternity home. For all taxable years beginning on or after January 1, 2012, a taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability in an amount equal to fifty percent of the amount such taxpayer contributed to maternity homes if such contributions are equal to or less than one thousand dollars. In addition to the fifty percent credit allowed for contributions equal to or less than one thousand

dollars provided under this subsection, if a taxpayer makes contributions in excess of one thousand dollars, such taxpayer shall be allowed a credit in an amount equal to thirty-five percent of such excess.

3. For tax credits issued on or before December 31, 2011, the amount of the tax credit claimed shall not exceed the amount of the taxpayer's state tax liability for the taxable year that the credit is claimed, and such taxpayer shall not be allowed to claim a tax credit in excess of fifty thousand dollars per taxable year. For tax credits issued on or after January 1, 2012, the amount of the tax credit claimed shall not exceed the amount of the taxpayer's state tax liability for the taxable year that the credit is claimed. However, any tax credit that cannot be claimed in the taxable year the contribution was made may be carried over to the next four succeeding taxable years until the full credit has been claimed. Tax credits provided under this section may be transferred, sold, or assigned.

4. Except for any excess credit which is carried over pursuant to subsection 3 of this section, a taxpayer shall not be allowed to claim a tax credit unless the total amount of such taxpayer's contribution or contributions to a maternity home or homes in such taxpayer's taxable year has a value of at least one hundred dollars.

5. The director of the department of social services shall determine, at least annually, which facilities in this state may be classified as maternity homes. The director of the department of social services may require of a facility seeking to be classified as a maternity home whatever information is reasonably

necessary to make such a determination. The director of the department of social services shall classify a facility as a maternity home if such facility meets the definition set forth in subsection 1 of this section.

6. The director of the department of social services shall establish a procedure by which a taxpayer can determine if a facility has been classified as a maternity home, and by which such taxpayer can then contribute to such maternity home and claim a tax credit. Maternity homes shall be permitted to decline a contribution from a taxpayer. The cumulative amount of tax credits which may be claimed by all the taxpayers contributing to maternity homes in any one fiscal year shall not exceed two million dollars.

7. The director of the department of social services shall establish a procedure by which, from the beginning of the fiscal year until some point in time later in the fiscal year to be determined by the director of the department of social services, the cumulative amount of tax credits are equally apportioned among all facilities classified as maternity homes. If a maternity home fails to use all, or some percentage to be determined by the director of the department of social services, of its apportioned tax credits during this predetermined period of time, the director of the department of social services may reapportion these unused tax credits to those maternity homes that have used all, or some percentage to be determined by the director of the department of social services, of their apportioned tax credits during this predetermined period of time. The director of the department of social services may establish

more than one period of time and reapportion more than once during each fiscal year. To the maximum extent possible, the director of the department of social services shall establish the procedure described in this subsection in such a manner as to ensure that taxpayers can claim all the tax credits possible up to the cumulative amount of tax credits available for the fiscal year.

8. This section shall become effective January 1, 2000, and shall apply to all tax years after December 31, 1999.

9. Notwithstanding any provision of law to the contrary, no tax credits provided under this section shall be authorized on or after August 28, 2015. The provisions of this subsection shall not be construed to limit or in any way impair the department's ability to issue tax credits authorized prior to August 28, 2015, or a taxpayer's ability to redeem such tax credits.

135.630. 1. As used in this section, the following terms mean:

(1) "Contribution", a donation of cash, stock, bonds, or other marketable securities, or real property;

(2) "Director", the director of the department of social services;

(3) "Pregnancy resource center", a nonresidential facility located in this state:

(a) Established and operating primarily to provide assistance to women with crisis pregnancies or unplanned pregnancies by offering pregnancy testing, counseling, emotional and material support, and other similar services to encourage and assist such women in carrying their pregnancies to term; and

(b) Where childbirths are not performed; and

(c) Which does not perform, induce, or refer for abortions and which does not hold itself out as performing, inducing, or referring for abortions; and

(d) Which provides direct client services at the facility, as opposed to merely providing counseling or referral services by telephone; and

(e) Which provides its services at no cost to its clients; and

(f) When providing medical services, such medical services must be performed in accordance with Missouri statute; and

(g) Which is exempt from income taxation pursuant to the Internal Revenue Code of 1986, as amended;

(4) "State tax liability", in the case of a business taxpayer, any liability incurred by such taxpayer pursuant to the provisions of chapters 143, 147, 148, and 153, excluding sections 143.191 to 143.265 and related provisions, and in the case of an individual taxpayer, any liability incurred by such taxpayer pursuant to the provisions of chapter 143, excluding sections 143.191 to 143.265 and related provisions;

(5) "Taxpayer", **[**a person**]** <u>an individual</u>, firm, a partner in a firm, <u>sole proprietorship, partner in a limited or general partnership, member of a limited liability company,</u> corporation <u>as defined under section 143.441 or 143.471</u>, or a shareholder in an S corporation doing business in **[**the**]** <u>this</u> state **[**of Missouri**]** and subject to the state income tax imposed by the provisions of chapter 143, **[**or a corporation subject to the annual corporation franchise tax imposed by the provisions of chapter 147, or an

insurance company paying an annual tax on its gross premium receipts in this state, or other financial institution paying taxes to the state of Missouri or any political subdivision of this state pursuant to the provisions of chapter 148, or an express company which pays an annual tax on its gross receipts in this state pursuant to chapter 153, or an individual subject to the state income tax imposed by the provisions of chapter 143, or any**]** excluding withholding tax imposed by sections 143.191 to 143.265, or a charitable organization, trust, or public or private foundation which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143.

2. For all tax years beginning on or after January 1, 2007, but ending on or before December 31, 2011, a taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability in an amount equal to fifty percent of the amount such taxpayer contributed to a pregnancy resource center. For all tax years beginning on or after January 1, 2012, a taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability in an amount equal to fifty percent of the amount such taxpayer contributed pregnancy resource centers for contributions equal to or less than one thousand dollars. In addition to the fifty percent credit allowed for contributions equal to or less than one thousand dollars provided under this subsection, if a taxpayer makes contributions in excess of one thousand dollars, such taxpayer shall be allowed a credit in an amount equal to thirty-five percent of such excess.

3. For tax credits issued on or before December 31 2011,

the amount of the tax credit claimed shall not exceed the amount of the taxpayer's state tax liability for the taxable year for which the credit is claimed, and such taxpayer shall not be allowed to claim a tax credit in excess of fifty thousand dollars per taxable year. For tax credits issued on or after January 1, 2012, the amount of the tax credit claimed shall not exceed the amount of the taxpayer's state tax liability for the taxable year for which the credit is claimed. However, any tax credit that cannot be claimed in the taxable year the contribution was made may be carried over to the next four succeeding taxable years until the full credit has been claimed.

4. Except for any excess credit which is carried over pursuant to subsection 3 of this section, a taxpayer shall not be allowed to claim a tax credit unless the total amount of such taxpayer's contribution or contributions to a pregnancy resource center or centers in such taxpayer's taxable year has a value of at least one hundred dollars.

5. The director shall determine, at least annually, which facilities in this state may be classified as pregnancy resource centers. The director may require of a facility seeking to be classified as a pregnancy resource center whatever information which is reasonably necessary to make such a determination. The director shall classify a facility as a pregnancy resource center if such facility meets the definition set forth in subsection 1 of this section.

6. The director shall establish a procedure by which a taxpayer can determine if a facility has been classified as a pregnancy resource center. Pregnancy resource centers shall be

permitted to decline a contribution from a taxpayer. The cumulative amount of tax credits which may be claimed by all the taxpayers contributing to pregnancy resource centers in any one fiscal year shall not exceed two million dollars. Tax credits shall be issued in the order contributions are received.

7. The director shall establish a procedure by which, from the beginning of the fiscal year until some point in time later in the fiscal year to be determined by the director, the cumulative amount of tax credits are equally apportioned among all facilities classified as pregnancy resource centers. If a pregnancy resource center fails to use all, or some percentage to be determined by the director, of its apportioned tax credits during this predetermined period of time, the director may reapportion these unused tax credits to those pregnancy resource centers that have used all, or some percentage to be determined by the director, of their apportioned tax credits during this predetermined period of time. The director may establish more than one period of time and reapportion more than once during each fiscal year. To the maximum extent possible, the director shall establish the procedure described in this subsection in such a manner as to ensure that taxpayers can claim all the tax credits possible up to the cumulative amount of tax credits available for the fiscal year.

8. Each pregnancy resource center shall provide information to the director concerning the identity of each taxpayer making a contribution to the pregnancy resource center who is claiming a tax credit pursuant to this section and the amount of the contribution. The director shall provide the information to the

director of revenue. The director shall be subject to the confidentiality and penalty provisions of section 32.057 relating to the disclosure of tax information.

9. Notwithstanding any other law to the contrary, any tax credits granted under this section may be assigned, transferred, sold, or otherwise conveyed without consent or approval. Such taxpayer, hereinafter the assignor for purposes of this section, may sell, assign, exchange, or otherwise transfer earned tax credits:

(1) For no less than seventy-five percent of the par value of such credits; and

(2) In an amount not to exceed one hundred percent of annual earned credits.

10. **[**Pursuant to section 23.253 of the Missouri sunset act:

(1) Any new program authorized under this section shall automatically sunset six years after August 28, 2006, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset twelve years after the effective date of the reauthorization of this section; and

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which a program authorized under this section is sunset.**]** <u>Pursuant to section 23.253 of the Missouri sunset act, the provisions of the program authorized under this section are hereby reauthorized and shall automatically sunset on August 28, 2015.</u>

135.647. 1. As used in this section, the following terms shall mean:

(1) "Local food pantry", any food pantry that is:

(a) Exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended; and

(b) Distributing emergency food supplies to Missouri low-income people who would otherwise not have access to food supplies in the area in which the taxpayer claiming the tax credit under this section resides;

(2) "Taxpayer", an individual, a firm, a partner in a firm, sole proprietorship, partner in a limited or general partnership, member of a limited liability company, corporation as defined under section 143.441 or 143.471, **[**or**]** a shareholder in an S corporation doing business in this state and subject to the state income tax imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or a charitable organization, trust, or public or private foundation which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to state income tax imposed under chapter 143.

2. For all tax years beginning on or after January 1, 2007, but ending on or before December 31, 2011, any taxpayer who donates cash or food, unless such food is donated after the food's expiration date, to any local food pantry shall be allowed a credit against the tax otherwise due under chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, in an amount equal to fifty percent of the value of the donations made to the extent such amounts that have been subtracted from federal adjusted gross income or federal taxable income are added back in the determination of Missouri adjusted gross income or

Missouri taxable income before the credit can be claimed. For all tax years beginning on or after January 1, 2012, any taxpayer who donates cash or food, unless such food is donated after the food's expiration date, to any local food pantry shall be allowed a credit against the tax otherwise due under chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, in an amount equal to fifty percent of the value of the donations made which are equal to or less than one thousand dollars. In addition to the fifty percent credit for donations equal to or less than one thousand dollars provided under this subsection, a taxpayer shall be allowed a credit for donations in excess of one thousand dollars in an amount equal to thirty-five percent of such excess. Tax credits authorized under this section shall only be available to the extent the amounts donated that have been subtracted from federal adjusted gross income or federal taxable income are added back in the determination of Missouri adjusted gross income or Missouri taxable income before the credit can be claimed. Each taxpayer claiming a tax credit under this section shall file an affidavit with the income tax return verifying the amount of their contributions. For all taxable years ending on or before December 31, 2011, the amount of the tax credit claimed shall not exceed the amount of the taxpayer's state tax liability for the tax year that the credit is claimed, and shall not exceed two thousand five hundred dollars per taxpayer claiming the credit. Any amount of credit that the taxpayer is prohibited by this section from claiming in a tax year shall not be refundable, but may be carried forward to any of the taxpayer's three subsequent taxable years. [No tax credit

granted] Tax credits granted under this section [shall] may be transferred, sold, or assigned. No taxpayer shall be eligible to receive a credit pursuant to this section if such taxpayer employs persons who are not authorized to work in the United States under federal law. For all taxable years beginning on or after January 1, 2012, the amount of the tax credit claimed shall not exceed the amount of the taxpayer's state tax liability for the tax year that the credit is claimed, and shall not exceed ten thousand dollars per taxpayer claiming the credit for donations of food. Any amount of credit that the taxpayer is prohibited by this section from claiming in a tax year shall not be refundable, but may be carried forward to any of the taxpayer's three subsequent taxable years.

3. The cumulative amount of tax credits under this section which may be allocated to all taxpayers contributing to a local food pantry in any one fiscal year shall not exceed two million dollars. For all fiscal years beginning on or after July 1, 2011, the cumulative amount of tax credits under this section which may be allocated to all taxpayers contributing to a local food pantry in any one fiscal year shall not exceed one million dollars. The director of revenue shall establish a procedure by which the cumulative amount of tax credits is apportioned among all taxpayers claiming the credit by April fifteenth of the fiscal year in which the tax credit is claimed. To the maximum extent possible, the director of revenue shall establish the procedure described in this subsection in such a manner as to ensure that taxpayers can claim all the tax credits possible up to the cumulative amount of tax credits available for the fiscal

year.

4. Any local food pantry may accept or reject any donation of food made under this section for any reason. For purposes of this section, any donations of food accepted by a local food pantry shall be valued at fair market value, or at wholesale value if the taxpayer making the donation of food is a retail grocery store, food broker, wholesaler, or restaurant.

5. The department of revenue shall promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

6. **[**Under section 23.253 of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset four years after August 28, 2007, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset twelve years after the effective date of the reauthorization of this section; and

(3) This section shall terminate on September first of the

calendar year immediately following the calendar year in which the program authorized under this section is sunset.] Pursuant to section 23.253 of the Missouri sunset act, the provisions of the program authorized under this section are hereby reauthorized and shall automatically sunset on August 28, 2015.

135.648. 1. As used in this section, the following terms shall mean:

(1) "Department", the department of social services;

(2) "Food bank", a regional organization acquiring and distributing of food and related grocery products through a network of agencies to feed people in need;

(3) "Taxpayer", an individual, a firm, a partner in a firm, sole proprietorship, partner in a limited or general partnership, member of a limited liability company, corporation as defined under sections 143.441 or 143.471, a shareholder in an S corporation doing business in this state and subject to the state income tax imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or a charitable organization, trust, or public or private foundation which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to state income tax imposed under chapter 143.

2. For all taxable years beginning on or after January 1, 2012, any taxpayer who donates cash or food on or after January 1, 2012, unless such food is donated after the food's expiration date, to any food bank may, at the discretion of such food bank, be allowed a credit against the tax otherwise due under chapters 143, 147, and 148 excluding the withholding tax imposed by

sections 143.191 to 143.265, in an amount equal to fifty percent of the value of the donations made which are equal to or less than one thousand dollars. In addition to the fifty percent credit for donations equal to or less than one thousand dollars provided under this subsection, a taxpayer shall be allowed a credit for donations in excess of one thousand dollars in an amount equal to thirty-five percent of such excess. When awarding tax credits to donors, food banks shall make every effort to award the tax credit to secure donations that would not have otherwise occurred but for the credit. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state tax liability for the tax year that the credit is claimed. Any amount of tax credit that the taxpayer is prohibited from claiming in a tax year shall not be refundable, but may be carried forward to any of the taxpayer's four subsequent taxable years. Tax credits granted under this section may be transferred, sold, or assigned. No taxpayer shall be eligible to receive a credit pursuant to this section if such taxpayer employs persons who are not authorized to work in the United States under federal law.

3. The department shall allocate the tax credits available in the fiscal year to food banks according to the distribution of food benefits under the "Emergency Food Assistance Act of 1983", 7 U.S.C. Section 201 et seq., or its successor program to the area served by the food bank relative to the benefits provided under the program to the entire state. To the extent that more than one food bank services a given area within this state, tax credits allocable to such area shall be apportioned to such food

banks in equal amounts. The cumulative amount of tax credits under this section which the department shall allocate to all food banks in any fiscal year shall not exceed one million dollars. Prior to receiving an allocation of credits, each food bank shall annually submit to the department:

(1) A plan for how the food bank intends to maximize its resources to provide hunger relief in the area it serves;

(2) An annual budget identifying all sources and uses of funding generated through donations; and

(3) A statement attesting that donations, received by the food bank for which tax credits will be available, will be used to provide food to individuals within this state.

4. The department shall establish a procedure whereby tax credits previously allocated to a food bank during any fiscal year may be reallocated among food banks during the same fiscal year in order to maximize the utilization of such credits.

5. Any food bank may accept or reject any donation of food made under this section for any reason. For purposes of this section, any donations of food accepted by a food bank shall be valued at fair market value, unless the taxpayer making the donation of food is a retail grocery store, food broker, wholesaler, or restaurant, in which case any donations shall be valued at wholesale value. Any donations received by a food bank for which tax credits are provided under this section shall be used in Missouri.

6. The department shall promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under

the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

7. Notwithstanding any provisions of law to the contrary, no tax credits provided under this section shall be authorized after June 30, 2015. The provisions of this subsection shall not be construed to limit or in any way impair the department's ability to issue tax credits authorized prior to June 30, 2015, or a taxpayer's ability to redeem such tax credits.

135.679. 1. This section shall be known and may be cited as the "Qualified Beef Tax Credit Act".

2. As used in this section, the following terms mean:

(1) "Agricultural property", any real and personal property, including but not limited to buildings, structures, improvements, equipment, and livestock, that is used in or is to be used in this state by residents of this state for:

(a) The operation of a farm or ranch; and

(b) Grazing, feeding, or the care of livestock;

(2) "Authority", the agricultural and small business development authority established in chapter 348;

(3) "Backgrounded", any additional weight at the time of the first qualifying sale, before being finished, above the

established baseline weight;

(4) "Baseline weight", the average weight in the immediate past three years of all beef animals sold that are thirty months of age or younger, categorized by sex. Baseline weight for qualified beef animals that are physically out-of-state but whose ownership is retained by a resident of this state shall be established by the average transfer weight in the immediate past three years of all beef animals that are thirty months of age or younger and that are transferred out-of-state but whose ownership is retained by a resident of this state, categorized by sex. The established baseline weight shall be effective for a period of three years. If the taxpayer is a qualifying beef animal producer with fewer than three years of production, the baseline weight shall be established by the available average weight in the immediate past year of all beef animals sold that are thirty months of age or younger, categorized by sex. If the qualifying beef animal producer has no previous production, the baseline weight shall be established by the authority;

(5) "Finished", the period from backgrounded to harvest;

(6) "Qualifying beef animal", any beef animal that is certified by the authority, that was born in this state after August 28, 2008, that was raised and backgrounded or finished in this state by the taxpayer, excluding any beef animal more than thirty months of age as verified by certified written birth records;

(7) "Qualifying sale", the first time a qualifying beef animal is sold in this state after the qualifying beef animal is backgrounded, and a subsequent sale if the weight of the

qualifying beef animal at the time of the subsequent sale is greater than the weight of the qualifying beef animal at the time of the first qualifying sale of such beef animal;

(8) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or otherwise due under chapter 147;

(9) "Taxpayer", any individual or entity who:

(a) Is subject to the tax imposed in chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or the tax imposed in chapter 147;

(b) In the case of an individual, is a resident of this state as verified by a 911 address or in the absence of a 911 system, a physical address; and

(c) Owns or rents agricultural property and principal place of business is located in this state.

3. For all taxable years beginning on or after January 1, 2009, **[**but ending on or before December 31, 2016,**]** a taxpayer shall be allowed a tax credit for the first qualifying sale and for a subsequent qualifying sale of all qualifying beef animals. The tax credit amount for the first qualifying sale shall be ten cents per pound, shall be based on the backgrounded weight of all qualifying beef animals at the time of the first qualifying sale, and shall be calculated as follows: the qualifying sale weight minus the baseline weight multiplied by ten cents, as long as the qualifying sale weight is equal to or greater than two hundred pounds above the baseline weight. The tax credit amount for each subsequent qualifying sale shall be ten cents per pound, shall be based on the backgrounded weight of all qualifying beef animals

at the time of the subsequent qualifying sale, and shall be calculated as follows: the qualifying sale weight minus the baseline weight multiplied by ten cents, as long as the qualifying sale weight is equal to or greater than two hundred pounds above the baseline weight. The authority may waive no more than twenty-five percent of the two hundred pound weight gain requirement, but any such waiver shall be based on a disaster declaration issued by the U. S. Department of Agriculture.

4. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state tax liability for the taxable year for which the credit is claimed. No tax credit claimed under this section shall be refundable. The tax credit shall be claimed in the taxable year in which the qualifying sale of the qualifying beef occurred, but any amount of credit that the taxpayer is prohibited by this section from claiming in a taxable year may be carried forward to any of the taxpayer's five subsequent taxable years and carried backward to any of the taxpayer's three previous taxable years. The amount of tax credits that may be issued to all eligible applicants claiming tax credits authorized in this section in a fiscal year shall not exceed three million dollars. Tax credits shall be issued on an as-received application basis until the fiscal year limit is reached. Any credits not issued in any fiscal year shall expire and shall not be issued in any subsequent years.

5. To claim the tax credit allowed under this section, the taxpayer shall submit to the authority an application for the tax credit on a form provided by the authority and any application

fee imposed by the authority. The application shall be filed with the authority at the end of each calendar year in which a qualified sale was made and for which a tax credit is claimed under this section. The application shall include any certified documentation and information required by the authority. All required information obtained by the authority shall be confidential and not disclosed except by court order, subpoena, or as otherwise provided by law. If the taxpayer and the qualified sale meet all criteria required by this section and approval is granted by the authority, the authority shall issue a tax credit certificate in the appropriate amount. Tax credit certificates issued under this section may be assigned, transferred, sold, or otherwise conveyed, and the new owner of the tax credit certificate shall have the same rights in the tax credit as the original taxpayer. Whenever a tax credit certificate is assigned, transferred, sold or otherwise conveyed, a notarized endorsement shall be filed with the authority specifying the name and address of the new owner of the tax credit certificate or the value of the tax credit.

6. Any information provided under this section shall be confidential information, to be shared with no one except state and federal animal health officials, except as provided in subsection 5 of this section.

7. The authority may promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions

of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

8. Notwithstanding any provision of law to the contrary, no tax credits provided under this section shall be authorized on or after August 28, 2014. The provisions of this subsection shall not be construed to limit or in any way impair the department's ability to issue tax credits authorized prior to August 28, 2014, or a taxpayer's ability to redeem such tax credits.

9. This section shall not be subject to the Missouri sunset act, sections 23.250 to 23.298.

135.700. 1. For all tax years beginning on or after January 1, 1999, a grape grower or wine producer shall be allowed a tax credit against the state tax liability incurred pursuant to chapter 143, exclusive of the provisions relating to the withholding of tax as provided in sections 143.191 to 143.265, in an amount equal to twenty-five percent of the purchase price of all new equipment and materials used directly in the growing of grapes or the production of wine in the state. Each grower or producer shall apply to the department of economic development and specify the total amount of such new equipment and materials purchased during the calendar year. The department of economic development shall certify to the department of revenue the amount of such tax credit to which a grape grower or wine producer is

entitled pursuant to this section. The provisions of this section notwithstanding, a grower or producer may only apply for and receive the credit authorized by this section for five tax periods. No more than two hundred thousand dollars in tax credits provided under this section may be authorized annually.

2. Notwithstanding any provision of law to the contrary, no tax credits provided under this section shall be authorized on or after August 28, 2014. The provisions of this subsection shall not be construed to limit or in any way impair the department's ability to issue tax credits authorized prior to August 28, 2014, or a taxpayer's ability to redeem such tax credits.

135.802. 1. Beginning January 1, 2005, all applications for all tax credit programs shall include, in addition to any requirements provided by the enacting statutes of a particular credit program, the following information to be submitted to the department administering the tax credit:

(1) Name, address, and phone number of the applicant or applicants, and the name, address, and phone number of a contact person or agent for the applicant or applicants;

(2) Taxpayer type, whether individual, corporation, nonprofit or other, and taxpayer identification number, if applicable;

(3) Standard industry code, if applicable;

(4) Program name and type of tax credit, including the identity of any other state or federal program being utilized for the same activity or project; and

(5) Number of estimated jobs to be created, as a result of the tax credits, if applicable, separated by construction,

part-time permanent, and full-time permanent.

2. In addition to the information required by subsection 1 of this section, an applicant for a community development tax credit shall also provide information detailing the title and location of the corresponding project, the estimated time period for completion of the project, and all geographic areas impacted by the project.

3. In addition to the information required by subsection 1 of this section, an applicant for a redevelopment tax credit shall also provide information detailing the location and legal description of the property, age of the structure, if applicable, whether the property is residential, commercial, or governmental, and the projected project cost, labor cost, and projected date of completion. Where a redevelopment tax credit applicant is required to submit contemporaneously a federal application for a similar credit on the same underlying project, the submission of a copy of the federal application shall be sufficient to meet the requirements of this subsection.

4. In addition to the information required by subsection 1 of this section, an applicant for a business recruitment tax credit shall also provide information detailing the category of business by size, the address of the business headquarters and all offices located within this state, the number of employees at the time of the application, the number of employees projected to increase as a result of the completion of the project, and the estimated project cost.

5. In addition to the information required by subsection 1 of this section, an applicant for a training and educational tax

credit shall also provide information detailing the name and address of the educational institution to be used, the average salary of workers to be served, the estimated project cost, and the number of employees and number of students to be served.

6. In addition to the information required by subsection 1 of this section, an applicant for a housing tax credit also shall provide information detailing the address, legal description, and fair market value of the property, and the projected labor cost and projected completion date of the project. Where a housing tax credit applicant is required to submit contemporaneously a federal application for a similar credit on the same underlying project, the submission of a copy of the federal application shall be sufficient to meet the requirements of this subsection. For the purposes of this subsection, "fair market value" means the value as of the purchase of the property or the most recent assessment, whichever is more recent.

7. In addition to the information required by subsection 1 of this section, an applicant for an entrepreneurial tax credit shall also provide information detailing the amount of investment and the names of the project, fund, and research project.

8. In addition to the information required by subsection 1 of this section, an applicant for an agricultural tax credit shall also provide information detailing the type of agricultural commodity, the amount of contribution, the type of equipment purchased, and the name and description of the facility.

9. In addition to the information required by subsection 1 of this section, an applicant for an environmental tax credit shall also include information detailing the type of equipment,

if applicable, purchased and any environmental impact statement, if required by state or federal law.

10. An administering agency may, by rule, require additional information to be submitted by an applicant. Any rule or portion of a rule, as that term is defined in section 536.010, that is created pursuant to the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2004, shall be void.

11. <u>An administering agency may, by rule, require applicants to enter into contracts with the administering agency specifying standards of performance, program requirements, and penalties in the event of noncompliance.</u>

<u>12.</u> Where the sole requirement for receiving a tax credit in the enabling legislation of any tax credit is an obligatory assessment upon a taxpayer or a monetary contribution to a particular group or entity, the application requirements provided in this section shall apply to the recipient of such assessment or contribution and shall not apply to the assessed nor the contributor.

[12.**]** <u>13.</u> It shall be the duty of each administering agency to provide information to every applicant, at some time prior to

authorization of an applicant's tax credit application, wherein the requirements of this section, the annual reporting requirements of section 135.805, and the penalty provisions of section 135.810 are described in detail.

135.815. 1. Prior to authorization of any tax credit application, an administering agency shall verify through the department of revenue that the tax credit applicant does not owe any delinquent income, sales, or use taxes, or interest or penalties on such taxes, and through the department of insurance, financial institutions and professional registration that the applicant does not owe any delinquent insurance taxes. Such delinquency shall not affect the authorization of the application for such tax credits, except that the amount of credits issued shall be reduced by the applicant's tax delinquency. If the department of revenue or the department of insurance, financial institutions and professional registration concludes that a taxpayer is delinquent after June fifteenth but before July first of any year, and the application of tax credits to such delinquency causes a tax deficiency on behalf of the taxpayer to arise, then the taxpayer shall be granted thirty days to satisfy the deficiency in which interest, penalties, and additions to tax shall be tolled. After applying all available credits towards a tax delinquency, the administering agency shall notify the appropriate department, and that department shall update the amount of outstanding delinquent tax owed by the applicant. If any credits remain after satisfying all insurance, income, sales, and use tax delinquencies, the remaining credits shall be issued to the applicant, subject to the restrictions of other provisions

of law.

2. Any applicant of a tax credit program contained in the definition of the term "all tax credit programs" who purposely and directly employs unauthorized aliens shall forfeit any tax credits issued to such applicant which have not been redeemed, and shall repay the amount of any tax credits redeemed by such applicant during the period of time such unauthorized alien was employed by the applicant. As used in this subsection, the term "unauthorized alien" shall mean an alien who does not have the legal right or authorization under federal law to work in the United States, as defined under Section 8 U.S.C. 1324a(h)(3).

3. Any administering agency may, by rule, provide for the recapture of tax credits for noncompliance with program requirements.

135.825. 1. The administering agencies for all tax credit programs shall, in cooperation with the department of revenue, implement a system for tracking the amount of tax credits authorized, issued, and redeemed. Any such agency may promulgate rules for the implementation of this section.

2. The provisions of subsection 1 of this section shall not apply to any credit that is issued and redeemed simultaneously.

3. The committee on legislative research shall conduct a review of any tax credit program, in the manner provided under the provisions of sections 23.250 to 23.298, by September first of the calendar year prior to the year in which tax credit authorizations or issuances will be prohibited for such tax credit program.

4. Any rule or portion of a rule, as that term is defined

in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2004, shall be invalid and void.

135.1150. 1. This section shall be known and may be cited as the "Residential Treatment Agency Tax Credit Act".

2. As used in this section, the following terms mean:

(1) "Certificate", a tax credit certificate issued under this section;

(2) "Department", the Missouri department of social services;

(3) "Eligible donation", donations received from a taxpayer by an agency that are used solely to provide direct care services to children who are residents of this state. Eligible donations may include cash, publicly traded stocks and bonds, and real estate that will be valued and documented according to rules promulgated by the department of social services. For purposes of this section, "direct care services" include but are not limited to increasing the quality of care and service for children through improved employee compensation and training;

(4) "Qualified residential treatment agency" or "agency", a residential care facility that is licensed under section 210.484,

accredited by the Council on Accreditation (COA), the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), or the Commission on Accreditation of Rehabilitation Facilities (CARF), and is under contract with the Missouri department of social services to provide treatment services for children who are residents or wards of residents of this state, and that receives eligible donations. Any agency that operates more than one facility or at more than one location shall be eligible for the tax credit under this section only for any eligible donation made to facilities or locations of the agency which are licensed and accredited;

(5) "Taxpayer", [any of the following individuals or entities who make an eligible donation to an agency:

(a) A person, firm, partner in a firm, corporation, or a shareholder in an S corporation doing business in the state of Missouri and subject to the state income tax imposed in chapter 143;

(b) A corporation subject to the annual corporation franchise tax imposed in chapter 147;

(c) An insurance company paying an annual tax on its gross premium receipts in this state;

(d) Any other financial institution paying taxes to the state of Missouri or any political subdivision of this state under chapter 148;

(e) An individual subject to the state income tax imposed in chapter 143;

(f) Any charitable organization which is exempt from federal income tax and whose Missouri unrelated business taxable

income, if any, would be subject to the state income tax imposed under chapter 143] an individual, a firm, a partner in a firm, sole proprietorship, partner in a limited or general partnership, member of a limited liability company, corporation as defined under section 143.441 or 143.471, a shareholder in an S corporation doing business in this state and subject to the state income tax imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or a charitable organization, trust, or public or private foundation which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to state income tax imposed under chapter 143.

3. For all taxable years beginning on or after January 1, 2007, any taxpayer shall be allowed a credit against the taxes otherwise due under chapter 147, 148, or 143, excluding withholding tax imposed by sections 143.191 to 143.265, in an amount equal to fifty percent of the amount of an eligible donation, subject to the restrictions in this section. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state income tax liability in the tax year for which the credit is claimed. Any amount of credit that the taxpayer is prohibited by this section from claiming in a tax year shall not be refundable, but may be carried forward to any of the taxpayer's four subsequent taxable years.

4. To claim the credit authorized in this section, an agency may submit to the department an application for the tax credit authorized by this section on behalf of taxpayers. The department shall verify that the agency has submitted the

following items accurately and completely:

(1) A valid application in the form and format required by the department;

(2) A statement attesting to the eligible donation received, which shall include the name and taxpayer identification number of the individual making the eligible donation, the amount of the eligible donation, and the date the eligible donation was received by the agency; and

(3) Payment from the agency equal to the value of the tax credit for which application is made. If the agency applying for the tax credit meets all criteria required by this subsection, the department shall issue a certificate in the appropriate amount.

5. An agency may apply for tax credits in an aggregate amount that does not exceed forty percent of the payments made by the department to the agency in the preceding twelve months.

6. Tax credits issued under this section may be assigned, transferred, sold, or otherwise conveyed, and the new owner of the tax credit shall have the same rights in the credit as the taxpayer. Whenever a certificate is assigned, transferred, sold, or otherwise conveyed, a notarized endorsement shall be filed with the department specifying the name and address of the new owner of the tax credit or the value of the credit.

7. The department shall promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions

of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2006, shall be invalid and void.

8. **[**Under section 23.253 of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset six years after August 28, 2006, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset twelve years after the effective date of the reauthorization of this section; and

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset.**]** Pursuant to section 23.253 of the Missouri sunset act, the provisions of the program authorized under this section are hereby reauthorized and shall automatically sunset on August 28, 2015.

135.1500. 1. Sections 135.1500 to 135.1519, shall be known and may be cited as the "Aerotropolis Trade Incentive and Tax Credit Act".

2. As used in sections 135.1500 to 135.1519, unless the context clearly requires otherwise, the following terms shall mean:

(1) "Air export tax credit", the tax credit against the taxes imposed under chapters 143, 147, and 148, except for

sections 143.191 to 143.265, to be issued by the department to a claiming freight forwarder for the shipment of air cargo on a qualifying outbound flight;

(2) "Airport", an airport which is owned and operated by a city not within a county;

(3) "Cargo activity", the activities within an eligible facility relating to the storage and distribution of goods and products through all modes of multimodal commerce, including goods and products manufactured or assembled within an eligible facility;

(4) "Certificate of compliance", a certificate submitted with any application for a tax credit or tax incentive specified in section 135.1513, that shall certify that all requisite requirements for the issuance of such tax credits and tax incentives have been satisfied for such eligible facility and shall provide evidence of such satisfaction;

(5) "Certificate of occupancy", the certificate or permit issued by a municipality that permits the commercial use or occupancy of a building or structure;

(6) "Chargeable kilo", the shipment of a kilo of freight, as measured by the greater of:

(a) Actual weight; or

(b) A dimensional weight, as determined by the conversion factors promulgated by the International Air Transport Association, on a qualifying outbound flight or a qualifying inbound flight;

(7) "Claiming freight forwarder", the freight forwarder designated as the "agent" on the airway bill for the qualifying

outbound flight for which such air export tax credit is sought;

(8) "Department", the Missouri department of economic development;

(9) "Direct all cargo aircraft flight", a flight that flies directly to its destination without stopping, except to receive fuel and maintenance;

(10) "Economic incentive laws", any provision of Missouri law under which economic incentives are provided to redevelopers of a parcel or parcels to redevelop the land, such as tax abatement or payments in lieu of taxes, or redevelopment plans or redevelopment projects approved or adopted which include the use of economic incentives to redevelop the land;

(11) "Eligible costs", the following costs associated with the development and construction of an eligible facility:

(a) Costs and expenses of construction of the eligible facility, including fixtures and equipment; and

(b) Demolition costs of vacant structures.

Eligible costs shall not include costs of site improvements or costs of environmental remediation;

(12) "Eligible facility", a qualifying gateway facility, qualifying cold-chain facility, or qualifying assembly and manufacturing facility;

(13) "Eligibility period", the time period, not to exceed seven fiscal years, during which an owner of an eligible facility may receive benefits under section 135.1513. Such time period shall begin to run on the date the certificate of occupancy is issued for each eligible facility and shall continue for the next

subsequent seven fiscal years;

(14) "Fiscal year", the twelve consecutive month time period beginning on the date on which the certificate of occupancy is issued for an eligible facility and ending on the last day of the twelfth month thereafter, with each subsequent fiscal year beginning on the anniversary of such date of the issuance of the certificate of occupancy and ending on the last day of the twelfth month thereafter;

(15) "Freight forwarder", a person that assumes responsibility in the ordinary course of its business for the transportation of cargo from the place of receipt to the place of destination, including the utilization of a qualifying outbound flight;

(16) "Gateway zone", an area within this state designated under the provisions of sections 135.1500 to 135.1519, which shall be within:

(a) A site of at least one hundred contiguous acres located within fifty miles of an airport; provided, however, such one hundred acres need not be contiguous if the acreage is located within a larger designated urban renewal area or redevelopment area under economic incentive laws;

(b) An area within the boundaries of an airport; or

(c) Any area owned or managed by the port authority of a county or a city not within a county;

(17) "Level one air cargo activity", where at least twenty percent of the total cargo activity of an eligible facility consists of:

(a) Chargeable kilos shipped from such facility, on a

qualifying outbound flight by the owner of, or any tenant in, such facility; or

(b) Chargeable kilos shipped on a qualifying inbound flight to the owner of, or any tenant in, an eligible facility, whether or not the inbound shipment is stored at any time within such facility;

(18) "Level two air cargo activity", where at least ten percent of the total cargo activity of an eligible facility consists of:

(a) Chargeable kilos shipped from such facility, on a qualifying outbound flight by the owner of, or any tenant in, such facility; or

(b) Chargeable kilos shipped on a qualifying inbound flight to the owner of, or any tenant in, an eligible facility, whether or not the inbound shipment is stored at any time within such facility;

(19) "Multimodal commerce", modes of commerce for the shipment of goods or products, including road transportation, railroad transportation, water transportation or aircraft transportation;

(20) "Municipality", any city, town, village, or county;

(21) "New building", a new structure or building for which a certificate of occupancy was issued on or after July 1, 2011 for commercial activity, including fixtures and equipment;

(22) "Perishable freight", agricultural products, including seeds, garden products, live animals, and processed meat products such as pork and beef;

(23) "Qualifying applicant", an owner of, or tenant in, an

eligible facility;

(24) "Qualifying assembly and manufacturing facility", a new building located within a gateway zone that is equipped for manufacturing or assembly and in which the shipment or receipt of production components or finished products involves at least two modes of multimodal commerce;

(25) "Qualifying cargo activity", meeting or exceeding the requirements for level one air cargo activity or level two air cargo activity;

(26) "Qualifying cold-chain facility", a new building located within a gateway zone which has within it equipment for maintaining necessary temperatures for the processing, packaging, or distribution of temperature-sensitive products, provided that at least eighty percent of the usable square footage of such facility is refrigerated;

(27) "Qualifying gateway facility", a new building located within a gateway zone in which qualifying cargo activity occurs, provided that no more than twenty percent of the usable space within the qualifying gateway facility is devoted to office or retail use;

(28) "Qualifying inbound flight", an all cargo aircraft flight originating from an international destination to the airport;

(29) "Qualifying outbound flight", a direct all cargo aircraft flight from the airport to an international destination; and

(30) "Tenant in an eligible facility", a tenant or subtenant who is operating within an eligible facility and is a

tenant or subtenant of the owners of an eligible facility, or a licensee who is operating within an eligible facility and is a licensee of such owner, tenant, or subtenant.

135.1503. The executive officer of any county and the mayor of any city not within a county may designate a gateway zone by providing written notification of such designation to the department. Such notification shall include a legal description of the area of the gateway zone.

135.1505. 1. The executive officer of any county, or the mayor of a city not within a county, which contains a gateway zone may appoint a board of supervisors consisting of three members. Each supervisor shall be a resident of the respective county or city, shall be knowledgeable in the principles of business, trade, and development and shall serve staggered terms of three years. Of the first appointees, one shall serve a term of three years, one shall serve for two years, and one shall serve for one year. Appointees may be removed at the discretion of the person who appointed them. Unless removed, appointees shall serve until their successors are appointed.

2. The board shall annually levy special assessments on eligible facilities within the gateway zone, which receive benefits under sections 135.1500 to 135.1521, and shall oversee the use of revenues derived from the special assessments; provided however, any special assessments levied on such eligible facilities located within the boundaries of the airport shall be remitted to the airport.

3. The board of supervisors shall also have the power to contract with entities, including tax exempt regional economic

development associations, to market and promote gateway zones.

4. The special assessment on an eligible facility, which receives benefits under sections 135.1500 to 135.1519, shall be twenty cents per rentable square foot of such facility.

5. After the payment of any fees related to the approval and collection of the special assessments and the remittance of any special assessments identified for remittance in subsection 2 of this section, the remaining revenues collected from the special assessments shall be utilized as follows:

(a) Fifty percent of such revenues shall be annually transferred to the airport to be used to market and promote the cargo activities of the airport under an agreement between a city not within a county and the board. Such agreement shall, at a minimum, provide:

a. That the proceeds of the net special assessments shall be placed in a special fund for marketing and promotion of the airport; and

b. That the board shall review and approve the annual budget of the airport for such marketing and promotion;

(b) The remaining fifty percent of such revenues shall be annually transferred to a tax exempt regional economic development association or associations, selected by the board for the marketing and promotion of the gateway zone. The board shall enter into an agreement or agreements with such tax exempt economic development business association or associations for the marketing and promotion of the gateway zone and shall review and approve the annual budget of such association or associations for such marketing and promotion.

135.1507. 1. For all taxable years beginning on or after January 1, 2011, a claiming freight forwarder shall be entitled to an air export tax credit for the shipment of cargo on a qualifying outbound flight in an amount equal to thirty cents per chargeable kilo.

2. For all taxable years beginning on or after January 1, 2011, a claiming freight forwarder shall be entitled to an air export tax credit for the shipment of perishable freight on a qualifying outbound flight in an amount equal to thirty-five cents per chargeable kilo.

3. No claiming freight forwarder shall receive air export tax credits under both subsections 1 and 2 of this section for a single shipment of goods.

4. The department shall index the amount of the air export tax credits to adjust each year depending upon fluctuations in the cost of fuel for over-the-road transportation.

135.1509. 1. To receive benefits provided under section 135.1507, a claiming freight forwarder shall file an application with the department within sixty calendar days of the date that the shipment for which air export tax credits are being sought was transported on the qualifying outbound flight. The documentation to be presented by the claiming freight forwarder in such an application shall consist of the master airway bill for the shipment on the qualifying outbound flight for which the claiming freight forwarder is seeking air export tax credits. All master airway bills shall specify an origin located within the United States of America for the shipments to qualify for air export tax credits. The department shall establish procedures to

allow claiming freight forwarders that file applications for air export tax credits to receive such tax credits within fifteen business days of the date of the filing of the application for air export tax credits relating to the qualifying outbound flight.

2. If the annual cap on the issuance of air export tax credits provided under section 135.1511, is met in a given year, then the amount of such tax credits which have been authorized, but remain unissued, shall be carried forward and issued in the subsequent year.

3. No tax credits provided under this section shall be authorized after August 28, 2019. Any tax credits authorized on or before August 28, 2019, but not issued prior to such date may be issued until all such authorized tax credits have been issued.

135.1511. The total aggregate amount for air export tax credits authorized under section 135.1507 shall not exceed sixty million dollars. The amount of the air export tax credits issued under section 135.1507 shall not exceed:

(1) Three million six hundred thousand dollars for the taxable year beginning on or after January 1, 2011, but ending on or before December 31, 2011;

(2) Four million eight hundred thousand dollars for the taxable year beginning on or after January 1, 2012, but ending on or before December 31, 2012; and

(3) The greater of one million two hundred thousand dollars per weekly qualifying outbound flight or three million six hundred thousand dollars for all taxable years beginning on or after January 1, 2013.

The department shall annually determine the number of weekly qualifying outbound flights, which shall be the average number of such flights per week during the month of September of the previous year.

135.1513. 1. For all taxable years beginning on or after January 1, 2013, qualifying applicants shall be entitled to the following benefits:

(1) The owner of any eligible facility with level one air cargo activity shall be entitled, during the eligibility period, to receive tax credits against the taxes imposed under chapters 143, 147, and 148, except for sections 143.191 to 143.265, equal to six percent of the eligible costs for such facility for each year that such facility meets or exceeds level one air cargo activity volumes. The total amount of tax credits issued for any such facility shall not exceed thirty percent of such facility's eligible costs. No tax credits provided under this subdivision shall be issued prior to January 1, 2013;

(2) The owner of any qualifying gateway facility with level two air cargo activity, a qualifying assembly and manufacturing facility, or a qualifying cold-chain facility shall be entitled, during the eligibility period, to receive tax credits against the taxes imposed under chapters 143, 147, and 148, except for sections 143.191 to 143.265, equal to four percent of the eligible costs for such facility for each year that such facility satisfies the requirements of sections 135.1500 to 135.1519. The total amount of tax credits issued for such facility shall not exceed twenty percent of such facility's eligible costs. No tax credits provided under this subdivision shall be issued prior to

January 1, 2013; and

(3) Any tenant of an eligible facility and any individuals employed by such tenants shall be exempt from the earnings tax imposed by a city not within a county pursuant to sections 92.110 to 92.200 for each fiscal year during the eligibility period if such facility satisfies the requirements of sections 135.1500 to 135.1519.

2. If an eligible facility receives a certificate of occupancy prior to the sunset of the program, the owners of an eligible facility may apply for benefits provided under this section for the term of the eligibility period notwithstanding the sunsetting of the program prior to the end of the term of the eligibility period for such facility.

135.1515. 1. In order for an owner of an eligible facility to receive benefits provided under section 135.1513 during the eligibility period, the eligible facility shall satisfy all applicable requirements provided under sections 135.1500 to 135.1519 for each such fiscal year by December thirty-first of the calendar year in which an application is filed under subsection 2 of this section.

2. Owners of an eligible facility seeking benefits provided under section 135.1513 shall file applications for such benefits, accompanied by a certificate of compliance, on or before December thirty-first of each year. If such facility, relating to which such owners are applying for such tax credits satisfies the applicable requirements provided under sections 135.1500 to 135.1519, the department shall grant such benefits on or before July fifteenth of the next calendar year following such time

period.

3. If the annual cap for any of such tax credits provided under section 135.1517 is met in a year, then the amount of such tax credits authorized, but unissued, shall be carried forward and issued in the subsequent year.

4. No owner of an eligible facility shall be entitled to receive benefits provided under section 135.1513 unless a certificate of occupancy has been issued for the eligible facility prior to August 28, 2020. An owner of an eligible facility for which a certificate of occupancy has been issued prior to August 28, 2020, may be granted benefits under this section.

135.1517. The total aggregate amount for all of the tax credits authorized under subdivisions (1) and (2) of subsection 1 of section 135.1513 shall not exceed three hundred million dollars. The annual amount of the tax credits issued under subdivisions (1) and (2) of subsection 1 of section 135.1513 shall not exceed:

(1) Two million dollars for the taxable year beginning on or after January 1, 2013, and ending on or before December 31, 2013;

(2) Fifteen million dollars for the taxable year beginning on or after January 1, 2014, and ending on or before December 31, 2014;

(3) Sixteen million dollars for the taxable year beginning on or after January 1, 2015, and ending on or before December 31, 2015;

(4) Twenty million dollars for all taxable years beginning

on or after January 1, 2016, but ending on or before December 31, 2019;

(5) Thirty million dollars for all taxable years beginning on or after January 1, 2020, but ending on or before December 31, 2025; and

(6) Seven million dollars for the taxable year beginning on or after January 1, 2026, and ending on or before December 31, 2026.

135.1519. If the amount of any tax credit authorized under sections 135.1500 to 135.1519 exceeds the total tax liability for the year in which the applicant is entitled to receive a tax credit, the amount that exceeds the state tax liability may be carried forward for credit against the taxes imposed under chapters 143, 147, and 148, except sections 143.191 to 143.265, for the succeeding six years, or until the full credit is used, whichever occurs first. Tax credits authorized under the provisions of sections 135.1500 to 135.1519 may be transferred, sold, or otherwise assigned. Tax credits granted to a partnership, a limited liability company taxed as a partnership, or multiple owners of property shall be passed through to the partners, members, or owners respectively pro rata or under an executed agreement among the partners, members, or owners documenting an alternate distribution method.

135.1521. 1. The department may promulgate rules to implement the provisions of sections 135.1500 to 135.1519. Any rule or portion of a rule, as that term is defined in section 536.010 that is created under the authority delegated in this section shall become effective only if it complies with and is

subject to all of the provisions of chapter 536, and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and to annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2011, shall be invalid and void.

2. The provisions of the new programs authorized under sections 135.1500 to 135.1519 shall automatically sunset eight years after August 28, 2011, unless reauthorized by an act of the general assembly. If such program is reauthorized, the program authorized under this section shall automatically sunset six years after the effective date of the reauthorization of this section. This section shall terminate on September first of the calendar year immediately following the calendar year in which the programs authorized under sections 135.1500 to 135.1519 sunset.

136.055. 1. Any person who is selected or appointed by the state director of revenue as provided in subsection 2 of this section to act as an agent of the department of revenue, whose duties shall be the processing of motor vehicle title and registration transactions and the collection of sales and use taxes when required under sections 144.070 and 144.440, and who receives no salary from the department of revenue, shall be authorized to collect from the party requiring such services additional fees as compensation in full and for all services rendered on the following basis:

(1) For each motor vehicle or trailer registration issued, renewed or transferred--three dollars and fifty cents and seven dollars for those licenses sold or biennially renewed pursuant to section 301.147;

(2) For each application or transfer of title--two dollars and fifty cents;

(3) For each instruction permit, nondriver license, chauffeur's, operator's or driver's license issued for a period of three years or less--two dollars and fifty cents and five dollars for licenses or instruction permits issued or renewed for a period exceeding three years;

(4) For each notice of lien processed--two dollars and fifty cents;

(5) No notary fee or other fee or additional charge shall be paid or collected except for electronic telephone transmission reception--two dollars.

2. The director of revenue shall award fee office contracts under this section through a competitive bidding process. The competitive bidding process shall give priority to organizations and entities that are exempt from taxation under Section 501(c)(3) or 501(c)(6) of the Internal Revenue Code of 1986, as amended, and political subdivisions, including but not limited to, municipalities, counties, and fire protection districts. The director of the department of revenue may promulgate rules and regulations necessary to carry out the provisions of this subsection. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this subsection shall become effective only if it

complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2009, shall be invalid and void.

3. All fees collected by a tax-exempt organization may be retained and used by the organization.

4. All fees charged shall not exceed those in this section. The fees imposed by this section shall be collected by all permanent offices and all full-time or temporary offices maintained by the department of revenue.

5. Any person acting as agent of the department of revenue for the sale and issuance of registrations, licenses, and other documents related to motor vehicles shall have an insurable interest in all license plates, licenses, tabs, forms and other documents held on behalf of the department.

6. <u>Any person acting as agent of the department of revenue for the collection of sales and use tax when required under sections 144.070 and 144.440 shall be entitled to deduct and retain an amount equal to two percent of the motor vehicle sales tax pursuant to section 144.140.</u>

<u>7.</u> The fees authorized by this section shall not be collected by motor vehicle dealers acting as agents of the department of revenue under section 32.095 or those motor vehicle dealers authorized to collect and remit sales tax under

subsection 8 of section 144.070.

[7.**]** 8. Notwithstanding any other provision of law to the contrary, the state auditor may audit all records maintained and established by the fee office in the same manner as the auditor may audit any agency of the state, and the department shall ensure that this audit requirement is a necessary condition for the award of all fee office contracts. No confidential records shall be divulged in such a way to reveal personally identifiable information.

137.1018. 1. The commission shall ascertain the statewide average rate of property taxes levied the preceding year, based upon the total assessed valuation of the railroad and street railway companies and the total property taxes levied upon the railroad and street railway companies. It shall determine total property taxes levied from reports prescribed by the commission from the railroad and street railway companies. Total taxes levied shall not include revenues from the surtax on subclass three real property.

2. The commission shall report its determination of average property tax rate for the preceding year, together with the taxable distributable assessed valuation of each freight line company for the current year to the director no later than October first of each year.

3. Taxes on property of such freight line companies shall be collected at the state level by the director on behalf of the counties and other local public taxing entities and shall be distributed in accordance with sections 137.1021 and 137.1024. The director shall tax such property based upon the distributable

assessed valuation attributable to Missouri of each freight line company, using the average tax rate for the preceding year of the railroad and street railway companies certified by the commission. Such tax shall be due and payable on or before December thirty-first of the year levied and, if it becomes delinquent, shall be subject to a penalty equal to that specified in section 140.100.

[4. (1) As used in this subsection, the following terms mean:

(a) "Eligible expenses", expenses incurred in this state to manufacture, maintain, or improve a freight line company's qualified rolling stock;

(b) "Qualified rolling stock", any freight, stock, refrigerator, or other railcars subject to the tax levied under this section.

(2) For all taxable years beginning on or after January 1, 2009, a freight line company shall, subject to appropriation, be allowed a credit against the tax levied under this section for the applicable tax year. The tax credit amount shall be equal to the amount of eligible expenses incurred during the calendar year immediately preceding the tax year for which the credit under this section is claimed. The amount of the tax credit issued shall not exceed the freight line company's liability for the tax levied under this section for the tax year for which the credit is claimed.

(3) A freight line company may apply for the credit by submitting to the commission an application in the form prescribed by the state tax commission.

(4) Subject to appropriation, the state shall reimburse, on an annual basis, any political subdivision of this state for any decrease in revenue due to the provisions of this subsection.

5. Pursuant to section 23.253 of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset six years after August 28, 2008, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset twelve years after the effective date of the reauthorization of this section; and

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset.**]**

140.910. 1. In addition to any other remedy provided by law for the collection of delinquent taxes due the state of Missouri, if the director has filed a certificate of lien in the circuit court as provided by section 143.902, 144.380, or 144.690, the director or his or her designee may issue an order directing any person, after the payment of attorney fees and expenses associated with creating the proceeds belonging to, due to, or to become due to the taxpayer, to withhold and pay over to the department assets belonging to, due, or to become due the taxpayer. The director or his or her designee shall not issue the administrative garnishment if the taxpayer has entered into a written agreement with the department for an alternative payment arrangement and the taxpayer is in compliance with the agreement.

2. An order entered under this section shall be served on the person or other legal entity either by regular mail or by

1 certified mail, return receipt requested, or may be issued
2 through electronic means, and shall be binding on the employer or
3 other payor two weeks after mailing or electronic issuance of
4 such service. The person or other entity in possession of assets
5 belonging to, due, or to become due the taxpayer may deduct an
6 additional sum not to exceed six dollars per month as
7 reimbursement for costs, except that the total amount withheld
8 shall not exceed the limitations contained in the federal
9 Consumer Credit Protection Act, 15 U.S.C. 1673.
10 3. A copy of the order shall be mailed to the taxpayer at
11 the taxpayer's last known address. The notice shall advise the
12 taxpayer that the administrative garnishment has commenced and
13 the procedures to contest such garnishment on the grounds that
14 such garnishment is improper due to a mistake of fact by
15 requesting a hearing within thirty days from mailing or
16 electronic issuance of the notice. At such a hearing the
17 certified records of the department shall constitute prima facie
18 evidence that the director's order is valid and enforceable. If
19 a prima facie case is established, the obligor may only assert as
20 a defense mistake as to the identity of the taxpayer, mistake as
21 to payments made, or existence of an alternative payment
22 agreement for which no default has occurred. The taxpayer shall
23 have the burden of proof on such issues. The taxpayer may obtain
24 relief from the garnishment by paying the amount owed.
25 4. An employer or other payor shall withhold from the
26 earnings or other income of each taxpayer the amount specified in
27 the order. The employer or other payor shall transmit the
28 payments as directed in the order within ten business days of the

date the earnings, money due, or other income was payable to the taxpayer. For purposes of this section, "business day" means a day that state offices are open for regular business. The employer or other payor shall, along with the amounts transmitted, provide the date the amount was withheld from the taxpayer.

5. An order issued under subsection 1 of this section shall be a continuing order and shall remain in effect and be binding upon any employer or other payor upon whom it is directed until a further order of the director. The director shall notify an employer or other payor upon whom such an order has been directed whenever the deficiency is paid in full.

6. If the order is served on a person other than an employer or other payor, it shall be a lien against any money belonging to the taxpayer that is in the possession of the person on the date of service. The person other than an employer or other payor shall pay over any assets within ten business days of the service date of the order. A financial institution ordered to surrender an account shall be entitled to collect its normally scheduled account activity surcharges to maintain the account during the period of time the account is garnished. For purposes of this section, the interest of the taxpayer in any joint financial accounts shall be presumed to be equal to all other joint owners.

7. An order issued under subsection 1 of this section shall have priority over any other legal process under state law against the same income or other asset, except that where the other legal process is an order issued under section 452.350,

454.505, or 454.507, the withholding for child support shall have priority.

8. No person who complies with an order entered under this section shall be liable to the taxpayer, or to any other person claiming rights derived from the taxpayer, for wrongful withholding. A person who fails or refuses to withhold or pay the amounts as ordered under this section shall be liable to the state in a sum equal to the value of the wages or property not surrendered, but not to exceed the amount of tax deficiency. The director is hereby authorized to bring an action in circuit court to determine the liability of a person for failure to withhold or pay the amounts as ordered. If a court finds that a violation has occurred, the court may fine the person in an amount not to exceed five hundred dollars. The court may also enter a judgment against the person or other legal entity for the amounts to be withheld or paid, court costs, and reasonable attorney's surcharges.

9. The remedy provided by this section shall be available where the state or any of its political subdivisions is the employer or other payor of the taxpayer in the same manner and to the same extent as where the employer or other payor is a private party.

10. An employer shall not discharge, or refuse to hire or otherwise discipline, an employee as a result of an order to withhold and pay over certain money authorized by this section. If any such employee is discharged within thirty days of the date upon which an order to withhold and pay over certain money is to take effect, there shall arise a rebuttable presumption that such

discharge was a result of such order. This presumption shall be overcome only by clear, cogent and convincing evidence produced by the employer that the employee was not terminated because of the order to withhold and pay over certain money. The director or his or her designee is hereby authorized to bring an action in circuit court to determine whether the discharge constitutes a violation of this subsection. If the court finds that a violation has occurred, the court may enter an order against the employer requiring reinstatement of the employee and may fine the employer in an amount not to exceed five hundred dollars. Further, the court may enter judgment against the employer for the back wages, costs, attorney's surcharges, and for the amount of taxes that should have been withheld and paid over during the period of time the employee was wrongfully discharged.

11. If a taxpayer for whom an order to withhold has been issued under subsection 1 of this section terminates the taxpayer's employment, the employer shall, within ten days of the termination, notify the department of the termination, shall provide to the department the last known address of the taxpayer, if known to the employer, and shall provide to the department the name and address of the taxpayer's new employer, if known. The director or his or her designee may issue an order to the new employer as provided in subsection 1 of this section.

12. For purposes of this section, "assets" include, but are not limited to, currency, any financial account or other liquid asset, and any income or other periodic form of payment due to a taxpayer regardless of source, including, but not limited to, wages, salaries, commissions, bonuses, workers' compensation

benefits, disability benefits, payments pursuant to a pension or a retirement program, and interest.

144.030. 1. There is hereby specifically exempted from the provisions of sections 144.010 to 144.525 and from the computation of the tax levied, assessed or payable pursuant to sections 144.010 to 144.525 such retail sales as may be made in commerce between this state and any other state of the United States, or between this state and any foreign country, and any retail sale which the state of Missouri is prohibited from taxing pursuant to the Constitution or laws of the United States of America, and such retail sales of tangible personal property which the general assembly of the state of Missouri is prohibited from taxing or further taxing by the constitution of this state.

2. There are also specifically exempted from the provisions of the local sales tax law as defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to 144.761 and from the computation of the tax levied, assessed or payable pursuant to the local sales tax law as defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to 144.745:

(1) Motor fuel or special fuel subject to an excise tax of this state, unless all or part of such excise tax is refunded pursuant to section 142.824; or upon the sale at retail of fuel to be consumed in manufacturing or creating gas, power, steam, electrical current or in furnishing water to be sold ultimately at retail; or feed for livestock or poultry; or grain to be converted into foodstuffs which are to be sold ultimately in processed form at retail; or seed, limestone or fertilizer which

is to be used for seeding, liming or fertilizing crops which when harvested will be sold at retail or will be fed to livestock or poultry to be sold ultimately in processed form at retail; economic poisons registered pursuant to the provisions of the Missouri pesticide registration law (sections 281.220 to 281.310) which are to be used in connection with the growth or production of crops, fruit trees or orchards applied before, during, or after planting, the crop of which when harvested will be sold at retail or will be converted into foodstuffs which are to be sold ultimately in processed form at retail;

(2) Materials, manufactured goods, machinery and parts which when used in manufacturing, processing, compounding, mining, producing or fabricating become a component part or ingredient of the new personal property resulting from such manufacturing, processing, compounding, mining, producing or fabricating and which new personal property is intended to be sold ultimately for final use or consumption; and materials, including without limitation, gases and manufactured goods, including without limitation slagging materials and firebrick, which are ultimately consumed in the manufacturing process by blending, reacting or interacting with or by becoming, in whole or in part, component parts or ingredients of steel products intended to be sold ultimately for final use or consumption;

(3) Materials, replacement parts and equipment purchased for use directly upon, and for the repair and maintenance or manufacture of, motor vehicles, watercraft, railroad rolling stock or aircraft engaged as common carriers of persons or property;

(4) Replacement machinery, equipment, and parts and the materials and supplies solely required for the installation or construction of such replacement machinery, equipment, and parts, used directly in manufacturing, mining, fabricating or producing a product which is intended to be sold ultimately for final use or consumption; and machinery and equipment, and the materials and supplies required solely for the operation, installation or construction of such machinery and equipment, purchased and used to establish new, or to replace or expand existing, material recovery processing plants in this state. For the purposes of this subdivision, a "material recovery processing plant" means a facility that has as its primary purpose the recovery of materials into a useable product or a different form which is used in producing a new product and shall include a facility or equipment which are used exclusively for the collection of recovered materials for delivery to a material recovery processing plant but shall not include motor vehicles used on highways. For purposes of this section, the terms motor vehicle and highway shall have the same meaning pursuant to section 301.010. Material recovery is not the reuse of materials within a manufacturing process or the use of a product previously recovered. The material recovery processing plant shall qualify under the provisions of this section regardless of ownership of the material being recovered;

(5) Machinery and equipment, and parts and the materials and supplies solely required for the installation or construction of such machinery and equipment, purchased and used to establish new or to expand existing manufacturing, mining or fabricating

plants in the state if such machinery and equipment is used directly in manufacturing, mining or fabricating a product which is intended to be sold ultimately for final use or consumption;

(6) Tangible personal property which is used exclusively in the manufacturing, processing, modification or assembling of products sold to the United States government or to any agency of the United States government;

(7) Animals or poultry used for breeding or feeding purposes;

(8) Newsprint, ink, computers, photosensitive paper and film, toner, printing plates and other machinery, equipment, replacement parts and supplies used in producing newspapers published for dissemination of news to the general public;

(9) The rentals of films, records or any type of sound or picture transcriptions for public commercial display;

(10) Pumping machinery and equipment used to propel products delivered by pipelines engaged as common carriers;

(11) Railroad rolling stock for use in transporting persons or property in interstate commerce and motor vehicles licensed for a gross weight of twenty-four thousand pounds or more or trailers used by common carriers, as defined in section 390.020, in the transportation of persons or property;

(12) Electrical energy used in the actual primary manufacture, processing, compounding, mining or producing of a product, or electrical energy used in the actual secondary processing or fabricating of the product, or a material recovery processing plant as defined in subdivision (4) of this subsection, in facilities owned or leased by the taxpayer, if the

total cost of electrical energy so used exceeds ten percent of the total cost of production, either primary or secondary, exclusive of the cost of electrical energy so used or if the raw materials used in such processing contain at least twenty-five percent recovered materials as defined in section 260.200. There shall be a rebuttable presumption that the raw materials used in the primary manufacture of automobiles contain at least twenty-five percent recovered materials. For purposes of this subdivision, "processing" means any mode of treatment, act or series of acts performed upon materials to transform and reduce them to a different state or thing, including treatment necessary to maintain or preserve such processing by the producer at the production facility;

(13) Anodes which are used or consumed in manufacturing, processing, compounding, mining, producing or fabricating and which have a useful life of less than one year;

(14) Machinery, equipment, appliances and devices purchased or leased and used solely for the purpose of preventing, abating or monitoring air pollution, and materials and supplies solely required for the installation, construction or reconstruction of such machinery, equipment, appliances and devices;

(15) Machinery, equipment, appliances and devices purchased or leased and used solely for the purpose of preventing, abating or monitoring water pollution, and materials and supplies solely required for the installation, construction or reconstruction of such machinery, equipment, appliances and devices;

(16) Tangible personal property purchased by a rural water district;

(17) All amounts paid or charged for admission or participation or other fees paid by or other charges to individuals in or for any place of amusement, entertainment or recreation, games or athletic events, including museums, fairs, zoos and planetariums, owned or operated by a municipality or other political subdivision where all the proceeds derived therefrom benefit the municipality or other political subdivision and do not inure to any private person, firm, or corporation;

(18) All sales of insulin, diabetic accessories and supplies including, but not limited to, blood sugar testing monitors and test strips, lancet devices, lancets, and blood sugar control solutions, and prosthetic or orthopedic devices as defined on January 1, 1980, by the federal Medicare program pursuant to Title XVIII of the Social Security Act of 1965, including the items specified in Section 1862(a)(12) of that act, and also specifically including hearing aids and hearing aid supplies and all sales of drugs which may be legally dispensed by a licensed pharmacist only upon a lawful prescription of a practitioner licensed to administer those items, including samples and materials used to manufacture samples which may be dispensed by a practitioner authorized to dispense such samples and all sales or rental of medical oxygen, home respiratory equipment and accessories, hospital beds and accessories and ambulatory aids, all sales or rental of manual and powered wheelchairs, stairway lifts, Braille writers, electronic Braille equipment and, if purchased or rented by or on behalf of a person with one or more physical or mental disabilities to enable them to function more independently, all sales or rental of scooters,

reading machines, electronic print enlargers and magnifiers, electronic alternative and augmentative communication devices, and items used solely to modify motor vehicles to permit the use of such motor vehicles by individuals with disabilities or sales of over-the-counter or nonprescription drugs **[**to individuals with disabilities**]** as prescribed by a practitioner, by a lawful prescription, or any medical equipment, supplies, or devices that are provided to a person on or by the order of a physician, or that are otherwise paid for by a third-party health insurer, Medicare, or Medicaid;

(19) All sales made by or to religious and charitable organizations and institutions in their religious, charitable or educational functions and activities and all sales made by or to all elementary and secondary schools operated at public expense in their educational functions and activities;

(20) All sales of aircraft to common carriers for storage or for use in interstate commerce and all sales made by or to not-for-profit civic, social, service or fraternal organizations, including fraternal organizations which have been declared tax-exempt organizations pursuant to Section 501(c)(8) or (10) of the 1986 Internal Revenue Code, as amended, in their civic or charitable functions and activities and all sales made to eleemosynary and penal institutions and industries of the state, and all sales made to any private not-for-profit institution of higher education not otherwise excluded pursuant to subdivision (19) of this subsection or any institution of higher education supported by public funds, and all sales made to a state relief agency in the exercise of relief functions and activities;

(21) All ticket sales made by benevolent, scientific and educational associations which are formed to foster, encourage, and promote progress and improvement in the science of agriculture and in the raising and breeding of animals, and by nonprofit summer theater organizations if such organizations are exempt from federal tax pursuant to the provisions of the Internal Revenue Code and all admission charges and entry fees to the Missouri state fair or any fair conducted by a county agricultural and mechanical society organized and operated pursuant to sections 262.290 to 262.530;

(22) All sales made to any private not-for-profit elementary or secondary school, all sales of feed additives, medications or vaccines administered to livestock or poultry in the production of food or fiber, all sales of pesticides used in the production of crops, livestock or poultry for food or fiber, all sales of bedding used in the production of livestock or poultry for food or fiber, all sales of propane or natural gas, electricity or diesel fuel used exclusively for drying agricultural crops, natural gas used in the primary manufacture or processing of fuel ethanol as defined in section 142.028, natural gas, propane, and electricity used by an eligible new generation cooperative or an eligible new generation processing entity as defined in section 348.432, and all sales of farm machinery and equipment, other than airplanes, motor vehicles and trailers. As used in this subdivision, the term "feed additives" means tangible personal property which, when mixed with feed for livestock or poultry, is to be used in the feeding of livestock or poultry. As used in this subdivision, the term "pesticides"

includes adjuvants such as crop oils, surfactants, wetting agents and other assorted pesticide carriers used to improve or enhance the effect of a pesticide and the foam used to mark the application of pesticides and herbicides for the production of crops, livestock or poultry. As used in this subdivision, the term "farm machinery and equipment" means new or used farm tractors and such other new or used farm machinery and equipment and repair or replacement parts thereon, and supplies and lubricants used exclusively, solely, and directly for producing crops, raising and feeding livestock, fish, poultry, pheasants, chukar, quail, or for producing milk for ultimate sale at retail, including field drain tile, and one-half of each purchaser's purchase of diesel fuel therefor which is:

(a) Used exclusively for agricultural purposes;

(b) Used on land owned or leased for the purpose of producing farm products; and

(c) Used directly in producing farm products to be sold ultimately in processed form or otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold ultimately in processed form at retail;

(23) Except as otherwise provided in section 144.032, all sales of metered water service, electricity, electrical current, natural, artificial or propane gas, wood, coal or home heating oil for domestic use and in any city not within a county, all sales of metered or unmetered water service for domestic use:

(a) "Domestic use" means that portion of metered water service, electricity, electrical current, natural, artificial or propane gas, wood, coal or home heating oil, and in any city not

within a county, metered or unmetered water service, which an individual occupant of a residential premises uses for nonbusiness, noncommercial or nonindustrial purposes. Utility service through a single or master meter for residential apartments or condominiums, including service for common areas and facilities and vacant units, shall be deemed to be for domestic use. Each seller shall establish and maintain a system whereby individual purchases are determined as exempt or nonexempt;

(b) Regulated utility sellers shall determine whether individual purchases are exempt or nonexempt based upon the seller's utility service rate classifications as contained in tariffs on file with and approved by the Missouri public service commission. Sales and purchases made pursuant to the rate classification "residential" and sales to and purchases made by or on behalf of the occupants of residential apartments or condominiums through a single or master meter, including service for common areas and facilities and vacant units, shall be considered as sales made for domestic use and such sales shall be exempt from sales tax. Sellers shall charge sales tax upon the entire amount of purchases classified as nondomestic use. The seller's utility service rate classification and the provision of service thereunder shall be conclusive as to whether or not the utility must charge sales tax;

(c) Each person making domestic use purchases of services or property and who uses any portion of the services or property so purchased for a nondomestic use shall, by the fifteenth day of the fourth month following the year of purchase, and without

assessment, notice or demand, file a return and pay sales tax on that portion of nondomestic purchases. Each person making nondomestic purchases of services or property and who uses any portion of the services or property so purchased for domestic use, and each person making domestic purchases on behalf of occupants of residential apartments or condominiums through a single or master meter, including service for common areas and facilities and vacant units, under a nonresidential utility service rate classification may, between the first day of the first month and the fifteenth day of the fourth month following the year of purchase, apply for credit or refund to the director of revenue and the director shall give credit or make refund for taxes paid on the domestic use portion of the purchase. The person making such purchases on behalf of occupants of residential apartments or condominiums shall have standing to apply to the director of revenue for such credit or refund;

(24) All sales of handicraft items made by the seller or the seller's spouse if the seller or the seller's spouse is at least sixty-five years of age, and if the total gross proceeds from such sales do not constitute a majority of the annual gross income of the seller;

(25) Excise taxes, collected on sales at retail, imposed by Sections 4041, 4061, 4071, 4081, 4091, 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code. The director of revenue shall promulgate rules pursuant to chapter 536 to eliminate all state and local sales taxes on such excise taxes;

(26) Sales of fuel consumed or used in the operation of ships, barges, or waterborne vessels which are used primarily in

or for the transportation of property or cargo, or the conveyance of persons for hire, on navigable rivers bordering on or located in part in this state, if such fuel is delivered by the seller to the purchaser's barge, ship, or waterborne vessel while it is afloat upon such river;

(27) All sales made to an interstate compact agency created pursuant to sections 70.370 to 70.441 or sections 238.010 to 238.100 in the exercise of the functions and activities of such agency as provided pursuant to the compact;

(28) Computers, computer software and computer security systems purchased for use by architectural or engineering firms headquartered in this state. For the purposes of this subdivision, "headquartered in this state" means the office for the administrative management of at least four integrated facilities operated by the taxpayer is located in the state of Missouri;

(29) All livestock sales when either the seller is engaged in the growing, producing or feeding of such livestock, or the seller is engaged in the business of buying and selling, bartering or leasing of such livestock;

(30) All sales of barges which are to be used primarily in the transportation of property or cargo on interstate waterways;

(31) Electrical energy or gas, whether natural, artificial or propane, water, or other utilities which are ultimately consumed in connection with the manufacturing of cellular glass products or in any material recovery processing plant as defined in subdivision (4) of this subsection;

(32) Notwithstanding other provisions of law to the

contrary, all sales of pesticides or herbicides used in the production of crops, aquaculture, livestock or poultry;

(33) Tangible personal property and utilities purchased for use or consumption directly or exclusively in the research and development of agricultural/biotechnology and plant genomics products and prescription pharmaceuticals consumed by humans or animals;

(34) All sales of grain bins for storage of grain for resale;

(35) All sales of feed which are developed for and used in the feeding of pets owned by a commercial breeder when such sales are made to a commercial breeder, as defined in section 273.325, and licensed pursuant to sections 273.325 to 273.357;

(36) All purchases by a contractor on behalf of an entity located in another state, provided that the entity is authorized to issue a certificate of exemption for purchases to a contractor under the provisions of that state's laws. For purposes of this subdivision, the term "certificate of exemption" shall mean any document evidencing that the entity is exempt from sales and use taxes on purchases pursuant to the laws of the state in which the entity is located. Any contractor making purchases on behalf of such entity shall maintain a copy of the entity's exemption certificate as evidence of the exemption. If the exemption certificate issued by the exempt entity to the contractor is later determined by the director of revenue to be invalid for any reason and the contractor has accepted the certificate in good faith, neither the contractor or the exempt entity shall be liable for the payment of any taxes, interest and penalty due as

the result of use of the invalid exemption certificate. Materials shall be exempt from all state and local sales and use taxes when purchased by a contractor for the purpose of fabricating tangible personal property which is used in fulfilling a contract for the purpose of constructing, repairing or remodeling facilities for the following:

(a) An exempt entity located in this state, if the entity is one of those entities able to issue project exemption certificates in accordance with the provisions of section 144.062; or

(b) An exempt entity located outside the state if the exempt entity is authorized to issue an exemption certificate to contractors in accordance with the provisions of that state's law and the applicable provisions of this section;

(37) All sales or other transfers of tangible personal property to a lessor who leases the property under a lease of one year or longer executed or in effect at the time of the sale or other transfer to an interstate compact agency created pursuant to sections 70.370 to 70.441 or sections 238.010 to 238.100;

(38) Sales of tickets to any collegiate athletic championship event that is held in a facility owned or operated by a governmental authority or commission, a quasi-governmental agency, a state university or college or by the state or any political subdivision thereof, including a municipality, and that is played on a neutral site and may reasonably be played at a site located outside the state of Missouri. For purposes of this subdivision, "neutral site" means any site that is not located on the campus of a conference member institution participating in

the event;

(39) All purchases by a sports complex authority created under section 64.920, and all sales of utilities by such authority at the authority's cost that are consumed in connection with the operation of a sports complex leased to a professional sports team;

(40) Beginning January 1, 2009, but not after January 1, 2015, materials, replacement parts, and equipment purchased for use directly upon, and for the modification, replacement, repair, and maintenance of aircraft, aircraft power plants, and aircraft accessories;

(41) Sales of sporting clays, wobble, skeet, and trap targets to any shooting range or similar places of business for use in the normal course of business and money received by a shooting range or similar places of business from patrons and held by a shooting range or similar place of business for redistribution to patrons at the conclusion of a shooting event.

144.062. 1. With respect to exempt sales at retail of tangible personal property and materials for the purpose of constructing, repairing or remodeling facilities for:

(1) A county, other political subdivision or instrumentality thereof exempt from taxation under subdivision (10) of section 39 of article III of the Constitution of Missouri; or

(2) An organization sales to which are exempt from taxation under the provisions of subdivision (19) of subsection 2 of section 144.030; or

(3) Any institution of higher education supported by public

funds or any private not-for-profit institution of higher education, exempt from taxation under subdivision (20) of subsection 2 of section 144.030; or

(4) Any private not-for-profit elementary or secondary school exempt from taxation under subdivision (22) of subsection 2 of section 144.030; or

(5) Any authority exempt from taxation under subdivision (39) of subsection 2 of section 144.030; or

(6) After June 30, 2007, the department of transportation or the state highways and transportation commission; <u>or</u>

<u>(7) After August 28, 2011, any qualified company exempt from taxation under section 144.540;</u>

hereinafter collectively referred to as exempt entities, such exemptions shall be allowed for such purchases if the purchases are related to the entities' exempt functions and activities. In addition, the sales shall not be rendered nonexempt nor shall any material supplier or contractor be obligated to pay, collect or remit sales tax with respect to such purchases made by or on behalf of an exempt entity due to such purchases being billed to or paid for by a contractor or the exempt entity contracting with any entity to render any services in relation to such purchases, including but not limited to selection of materials, ordering, pickup, delivery, approval on delivery, taking of delivery, transportation, storage, assumption of risk of loss to materials or providing warranties on materials as specified by contract, use of materials or other purchases for construction of the building or other facility, providing labor, management services,

administrative services, design or technical services or advice to the exempt entity, whether or not the contractor or other entity exercises dominion or control in any other manner over the materials in conjunction with services or labor provided to the exempt entity.

2. When any exempt entity contracts for the purpose of constructing, repairing or remodeling facilities, and purchases of tangible personal property and materials to be incorporated into or consumed in the construction of the project are to be made on a tax-exempt basis, such entity shall furnish to the contractor an exemption certificate authorizing such purchases for the construction, repair or remodeling project. The form and content of such project exemption certificate shall be approved by the director of revenue. The project exemption certificate shall include but not be limited to:

(1) The exempt entity's name, address, Missouri tax identification number and signature of authorized representative;

(2) The project location, description, and unique identification number;

(3) The date the contract is entered into, which is the earliest date materials may be purchased for the project on a tax-exempt basis;

(4) The estimated project completion date; and

(5) The certificate expiration date. Such certificate is renewable for a given project at the option of the exempt entity, only for the purpose of revising the certificate expiration date as necessary to complete the project.

3. The contractor shall furnish the certificate prescribed

in subsection 2 of this section to all subcontractors, and any contractor purchasing materials shall present such certificate to all material suppliers as authorization to purchase, on behalf of the exempt entity, all tangible personal property and materials to be incorporated into or consumed in the construction of that project and no other on a tax-exempt basis. Such suppliers shall execute to the purchasing contractor invoices bearing the name of the exempt entity and the project identification number. Nothing in this section shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in constructing, repairing or remodeling facilities for the exempt entity. All invoices for all personal property and materials purchased under a project exemption certificate shall be retained by the purchasing contractor for a period of five years and shall be subject to audit by the director of revenue.

4. Any excess resalable tangible personal property or materials which were purchased for the project by a contractor under a project exemption certificate but which were not incorporated into or consumed in the construction of the project shall either be returned to the supplier for credit or the appropriate sales or use tax on such excess property or materials shall be reported on a return and paid by such contractor not later than the due date of the contractor's Missouri sales or use tax return following the month in which it was determined that the materials were not to be used in the project.

5. No contractor or material supplier shall, upon audit, be required to pay tax on tangible personal property and materials incorporated into or consumed in the construction of the project

due to the failure of the exempt entity to revise the certificate expiration date as necessary to complete any work required by the contract. If it is determined that tax is owed on such property and materials due to the failure of the exempt entity to revise such certificate expiration date, the exempt entity shall be liable for the tax owed.

6. If an entity issues exemption certificates for the purchase of tangible personal property and materials which are incorporated into or consumed in the construction of its project and such entity is found not to have had the authority granted by this section to issue such exemption certificates, then such entity shall be liable for the tax owed on such personal property and materials. In addition, if an entity which does have the authority granted by this section to issue exemption certificates issues such certificates for the purchase of tangible personal property and materials which are incorporated into or consumed in the construction of a project, or part of a project, which is found not to be related to such entity's exempt functions and activities, then such entity shall be liable for the tax owed on such personal property and materials.

144.083. 1. The director of revenue shall require all persons who are responsible for the collection of taxes under the provisions of section 144.080 to procure a retail sales license at no cost to the licensee which shall be prominently displayed at the licensee's place of business, and the license is valid until revoked by the director or surrendered by the person to whom issued when sales are discontinued. The director shall issue the retail sales license within ten working days following

the receipt of a properly completed application. Any person applying for a retail sales license or reinstatement of a revoked sales tax license who owes any tax under sections 144.010 to 144.510 or sections 143.191 to 143.261 must pay the amount due plus interest and penalties before the department may issue the applicant a license or reinstate the revoked license. All persons beginning business subsequent to August 13, 1986, and who are required to collect the sales tax shall secure a retail sales license prior to making sales at retail. Such license may, after ten days' notice, be revoked by the director of revenue only in the event the licensee shall be in default for a period of sixty days in the payment of any taxes levied under section 144.020 or sections 143.191 to 143.261. Notwithstanding the provisions of section 32.057 in the event of revocation, the director of revenue may publish the status of the business account including the date of revocation in a manner as determined by the director.

2. The possession of a retail sales license and a statement from the department of revenue that the licensee owes no tax due under **[**sections 144.010 to 144.510 or sections 143.191 to 143.261**]** section 32.088 shall be a prerequisite to the issuance or renewal of any city or county occupation license or any state license which is required for conducting any business **[**where goods are sold at retail**]**. The date of issuance on the statement that the licensee owes no tax due shall be no more than ninety days before the date of submission for application or renewal of the local license. The revocation of a retailer's license by the director shall render the occupational license or the state license null and void.

3. No person responsible for the collection of taxes under section 144.080 shall make sales at retail unless such person is the holder of a valid retail sales license. After all appeals have been exhausted, the director of revenue may notify the county or city law enforcement agency representing the area in which the former licensee's business is located that the retail sales license of such person has been revoked, and that any county or city occupation license of such person is also revoked. The county or city may enforce the provisions of this section, and may prohibit further sales at retail by such person.

4. In addition to the provisions of subsection 2 of this section, beginning January 1, 2009, <u>and until December 31, 2011,</u> the possession of a statement from the department of revenue stating no tax is due under sections 143.191 to 143.265 or sections 144.010 to 144.510 shall also be a prerequisite to the issuance or renewal of any city or county occupation license or any state license required for conducting any business where goods are sold at retail. The statement of no tax due shall be dated no longer than ninety days before the date of submission for application or renewal of the city or county license.

5. Notwithstanding any law or rule to the contrary, sales tax shall only apply to the sale price paid by the final purchaser and not to any off-invoice discounts or other pricing discounts or mechanisms negotiated between manufacturers, wholesalers, and retailers.

<u>144.540. 1. The terms used in this section shall have the meaning provided in section 620.2005, unless the context clearly indicates otherwise. For purposes of this section, the term</u>

"taxpayer" shall mean the purchaser of tangible personal property or a service that is subject to state or local sales or use tax and from whom state or local sales or use tax is owed. "Taxpayer" shall not mean the seller charged by law with collecting the sales tax from the purchaser.

2. Beginning August 28, 2011, in addition to the exemptions granted under this chapter, the department of economic development may approve a qualified company for an exemption of up to one hundred percent of the state sales and use taxes defined, levied, or calculated under sections 144.010 to 144.525, sections 144.600 to 144.761, or section 238.235, for a period not to exceed three years from the date of approval, of sales and leases of tangible personal property purchased for use in the project facility, and of sales and leases of tangible personal property and materials for the purpose of constructing, repairing, or remodeling the project facility. To qualify for the exemption provided in this subsection, the qualified company shall, within a period of two years from the date of approval:

(1) Create at least twenty new jobs at the project facility with an average wage of the new payroll equal to or in excess of ninety percent of the county average wage; or

(2) Retain at least one hundred fifty retained jobs and commit to making at least fifteen million dollars in new capital investment at a project facility if the project facility base payroll equals or exceeds ninety percent of the county average wage.

3. The governing body of a city, county, or other political subdivision may approve a qualified company for an exemption of

up to one hundred percent of local sales and use taxes defined, levied, or calculated under section 32.085 imposed by the governing body, of sales and leases of tangible personal property purchased for use in the project facility, and of sales and leases of building materials for the purpose of constructing, repairing, or remodeling the project facility. To qualify for the exemption provided in this subsection, the qualified company shall satisfy the requirements of subsection 2 of this section.

4. Any qualified company seeking an exemption from state sales and use taxes under this section shall submit with its notice of intent to seek benefits under the compete Missouri program established in sections 620.2000 to 620.2020 such information as the department of economic development may reasonably require to review the qualified company's request for the exemption. The percentage of any exemption from state sales or use taxes awarded to a qualified company under this section shall not exceed the projected net fiscal benefit to the state over a period of six years, as determined by the department of economic development, and shall not exceed the least amount necessary to obtain the qualified company's commitment to initiate the project. In determining the percentage of the exemption to award to a qualified company under this section, the department of economic development shall consider the factors set forth in subsection 2 of section 620.2010.

5. Upon approval of an exemption from state sales and use taxes under this section, the department of economic development shall certify the taxpayer's eligibility to the department of revenue. The department of revenue shall issue the qualified

company an exemption certificate in the amount and for the duration specified by the department of economic development in its certification.

(1) Any qualified company approved for an exemption for state sales and use taxes under this section shall certify, as part of its annual report under section 620.2020, the amount of state sales and use taxes exempted under this section that would have otherwise been due during the previous year.

(2) If the qualified company fails to satisfy any of the requirements of this section at any time during the project period, the qualified company shall remit to the department of revenue an amount equal to the sales and use taxes exempted under this section, plus interest of nine percent per annum from the date the exemption certificate was issued. However, the director of the department of economic development may, in his or her discretion, provide an extension of up to two additional years or reduce such payment, if such failure is caused by documented unforeseen events that negatively affected the operations at the project facility that were not under the control of the qualified company.

(3) The department of revenue shall credit any amounts remitted by the qualified company under this subsection to the fund to which the sales and use taxes exempted would have otherwise been credited.

6. Upon approval of an exemption from local sales and use taxes under this section, the governing body of the city, county, or other political subdivision approving the exemption from local sales and use taxes under this section shall certify the

taxpayer's eligibility to the department of revenue. The department of revenue shall issue the qualified company an exemption certificate in the amount and for the duration specified by the political subdivision in its certification.

(1) Any qualified company approved for an exemption from local sales and use taxes under this section shall annually certify to the governing body of the city, county, or other political subdivision the amount of local sales and use taxes exempted under this section that would have otherwise been due during the previous year.

(2) If the qualified company fails to satisfy any of the requirements of this section at any time during the project period, the qualified company shall remit to the department of revenue an amount equal to the sales and use taxes exempted under this section, plus interest of nine percent per annum from the date the exemption certificate was issued. However, the governing body may, in its discretion, provide an extension of up to two additional years or reduce such payment, if such failure is caused by documented unforeseen events that negatively affected the operations at the project facility that were not under the control of the qualified company.

(3) The department of revenue shall credit any amounts remitted by the qualified company under this subsection to the city, county, or other political subdivision approving the exemption.

7. The department of economic development and the department of revenue shall jointly prescribe such rules and regulations necessary to carry out the provisions of this

section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2011, shall be invalid and void.

168.071. 1. The state board of education may refuse to issue or renew a certificate, or may, upon hearing, discipline the holder of a certificate of license to teach for the following causes:

(1) A certificate holder or applicant for a certificate has pleaded to or been found guilty of a felony or crime involving moral turpitude under the laws of this state, any other state, of the United States, or any other country, whether or not sentence is imposed;

(2) The certification was obtained through use of fraud, deception, misrepresentation or bribery;

(3) There is evidence of incompetence, immorality, or neglect of duty by the certificate holder;

(4) A certificate holder has been subject to disciplinary action relating to certification issued by another state, territory, federal agency, or country upon grounds for which discipline is authorized in this section; **[**or**]**

(5) If charges are filed by the local board of education, based upon the annulling of a written contract with the local board of education, for reasons other than election to the general assembly, without the consent of the majority of the members of the board that is a party to the contract; or

(6) Beginning, January 1, 2012, the government entity issuing a valid certificate of license to teach in Missouri under section 168.011, shall at least one time each year provide the name and Social Security number of each certificate holder or applicant for certificate of a license to teach in Missouri to the director of revenue. The director of revenue shall at least one time each year check the status of each certificate holder or applicant for certificate of a license to teach in Missouri against a database developed by the director to determine if all state income tax returns have been filed and all state income taxes owed have been paid. If such certificate holder or applicant for certificate of a license to teach in Missouri is delinquent on any state taxes, or has failed to file state income tax returns in the last three years, the director shall then send notice to the certificate holder or applicant for certificate of a license to teach in Missouri and the department of elementary and secondary education. In the case of such delinquency or failure to file, the certificate holder's license shall be suspended within ninety days after notice of such delinquency or failure to file, and the applicant for certificate's license shall not be issued unless the director of revenue verifies that such delinquency or failure has been remedied or arrangements have been made to achieve such remedy. The director of revenue

shall, within ten business days of notification to the government entity issuing the certificate of license to teach, that the delinquency has been remedied or arrangements have been made to remedy such delinquency, and send written notification to the certificate holder or applicant for certificate that the delinquency has been remedied. Tax liability paid in protest or reasonably founded disputes with such liability shall be considered paid for the purposes of this section.

2. A public school district may file charges seeking the discipline of a holder of a certificate of license to teach based upon any cause or combination of causes outlined in subsection 1 of this section, including annulment of a written contract. Charges shall be in writing, specify the basis for the charges, and be signed by the chief administrative officer of the district, or by the president of the board of education as authorized by a majority of the board of education. The board of education may also petition the office of the attorney general to file charges on behalf of the school district for any cause other than annulment of contract, with acceptance of the petition at the discretion of the attorney general.

3. The department of elementary and secondary education may file charges seeking the discipline of a holder of a certificate of license to teach based upon any cause or combination of causes outlined in subsection 1 of this section, other than annulment of contract. Charges shall be in writing, specify the basis for the charges, and be signed by legal counsel representing the department of elementary and secondary education.

4. If the underlying conduct or actions which are the basis

for charges filed pursuant to this section are also the subject of a pending criminal charge against the person holding such certificate, the certificate holder may request, in writing, a delayed hearing on advice of counsel under the fifth amendment of the Constitution of the United States. Based upon such a request, no hearing shall be held until after a trial has been completed on this criminal charge.

5. The certificate holder shall be given not less than thirty days' notice of any hearing held pursuant to this section.

6. Other provisions of this section notwithstanding, the certificate of license to teach shall be revoked or, in the case of an applicant, a certificate shall not be issued, if the certificate holder or applicant has pleaded guilty to or been found guilty of any of the following offenses established pursuant to Missouri law or offenses of a similar nature established under the laws of any other state or of the United States, or any other country, whether or not the sentence is imposed:

(1) Any dangerous felony as defined in section 556.061 or murder in the first degree;

(2) Any of the following sexual offenses: rape; statutory rape in the first degree; statutory rape in the second degree; sexual assault; forcible sodomy; statutory sodomy in the first degree; statutory sodomy in the second degree; child molestation in the first degree; child molestation in the second degree; deviate sexual assault; sexual misconduct involving a child; sexual misconduct in the first degree; sexual abuse; enticement of a child; or attempting to entice a child;

(3) Any of the following offenses against the family and related offenses: incest; abandonment of child in the first degree; abandonment of child in the second degree; endangering the welfare of a child in the first degree; abuse of a child; child used in a sexual performance; promoting sexual performance by a child; or trafficking in children; and

(4) Any of the following offenses involving child pornography and related offenses: promoting obscenity in the first degree; promoting obscenity in the second degree when the penalty is enhanced to a class D felony; promoting child pornography in the first degree; promoting child pornography in the second degree; possession of child pornography in the first degree; possession of child pornography in the second degree; furnishing child pornography to a minor; furnishing pornographic materials to minors; or coercing acceptance of obscene material.

7. When a certificate holder pleads guilty or is found guilty of any offense that would authorize the state board of education to seek discipline against that holder's certificate of license to teach, the local board of education or the department of elementary and secondary education shall immediately provide written notice to the state board of education and the attorney general regarding the plea of guilty or finding of guilty.

8. The certificate holder whose certificate was revoked pursuant to subsection 6 of this section may appeal such revocation to the state board of education. Notice of this appeal must be received by the commissioner of education within ninety days of notice of revocation pursuant to this subsection. Failure of the certificate holder to notify the commissioner of

the intent to appeal waives all rights to appeal the revocation. Upon notice of the certificate holder's intent to appeal, an appeal hearing shall be held by a hearing officer designated by the commissioner of education, with the final decision made by the state board of education, based upon the record of that hearing. The certificate holder shall be given not less than thirty days' notice of the hearing, and an opportunity to be heard by the hearing officer, together with witnesses.

9. In the case of any certificate holder who has surrendered or failed to renew his or her certificate of license to teach, the state board of education may refuse to issue or renew, or may suspend or revoke, such certificate for any of the reasons contained in this section.

10. In those cases where the charges filed pursuant to this section are based upon an allegation of misconduct involving a minor child, the hearing officer may accept into the record the sworn testimony of the minor child relating to the misconduct received in any court or administrative hearing.

11. Hearings, appeals or other matters involving certificate holders, licensees or applicants pursuant to this section may be informally resolved by consent agreement or agreed settlement or voluntary surrender of the certificate of license pursuant to the rules promulgated by the state board of education.

12. The final decision of the state board of education is subject to judicial review pursuant to sections 536.100 to 536.140.

13. A certificate of license to teach to an individual who

has been convicted of a felony or crime involving moral turpitude, whether or not sentence is imposed, shall be issued only upon motion of the state board of education adopted by a unanimous affirmative vote of those members present and voting.

208.770. 1. Moneys deposited in or withdrawn pursuant to subsection 1 of section 208.760 from a family development account by an account holder are exempted from taxation pursuant to chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, and chapter 147, 148 or 153 provided, however, that any money withdrawn for an unapproved use should be subject to tax as required by law.

2. Interest earned by a family development account is exempted from taxation pursuant to chapter 143.

3. Any funds in a family development account, including accrued interest, shall be disregarded when determining eligibility to receive, or the amount of, any public assistance or benefits.

4. A program contributor shall be allowed a credit against the tax imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, and chapter 147, 148 or 153, pursuant to sections 208.750 to 208.775. <u>For all taxable years ending on or before December 31, 2011,</u> contributions up to fifty thousand dollars per program contributor are eligible for the tax credit which shall not exceed fifty percent of the contribution amount. <u>For all taxable years beginning on or after January 1, 2012, program contributors shall be eligible for the tax credit which shall not exceed fifty percent of the amount of contributions made, if such contributions are equal to or less</u>

than one thousand dollars. In addition to the fifty percent credit allowed for contributions equal to or less than one thousand dollars provided under this subsection, program contributors that make contributions in excess of one thousand dollars, shall be eligible for a credit equal to thirty-five percent of such excess. Tax credits provided under this section may be transferred, sold, or assigned.

5. The department of economic development shall verify all tax credit claims by contributors. The administrator of the community-based organization, with the cooperation of the participating financial institutions, shall submit the names of contributors and the total amount each contributor contributes to a family development account reserve fund for the calendar year. The director shall determine the date by which such information shall be submitted to the department by the local administrator. The department shall submit verification of qualified tax credits pursuant to sections 208.750 to 208.775 to the department of revenue.

6. For all fiscal years ending on or before June 30, 2010, the total tax credits authorized pursuant to sections 208.750 to 208.775 shall not exceed four million dollars in any fiscal year. For all fiscal years beginning on or after July 1, 2010, the total tax credits authorized under sections 208.750 to 208.775 shall not exceed three hundred thousand dollars in any fiscal year.

7. Notwithstanding any provision of law to the contrary, no tax credits provided under this section shall be authorized on or after August 28, 2015. The provisions of this subsection shall

not be construed to limit or in any way impair the department's ability to issue tax credits authorized prior to August 28, 2015, or a taxpayer's ability to redeem such tax credits.

253.545. As used in sections 253.545 to 253.559, the following terms mean, unless the context requires otherwise:

(1) "Applicant", a taxpayer applying for tax credits provided under sections 253.545 to 253.559, or any bank, financial institution, or political subdivision acquiring such taxpayer's interest by deed or foreclosure;

(2) "Certified historic structure", a property located in Missouri and listed individually on the National Register of Historic Places;

[(2)] (3) "Deed in lieu of foreclosure or voluntary conveyance", a transfer of title from a borrower to the lender to satisfy the mortgage debt and avoid foreclosure;

[(3)] (4) "Eligible property", property located in Missouri and offered or used for residential or business purposes;

[(4)] (5) "Leasehold interest", a lease in an eligible property for a term of not less than thirty years;

[(5)] (6) "Principal", a managing partner, general partner, or president of a taxpayer;

[(6)] (7) "Structure in a certified historic district", a structure located in Missouri which is certified by the department of natural resources as contributing to the historic significance of a certified historic district listed on the National Register of Historic Places, or a local district that has been certified by the United States Department of the Interior;

1 **[**(7)**]** (8) "Taxpayer", any person, firm, partnership, trust,
2 estate, limited liability company, or corporation.
3 253.550. 1. Any taxpayer incurring and paying costs and
4 expenses for the rehabilitation of eligible property, which is a
5 certified historic structure or structure in a certified historic
6 district, may, subject to the provisions of this section and
7 section 253.559, receive a credit against the taxes imposed
8 pursuant to chapters 143 and 148, except for sections 143.191 to
9 143.265, on such taxpayer in an amount equal to twenty-five
10 percent of the total costs and expenses of rehabilitation
11 incurred and paid **[**after January 1, 1998,**]** prior to issuance of
12 tax credits which shall include, but not be limited to, qualified
13 rehabilitation expenditures as defined under section 47(c)(2)(A)
14 of the Internal Revenue Code of 1986, as amended, and the related
15 regulations thereunder, provided the rehabilitation costs
16 associated with rehabilitation and the expenses exceed fifty
17 percent of the total basis in the property and were incurred and
18 paid prior to the issuance of tax credits, and the rehabilitation
19 meets standards consistent with the standards of the Secretary of
20 the United States Department of the Interior for rehabilitation
21 as determined by the state historic preservation officer of the
22 Missouri department of natural resources.
23 2. During the period beginning on January 1, 2010, but
24 ending on or after June 30, 2010, the department of economic
25 development shall not approve applications for tax credits under
26 the provisions of subsections 3 and 8 of section 253.559 which,
27 in the aggregate, exceed seventy million dollars, increased by
28 any amount of tax credits for which approval shall be rescinded

under the provisions of section 253.559. For each fiscal year beginning on or after July 1, 2010, but ending on or before June 30, 2011, the department of economic development shall not approve applications for tax credits under the provisions of subsections 3 and 8 of section 253.559 which, in the aggregate, exceed one hundred forty million dollars, increased by any amount of tax credits for which approval shall be rescinded under the provisions of section 253.559. The limitations provided under this subsection shall not apply to applications approved under the provisions of subsection 3 of section 253.559 for projects to receive less than two hundred seventy-five thousand dollars in tax credits.

3. For all applications for tax credits approved on or after January 1, 2010, but before June 30, 2011, no more than two hundred fifty thousand dollars in tax credits may be issued for eligible costs and expenses incurred in the rehabilitation of an eligible property which is a nonincome producing single-family, owner-occupied residential property and is either a certified historic structure or a structure in a certified historic district.

4. The limitations on tax credit authorization provided under the provisions of subsections 2 and 3 of this section shall not apply to:

(1) Any application submitted by a taxpayer, which has received approval from the department prior to January 1, 2010; or

(2) Any taxpayer applying for tax credits, provided under this section, which, on or before January 1, 2010, has filed an

application with the department evidencing that such taxpayer:

(a) Has incurred costs and expenses for an eligible property which exceed the lesser of five percent of the total project costs or one million dollars and received an approved Part I from the Secretary of the United States Department of Interior; or

(b) Has received certification, by the state historic preservation officer, that the rehabilitation plan meets the standards consistent with the standards of the Secretary of the United States Department of the Interior, and the rehabilitation costs and expenses associated with such rehabilitation shall exceed fifty percent of the total basis in the property.

5. For each fiscal year beginning on or after July 1, 2011, the department of economic development shall not approve applications for tax credits under the provisions of subsections 3 and 8 of section 253.559 which, in the aggregate, exceed seventy-five million dollars, increased by any amount of tax credits for which approval shall be rescinded under the provisions of section 253.559.

6. For all applications for tax credits approved on or after July 1, 2011, no more than fifty thousand dollars in tax credits may be issued for eligible costs and expenses incurred in the rehabilitation of an eligible property which is a nonincome producing single-family, owner-occupied residential property and is either a certified historic structure or a structure in a certified historic district. For purposes of this subsection, "eligible property" shall not include any property with a purchase price in excess of one hundred fifty thousand dollars.

7. In lieu of the limitations on tax credit authorization provided under the provisions of subsections 5 and 6 of this section, the limitations on tax credit authorization provided under the provisions of subsections 2 and 3 of this section shall apply to:

(1) Any application submitted by a taxpayer, which has received approval from the department prior to July 1, 2011;

(2) Any application for a project which will be funded, at least partially, through the issuance of tax exempt bonds and is authorized to receive federal low-income housing tax credits;

(3) Any applicant for tax credits provided under this section, which, on or before July 1, 2011, has filed an application with the department evidencing that such taxpayer:

(a) Has incurred costs and expenses for an eligible property which exceed the lesser of fifteen percent of the total project costs or three million dollars and received an approved Part I from the Secretary of the United States Department of Interior; or

(b) Has received certification, by the state historic preservation officer, that the rehabilitation plan meets the standards consistent with the standards of the Secretary of the United States Department of the Interior, and the rehabilitation costs and expenses associated with such rehabilitation would, upon completion, be expected to exceed fifty percent of the total basis in the property.

253.557. 1. If the amount of such credit exceeds the total tax liability for the year in which the rehabilitated property is placed in service, the amount that exceeds the state tax

liability may be carried back to any of the three preceding years and carried forward for credit against the taxes imposed pursuant to chapter 143 and chapter 148, except for sections 143.191 to 143.265 for the succeeding ten years, or until the full credit is used, whichever occurs first. For all tax credits authorized under the provisions of sections 253.545 to 253.559 on or after July 1, 2011, if the total amount of such credit exceeds the total tax liability for the year in which the rehabilitated property is placed in service, the amount that exceeds the state tax liability may be carried back to the preceding year and carried forward for credit against the taxes imposed pursuant to chapter 143 and chapter 148, except for sections 143.191 to 143.265 for the succeeding five years, or until the full credit is used, whichever occurs first. Not-for-profit entities, including but not limited to corporations organized as not-for-profit corporations pursuant to chapter 355 shall be ineligible for the tax credits authorized under sections 253.545 **[**through 253.561**]** to 253.559. Any taxpayer that receives tax credits under the provisions of sections 135.350 to 135.363 or sections 135.475 to 135.487 shall be ineligible for the tax credits authorized under sections 253.545 to 253.559 for the same project. Taxpayers eligible for such tax credits may transfer, sell or assign the credits. Credits granted to a partnership, a limited liability company taxed as a partnership or multiple owners of property shall be passed through to the partners, members or owners respectively pro rata or pursuant to an executed agreement among the partners, members or owners documenting an alternate distribution method.

2. The assignee of the tax credits, hereinafter the assignee for purposes of this subsection, may use acquired credits to offset up to one hundred percent of the tax liabilities otherwise imposed pursuant to chapter 143 and chapter 148, except for sections 143.191 to 143.265. The assignor shall perfect such transfer by notifying the department of economic development in writing within thirty calendar days following the effective date of the transfer and shall provide any information as may be required by the department of economic development to administer and carry out the provisions of this section.

_____253.559. 1. To obtain approval for tax credits allowed under sections 253.545 to 253.559, a taxpayer shall submit an application for tax credits to the department of economic development. Each application for approval, including any applications received for supplemental allocations of tax credits as provided under subsection 8 of this section, shall be prioritized for review and approval, in the order of the date on which the application was postmarked, with the oldest postmarked date receiving priority. Applications postmarked on the same day shall go through a lottery process to determine the order in which such applications shall be reviewed.

2. Each application shall be reviewed by the department of economic development for approval. In order to receive approval, an application, other than applications submitted under the provisions of subsection 8 of this section, shall include:

(1) Proof of ownership or site control. Proof of ownership shall include evidence that the taxpayer is the fee simple owner of the eligible property, such as a warranty deed or a closing

statement. Proof of site control may be evidenced by a leasehold interest or an option to acquire such an interest. If the taxpayer is in the process of acquiring fee simple ownership, proof of site control shall include an executed sales contract or an executed option to purchase the eligible property;

(2) Floor plans of the existing structure, architectural plans, and, where applicable, plans of the proposed alterations to the structure, as well as proposed additions;

(3) The estimated cost of rehabilitation, the anticipated total costs of the project, the actual basis of the property, as shown by proof of actual acquisition costs, the anticipated total labor costs, the estimated project start date, and the estimated project completion date;

(4) Proof that the property is an eligible property and a certified historic structure or a structure in a certified historic district; and

(5) Any other information which the department of economic development may reasonably require to review the project for approval. Only the property for which a property address is provided in the application shall be reviewed for approval. Once selected for review, a taxpayer shall not be permitted to request the review of another property for approval in the place of the property contained in such application. Any disapproved application shall be removed from the review process. If an application is removed from the review process, the department of economic development shall notify the taxpayer in writing of the decision to remove such application. Disapproved applications shall lose priority in the review process. A disapproved

application, which is removed from the review process, may be resubmitted, but shall be deemed to be a new submission for purposes of the priority procedures described in this section.

3. If the department of economic development deems the application sufficient, the taxpayer shall be notified in writing of the approval for an amount of tax credits equal to the amount provided under section 253.550 less any amount of tax credits previously approved. Such approvals shall be granted to applications in the order of priority established under this section and shall require full compliance thereafter with all other requirements of law as a condition to any claim for such credits.

4. Following approval of an application, the identity of the taxpayer contained in such application shall not be modified except:

(1) The taxpayer may add partners, members, or shareholders as part of the ownership structure, so long as the principal remains the same, provided however, that subsequent to the commencement of renovation and the expenditure of at least ten percent of the proposed rehabilitation budget, removal of the principal for failure to perform duties and the appointment of a new principal thereafter shall not constitute a change of the principal; or

(2) Where the ownership of the project is changed due to a foreclosure, deed in lieu of a foreclosure or voluntary conveyance, or a transfer in bankruptcy. <u>Upon any such change in ownership, the taxpayer contained in such application shall notify the department of such change.</u>

5. In the event that the department of economic development grants approval for tax credits equal to the applicable total amount available under subsection 2 or 5 of section 253.550, or sufficient that when totaled with all other approvals, the applicable amount available under subsection 2 or 5 of section 253.550 is exhausted, all taxpayers with applications then awaiting approval or thereafter submitted for approval shall be notified by the department of economic development that no additional approvals shall be granted during the fiscal year and shall be notified of the priority given to such taxpayer's application then awaiting approval. Such applications shall be kept on file by the department of economic development and shall be considered for approval for tax credits in the order established in this section in the event that additional credits become available due to the rescission of approvals or when a new fiscal year's allocation of credits becomes available for approval.

6. All taxpayers with applications receiving approval on or after the effective date of this act shall commence rehabilitation within two years of the date of issuance of the letter from the department of economic development granting the approval for tax credits. "Commencement of rehabilitation" shall mean that as of the date in which actual physical work, contemplated by the architectural plans submitted with the application, has begun, the taxpayer has incurred no less than ten percent of the estimated costs of rehabilitation provided in the application. Taxpayers with approval of a project shall submit evidence of compliance with the provisions of this

subsection. If the department of economic development determines that a taxpayer has failed to comply with the requirements provided under this section, the approval for the amount of tax credits for such taxpayer shall be rescinded and such amount of tax credits shall then be included in the applicable total amount of tax credits, provided under subsection 2 or 5 of section 253.550, from which approvals may be granted. Any taxpayer whose approval shall be subject to rescission shall be notified of such from the department of economic development and, upon receipt of such notice, may submit a new application for the project.

7. To claim the credit authorized under sections 253.550 to 253.559, a taxpayer with approval shall apply for final approval and issuance of tax credits from the department of economic development which, in consultation with the department of natural resources, shall determine the final amount of eligible rehabilitation costs and expenses and whether the completed rehabilitation meets the standards of the Secretary of the United States Department of the Interior for rehabilitation as determined by the state historic preservation officer of the Missouri department of natural resources. For financial institutions credits authorized pursuant to sections 253.550 to 253.561 shall be deemed to be economic development credits for purposes of section 148.064. The approval of all applications and the issuing of certificates of eligible credits to taxpayers shall be performed by the department of economic development. The department of economic development shall inform a taxpayer of final approval by letter and shall issue, to the taxpayer, tax credit certificates. The taxpayer shall attach the certificate

to all Missouri income tax returns on which the credit is claimed.

8. Except as expressly provided in this subsection, tax credit certificates shall be issued in the final year that costs and expenses of rehabilitation of the project are incurred, or within the twelve-month period immediately following the conclusion of such rehabilitation. In the event the amount of eligible rehabilitation costs and expenses incurred by a taxpayer would result in the issuance of an amount of tax credits in excess of the amount provided under such taxpayer's approval granted under subsection 3 of this section, such taxpayer may apply to the department for issuance of tax credits in an amount equal to such excess. Applications for issuance of tax credits in excess of the amount provided under a taxpayer's application shall be made on a form prescribed by the department. Such applications shall be subject to all provisions regarding priority provided under subsection 1 of this section.

9. The department of economic development shall determine, on an annual basis, the overall economic impact to the state from the rehabilitation of eligible property.

<u>10. Notwithstanding any provision of law to the contrary, no tax credits provided under sections 253.545 to 253.559 shall be authorized on or after August 28, 2015. The provisions of this subsection shall not be construed to limit or in any way impair the department's ability to issue tax credits authorized prior to August 28, 2015, or a taxpayer's ability to redeem such tax credits.</u>

348.430. 1. The tax credit created in this section shall

be known as the "Agricultural Product Utilization Contributor Tax Credit".

2. As used in this section, the following terms mean:

(1) "Authority", the agriculture and small business development authority as provided in this chapter;

(2) "Contributor", an individual, partnership, corporation, trust, limited liability company, entity or person that contributes cash funds to the authority;

(3) "Development facility", a facility, located within a rural area, producing either a good derived from an agricultural commodity or using a process to produce a good derived from an agricultural product;

(4) "Eligible new generation cooperative", a nonprofit cooperative association formed pursuant to chapter 274, or incorporated pursuant to chapter 357, for the purpose of operating within this state a development facility or a renewable fuel production facility;

(5) "Eligible new generation processing entity", a partnership, corporation, cooperative, or limited liability company organized or incorporated pursuant to the laws of this state consisting of not less than twelve members, approved by the authority, for the purpose of owning or operating within this state a development facility or a renewable fuel production facility in which producer members:

(a) Hold a majority of the governance or voting rights of the entity and any governing committee;

(b) Control the hiring and firing of management; and

(c) Deliver agricultural commodities or products to the

entity for processing, unless processing is required by multiple entities;

(6) "Renewable fuel production facility", a facility, located within a rural area, producing an energy source which is derived from a renewable, domestically grown, organic compound capable of powering machinery, including an engine or power plant, and any by-product derived from such energy source;

(7) "Rural area", a county in Missouri with a population less than seventy-five thousand or that does not contain an individual city with a population greater than fifty thousand according to the most recent federal decennial census.

3. For all tax years beginning on or after January 1, 1999, a contributor who contributes funds to the authority may receive a credit against the tax or estimated quarterly tax otherwise due pursuant to chapter 143, other than taxes withheld pursuant to sections 143.191 to 143.265, chapter 148 chapter 147, in an amount of up to one hundred percent of such contribution. Tax credits claimed in a taxable year may be done so on a quarterly basis and applied to the estimated quarterly tax pursuant to this subsection. If a quarterly tax credit claim or series of claims contributes to causing an overpayment of taxes for a taxable year, such overpayment shall not be refunded but shall be applied to the next taxable year. The awarding of such credit shall be at the approval of the authority, based on the least amount of credits necessary to provide incentive for the contributions. A contributor that receives tax credits for a contribution to the authority shall receive no other consideration or compensation for such contribution, other than a federal tax deduction, if

applicable, and goodwill.

4. A contributor shall submit to the authority an application for the tax credit authorized by this section on a form provided by the authority. If the contributor meets all criteria prescribed by this section and the authority, the authority shall issue a tax credit certificate in the appropriate amount. Tax credits issued pursuant to this section may be claimed in the taxable year in which the contributor contributes funds to the authority. For all fiscal years beginning on or after July 1, 2004, tax credits allowed pursuant to this section may be carried back to any of the contributor's three prior tax years and may be carried forward to any of the contributor's five subsequent taxable years. Tax credits issued pursuant to this section may be assigned, transferred or sold and the new owner of the tax credit shall have the same rights in the credit as the contributor. Whenever a certificate of tax credit is assigned, transferred, sold or otherwise conveyed, a notarized endorsement shall be filed with the authority specifying the name and address of the new owner of the tax credit or the value of the credit.

5. The funds derived from contributions in this section shall be used for financial assistance or technical assistance for the purposes provided in section 348.407 to rural agricultural business concepts as approved by the authority. The authority may provide or facilitate loans, equity investments, or guaranteed loans for rural agricultural business concepts, but limited to two million dollars per project or the net state economic impact, whichever is less. Loans, equity investments or guaranteed loans may only be provided to feasible projects, and

for an amount that is the least amount necessary to cause the project to occur, as determined by the authority. The authority may structure the loans, equity investments or guaranteed loans in a way that facilitates the project, but also provides for a compensatory return on investment or loan payment to the authority, based on the risk of the project.

6. In any given year, at least ten percent of the funds granted to rural agricultural business concepts shall be awarded to grant requests of twenty-five thousand dollars or less. No single rural agricultural business concept shall receive more than two hundred thousand dollars in grant awards from the authority. Agricultural businesses owned by minority members or women shall be given consideration in the allocation of funds.

7. Notwithstanding any provision of law to the contrary, no tax credits provided under this section shall be authorized on or after August 28, 2014. The provisions of this subsection shall not be construed to limit or in any way impair the department's ability to issue tax credits authorized prior to August 28, 2014, or a taxpayer's ability to redeem such tax credits.

348.432. 1. The tax credit created in this section shall be known as the "New Generation Cooperative Incentive Tax Credit".

2. As used in this section, the following terms mean:

(1) "Authority", the agriculture and small business development authority as provided in this chapter;

(2) "Development facility", a facility, located within a rural area, producing either a good derived from an agricultural commodity or using a process to produce a good derived from an

agricultural product;

(3) "Eligible new generation cooperative", a nonprofit cooperative association formed pursuant to chapter 274 or incorporated pursuant to chapter 357 for the purpose of operating within this state a development facility or a renewable fuel production facility and approved by the authority;

(4) "Eligible new generation processing entity", a partnership, corporation, cooperative, or limited liability company organized or incorporated pursuant to the laws of this state consisting of not less than twelve members, approved by the authority, for the purpose of owning or operating within this state a development facility or a renewable fuel production facility in which producer members:

(a) Hold a majority of the governance or voting rights of the entity and any governing committee;

(b) Control the hiring and firing of management; and

(c) Deliver agricultural commodities or products to the entity for processing, unless processing is required by multiple entities;

(5) "Employee-qualified capital project", an eligible new generation cooperative with capital costs greater than fifteen million dollars which will employ at least sixty employees;

(6) "Large capital project", an eligible new generation cooperative with capital costs greater than one million dollars;

(7) "Producer member", a person, partnership, corporation, trust or limited liability company whose main purpose is agricultural production that invests cash funds to an eligible new generation cooperative or eligible new generation processing

entity;

(8) "Renewable fuel production facility", a facility, located within a rural area, producing an energy source which is derived from a renewable, domestically grown, organic compound capable of powering machinery, including an engine or power plant, and any by-product derived from such energy source;

(9) "Rural area", a county in Missouri with a population less than seventy-five thousand or that does not contain an individual city with a population greater than fifty thousand according to the most recent federal decennial census;

(10) "Small capital project", an eligible new generation cooperative with capital costs of no more than one million dollars.

3. Beginning tax year 1999, and ending December 31, 2002, any producer member who invests cash funds in an eligible new generation cooperative or eligible new generation processing entity may receive a credit against the tax or estimated quarterly tax otherwise due pursuant to chapter 143, other than taxes withheld pursuant to sections 143.191 to 143.265 or chapter 148, chapter 147, in an amount equal to the lesser of fifty percent of such producer member's investment or fifteen thousand dollars.

4. For all tax years beginning on or after January 1, 2003, any producer member who invests cash funds in an eligible new generation cooperative or eligible new generation processing entity may receive a credit against the tax or estimated quarterly tax otherwise due pursuant to chapter 143, other than taxes withheld pursuant to sections 143.191 to 143.265, chapter

147 or chapter 148, in an amount equal to the lesser of fifty percent of such producer member's investment or fifteen thousand dollars. Tax credits claimed in a taxable year may be done so on a quarterly basis and applied to the estimated quarterly tax pursuant to subsection 3 of this section. If a quarterly tax credit claim or series of claims contributes to causing an overpayment of taxes for a taxable year, such overpayment shall not be refunded but shall be applied to the next taxable year.

5. A producer member shall submit to the authority an application for the tax credit authorized by this section on a form provided by the authority. If the producer member meets all criteria prescribed by this section and is approved by the authority, the authority shall issue a tax credit certificate in the appropriate amount. Tax credits issued pursuant to this section may be carried back to any of the producer member's three prior taxable years and carried forward to any of the producer member's five subsequent taxable years regardless of the type of tax liability to which such credits are applied as authorized pursuant to subsection 3 of this section. Tax credits issued pursuant to this section may be assigned, transferred, sold or otherwise conveyed and the new owner of the tax credit shall have the same rights in the credit as the producer member. Whenever a certificate of tax credit is assigned, transferred, sold or otherwise conveyed, a notarized endorsement shall be filed with the authority specifying the name and address of the new owner of the tax credit or the value of the credit.

6. Ten percent of the tax credits authorized pursuant to this section initially shall be offered in any fiscal year to

small capital projects. If any portion of the ten percent of tax credits offered to small capital costs projects is unused in any calendar year, then the unused portion of tax credits may be offered to employee-qualified capital projects and large capital projects. If the authority receives more applications for tax credits for small capital projects than tax credits are authorized therefor, then the authority, by rule, shall determine the method of distribution of tax credits authorized for small capital projects.

7. Ninety percent of the tax credits authorized pursuant to this section initially shall be offered in any fiscal year to employee-qualified capital projects and large capital projects. If any portion of the ninety percent of tax credits offered to employee-qualified capital projects and large capital costs projects is unused in any fiscal year, then the unused portion of tax credits may be offered to small capital projects. The maximum tax credit allowed per employee-qualified capital project is three million dollars and the maximum tax credit allowed per large capital project is one million five hundred thousand dollars. If the authority approves the maximum tax credit allowed for any employee-qualified capital project or any large capital project, then the authority, by rule, shall determine the method of distribution of such maximum tax credit. In addition, if the authority receives more tax credit applications for employee-qualified capital projects and large capital projects than the amount of tax credits authorized therefor, then the authority, by rule, shall determine the method of distribution of tax credits authorized for employee-qualified capital projects

and large capital projects.

8. Notwithstanding any provision of law to the contrary, no tax credits provided under this section shall be authorized on or after August 28, 2014. The provisions of this subsection shall not be construed to limit or in any way impair the department's ability to issue tax credits authorized prior to August 28, 2014, or a taxpayer's ability to redeem such tax credits.

348.434. 1. The aggregate of tax credits issued per fiscal year pursuant to sections 348.430 and 348.432 shall not exceed six million dollars.

2. Upon July 2, 1999, and ending June 30, 2000, tax credits shall be issued pursuant to section 348.430, except that, the authority shall allocate no more than three million dollars to fund section 348.432 in fiscal year 2000. Beginning in fiscal year 2001 and each subsequent year, tax credits shall be issued pursuant to section 348.432.

3. Beginning the first day of May of each fiscal year [following implementation of section 348.432] ending on or before June 30, 2011, the authority may determine the extent of tax credits, pursuant to section 348.432, that will be utilized in each fiscal year. If the authority determines that:

(1) Less than six million dollars for a fiscal year is to be utilized in tax credits pursuant to section 348.432; and

(2) The assets available to the authority, pursuant to section 348.430, do not exceed twelve million dollars; then, the authority may offer the remaining authorized tax credits be issued pursuant to section 348.430.

4. For all fiscal years beginning on or after July 1, 2011,

the authority shall allocate tax credits for authorization under the provisions of sections 348.430 and 348.432 in a manner sufficient to provide the greatest state benefit while providing the least amount of tax credits necessary.

348.500. 1. This section shall be known and may be cited as the "Family Farms Act".

[2. As used in this section, "small farmer" means a farmer who is a Missouri resident and who has less than two hundred fifty thousand dollars in gross sales per year.

3. The agricultural and small business development authority shall establish a family farm breeding livestock loan program for small farmers for the purchase of beef cattle, dairy cattle, sheep and goats, and swine only.

4. To participate in the loan program, a small farmer shall first obtain approval for a family farm livestock loan from a lender as defined in section 348.015. Each small farmer shall be eligible for only one family farm livestock loan per family and for only one type of livestock.

5. The maximum amount of the family farm livestock loan for each type of livestock shall be as follows:

(1) Seventy-five thousand dollars for beef cattle;

(2) Seventy-five thousand dollars for dairy cattle;

(3) Thirty-five thousand dollars for swine; and

(4) Thirty thousand dollars for sheep and goats.

6. Eligible borrowers under the program:

(1) Shall use the proceeds of the family farm loan to acquire breeding livestock;

(2) Shall not finance more than ninety percent of the

anticipated cost of the purchase of such livestock through the family farm livestock loan; and

(3) Shall not be charged interest by the lender, as defined in section 348.015, for the first year of the qualified family farm livestock loan.

7. Upon approval of the family farm livestock loan by a lender under subsection 4 of this section, the loan shall be submitted for approval by the agricultural and small business development authority. The authority shall promulgate rules establishing eligibility under this section, taking into consideration:

(1) The eligible borrower's ability to repay the family farm livestock loan;

(2) The general economic conditions of the area in which the farm is located;

(3) The prospect of a financial return for the small farmer for the type of livestock for which the family farm livestock loan is sought; and

(4) Such other factors as the authority may establish.

8. For eligible borrowers participating in the program, the authority shall be responsible for reviewing the purchase price of any livestock to be purchased by an eligible borrower under the program to determine whether the price to be paid is appropriate for the type of livestock purchased. The authority may impose a one-time loan review fee of one percent which shall be collected by the lender at the time of the loan and paid to the authority.

9. Nothing in this section shall preclude a small farmer

from participating in any other agricultural program.

10. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2006, shall be invalid and void.**]**

2. For purposes of this section, the following terms shall mean:

(1) "Authority", the Missouri agricultural and small business development authority;

(2) "Breeding livestock", beef, dairy cattle, swine, sheep and goats;

(3) "Eligible purchase", the lesser of the purchase price of breeding livestock paid by a small farmer or:

(a) Seventy-five thousand dollars for beef cattle;

(b) Seventy-five thousand dollars for dairy cattle;

(c) Thirty-five thousand dollars for swine; and

(d) Thirty thousand dollars for sheep and goats;

(4) "Small farmer", a farmer who is a Missouri resident and who has less than two hundred fifty thousand dollars in gross sales per year;

(5) "State tax liability", any state tax liability incurred

by a taxpayer under the provisions of chapters 143, 147, and 148, exclusive of the provisions relating to the withholding of tax as provided for in sections 143.191 to 143.265 and related provisions.

3. For all taxable years beginning on or after January 1, 2012, a small farmer shall be entitled to receive a tax credit equal to seven percent of an eligible purchase. The tax credit shall be evidenced by a tax credit certificate issued by the agricultural and small business development authority and may be used to satisfy the state tax liability of the owner of such certificate that becomes due in the tax year in which the eligible purchase is made. No small farmer may receive a tax credit under this section unless such person presents a tax credit certificate to the department of revenue for payment of such state tax liability. The total amount of all tax credits that may be issued to small farmers claiming tax credits authorized in this section in a fiscal year shall not exceed three hundred thousand dollars.

4. The agricultural and small business development authority shall be responsible for the administration and issuance of the certificate of tax credits authorized by this section. The authority shall issue a certificate of tax credit at the request of any small farmer. Each request shall include a true copy of the receipt for the eligible purchase, the name of the small farmer who is to receive a certificate of tax credit, the type of state tax liability against which the tax credit is to be used, and the amount of the certificate of tax credit to be issued to the small farmer based on the eligible purchase.

5. The Missouri department of revenue shall accept a certificate of tax credit in lieu of other payment in such amount as is equal to the lesser of the amount of the tax or the remaining unused amount of the credit as indicated on the certificate of tax credit, and shall indicate on the certificate of tax credit the amount of tax thereby paid and the date of such payment.

6. The following provisions shall apply to tax credits authorized under this section:

(1) Tax credits claimed in a taxable year may be claimed on a quarterly basis and applied to the estimated quarterly tax of the small farmer;

(2) Any amount of tax credit which exceeds the tax due, including any estimated quarterly taxes paid by the small farmer under subdivision (1) of this subsection which results in an overpayment of taxes for a taxable year, shall not be refunded but may be carried over to any subsequent taxable year, not to exceed a total of three years;

(3) Notwithstanding any provision of law to the contrary, a small farmer may assign, transfer, or sell tax credits authorized under this section, with the new owner of the tax credit receiving the same rights in the tax credit as the small farmer. For any tax credits assigned, transferred, sold, or otherwise conveyed, a notarized endorsement shall be filed by the small farmer with the authority specifying the name and address of the new owner of the tax credit and the value of such tax credit.

7. Notwithstanding any provision of law to the contrary, no tax credits provided under this section shall be authorized on or

after August 28, 2014. The provisions of this subsection shall not be construed to limit or in any way impair the department's ability to issue tax credits authorized prior to August 28, 2014, or a taxpayer's ability to redeem such tax credits.

447.708. 1. For eligible projects, the director of the department of economic development, with notice to the directors of the departments of natural resources and revenue, and subject to the other provisions of sections 447.700 to 447.718, may not create a new enterprise zone but may decide that a prospective operator of a facility being remedied and renovated pursuant to sections 447.700 to 447.718 may receive the tax credits and exemptions pursuant to sections 135.100 to 135.150 and sections 135.200 to 135.257. The tax credits allowed pursuant to this subsection shall be used to offset the tax imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or the tax otherwise imposed by chapter 147, or the tax otherwise imposed by chapter 148. Notwithstanding any provisions of law to the contrary, the department shall not authorize tax credits and exemptions pursuant to this subsection after June 30, 2011. For purposes of this subsection:

(1) For receipt of the ad valorem tax abatement pursuant to section 135.215, the eligible project must create at least ten new jobs or retain businesses which supply at least twenty-five existing jobs. The city, or county if the eligible project is not located in a city, must provide ad valorem tax abatement of at least fifty percent for a period not less than ten years and not more than twenty-five years;

(2) For receipt of the income tax exemption pursuant to

section 135.220 and tax credit for new or expanded business facilities pursuant to sections 135.100 to 135.150, and 135.225, the eligible project must create at least ten new jobs or retain businesses which supply at least twenty-five existing jobs, or combination thereof. For purposes of sections 447.700 to 447.718, the tax credits described in section 135.225 are modified as follows: the tax credit shall be four hundred dollars per employee per year, an additional four hundred dollars per year for each employee exceeding the minimum employment thresholds of ten and twenty-five jobs for new and existing businesses, respectively, an additional four hundred dollars per year for each person who is a person difficult to employ as defined by section 135.240, and investment tax credits at the same amounts and levels as provided in subdivision (4) of subsection 1 of section 135.225;

(3) For eligibility to receive the income tax refund pursuant to section 135.245, the eligible project must create at least ten new jobs or retain businesses which supply at least twenty-five existing jobs, or combination thereof, and otherwise comply with the provisions of section 135.245 for application and use of the refund and the eligibility requirements of this section;

(4) The eligible project operates in compliance with applicable environmental laws and regulations, including permitting and registration requirements, of this state as well as the federal and local requirements;

(5) The eligible project operator shall file such reports as may be required by the director of economic development or the

director's designee;

(6) The taxpayer may claim the state tax credits authorized by this subsection and the state income exemption for a period not in excess of ten consecutive tax years. For the purpose of this section, "taxpayer" means an individual proprietorship, partnership or corporation described in section 143.441 or 143.471 who operates an eligible project. The director shall determine the number of years the taxpayer may claim the state tax credits and the state income exemption based on the projected net state economic benefits attributed to the eligible project;

(7) For the purpose of meeting the new job requirement prescribed in subdivisions (1), (2) and (3) of this subsection, it shall be required that at least ten new jobs be created and maintained during the taxpayer's tax period for which the credits are earned, in the case of an eligible project that does not replace a similar facility in Missouri. "New job" means a person who was not previously employed by the taxpayer or related taxpayer within the twelve-month period immediately preceding the time the person was employed by that taxpayer to work at, or in connection with, the eligible project on a full-time basis. "Full-time basis" means the employee works an average of at least thirty-five hours per week during the taxpayer's tax period for which the tax credits are earned. For the purposes of this section, related taxpayer has the same meaning as defined in subdivision (9) of section 135.100;

(8) For the purpose of meeting the existing job retention requirement, if the eligible project replaces a similar facility that closed elsewhere in Missouri prior to the end of the

taxpayer's tax period in which the tax credits are earned, it shall be required that at least twenty-five existing jobs be retained at, and in connection with the eligible project, on a full-time basis during the taxpayer's tax period for which the credits are earned. "Retained job" means a person who was previously employed by the taxpayer or related taxpayer, at a facility similar to the eligible project that closed elsewhere in Missouri prior to the end of the taxpayer's tax period in which the tax credits are earned, within the tax period immediately preceding the time the person was employed by the taxpayer to work at, or in connection with, the eligible project on a full-time basis. "Full-time basis" means the employee works an average of at least thirty-five hours per week during the taxpayer's tax period for which the tax credits are earned;

(9) In the case where an eligible project replaces a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer's tax period in which the tax credits are earned, the owner and operator of the eligible project shall provide the director with a written statement explaining the reason for discontinuing operations at the closed facility. The statement shall include a comparison of the activities performed at the closed facility prior to the date the facility ceased operating, to the activities performed at the eligible project, and a detailed account describing the need and rationale for relocating to the eligible project. If the director finds the relocation to the eligible project significantly impaired the economic stability of the area in which the closed facility was located, and that such move was detrimental to the overall

economic development efforts of the state, the director may deny the taxpayer's request to claim tax benefits;

(10) Notwithstanding any provision of law to the contrary, for the purpose of this section, the number of new jobs created and maintained, the number of existing jobs retained, and the value of new qualified investment used at the eligible project during any tax year shall be determined by dividing by twelve, in the case of jobs, the sum of the number of individuals employed at the eligible project, or in the case of new qualified investment, the value of new qualified investment used at the eligible project, on the last business day of each full calendar month of the tax year. If the eligible project is in operation for less than the entire tax year, the number of new jobs created and maintained, the number of existing jobs retained, and the value of new qualified investment created at the eligible project during any tax year shall be determined by dividing the sum of the number of individuals employed at the eligible project, or in the case of new qualified investment, the value of new qualified investment used at the eligible project, on the last business day of each full calendar month during the portion of the tax year during which the eligible project was in operation, by the number of full calendar months during such period;

(11) For the purpose of this section, "new qualified investment" means new business facility investment as defined and as determined in subdivision (7) of section 135.100 which is used at and in connection with the eligible project. "New qualified investment" shall not include small tools, supplies and inventory. "Small tools" means tools that are portable and can

be hand held.

2. The determination of the director of economic development pursuant to subsection 1 of this section shall not affect requirements for the prospective purchaser to obtain the approval of the granting of real property tax abatement by the municipal or county government where the eligible project is located.

3. (1) The director of the department of economic development, with the approval of the director of the department of natural resources, may, **[**in addition to the tax credits allowed in subsection 1 of this section,**]** grant a remediation tax credit to the applicant for up to one hundred percent of the costs of materials, supplies, equipment, labor, **[**professional engineering, consulting and architectural fees,**]** permitting fees and expenses, demolition, asbestos abatement, and direct utility charges for performing the voluntary remediation activities for the preexisting hazardous substance contamination and releases, including, but not limited to, the costs of performing operation and maintenance of the remediation equipment at the property beyond the year in which the systems and equipment are built and installed at the eligible project and the costs of performing the voluntary remediation activities over a period not in excess of four tax years following the taxpayer's tax year in which the system and equipment were first put into use at the eligible project, provided the remediation activities are the subject of a plan submitted to, and approved by, the director of natural resources pursuant to sections 260.565 to 260.575. <u>The director of the department of economic development, with the approval of</u>

the director of the department of natural resources, may also grant a remediation tax credit to the applicant for up to twenty-five percent of the costs of professional engineering, consulting, and architectural fees. The tax credit may also include up to one hundred percent of the costs of demolition that are not directly part of the remediation activities, provided that the demolition is on the property where the voluntary remediation activities are occurring, the demolition is necessary to accomplish the planned use of the facility where the remediation activities are occurring, and the demolition is part of a redevelopment plan approved by the municipal or county government and the department of economic development. The demolition may occur on an adjacent property if the project is located in a municipality which has a population less than twenty thousand and the above conditions are otherwise met. The adjacent property shall independently qualify as abandoned or underutilized. The amount of the credit available for demolition not associated with remediation cannot exceed the total amount of credits approved for remediation including demolition required for remediation.

(2) The amount of remediation tax credits issued shall be limited to the least amount necessary to cause the project to occur, as determined by the director of the department of economic development.

(3) The director may, with the approval of the director of natural resources, extend the tax credits allowed for performing voluntary remediation maintenance activities, in increments of three-year periods, not to exceed five consecutive three-year

periods. The tax credits allowed in this subsection shall be used to offset the tax imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or the tax otherwise imposed by chapter 147, or the tax otherwise imposed by chapter 148. The remediation tax credit may be taken in the same tax year in which the tax credits are received or may be taken over a period not to exceed twenty years.

(4) The project facility shall be projected to create at least ten new jobs or at least twenty-five retained jobs, or a combination thereof, as determined by the department of economic development, to be eligible for tax credits pursuant to this section.

(5) No more than seventy-five percent of earned remediation tax credits may be issued when the remediation costs were paid, and the remaining percentage may be issued when the department of natural resources issues a letter of completion letter or covenant not to sue following completion of the voluntary remediation activities. It shall not include any costs associated with ongoing operational environmental compliance of the facility or remediation costs arising out of spills, leaks, or other releases arising out of the ongoing business operations of the facility. In the event the department of natural resources issues a letter of completion for a portion of a property, an impacted media such as soil or groundwater, or for a site or a portion of a site improvement, a prorated amount of the remaining percentage may be released based on the percentage of the total site receiving a letter of completion.

4. In the exercise of the sound discretion of the director

of the department of economic development or the director's designee, the tax credits and exemptions described in this section may be terminated, suspended or revoked, if the eligible project fails to continue to meet the conditions set forth in this section, including creating or retaining the jobs required under subsection 3 of this section. In making such a determination, the director shall consider the severity of the condition violation, actions taken to correct the violation, the frequency of any condition violations and whether the actions exhibit a pattern of conduct by the eligible facility owner and operator. The director shall also consider changes in general economic conditions and the recommendation of the director of the department of natural resources, or his or her designee, concerning the severity, scope, nature, frequency and extent of any violations of the environmental compliance conditions. The taxpayer or person claiming the tax credits or exemptions may appeal the decision regarding termination, suspension or revocation of any tax credit or exemption in accordance with the procedures outlined in subsections 4 to 6 of section 135.250. The director of the department of economic development shall notify the directors of the departments of natural resources and revenue of the termination, suspension or revocation of any tax credits as determined in this section or pursuant to the provisions of section 447.716.

5. Notwithstanding any provision of law to the contrary, no taxpayer shall earn the tax credits, exemptions or refund otherwise allowed in subdivisions (2), (3) and (4) of subsection 1 of this section and the tax credits otherwise allowed in

section 135.110, or the tax credits, exemptions and refund otherwise allowed in sections 135.215, 135.220, 135.225 and 135.245, respectively, for the same facility for the same tax period.

6. The total amount of the tax credits allowed in subsection 1 of this section may not exceed the greater of:

(1) That portion of the taxpayer's income attributed to the eligible project; or

(2) One hundred percent of the total business' income tax if the eligible facility does not replace a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer's tax period in which the tax credits are earned, and further provided the taxpayer does not operate any other facilities besides the eligible project in Missouri; fifty percent of the total business' income tax if the eligible facility replaces a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer's tax period in which the credits are earned, and further provided the taxpayer does not operate any other facilities besides the eligible project in Missouri; or twenty-five percent of the total business income if the taxpayer operates, in addition to the eligible facility, any other facilities in Missouri. In no case shall a taxpayer operating more than one eligible project in Missouri be allowed to offset more than twenty-five percent of the taxpayer's business income in any tax period. That portion of the taxpayer's income attributed to the eligible project as referenced in subdivision (1) of this subsection, for which the credits allowed in sections 135.110 and 135.225 and subsection 3 of this section, may apply,

shall be determined in the same manner as prescribed in subdivision (6) of section 135.100. That portion of the taxpayer's franchise tax attributed to the eligible project for which the remediation tax credit may offset, shall be determined in the same manner as prescribed in paragraph (a) of subdivision (6) of section 135.100.

7. Taxpayers claiming the state tax benefits allowed in subdivisions (2) and (3) of subsection 1 of this section shall be required to file all applicable tax credit applications, forms and schedules prescribed by the director during the taxpayer's tax period immediately after the tax period in which the eligible project was first put into use. Otherwise, the taxpayer's right to claim such state tax benefits shall be forfeited. Unused business facility and enterprise zone tax credits shall not be carried forward but shall be initially claimed for the tax period during which the eligible project was first capable of being used, and during any applicable subsequent tax periods.

8. Taxpayers claiming the remediation tax credit allowed in subsection 3 of this section shall be required to file all applicable tax credit applications, forms and schedules prescribed by the director during the taxpayer's tax period immediately after the tax period in which the eligible project was first put into use, or during the taxpayer's tax period immediately after the tax period in which the voluntary remediation activities were performed.

9. The recipient of remediation tax credits, for the purpose of this subsection referred to as assignor, may assign, sell or transfer, in whole or in part, the remediation tax credit

allowed in subsection 3 of this section to any other person, for the purpose of this subsection referred to as assignee. To perfect the transfer, the assignor shall provide written notice to the director of the assignor's intent to transfer the tax credits to the assignee, the date the transfer is effective, the assignee's name, address and the assignee's tax period and the amount of tax credits to be transferred. The number of tax periods during which the assignee may subsequently claim the tax credits shall not exceed twenty tax periods, less the number of tax periods the assignor previously claimed the credits before the transfer occurred.

10. In the case where an operator and assignor of an eligible project has been certified to claim state tax benefits allowed in subdivisions (2) and (3) of subsection 1 of this section, and sells or otherwise transfers title of the eligible project to another taxpayer or assignee who continues the same or substantially similar operations at the eligible project, the director shall allow the assignee to claim the credits for a period of time to be determined by the director; except that, the total number of tax periods the tax credits may be earned by the assignor and the assignee shall not exceed ten. To perfect the transfer, the assignor shall provide written notice to the director of the assignor's intent to transfer the tax credits to the assignee, the date the transfer is effective, the assignee's name, address, and the assignee's tax period, and the amount of tax credits to be transferred.

11. For the purpose of the state tax benefits described in this section, in the case of a corporation described in section

143.471 or partnership, in computing Missouri's tax liability, such state benefits shall be allowed to the following:

(1) The shareholders of the corporation described in section 143.471;

(2) The partners of the partnership. The credit provided in this subsection shall be apportioned to the entities described in subdivisions (1) and (2) of this subsection in proportion to their share of ownership on the last day of the taxpayer's tax period.

12. For each fiscal year beginning on or after July 1, 2011, the total amount of tax credits authorized under the provisions of sections 447.700 to 447.718 shall not exceed twenty-five million dollars. No more than ten million dollars in tax credits authorized under the provisions of sections 447.700 to 447.718 shall be authorized in any fiscal year for projects which receive benefits under the provisions of section 99.1205.

13. Notwithstanding any provision of law to the contrary, no tax credits provided under sections 447.700 to 447.718 shall be authorized on or after August 28, 2014. The provisions of this subsection shall not be construed to limit or in any way impair the department's ability to issue tax credits authorized prior to August 28, 2014, or a taxpayer's ability to redeem such tax credits.

620.495. 1. This section shall be known as the "Small Business Incubators Act".

2. As used in this section, unless the context clearly indicates otherwise, the following words and phrases shall mean:

(1) "Department", the department of economic development;

(2) "Incubator", a program in which small units of space may be leased by a tenant and in which management maintains or provides access to business development services for use by tenants or a program without infrastructure in which participants avail themselves of business development services to assist in the growth of their start-up small businesses;

(3) "Local sponsor" or "sponsor", an organization which enters into a written agreement with the department to establish, operate and administer a small business incubator program or to provide funding to an organization which operates such a program;

(4) "Participant", a sole proprietorship, business partnership or corporation operating a business for profit through which the owner avails himself or herself of business development services in an incubator program;

(5) "Tenant", a sole proprietorship, business partnership or corporation operating a business for profit and leasing or otherwise occupying space in an incubator.

3. There is hereby established under the direction of the department a loan, loan guarantee and grant program for the establishment, operation and administration of small business incubators, to be known as the "Small Business Incubator Program". A local sponsor may submit an application to the department to obtain a loan, loan guarantee or grant to establish an incubator. Each application shall:

(1) Demonstrate that a program exists that can be transformed into an incubator at a specified cost;

(2) Demonstrate the ability to directly provide or arrange for the provision of business development services for tenants

and participants of the incubator. These services shall include, but need not be limited to, financial consulting assistance, management and marketing assistance, business education, and physical services;

(3) Demonstrate a potential for sustained use of the incubator program by eligible tenants and participants, through a market study or other means;

(4) Demonstrate the ability to manage and operate the incubator program;

(5) Include such other information as the department may require through its guidelines.

4. The department shall review and accept applications based on the following criteria:

(1) Ability of the local sponsor to carry out the provisions of this section;

(2) Economic impact of the incubator on the community;

(3) Conformance with areawide and local economic development plans, if such exist;

(4) Location of the incubator, in order to encourage geographic distribution of incubators across the state.

5. Loans, loan guarantees and grants shall be administered in the following manner:

(1) Loans awarded or guaranteed and grants awarded shall be used only for the acquisition and leasing of land and existing buildings, the rehabilitation of buildings or other facilities, construction of new facilities, the purchase of equipment and furnishings which are necessary for the creation and operation of the incubator, and business development services including, but

not limited to, business management advising and business education;

(2) Loans, loan guarantees and grants may not exceed fifty percent of total eligible project costs;

(3) Payment of interest and principal on loans may be deferred at the discretion of the department; and

(4) Loans and grants shall only be available upon receipt of matching private funds.

6. A local sponsor, or the organization receiving assistance through the local sponsor, shall have the following responsibilities and duties in establishing and operating an incubator with assistance from the small business incubator program:

(1) Secure title on a facility for the program or a lease of a facility for the program;

(2) Manage the physical development of the incubator program, including the provision of common conference or meeting space;

(3) Furnish and equip the program to provide business services to the tenants and participants;

(4) Market the program and secure eligible tenants and participants;

(5) Provide financial consulting, marketing and management assistance services or arrange for the provision of these services for tenants and participants of the incubator, including assistance in accessing private financial markets;

(6) Set rental and service fees;

(7) Encourage the sharing of ideas between tenants and

participants and otherwise aid the tenants and participants in an innovative manner while they are within the incubator;

(8) Establish policies and criteria for the acceptance of tenants and participants into the incubator and for the termination of occupancy of tenants so as to maximize the opportunity to succeed for the greatest number of tenants, consistent with those specified in this section.

7. The department:

(1) May adopt such rules, statements of policy, procedures, forms and guidelines as may be necessary for the implementation of this section;

(2) May make loans, loan guarantees and grants to local sponsors for incubators;

(3) Shall ensure that local sponsors receiving loans, loan guarantees or grants meet the conditions of this section;

(4) Shall receive and evaluate annual reports from local sponsors. Such annual reports shall include, but need not be limited to, a financial statement for the incubator, evidence that all tenants and participants in the program are eligible under the terms of this section, and a list of companies in the incubator.

8. The department of economic development is also hereby authorized to review any previous loans made under this program and, where appropriate in the department's judgment, convert such loans to grant status.

9. On or before January first of each year, the department shall provide a report to the governor, the chief clerk of the house of representatives and the secretary of the senate which

shall include, but need not be limited to:

(1) The number of applications for incubators submitted to the department;

(2) The number of applications for incubators approved by the department;

(3) The number of incubators created through the small business incubator program;

(4) The number of tenants and participants engaged in each incubator;

(5) The number of jobs provided by each incubator and tenants and participant of each incubator;

(6) The occupancy rate of each incubator;

(7) The number of firms still operating in the state after leaving incubators and the number of jobs they have provided.

10. There is hereby established in the state treasury a special fund to be known as the "Missouri Small Business Incubators Fund", which shall consist of all moneys which may be appropriated to it by the general assembly, and also any gifts, contributions, grants or bequests received from federal, private or other sources. Moneys for loans, loan guarantees and grants under the small business incubator program may be obtained from appropriations made by the general assembly from the Missouri small business incubators fund. Any moneys remaining in the Missouri small business incubators fund at the end of any fiscal year shall not lapse to the general revenue fund, as provided in section 33.080, but shall remain in the Missouri small business incubators fund.

11. For any taxable year beginning after December 31, 1989,

a taxpayer, including any charitable organization which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143, shall be entitled to a tax credit against any tax otherwise due under the provisions of chapter 143, or chapter 147, or chapter 148, excluding withholding tax imposed by sections 143.191 to 143.265, in the amount of fifty percent of any amount contributed by the taxpayer to the Missouri small business incubators fund during the taxpayer's tax year or any contribution by the taxpayer to a local sponsor after the local sponsor's application has been accepted and approved by the department. The tax credit allowed by this subsection shall be claimed by the taxpayer at the time he files his return and shall be applied against the income tax liability imposed by chapter 143, or chapter 147, or chapter 148, after all other credits provided by law have been applied. That portion of earned tax credits which exceeds the taxpayer's tax liability may be carried forward for up to five years. The aggregate of all tax credits authorized under this section shall not exceed five hundred thousand dollars in any taxable year. <u>Notwithstanding provisions of law to the contrary, no tax credits authorized under the provision of this section shall be authorized on or after the effective date of this act. The provisions of this subsection shall not be construed to limit or in any way impair the department's ability to issue tax credits authorized prior to the effective date of this act, or a taxpayer's ability to redeem such tax credits.</u>

12. Notwithstanding any provision of Missouri law to the

contrary, any taxpayer may sell, assign, exchange, convey or otherwise transfer tax credits allowed in subsection 11 of this section under the terms and conditions prescribed in subdivisions (1) and (2) of this subsection. Such taxpayer, hereinafter the assignor for the purpose of this subsection, may sell, assign, exchange or otherwise transfer earned tax credits:

(1) For no less than seventy-five percent of the par value of such credits; and

(2) In an amount not to exceed one hundred percent of annual earned credits. The taxpayer acquiring earned credits, hereinafter the assignee for the purpose of this subsection, may use the acquired credits to offset up to one hundred percent of the tax liabilities otherwise imposed by chapter 143, or chapter 147, or chapter 148 excluding withholding tax imposed by sections 143.191 to 143.265. Unused credits in the hands of the assignee may be carried forward for up to five years. The assignor shall enter into a written agreement with the assignee establishing the terms and conditions of the agreement and shall perfect such transfer by notifying the department of economic development in writing within thirty calendar days following the effective day of the transfer and shall provide any information as may be required by the department of economic development to administer and carry out the provisions of this section. The director of the department of economic development shall prescribe the method for submitting applications for claiming the tax credit allowed under subsection 11 of this section and shall, if the application is approved, certify to the director of revenue that the taxpayer claiming the credit has satisfied all the requirements specified

in this section and is eligible to claim the credit.

620.800. The following additional terms used in sections 620.800 to 620.809 shall mean:

(1) "Agreement", the agreement between a qualified company, a community college district, and the department concerning a training project. Any such agreement shall comply with the provisions of section 620.017;

(2) "Board of trustees", the board of trustees of a community college district established under the provisions of chapter 178;

(3) "Certificate", new or retained jobs training certificates issued under section 620.809;

(4) "Committee", the compete Missouri job training joint legislative oversight committee, established by the department under the provisions of section 620.803;

(5) "Compete Missouri Training Program", the training program established under sections 620.800 to 620.809;

(6) "Department", the Missouri department of economic development;

(7) "Employee", a person employed by a qualified company;

(8) "Full-time employee", an employee of the qualified company that is scheduled to work an average of at least thirty-five hours per week for a twelve-month period, and one for which the qualified company offers health insurance and pays at least fifty percent of such insurance premiums;

(9) "Local education agency", a community college, two-year state technical college, or a technical career education center;

(10) "New capital investment", shall include funds spent by

the qualified company at the project facility after the approval of the notice of intent for real or personal property, and may include the present value of finance or capital leases for real or personal property for the term of such lease at the project facility executed after approval of the notice of intent;

(11) "New job", the number of full-time employees located at the project facility that exceeds the project facility base employment less any decrease in the number of full-time employees at related facilities below the related facility base employment. No job that was created prior to the date of the notice of intent shall be deemed a new job. An employee that spends less than fifty percent of the employee's work time at the facility is still considered to be located at a facility if the employee receives his or her directions and control from that facility, is on the facility's payroll, one hundred percent of the employee's income from such employment is Missouri income, and the employee is paid at or above the applicable percentage of the county average wage;

(12) "New jobs credit", the credit from withholding remitted by a qualified company provided under subsection 6 of section 620.809;

(13) "Notice of intent", a form developed by the department, completed by the qualified company and submitted to the department which states the qualified company's intent to request benefits under this program;

(14) "Project facility", the building or buildings used by a qualified company at which new or retained jobs and any new capital investment are or will be located. A project facility

may include separate buildings located within sixty miles of each other such that their purpose and operations are interrelated; provided, that where the buildings making up the project facility are not located within the same county, the average wage of the new payroll must exceed the highest county average wage among the counties in which the buildings are located. Upon approval by the department, a subsequent project facility may be designated if the qualified company demonstrates a need to relocate to the subsequent project facility at any time during the project period;

(15) "Project facility base employment", the greater of the number of full-time employees located at the project facility on the date of the notice of intent or, for the twelve-month period prior to the date of the notice of intent, the average number of full-time employees located at the project facility. In the event the project facility has not been in operation for a full twelve-month period, the average number of full-time employees for the number of months the project facility has been in operation prior to the date of the notice of intent;

(16) "Qualified company", a firm, partnership, joint venture, association, private or public corporation whether organized for profit or not, or headquarters of such entity registered to do business in Missouri that is the owner or operator of a project facility, offers health insurance to all full-time employees of all facilities located in this state, and pays at least fifty percent of such insurance premiums. For the purposes of sections 620.800 to 620.809, the term "qualified company" shall not include:

(a) Gambling establishments (NAICS industry group 7132);

(b) Retail trade establishments (NAICS sectors 44 and 45), except with respect to any company headquartered in this state with a majority of its full-time employees engaged in operations not within the NAICS codes specified in this subdivision;

(c) Food and drinking places (NAICS subsector 722);

(d) Public utilities (NAICS 221 including water and sewer services);

(e) Any company that is delinquent in the payment of any nonprotested taxes or any other amounts due the state or federal government or any other political subdivision of this state;

(f) Any company requesting benefits for retained jobs that has filed for or has publicly announced its intention to file for bankruptcy protection. However, a company that has filed for or has publicly announced its intention to file for bankruptcy, may be a qualified company provided that such company:

a. Certifies to the department that it plans to reorganize and not to liquidate; and

b. After its bankruptcy petition has been filed, it produces proof, in a form and at times satisfactory to the department, that it is not delinquent in filing any tax returns or making any payment due to the state of Missouri, including but not limited to all tax payments due after the filing of the bankruptcy petition and under the terms of the plan of reorganization.

Any taxpayer who is awarded benefits under this subsection and who files for bankruptcy under Chapter 7 of the United States

Bankruptcy Code, Title 11 U.S.C., shall immediately notify the department and shall forfeit such benefits and shall repay the state an amount equal to any state tax credits already redeemed and any withholding taxes already retained;

(g) Educational services (NAICS sector 61);

(h) Religious organizations (NAICS industry group 8131);

(i) Public administration (NAICS sector 92);

(j) Ethanol distillation or production; or

(k) Biodiesel production.

Notwithstanding any provision of this section to the contrary, the headquarters, administrative offices, or research and development facilities of an otherwise excluded business may qualify for benefits if the offices or facilities serve a multistate territory. In the event a national, state, or regional headquarters operation is not the predominant activity of a project facility, the jobs and investment of such operation shall be considered eligible for benefits under this section if the other requirements are satisfied;

(17) "Related company":

(a) A corporation, partnership, trust, or association controlled by the qualified company;

(b) An individual, corporation, partnership, trust, or association in control of the qualified company; or

(c) Corporations, partnerships, trusts, or associations controlled by an individual, corporation, partnership, trust, or association in control of the qualified company. As used in this subdivision, "control of a corporation" shall mean ownership,

directly or indirectly, of stock possessing at least fifty percent of the total combined voting power of all classes of stock entitled to vote, "control of a partnership or association" shall mean ownership of at least fifty percent of the capital or profits interest in such partnership or association, "control of a trust" shall mean ownership, directly or indirectly, of at least fifty percent of the beneficial interest in the principal or income of such trust, and ownership shall be determined as provided in Section 318 of the Internal Revenue Code of 1986, as amended;

(18) "Related facility", a facility operated by the qualified company or a related company located in this state that is directly related to the operations of the project facility or in which operations substantially similar to the operations of the project facility are performed;

(19) "Related facility base employment", the greater of the number of full-time employees located at all related facilities on the date of the notice of intent or, for the twelve-month period prior to the date of the notice of intent, the average number of full-time employees located at all related facilities of the qualified company or a related company located in this state;

(20) "Retained job", the average number of full-time employees of a qualified company located at the project facility during each month for the calendar year preceding the year in which the notice of intent is submitted;

(21) "Retained jobs credit", the credit from withholding remitted by a qualified company provided under subsection 6 of

section 620.809;

(22) "Targeted industry", an industry or one of a cluster of industries identified by the department by rule following a strategic planning process as being critical to the state's economic security and growth;

(23) "Training program", the compete Missouri training program established under sections 620.800 to 620.809;

(24) "Training project", the project or projects established through the compete Missouri training program for the creation or retention of jobs by providing education and training of workers;

(25) "Training project costs", all necessary and incidental costs of providing program services through the training program, including:

(a) Training materials and supplies;

(b) Wages and benefits of instructors, who may or may not be employed by the eligible industry, and the cost of training such instructors;

(c) Subcontracted services;

(d) On-the-job training;

(e) Training facilities and equipment;

(f) Skill assessment;

(g) Training project and curriculum development;

(h) Travel directly to the training project, including a coordinated transportation program for trainings if the training can be more effectively provided outside the community where the jobs are to be located;

(i) Payments to third party training providers and to the

eligible industry;

(j) Teaching and assistance provided by educational institutions in the state of Missouri;

(k) In-plant training analysis, including fees for professionals and necessary travel and expenses;

(l) Assessment and preselection tools;

(m) Publicity;

(n) Instructional services;

(o) Rental of instructional facilities with necessary utilities; and

(p) Payment of the principal, premium, and interest on certificates, including capitalized interest, issued to finance a project, and the funding and maintenance of a debt service reserve fund to secure such certificates;

(26) "Training project services", includes, but shall not be limited to, the following:

(a) Job training, which may include, but not be limited to, preemployment training, analysis of the specified training needs for a qualified company, development of training plans, and provision of training through qualified training staff;

(b) Adult basic education and job-related instruction;

(c) Vocational and skill-assessment services and testing;

(d) Training facilities, equipment, materials, and supplies;

(e) On-the-job training;

(f) Administrative expenses equal to fifteen percent of the total training costs;

(g) Subcontracted services with state institutions of

higher education, private colleges or universities, or other federal, state, or local agencies;

(h) Contracted or professional services; and

(i) Issuance of certificates, when applicable.

620.803. 1. The department shall establish a "Compete Missouri Training Program" to assist qualified companies for the training of employees in new jobs and the retraining or upgrading of skills of full-time employees in retained jobs as provided in sections 620.800 to 620.809. The training program shall be funded through appropriations to the funds established under sections 620.806 and 620.809. The department shall, to the maximum extent practicable, prioritize funding under the training program to assist qualified companies in targeted industries.

2. There is hereby created the "Compete Missouri Job Training Joint Legislative Oversight Committee". The committee shall consist of three members of the Missouri senate appointed by the president pro tem of the senate; and three members of the house of representatives appointed by the speaker of the house. No more than two of the members of the senate and two of the members of the house of representatives shall be from the same political party. Members of the committee shall report to the governor, the president pro tem of the senate and the speaker of the house of representatives on all assistance to industries under the provisions of sections 620.800 to 620.809 provided during the preceding fiscal year. The report of the committee shall be delivered no later than October first of each year. The director of the department shall report to the committee such information as the committee may deem necessary for its annual

report. Members of the committee shall receive no compensation in addition to their salary as members of the general assembly, but may receive their necessary expenses while attending the meetings of the committee, to be paid out of the joint contingent fund.

3. The department shall publish guidelines and may promulgate rules and regulations governing the training program. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2011, shall be invalid and void.

4. The department shall make program applications and guidelines available on-line.

5. The department may contract with other entities, including businesses, industries, other state agencies, and the political subdivisions of the state for the purposes of carrying out the provisions of the training program established in sections 620.800 to 620.809. Any assistance through the training program shall be provided pursuant to an agreement.

6. Prior to the authorization of any application submitted through the training program, the department shall verify the

applicant's tax payment status and offset any delinquencies as provided in section 135.815.

620.806. 1. The "Missouri Job Development Fund", formerly established in the state treasury by section 620.478, shall now be known as the "Compete Missouri Job Development Fund" and shall be administered by the department for the training program. The fund shall consist of all moneys which may be appropriated to it by the general assembly and also any gifts, contributions, grants, or bequests received from federal, private or other sources, including, but not limited to, any block grant or other sources of funding relating to job training, school-to-work transition, welfare reform, vocational and technical training, housing, infrastructure, development, and human resource investment programs which may be provided by the federal government or other sources.

2. The department may provide financial assistance through the training program to qualified companies that create new jobs which will result in the need for training, or that make new capital investment relating directly to the retention of retained jobs in an amount at least five times greater than the amount of any financial assistance. Financial assistance may also be provided to a consortium of qualified companies organized for the purpose of providing for common training to the consortium members' employees. Funds in the compete Missouri job development fund shall be appropriated, for financial assistance through the training program, by the general assembly to the department and shall be administered by a local educational agency certified by the department for such purpose. Except for

state-sponsored pre-employment training, no qualified company shall receive more than fifty percent of its training program costs from the compete Missouri job development fund. No funds shall be awarded or reimbursed to any qualified company for the training, retraining, or upgrading of skills of potential employees with the purpose of replacing or supplanting employees engaged in an authorized work stoppage. Upon approval by the department, training project costs, except the purchase of training equipment and training facilities, shall be eligible for reimbursement with funds from the compete Missouri job development fund. Notwithstanding any provision of law to the contrary, no qualified company within a service industry shall be eligible for assistance under this subsection unless such qualified company provides services in interstate commerce, which shall mean that the qualified company derives a majority of its annual revenues from out of the state.

3. The department may provide assistance, through appropriations made from the compete Missouri job development fund, to business and technology centers. Such assistance shall not include the lending of the state's credit for the payment of any liability of the fund. Such centers may be established by Missouri community colleges, or a state-owned postsecondary technical college, to provide business and training services for growth industries as determined by current labor market information.

620.809. 1. The "Missouri Community College Job Training Program Fund", formerly established in the state treasury by section 178.896, shall now be known as the "Compete Missouri

Community College New Jobs Training Fund", and shall be administered by the department for the training program. The department of revenue shall credit to the fund, as received, all new jobs credits. The fund shall also consist of any gifts, contributions, grants, or bequests received from federal, private, or other sources. The general assembly, however, shall not provide for any transfer of general revenue funds into the fund. Moneys in the fund shall be disbursed to the department pursuant to regular appropriations by the general assembly. The department shall disburse such appropriated funds in a timely manner into the special funds established by community college districts for training projects, which funds shall be used to pay training project costs. Such disbursements shall be made to the special fund for each training project in the same proportion as the new jobs credit remitted by the qualified company participating in such project bears to the total new jobs credit from withholding remitted by all qualified companies participating in projects during the period for which the disbursement is made. All moneys remaining in the fund at the end of any fiscal year shall not lapse to the general revenue fund, as provided in section 33.080, but shall remain in the fund.

2. The "Missouri Community College Job Retention Training Program Fund", formerly established in the state treasury by section 178.764, shall now be known as the "Compete Missouri Community College Job Retention Training Fund", and shall be administered by the department for the compete Missouri training program. The department of revenue shall credit to the fund, as

received, all retained jobs credits. The fund shall also consist of any gifts, contributions, grants, or bequests received from federal, private, or other sources. The general assembly, however, shall not provide for any transfer of general revenue funds into the fund. Moneys in the fund shall be disbursed to the department pursuant to regular appropriations by the general assembly. The department shall disburse such appropriated funds in a timely manner into the special funds established by community college districts for projects, which funds shall be used to pay training program costs, including the principal, premium, and interest on certificates issued by the district to finance or refinance, in whole or in part, a project. Such disbursements by the department shall be made to the special fund for each project in the same proportion as the retained jobs credit from withholding remitted by the qualified company participating in such project bears to the total retained jobs credit from withholding remitted by qualified companies participating in projects during the period for which the disbursement is made. All moneys remaining in the fund at the end of any fiscal year shall not lapse to the general revenue fund, as provided in section 33.080, but shall remain in the fund.

3. The department of revenue shall develop such forms as are necessary to demonstrate accurately each qualified company's new jobs credit paid into the compete Missouri community college new jobs training fund or retained jobs credit paid into the compete Missouri community college job retention training fund. The new or retained jobs credits shall be accounted as separate

from the normal withholding tax paid to the department of revenue by the qualified company. Reimbursements made by all qualified companies to the compete Missouri community college new jobs training fund and the compete Missouri community college job retention training fund shall be no less than all allocations made by the department to all community college districts for all projects. The qualified company shall remit the amount of the new or retained jobs credit, as applicable, to the department of revenue in the same manner as provided in sections 143.191 to 143.265.

4. A community college district, with the approval of the department in consultation with the office of administration, may enter into an agreement to establish a training project and provide training project services to a qualified company. As soon as possible after initial contact between a community college district and a potential qualified company regarding the possibility of entering into an agreement, the district shall inform the department of the potential training project. The department shall evaluate the proposed training project within the overall job training efforts of the state to ensure that the training project will not duplicate other job training programs. The department shall have fourteen days from receipt of a notice of intent to approve or disapprove training projects. If no response is received by the qualified company within fourteen days, the training project shall be deemed approved. Disapproval of any training project shall be made in writing and state the reasons for such disapproval. If an agreement is entered into, the district and the qualified company shall notify the

department of revenue within fifteen calendar days. In addition to any provisions required under subsection 5 of this section for a qualified company applying to receive a retained job credit, an agreement may provide, but shall not be limited to:

(1) Payment of training project costs, which may be paid from one or a combination of the following sources:

(a) Funds appropriated by the general assembly to the compete Missouri community college new jobs training program fund or compete Missouri community college job retention training program fund, as applicable, and disbursed by the department for the purposes consistent with sections 620.800 to 620.809;

(b) Tuition, student fees, or special charges fixed by the board of trustees to defray training project costs in whole or in part;

(2) Payment of training project costs shall not be deferred for a period longer than eight years;

(3) Costs of on-the-job training for employees shall include wages or salaries of participating employees. Payments for on-the-job training shall not exceed the average of fifty percent of the total wages paid by the qualified company to each participant during the period of training. Payment for on-the-job training may continue for up to six months from the date the training begins;

(4) A provision which fixes the minimum amount of new or retained jobs credits, or tuition and fee payments which shall be paid for training project costs;

(5) Any payment required to be made by a qualified company shall constitute a lien upon the qualified company's business

property until paid and have equal priority with ordinary taxes and shall not be divested by a judicial sale. Property subject to such lien may be sold for sums due and delinquent at a tax sale, with the same forfeitures, penalties, and consequences as for the nonpayment of ordinary taxes. The purchasers at tax sale shall obtain the property subject to the remaining payments.

5. Any qualified company that submits a notice of intent for retained job credits shall enter into an agreement providing that the qualified company has:

(1) Maintained at least one hundred full-time employees per year at the project facility for the calendar year preceding the year in which the application is made;

(2) Retained, at the project facility, the same number of employees that existed in the taxable year immediately preceding the year in which application is made; and

(3) Made or agrees to make a new capital investment of greater than five times the amount of any award under this training program at the project facility over a period of two consecutive calendar years, as certified by the qualified company and:

(a) Has made substantial investment in new technology requiring the upgrading of employee skills; or

(b) Is located in a border county of the state and represent a potential risk of relocation from the state; or

(c) Has been determined to represent a substantial risk of relocation from the state by the director of the department of economic development.

6. If an agreement provides that all or part of training

program costs are to be met by receipt of new or retained jobs credit, such new or retained jobs credit from withholding shall be determined and paid as follows:

(1) New or retained jobs credit shall be based upon the wages paid to the employees in the new or retained jobs;

(2) A portion of the total payments made by the qualified companies under sections 143.191 to 143.265 shall be designated as the new or retained jobs credit from withholding. Such portion shall be an amount equal to two and one-half percent of the gross wages paid by the qualified company for each of the first one hundred jobs included in the project and one and one-half percent of the gross wages paid by the qualified company for each of the remaining jobs included in the project. If business or employment conditions cause the amount of the new or retained jobs credit from withholding to be less than the amount projected in the agreement for any time period, then other withholding tax paid by the qualified company under sections 143.191 to 143.265 shall be credited to the applicable fund by the amount of such difference. The qualified company shall remit the amount of the new or retained jobs credit to the department of revenue in the manner prescribed in sections 143.191 to 143.265. When all training program costs have been paid, the new or retained jobs credits shall cease;

(3) The community college district participating in a project shall establish a special fund for and in the name of the training project. All funds appropriated by the general assembly from the funds established under subsections 1 and 2 of this section, and disbursed by the department for the training project

and other amounts received by the district for training project costs as required by the agreement shall be deposited in the special fund. Amounts held in the special fund shall be used and disbursed by the district only to pay training project costs for such training project. The special fund may be divided into such accounts and subaccounts as shall be provided in the agreement, and amounts held therein may be invested in the same manner as the district's other funds;

(4) Any disbursement for training project costs, received from the department under sections 620.800 to 620.809 and placed into the training project's special fund may be irrevocably pledged by a community college district for the payment of the principal, premium, and interest on the certificate issued by a community college district to finance or refinance, in whole or in part, such training project;

(5) The qualified company shall certify to the department of revenue that the new or retained jobs credit is in accordance with an agreement and shall provide other information the department of revenue may require;

(6) An employee participating in a training project shall receive full credit under section 143.211, for the amount designated as a new or retained jobs credit;

(7) If an agreement provides that all or part of training program costs are to be met by receipt of new or retained jobs credit, the provisions of this subsection shall also apply to any successor to the original qualified company until such time as the principal and interest on the certificates have been paid.

7. To provide funds for the present payment of the training

project costs of new or retained jobs training project through the training program, a community college district may borrow money and issue and sell certificates payable from a sufficient portion of the future receipts of payments authorized by the agreement including disbursements from the compete Missouri community college new jobs training fund or the compete Missouri community college job retention training fund, to the special fund established by the district for each project. The total amount of outstanding certificates sold by all community college districts shall not exceed the total amount authorized pursuant to law as of January 1, 2011, unless an increased amount is authorized in writing by a majority of members of the committee. The certificates shall be marketed through financial institutions authorized to do business in Missouri. The receipts shall be pledged to the payment of principal of and interest on the certificates. Certificates may be sold at public sale or at private sale at par, premium, or discount of not less than ninety-five percent of the par value thereof, at the discretion of the board of trustees, and may bear interest at such rate or rates as the board of trustees shall determine, notwithstanding the provisions of section 108.170 to the contrary. However, the provisions of chapter 176 shall not apply to the issuance of such certificates. Certificates may be issued with respect to a single project or multiple projects and may contain terms or conditions as the board of trustees may provide by resolution authorizing the issuance of the certificates.

8. Certificates issued to refund other certificates may be sold at public sale or at private sale as provided in this

section with the proceeds from the sale to be used for the payment of the certificates being refunded. The refunding certificates may be exchanged in payment and discharge of the certificates being refunded, in installments at different times or an entire issue or series at one time. Refunding certificates may be sold or exchanged at any time on, before, or after the maturity of the outstanding certificates to be refunded. They may be issued for the purpose of refunding a like, greater, or lesser principal amount of certificates and may bear a higher, lower, or equivalent rate of interest than the certificates being renewed or refunded.

9. Before certificates are issued, the board of trustees shall publish once a notice of its intention to issue the certificates, stating the amount, the purpose, and the project or projects for which the certificates are to be issued. A person with standing may, within fifteen days after the publication of the notice, by action in the circuit court of a county in the district, appeal the decision of the board of trustees to issue the certificates. The action of the board of trustees in determining to issue the certificates shall be final and conclusive unless the circuit court finds that the board of trustees has exceeded its legal authority. An action shall not be brought which questions the legality of the certificates, the power of the board of trustees to issue the certificates, the effectiveness of any proceedings relating to the authorization of the project, or the authorization and issuance of the certificates from and after fifteen days from the publication of the notice of intention to issue.

10. The board of trustees shall make a finding based on information supplied by the qualified company that revenues provided in the agreement are sufficient to secure the faithful performance of obligations in the agreement.

11. Certificates issued under this section shall not be deemed to be an indebtedness of the state or the community college district or of any other political subdivision of the state, and the principal and interest on any certificates shall be payable only from the sources provided in subdivision (1) of subsection 4 of this section which are pledged in the agreement.

12. The provisions of the new program authorized under sections 620.800 to 620.809 shall sunset automatically on July 1, 2018, unless reauthorized by an act of the general assembly.

620.2000. Sections 620.2000 to 620.2020 and section 144.540 shall be known and may be cited as the "Compete Missouri Program".

620.2005. As used in sections 620.2000 to 620.2020, the following terms mean:

(1) "Average wage", the new payroll divided by the number of new jobs, or the payroll of the retained jobs divided by the number of retained jobs;

(2) "Commencement of operations", the starting date for the qualified company's first new employee, which shall be no later than twelve months from the date of the approval;

(3) "County average wage", the average wages in each county as determined by the department for the most recently completed full calendar year. However, if the computed county average wage is above the statewide average wage, the statewide average wage

shall be deemed the county average wage for such county for the purpose of determining eligibility. The department shall publish the county average wage for each county at least annually. Notwithstanding the provisions of this subdivision to the contrary, for any qualified company that in conjunction with their project is relocating employees from a Missouri county with a higher county average wage, the company shall obtain the endorsement of the governing body of the community from which jobs are being relocated or the county average wage for their project shall be the county average wage for the county from which the employees are being relocated;

(4) "Department", the Missouri department of economic development;

(5) "Director", the director of the department of economic development;

(6) "Employee", a person employed by a qualified company;

(7) "Existing Missouri business", a qualified company that, for the ten-year period preceding submission of a notice of intent to the department, had a physical location in Missouri and full-time employees who routinely perform job duties within Missouri;

(8) "Full-time employee", an employee of the qualified company that is scheduled to work an average of at least thirty-five hours per week for a twelve-month period, and one for which the qualified company offers health insurance and pays at least fifty percent of such insurance premiums;

(9) "Local incentives", the present value of the dollar amount of direct benefit received by a qualified company for a

project facility from one or more local political subdivisions, but this term shall not include loans or other funds provided to the qualified company that shall be repaid by the qualified company to the political subdivision;

(10) "NAICS" or "NAICS industry classification", the classification provided by the most recent edition of the North American Industry Classification System as prepared by the Executive Office of the President, Office of Management and Budget;

(11) "New capital investment", shall include funds spent by the qualified company at the project facility after the approval of the notice of intent for real or personal property, and may include the present value of finance or capital leases for real or personal property for the term of such lease at the project facility executed after approval of the notice of intent;

(12) "New direct local revenue", the present value of the dollar amount of direct net new tax revenues of the local political subdivisions likely to be produced by the project over a ten-year period as calculated by the department, excluding local earnings tax, and net new utility revenues, provided the local incentives include a discount or other direct incentives from utilities owned or operated by the political subdivision;

(13) "New job", the number of full-time employees located at the project facility that exceeds the project facility base employment less any decrease in the number of full-time employees at related facilities below the related facility base employment. No job that was created prior to the date of the notice of intent shall be deemed a new job. An employee that spends less than

fifty percent of the employee's work time at the facility shall be considered to be located at a facility if the employee receives his or her directions and control from that facility, is on the facility's payroll, one hundred percent of the employee's income from such employment is Missouri income, and the employee is paid at or above the applicable percentage of the county average wage;

(14) "New payroll", the amount of wages earned by all full-time employees, excluding owners of the qualified company unless the qualified company is participating in an employee stock ownership plan, located at the project facility during the qualified company's tax year that exceeds the project facility base payroll;

(15) "Notice of intent", a form developed by the department and available online, completed by the qualified company, and submitted to the department stating the qualified company's intent to request benefits under this program;

(16) "Percent of local incentives", the amount of local incentives divided by the amount of new direct local revenue;

(17) "Program", the compete Missouri program established in sections 620.2000 to 620.2020;

(18) "Project facility", the building or buildings used by a qualified company at which new or retained jobs and any new capital investment are or will be located. A project facility may include separate buildings located within sixty miles of each other such that their purpose and operations are interrelated; provided that where the buildings making up the project facility are not located within the same county, the average wage of the

new payroll shall exceed the highest county average wage among the counties in which the buildings are located. Upon approval by the department, a subsequent project facility may be designated if the qualified company demonstrates a need to relocate to the subsequent project facility at any time during the project period;

(19) "Project facility base employment", the greater of the number of full-time employees located at the project facility on the date of the notice of intent or, for the twelve-month period prior to the date of the notice of intent, the average number of full-time employees located at the project facility. In the event the project facility has not been in operation for a full twelve-month period, the average number of full-time employees for the number of months the project facility has been in operation prior to the date of the notice of intent;

(20) "Project facility base payroll", the total amount of wages paid by the qualified company to full-time employees of the qualified company located at the project facility in the twelve months prior to the notice of intent, not including the payroll of the owners of the qualified company unless the qualified company is participating in an employee stock ownership plan. For purposes of calculating the benefits under this program, the amount of base payroll shall increase each year based on an appropriate measure, as determined by the department;

(21) "Project period", the time period within which benefits are awarded to a qualified company or within which the qualified company is obligated to perform pursuant to an agreement with the department, whichever is greater;

(22) "Projected net fiscal benefit", the total fiscal benefit to the state less any state benefits offered to the qualified company, as determined by the department;

(23) "Qualified company", a firm, partnership, joint venture, association, private or public corporation whether organized for profit or not, or headquarters of such entity registered to do business in Missouri that is the owner or operator of a project facility, offers health insurance to all full-time employees of all facilities located in this state, and pays at least fifty percent of such insurance premiums. For the purposes of sections 620.2000 to 620.2020, the term "qualified company" shall not include:

(a) Gambling establishments (NAICS industry group 7132);

(b) Retail trade establishments (NAICS sectors 44 and 45), except with respect to any company headquartered in this state with a majority of its full-time employees engaged in operations not within the NAICS codes specified in this subdivision;

(c) Food and drinking places (NAICS subsector 722);

(d) Public utilities (NAICS 221 including water and sewer services);

(e) Any company that is delinquent in the payment of any nonprotested taxes or any other amounts due the state or federal government or any other political subdivision of this state;

(f) Any company requesting benefits for retained jobs that has filed for or has publicly announced its intention to file for bankruptcy protection. However, a company that has filed for or has publicly announced its intention to file for bankruptcy, may be a qualified company provided that such company:

a. Certifies to the department that it plans to reorganize and not to liquidate; and

b. After its bankruptcy petition has been filed, it produces proof, in a form and at times satisfactory to the department, that it is not delinquent in filing any tax returns or making any payment due to the state of Missouri, including but not limited to all tax payments due after the filing of the bankruptcy petition and under the terms of the plan of reorganization.

Any taxpayer who is awarded benefits under this subsection and who files for bankruptcy under Chapter 7 of the United States Bankruptcy Code, Title 11 U.S.C., shall immediately notify the department and shall forfeit such benefits and shall repay the state an amount equal to any state tax credits already redeemed and any withholding taxes already retained;

(g) Educational services (NAICS sector 61);

(h) Religious organizations (NAICS industry group 8131);

(i) Public administration (NAICS sector 92);

(j) Ethanol distillation or production; or

(k) Biodiesel production.

Notwithstanding any provision of this section to the contrary, the headquarters, administrative offices, or research and development facilities of an otherwise excluded business may qualify for benefits if the offices or facilities serve a multistate territory. In the event a national, state, or regional headquarters operation is not the predominant activity

of a project facility, the jobs and investment of such operation shall be considered eligible for benefits under this section if the other requirements are satisfied;

(24) "Related company", shall mean:

(a) A corporation, partnership, trust, or association controlled by the qualified company;

(b) An individual, corporation, partnership, trust, or association in control of the qualified company; or

(c) Corporations, partnerships, trusts or associations controlled by an individual, corporation, partnership, trust, or association in control of the qualified company. As used in this paragraph, "control of a qualified company" shall mean:

a. Ownership, directly or indirectly, of stock possessing at least fifty percent of the total combined voting power of all classes of stock entitled to vote in the case of a qualified company that is a corporation;

b. Ownership of at least fifty percent of the capital or profits interest in such qualified company if it is a partnership or association;

c. Ownership, directly or indirectly, of at least fifty percent of the beneficial interest in the principal or income of such qualified company if it is a trust, and ownership shall be determined as provided in Section 318 of the Internal Revenue Code of 1986, as amended;

(25) "Related facility", a facility operated by the qualified company or a related company located in this state that is directly related to the operations of the project facility or in which operations substantially similar to the operations of

the project facility are performed;

(26) "Related facility base employment", the greater of the number of full-time employees located at all related facilities on the date of the notice of intent or, for the twelve-month period prior to the date of the notice of intent, the average number of full-time employees located at all related facilities of the qualified company or a related company located in this state;

(27) "Related facility base payroll", the total amount of taxable wages paid by the qualified company to full-time employees of the qualified company located at a related facility in the twelve months prior to the filing of the notice of intent, not including the payroll of the owners of the qualified company unless the qualified company is participating in an employee stock ownership plan. For purposes of calculating the benefits under this program, the amount of related facility base payroll shall increase each year based on an appropriate measure, as determined by the department;

(28) "Retained job", the average number of full-time employees of a qualified company located at the project facility during each month for the calendar year preceding the year in which the notice of intent is submitted;

(29) "Rural area", a county in Missouri with a population less than seventy-five thousand or that does not contain an individual city with a population greater than fifty thousand according to the most recent federal decennial census;

(30) "Targeted industry", an industry or one of a cluster of industries identified by the department, by rule following a

strategic planning process, as being critical to the state's economic security and growth;

(31) "Tax credits", tax credits issued by the department to offset the state taxes imposed by chapters 143 and 148, or which may be sold or refunded as provided for in this program; and

(32) "Withholding tax", the state tax imposed by sections 143.191 to 143.265. For purposes of this program, the withholding tax shall be computed using a schedule as determined by the department based on average wages.

620.2010. 1. In exchange for the consideration provided by the new tax revenues and other economic stimuli that will be generated by the new jobs created, a qualified company shall be eligible to receive the following benefits under this program:

(1) A qualified company may, for a period of five years from the date the new jobs are created, or for a period of six years from the date the new jobs are created if the qualified company is an existing Missouri business, retain an amount equal to the withholding tax as calculated under subdivision (32) of section 620.2005 from the new jobs that would otherwise be withheld and remitted by the qualified company under the provisions of sections 143.191 to 143.265 if:

(a) The qualified company creates twenty or more new jobs, and the average wage of the new payroll equals or exceeds ninety percent of the county average wage;

(b) The qualified company is in a targeted industry and creates ten or more new jobs, and the average wage of the new payroll equals or exceeds ninety percent of the county average wage; or

(c) The qualified company creates two or more new jobs at a project facility located within a zone designated pursuant to section 135.950 to 135.963, the average wage of the new payroll equals or exceeds eighty percent of the county average wage, and the qualified company commits to making at least one hundred thousand dollars in new capital investment at the project facility within two years of approval;

(2) In addition to any other benefits available under this subsection, a qualified company that satisfies paragraph (a) of subdivision (1) of this subsection shall also be entitled to tax credits issued each year for a period of five years from the date the new jobs are created in an amount not to exceed two percent of new payroll from the new jobs created; provided that in no event may the total amount of benefits provided to a qualified company under this subsection exceed five percent of the new payroll in any calendar year;

(3) In addition to any other benefits available under this subsection, a qualified company that satisfies paragraph (b) of subdivision (1) of this subsection shall also be entitled to tax credits issued each year for a period of five years from the date the new jobs are created in an amount not to exceed three percent of new payroll from the new jobs created; provided that in no event may the total amount of benefits provided to a qualified company under this subsection exceed six percent of the new payroll in any calendar year.

2. In addition to any benefits available under subsection 1 of this section, the department may award additional tax credits issued each year for a period of five years from the date the new

jobs are created as follows:

(1) A qualified company that satisfies paragraph (a) of subdivision (1) of subsection 1 of this section may be awarded tax credits in an amount not to exceed four percent of new payroll from the new jobs created; provided that in no event may the total amount of benefits awarded to a qualified company under this section exceed nine percent of new payroll in any calendar year;

(2) A qualified company that satisfies paragraph (b) of subdivision (1) of subsection 1 of this section may be awarded tax credits in an amount not to exceed six percent of new payroll from the new jobs created; provided that in no event may the total amount of benefits provided to the qualified company under this section exceed twelve percent of new payroll in any calendar year;

(3) The amount of tax credits awarded to a qualified company under this subsection shall not exceed the projected net fiscal benefit to the state, as determined by the department, and shall not exceed the least amount necessary to obtain the qualified company's commitment to initiate the project. No benefits shall be available under this subsection for any qualified company that has performed significant, project-specific site work at the project facility or has publicly announced its intention to create new jobs or make new capital investment at the project facility prior to approval of its notice of intent;

(4) In determining the amount of tax credits to award to a qualified company under this subsection, the department shall

consider the following factors:

(a) The significance of the qualified company's need for program benefits;

(b) The amount of projected net fiscal benefit to the state of the project and the period in which the state would realize such net fiscal benefit;

(c) The overall size and quality of the proposed project, including the number of new jobs, new capital investment, proposed wages, growth potential of the qualified company, the potential multiplier effect of the project, and similar factors;

(d) The financial stability and creditworthiness of the qualified company;

(e) The level of economic distress in the area;

(f) An evaluation of the competitiveness of alternative locations for the project facility, as applicable; and

(g) The percent of local incentives committed;

(5) Upon approval of a notice of intent to receive tax credits under this subsection, the department and the qualified company shall enter into a written agreement covering the applicable project period. The agreement shall specify, at a minimum:

(a) The committed number of new jobs, new payroll, and new capital investment for each year during the project period;

(b) The date or time period during which the tax credits shall be issued, which may be immediately or over a period not to exceed two years from the date of approval;

(c) Clawback provisions, as may be required by the department; and

(d) Any other provisions the department may require.

3. The department may authorize a qualified company meeting the requirements of this subsection and subsection 1 of this section to be issued tax credits in an amount not to exceed seven percent of new payroll from the new jobs created projected over a period of five years from the date the required number of new jobs are to be created, or, if the qualified company is in a targeted industry, the department may authorize tax credits in an amount not to exceed nine percent of new payroll from the new jobs created, projected over a period of five years. The amount of benefits awarded to a qualified company under this section shall not exceed the projected net fiscal benefit to the state over a ten year period, as determined by the department, and may not exceed the least amount necessary to obtain the qualified company's commitment to initiate the project.

(1) Prior to approval, a qualified company requesting benefits under this subsection shall provide evidence of commitments for the financing of any applicable new capital investment. The new capital investment shall be made at the project facility within two years of the date of approval.

(2) In awarding tax credits under this subsection, the department shall consider factors set forth in subsection 2 of this section.

(3) Upon approval of a notice of intent to receive tax credits under this subsection, the department and the qualified company shall enter into a written agreement covering the applicable project period containing detailed performance requirements and repayment penalties in event of nonperformance.

The agreement shall specify, at a minimum:

(a) The committed number of new jobs, payroll, and new capital investment for each year during the project period;

(b) The date or time period during which the tax credits shall be issued, which may be immediately or over a period not to exceed two years from the date of approval;

(c) Clawback provisions provided under subdivision (4) of this subsection; and

(d) Any other provisions the department may require.

(4) The following clawback provisions shall apply to any benefits awarded under this subsection:

(a) If a qualified company fails to meet any requirements of this section, including the applicable number of new jobs created or new capital investment within two years from the date of approval of its notice of intent, the qualified company shall repay the face amount of all tax credits received from the department, plus interest of nine percent per annum from the date the tax credits were issued. However, the director may, in his or her discretion, provide an extension up to two additional years or reduce such payment, if such failure is caused by documented unforeseen events that negatively affected the operations at the project facility that were not under the control of the qualified company;

(b) If, during any year of the project period, the average wage of the new payroll paid by the qualified company fails to equal or exceed the applicable percentage of the county average wage, or the qualified company fails to offer and pay fifty percent of the premium for health insurance to all of its full-

time employees located in this state, the company shall refund to the state an amount equal to the face amount of all tax credits received from the department under this program, divided by the number of years in the project period. In addition to the refund, the qualified company shall pay interest of nine percent per annum from the date the tax credits were issued on the amount of the refund;

(c) If the qualified company fails to meet its payroll commitment for any year during the project period, it shall refund to the state a portion of its total benefit received under this section based on the following formula: the total amount of tax credits received by the qualified company, divided by the number of years during the project period, and multiplied by a fraction, the numerator of which is the contractually agreed-upon amount of payroll for that year minus the actual amount of payroll made by the company during the year, and the denominator of which is the contractually agreed upon amount of payroll made for that same year. In addition to the refund, the qualified company shall pay interest of nine percent per annum from the date the tax credits were issued on the amount of the refund;

(d) If the qualified company fails to meet its payroll or new capital investment requirements for any year during the project period and the director has a reasonable belief that the qualified company will not be able to meet its performance requirements during all or any portion of the remainder of the project period, the director may require the company to repay all or a proportionate amount of the total tax credits received by the company attributable to the remaining years of the project

period as well as the current year, plus interest of nine percent per annum on the amount of repayment from the date the tax credits were issued.

(5) No later than October 1, 2011, and the first day of October each year thereafter, the department shall provide to the budget committee of the house of representatives and the appropriations committee of the senate a request for an appropriation for the tax credits authorized under this subsection. Appropriations made pursuant to the provisions of this subsection shall provide the amount of tax credits which may be authorized during the fiscal year immediately following the fiscal year in which such appropriation is made. Appropriations provided under this subsection shall only be made in the annual appropriation bill relating to public debt.

(6) No tax credits shall be authorized under the provisions of this subsection, unless an appropriation is made pursuant to the provisions of subdivision (5) of this subsection. In any fiscal year for which an appropriation is made pursuant to the provisions of subdivision (5) of this subsection, no more than the amount of tax credits so appropriated shall be authorized. There is hereby created in the state treasury the "Compete Missouri Job Creation Tax Credit Program Fund", which shall consist of money appropriated under this subsection. The state treasurer shall be custodian of the fund and may approve disbursements from the fund in accordance with sections 30.170 and 30.180. Upon appropriation, money in the fund shall be used solely for the administration of this subsection. Notwithstanding the provisions of section 33.080 to the contrary,

any moneys remaining in the fund for tax credits which have been authorized but not yet redeemed at the end of the fiscal year shall not revert to the credit of the general revenue fund. Any moneys remaining in the fund at the end of the fiscal year for any tax credits which remain unauthorized at the end of the fiscal year shall revert to the credit of the general revenue fund. Provisions of section 32.057 to the contrary notwithstanding, the department of revenue shall notify the director of the department upon redemption of each tax credit authorized under the provisions of this subdivision. Upon such notification, an amount equal to the tax credits redeemed shall be transferred from the fund created in this subdivision to the general revenue fund. In the event the department determines that any tax credit authorized under this subsection is precluded from being redeemed due to contractual agreement entered into by the department and the tax credit applicant or is otherwise precluded by law from being redeemed, an amount equal to such tax credit shall be transferred from the fund created in this subdivision to the general revenue fund. The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the general revenue fund at the end of each fiscal year.

4. In addition to any benefits available under this section, any qualified company meeting the requirements of section 144.540 may be eligible for a tax exemption as provided in section 144.540.

620.2015. 1. In exchange for the consideration provided by

the tax revenues and other economic stimuli that will be generated by the retention of jobs and the making of new capital investment in this state, a qualified company may be eligible to receive the benefits described in this section if the department determines that there is a significant probability that the qualified company would relocate to another state in the absence of the benefits authorized under this section. In no event shall the total amount of benefits available to all qualified companies under this section exceed six million dollars in any fiscal year.

2. A qualified company meeting the requirements of this section may be authorized to retain an amount not to exceed the amount of withholding tax as calculated under subdivision (32) of section 620.2005 from the retained jobs that would otherwise be withheld and remitted by the qualified company under the provisions of sections 143.191 to 143.265, if the average wage of the retained jobs equals or exceeds ninety percent of the county average wage. In order to receive benefits under this section, a qualified company shall enter into written agreement with the department containing detailed performance requirements and repayment penalties in event of nonperformance. The amount of benefits awarded to a qualified company under this section shall not exceed the projected net fiscal benefit and shall not exceed the least amount necessary to obtain the qualified company's commitment to retain the necessary number of jobs and make the required new capital investment.

3. In order to be eligible to receive benefits under this section, the qualified company shall meet each of the following conditions:

(1) The qualified company shall agree to retain, for a period of five years from the date of approval, at least one hundred and twenty-five retained jobs; and

(2) The qualified company shall agree to make a new capital investment at the project facility within two years of the approval in an amount at least three times the amount of the benefits, available under this section, which are offered to the qualified company by the department.

4. In awarding benefits under this section, the department shall consider the factors set forth in subsection 2 of section 620.2010.

5. Upon approval of a notice of intent to request benefits under this section, the department and the qualified company shall enter into a written agreement covering the applicable project period. The agreement shall specify, at a minimum:

(1) The committed number of retained jobs, payroll, and new capital investment for each year during the project period;

(2) Clawback provisions, as may be required by the department; and

(3) Any other provisions the department may require.

6. The department may award a qualified company meeting the requirements of this subsection tax credits in an amount not to exceed eighty percent of the amount the qualified company may otherwise be eligible to retain for a period of five years under subsection 2 of this section.

(1) In addition to satisfying each of the requirements of subsection 3 of this section, a qualified company requesting tax credits under this subsection shall provide to the department,

prior to approval, evidence of commitments for the financing of any applicable new capital investment. The new capital investment shall be made at the project facility within two years of the date of approval.

(2) Upon approval of a notice of intent to request tax credits under this subsection, the department and the qualified company shall enter into a written agreement covering the applicable project period. The agreement shall specify, at a minimum:

(a) The committed number of jobs, payroll, and new capital investment for each year during the project period;

(b) The date or time period during which the tax credits shall be issued, which may be immediately or over a period not to exceed two years from the date of approval;

(c) Clawback provisions, provided under subsection 3 of section 620.2010; and

(d) Any other provisions the department may require.

(3) No later than October 1, 2011, and the first day of October each year thereafter, the department shall provide to the budget committee of the house of representatives and the appropriations committee of the senate a request for an appropriation for the tax credits authorized under this subsection. Appropriations made pursuant to the provisions of this subsection shall provide the amount of tax credits which may be authorized during the fiscal year immediately following the fiscal year in which such appropriation is made. Appropriations provided under this subsection shall only be made in the annual appropriation bill relating to public debt.

(4) No tax credits shall be authorized under the provisions of this subsection, unless an appropriation is made pursuant to the provisions of subdivision (3) of this subsection. In any fiscal year for which an appropriation is made pursuant to the provisions of subdivision (3) of this subsection, no more than the amount of tax credits so appropriated shall be authorized. There is hereby created in the state treasury the "Compete Missouri Job Retention Tax Credit Program Fund", which shall consist of money appropriated under this subsection. The state treasurer shall be custodian of the fund and may approve disbursements from the fund in accordance with sections 30.170 and 30.180. Upon appropriation, money in the fund shall be used solely for the administration of this subsection. Notwithstanding the provisions of section 33.080 to the contrary, any moneys remaining in the fund for tax credits which have been authorized but not yet redeemed at the end of the fiscal year shall not revert to the credit of the general revenue fund. Any moneys remaining in the fund at the end of the fiscal year for any tax credits which remain unauthorized at the end of the fiscal year shall revert to the credit of the general revenue fund. Provisions of section 32.057 to the contrary notwithstanding, the department of revenue shall notify the director of the department upon redemption of each tax credit authorized under the provisions of this subdivision. Upon such notification, an amount equal to the tax credits redeemed shall be transferred from the fund created in this subdivision to the general revenue fund. In the event the department determines that any tax credit authorized under this subsection is precluded

from being redeemed due to contractual agreement entered into by the department and the tax credit applicant or is otherwise precluded by law from being redeemed, an amount equal to such tax credit shall be transferred from the fund created in this subdivision to the general revenue fund. The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the general revenue fund at the end of each fiscal year.

7. Any tax credits awarded under this section shall be included in determining compliance with the annual limitation on tax credit awards set forth in subdivision (5) of subsection 3 of section 620.2010.

8. Any qualified company meeting the requirements of section 144.540, in addition to any benefits available under this section, may be eligible for a tax exemption as provided in section 144.540.

620.2020. 1. The department shall respond to a written request, by or on behalf of a qualified company, for a proposed benefit award under the provisions of this program within five business days of receipt of such request. Such response shall contain either a proposal of benefits for the qualified company, or a written response refusing to provide such a proposal and stating the reasons for such refusal. A qualified company that intends to seek benefits under the program shall submit to the department a notice of intent. The department shall respond within thirty days to a notice of intent with an approval or a rejection, provided that the department may withhold approval or

provide a contingent approval until it is satisfied that proper documentation of eligibility has been provided. Failure to respond on behalf of the department shall result in the notice of intent being deemed approved. A qualified company receiving approval for program benefits may receive additional benefits for subsequent new jobs at the same facility after the full initial project period if the applicable minimum job requirements are met. There shall be no limit on the number of project periods a qualified company may participate in the program, and a qualified company may elect to file a notice of intent to begin a new project period concurrent with an existing project period if the applicable minimum job requirements are achieved, the qualified company provides the department with the required annual reporting, and the qualified company is in compliance with this program and any other state programs in which the qualified company is currently or has previously participated. However, the qualified company shall not receive any further program benefits under the original approval for any new jobs created after the date of the new notice of intent, and any jobs created before the new notice of intent shall not be included as new jobs for purposes of the benefit calculation for the new approval. When a qualified company has filed and received approval of a notice of intent and subsequently files another notice of intent, the department shall apply the definition of project facility under subdivision (18) of section 620.2005 to the new notice of intent as well as all previously approved notices of intent and shall determine the application of the definitions of new job, new payroll, project facility base employment, and project

facility base payroll accordingly.

2. Notwithstanding any provision of law to the contrary, the benefits available to the qualified company under any other state programs for which the company is eligible and which utilize withholding tax from the new or retained jobs of the company shall first be credited to the other state program before the withholding retention level applicable under this program will begin to accrue. If any qualified company also participates in a job training program utilizing withholding tax, the company shall retain no withholding tax under this program, but the department shall issue a refundable tax credit for the full amount of benefit allowed under this program. The calendar year annual maximum amount of tax credits which may be issued to a qualifying company that also participates in the new job training program shall be increased by an amount equivalent to the withholding tax retained by that company under the new jobs training program.

3. A qualified company receiving benefits under this program shall provide an annual report of the number of jobs and such other information as may be required by the department to document the basis for program benefits available, including any exemption from state sales and use taxes pursuant to section 140.540. In such annual report, if the average wage is below the applicable percentage of the county average wage, the qualified company has not maintained the employee insurance as required, or if the number of jobs is below the number required, the qualified company shall not receive tax credits or retain the withholding tax for the balance of the project period.

4. Except as provided in subsection 3 of section 620.2010, the department may withhold the approval of any benefits provided under this program until it is satisfied that proper documentation has been provided, and shall reduce the benefits to reflect any reduction in full-time employees or payroll. Upon approval by the department, the qualified company may begin the retention of the withholding taxes when it reaches the required number of jobs and the average wage meets or exceeds the applicable percentage of county average wage. Tax credits, if any, may be issued upon satisfaction by the department that the qualified company has met or exceeded the applicable percentage of county average wage and the required number of jobs.

5. Any qualified company approved for benefits under this program shall provide to the department, upon request, any and all information and records reasonably required to monitor compliance with program requirements. This program shall be considered a business recruitment tax credit under subdivision (4) of subsection 2 of section 135.800, and any qualified company approved for benefits under this program shall be subject to the provisions of sections 135.800 to 135.830.

6. Any taxpayer who is awarded benefits under this program who knowingly hires individuals who are not allowed to work legally in the United States shall immediately forfeit such benefits and shall repay the state an amount equal to any state tax credits already redeemed and any withholding taxes already retained.

7. The maximum amount of tax credits that may be authorized under this program for any fiscal year shall be limited as

follows, less the amount of any tax credits previously obligated for that fiscal year under any of the tax credit programs referenced in subsection 13 of this section:

(1) For the fiscal year beginning on July 1, 2011, but ending on or before June 30, 2012, no more than one hundred and eleven million dollars in tax credits may be authorized;

(2) For the fiscal year beginning on July 1, 2012, but ending on or before June 30, 2013, no more than one hundred and twenty-six million dollars in tax credits may be authorized; and

(3) For any fiscal year beginning on or after July 1, 2013, no more than one hundred and forty-one million dollars in tax credits may be authorized for each fiscal year.

8. For tax credits for the creation of new jobs under section 620.2010, the department shall allocate the annual tax credits based on the date of the approval, reserving such tax credits based on the department's best estimate of new jobs and new payroll of the project, and any other applicable factors in determining the amount of benefits available to the qualified company under this program. However, the annual issuance of tax credits shall be subject to annual verification of actual payroll by the department. Except with respect to tax credits provided pursuant to subsection 3 of section 620.2010:

(1) Any authorization of tax credits shall expire if, within two years from the date of commencement of operations, or approval if applicable, the qualified company has failed to meet the applicable minimum job requirements;

(2) The qualified company may retain authorized amounts from the withholding tax under the project once the applicable

minimum job requirements have been met for the duration of the project period; and

(3) No benefits shall be provided under this program until the qualified company meets the applicable minimum new job requirements.

In the event the qualified company does not meet the applicable minimum new job requirements, the qualified company may submit a new notice of intent or the department may provide a new approval for a new project of the qualified company at the project facility or other facilities.

9. Tax credits provided under this program may be claimed against taxes otherwise imposed by chapters 143 and 148, and may not be carried forward, but shall be claimed within one year of the close of the taxable year for which they were issued. Tax credits provided under this program may be transferred, sold, or assigned by filing a notarized endorsement thereof with the department that names the transferee, the amount of tax credit transferred, and the value received for the credit, as well as any other information reasonably requested by the department. For a qualified company with flow-through tax treatment to its members, partners, or shareholders, the tax credit shall be allowed to members, partners, or shareholders in proportion to their share of ownership on the last day of the qualified company's tax period.

10. Prior to the issuance of tax credits or the qualified company beginning to retain withholding taxes, the department shall verify through the department of revenue and any other

applicable state department, that the tax credit applicant does not owe any delinquent income, sales, or use tax or interest or penalties on such taxes, or any delinquent fees or assessments levied by any state department and through the department of insurance, financial institutions and professional registration that the applicant does not owe any delinquent insurance taxes or other fees. Such delinquency shall not affect the approval, except that any tax credits issued shall be first applied to the delinquency and any amount issued shall be reduced by the applicant's tax delinquency. If the department of revenue, the department of insurance, financial institutions and professional registration, or any other state department concludes that a taxpayer is delinquent after June fifteenth but before July first of any year and the application of tax credits to such delinquency causes a tax deficiency on behalf of the taxpayer to arise, then the taxpayer shall be granted thirty days to satisfy the deficiency in which interest, penalties, and additions to tax shall be tolled. After applying all available credits toward a tax delinquency, the administering agency shall notify the appropriate department and that department shall update the amount of outstanding delinquent tax owed by the applicant. If any credits remain after satisfying all insurance, income, sales, and use tax delinquencies, the remaining credits shall be issued to the applicant, subject to the restrictions of other provisions of law.

11. The director of revenue shall issue a refund to the qualified company to the extent that the amount of tax credits allowed under this program exceeds the amount of the qualified

company's tax liability under chapters 143 or 148.

12. An employee of a qualified company shall receive full credit for the amount of tax withheld as provided in section 143.211.

13. Notwithstanding any provision of law to the contrary, beginning on the effective date of this act, no new projects shall be approved under the business facility tax credit program created pursuant to sections 135.110 to 135.150 and section 135.258, the business use incentives for large scale development program created pursuant to sections 100.700 to 100.850, the development tax credit program created pursuant to sections 32.100 to 32.125, the rebuilding communities tax credit program created pursuant to section 135.535, the enhanced enterprise zone tax credit program created pursuant to sections 135.950 to 135.973, and the Missouri quality jobs program created pursuant to sections 620.1875 to 620.1890. The provisions of this subsection shall not be construed to limit or impair the ability of any administering agency to issue tax credits for any project approved prior to August 28, 2011, or the ability of any taxpayer to redeem any such tax credits or to retain any withholding tax under an approval issued prior to that date. The provisions of this subsection shall not be construed to limit or in any way impair the ability of any governing authority to provide any local abatement or designate a new zone under the enhanced enterprise zone program created by sections 135.950 to 135.963.

14. If any provision of sections 620.2000 to 620.2020 or application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or

application of these sections which can be given effect without the invalid provisions or application, and to this end, the provisions of sections 620.2000 to 620.2020 are hereby declared severable.

15. By no later than January 1, 2012, and the first day of each calendar quarter thereafter, the department shall present a quarterly report to the general assembly detailing the benefits authorized under this program during the immediately preceding calendar quarter to the extent such information may be disclosed under state and federal law. The report shall include, at a minimum:

(1) A list of all approved and disapproved applicants for each tax credit;

(2) A list of the aggregate amount of new or retained jobs that are directly attributable to the tax credits authorized;

(3) A statement of the aggregate amount of new capital investment directly attributable to the tax credits authorized;

(4) Documentation of the estimated net state fiscal benefit for each authorized project and, to the extent available, the actual benefit realized upon completion of such project or activity; and

(5) The department's response time for each request for a proposed benefit award under this program.

16. The department may adopt such rules, statements of policy, procedures, forms, and guidelines as may be necessary to carry out the provisions of sections 620.2000 to 620.2020. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this

section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2011, shall be invalid and void.

17. Under section 23.253 of the Missouri sunset act:

(1) The provisions of the new program authorized under sections 620.2000 to 620.2020 shall automatically sunset six years after the effective date of this section unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset twelve years after the effective date of this reauthorization of sections 620.2000 to 620.2020; and

(3) Sections 620.2000 to 620.2020 shall terminate on September first if the calendar year immediately following the calendar year in which the program authorized under sections 620.2000 to 620.2020 is sunset.

660.055. 1. Any registered caregiver who meets the requirements of this section shall be eligible for a shared care tax credit in an amount not to exceed five hundred dollars to defray the cost of caring for an elderly person. In order to be eligible for a shared care tax credit, a registered caregiver shall:

(1) Care for an elderly person, age sixty or older, who:

(a) Is physically or mentally incapable of living alone, as determined and certified by his or her physician licensed pursuant to chapter 334, or by the division of aging staff when an assessment has been completed for the purpose of qualification for other services; and

(b) Requires assistance with activities of daily living to the extent that without care and oversight at home would require placement in a facility licensed pursuant to chapter 198; and

(c) Under no circumstances, is able or allowed to operate a motor vehicle; and

(d) Does not receive funding or services through Medicaid or social services block grant funding;

(2) Live in the same residence to give protective oversight for the elderly person meeting the requirements described in subdivision (1) of this subsection for an aggregate of more than six months per tax year;

(3) Not receive monetary compensation for providing care for the elderly person meeting the requirements described in subdivision (1) of this subsection; and

(4) File the original completed and signed physician certification for shared care tax credit form or the original completed and signed division of aging certification for shared care tax credit form provided for in subsection 2 of section 660.054 along with such caregiver's Missouri individual income tax return to the department of revenue.

2. The tax credit allowed by this section shall apply to any year beginning after December 31, 1999.

3. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in sections 660.050 to 660.057 shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. All rulemaking authority delegated prior to August 28, 1999, is of no force and effect and repealed. Nothing in this section shall be interpreted to repeal or affect the validity of any rule filed or adopted prior to August 28, 1999, if it fully complied with all applicable provisions of law. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 1999, shall be invalid and void.

4. Any person who knowingly falsifies any document required for the shared care tax credit shall be subject to the same penalties for falsifying other tax documents as provided in chapter 143.

<u>5. Notwithstanding any provision of law to the contrary, no tax credits provided under this section shall be authorized on or after August 28, 2015. The provisions of this subsection shall not be construed to limit or in any way impair the department's ability to issue tax credits authorized prior to August 28, 2015, or a taxpayer's ability to redeem such tax credits.</u>

[135.313. 1. Any person, firm or corporation who engages in the business of producing charcoal or charcoal products in the state of Missouri shall be eligible for a tax credit on income taxes otherwise due

pursuant to chapter 143, except sections 143.191 to 143.261, as an incentive to implement safe and efficient environmental controls. The tax credit shall be equal to fifty percent of the purchase price of the best available control technology equipment connected with the production of charcoal in the state of Missouri or, if the taxpayer manufactures such equipment, fifty percent of the manufacturing cost of the equipment, to and including the year the equipment is put into service. The credit may be claimed for a period of eight years beginning with the 1998 calendar year and is to be a tax credit against the tax otherwise due.

2. Any amount of credit which exceeds the tax due shall not be refunded but may be carried over to any subsequent taxable year, not to exceed seven years.

3. The charcoal producer may elect to assign to a third party the approved tax credit. Certification of assignment and other appropriate forms must be filed with the Missouri department of revenue and the department of economic development.

4. When applying for a tax credit, the charcoal producer specified in subsection 1 of this section shall make application for the credit to the division of environmental quality of the department of natural resources. The application shall identify the specific best available control technology equipment and the purchase price, or manufacturing cost of such equipment. The director of the department of natural resources is authorized to require permits to construct prior to the installation of best available control technology equipment and other information which he or she deems appropriate.

5. The director of the department of natural resources in conjunction with the department of economic development shall certify to the department of revenue that the best available control technology equipment meets the requirements to obtain a tax credit as specified in this section.**]**

[143.119. 1. A self-employed taxpayer, as such term is used in the federal internal revenue code, who is otherwise ineligible for the federal income tax health insurance deduction under Section 162 of the federal internal revenue code shall be entitled to a credit against the tax otherwise due under this chapter, excluding withholding tax imposed by sections 143.191 to 143.265, in an amount equal to the portion of such taxpayer's federal tax liability incurred due to such taxpayer's inclusion of such payments in federal adjusted gross income. The tax credits

authorized under this section shall be nontransferable. To the extent tax credit issued under this section exceeds a taxpayer's state income tax liability, such excess shall be considered an overpayment of tax and shall be refunded to the taxpayer.

2. The director of the department of revenue shall promulgate rules and regulations to administer the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.**]**

[178.760. As used in sections 178.760 to 178.764, the following terms mean:

(1) "Agreement", the agreement between an employer and a community college district concerning a project. An agreement may be for a period not to exceed ten years when the program services associated with a project are not in excess of five hundred thousand dollars. For a project where the associated program costs are greater than five hundred thousand dollars, the agreement may not exceed a period of eight years;

(2) "Board of trustees", the board of trustees of a community college district;

(3) "Capital investment", an investment in research and development, working capital, and real and tangible personal business property except inventory or property intended for sale to customers. Trucks, truck trailers, truck semi-trailers, rail and barge vehicles and other rolling stock for hire, track, switches, barges, bridges, tunnels, rail yards, and spurs shall not qualify as a capital investment. The amount of such investment shall be the original cost of the property if owned, or eight times the net annual rental rate if leased;

(4) "Certificate", industrial retained jobs training certificates issued under section 178.763;

(5) "Date of commencement of the project", the date of the agreement;

(6) "Employee", the person employed in a retained job;

(7) "Employer", the person maintaining retained jobs in conjunction with a project;

(8) "Industry", a business located within this state which enters into an agreement with a community college district and which is engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, or assembling products, conducting research and development, or providing services in interstate commerce, but excluding retail services;

(9) "Program costs", all necessary and incidental costs of providing program services, including payment of the principal, premium, and interest on certificates, including capitalized interest, issued to finance a project, funding and maintenance of a debt service reserve fund to secure such certificates and wages, salaries and benefits of employees participating in on-the-job training;

(10) "Program services" includes, but is not limited to, the following:

(a) Retained jobs training;

(b) Adult basic education and job-related instruction;

(c) Vocational and skill-assessment services and testing;

(d) Training facilities, equipment, materials, and supplies;

(e) On-the-job training;

(f) Administrative expenses equal to seventeen percent of the total training costs, two percent to be paid to the department of economic development for deposit into the Missouri job development fund created under section 620.478;

(g) Subcontracted services with state institutions of higher education, private colleges or universities, or other federal, state, or local agencies;

(h) Contracted or professional services; and

(i) Issuance of certificates;

(11) "Project", a training arrangement which is the subject of an agreement entered into between the community college district and an employer to provide program services that is not also the subject of an agreement entered into between a community college district and an employer to provide program services under sections 178.892 to 178.896;

(12) "Retained job", a job in a stable industry, not including jobs for recalled workers, which was in existence for at least two consecutive calendar years preceding the year in which the application for the retained jobs training program was made;

(13) "Retained jobs credit from withholding", the

credit as provided in section 178.762;

(14) "Retained jobs training program", or "program", the project or projects established by a community college district for the retention of jobs, by providing education and training of workers for existing jobs for stable industry in the state;

(15) "Stable industry", a business that otherwise meets the definition of industry and retains existing jobs. To be a stable industry, the business shall have:

(a) Maintained at least one hundred employees per year at the employer's site in the state at which the jobs are based, for each of the two calendar years preceding the year in which application for the program is made;

(b) Retained at that site the level of employment that existed in the taxable year immediately preceding the year in which application for the program is made; and

(c) Made or agree to make a capital investment aggregating at least one million dollars to acquire or improve long-term assets (including leased facilities) such as property, plant, or equipment (excluding program costs) at the employer's site in the state at which jobs are based over a period of three consecutive calendar years, as certified by the employer and:

a. Have made substantial investment in new technology requiring the upgrading of worker's skills; or

b. Be located in a border county of the state and represent a potential risk of relocation from the state; or

c. Be determined to represent a substantial risk of relocation from the state by the director of the department of economic development;

(16) "Total training costs", costs of training, including supplies, wages and benefits of instructors, subcontracted services, on-the-job training, training facilities, equipment, skill assessment, and all program services excluding issuance of certificates.**]**

[178.761. A community college district, with the approval of the department of economic development in consultation with the office of administration, may enter into an agreement to establish a project and provide program services to an employer. As soon as possible after initial contact between a community college district and a potential employer regarding the possibility of entering into an agreement, the district shall inform the division of workforce development of the department of economic development and the office

of administration about the potential project. The division of workforce development shall evaluate the proposed project within the overall job training efforts of the state to ensure that the project will not duplicate other job training programs. The department of economic development shall have fourteen days from receipt of the application to approve or disapprove projects. If no response is received by the community college within fourteen days, the projects are approved. Any project that is disapproved must be in writing stating the reasons for the disapproval. If an agreement is entered into, the district and the employer shall notify the department of revenue within fifteen calendar days. An agreement may provide, but is not limited to:

(1) Payment of program costs, including deferred costs, which may be paid from one or a combination of the following sources:

(a) Funds appropriated by the general assembly from the Missouri community college job retention program fund and disbursed by the division of workforce development in respect of retained jobs credit from withholding to be received or derived from retained employment resulting from the project;

(b) Tuition, student fees, or special charges fixed by the board of trustees to defray program costs in whole or in part;

(c) Guarantee of payments to be received under paragraph (a) or (b) of this subdivision;

(2) Payment of program costs shall not be deferred for a period longer than ten years if program costs do not exceed five hundred thousand dollars, or eight years if program costs exceed five hundred thousand dollars from the date of commencement of the project;

(3) Costs of on-the-job training for employees shall include wages or salaries of participating employees. Payments for on-the-job training shall not exceed the average of fifty percent of the total percent of the total wages paid by the employer to each participant during the period of training. Payment for on-the-job training may continue for up to six months from the date of the employer's capital investment;

(4) A provision which fixes the minimum amount of retained jobs credit from withholding, or tuition and fee payments which shall be paid for program costs;

(5) Any payment required to be made by an employer is a lien upon the employer's business property until paid and has equal precedence with ordinary taxes and shall not be divested by a judicial sale. Property subject to the lien may be sold for

sums due and delinquent at a tax sale, with the same forfeitures, penalties, and consequences as for the nonpayment of ordinary taxes. The purchasers at tax sale obtain the property subject to the remaining payments.]

[178.762. If an agreement provides that all or part of program costs are to be met by receipt of retained jobs credit from withholding, such retained jobs credit from withholding shall be determined and paid as follows:

(1) Retained jobs credit from withholding shall be based upon the wages paid to the employees in the retained jobs;

(2) A portion of the total payments made by the employer under section 143.221 shall be designated as the retained jobs credit from withholding. Such portion shall be an amount equal to two and one-half percent of the gross wages paid by the employer for each of the first one hundred jobs included in the project and one and one-half percent of the gross wages paid by the employer for each of the remaining jobs included in the project. If business or employment conditions cause the amount of the retained jobs credit from withholding to be less than the amount projected in the agreement for any time period, then other withholding tax paid by the employer under section 143.221 shall be credited to the Missouri community college retained job training fund by the amount of such difference. The employer shall remit the amount of the retained jobs credit to the department of revenue in the manner prescribed in section 178.764. When all program costs, including the principal, premium, and interest on the certificates have been paid, the employer credits shall cease;

(3) The community college district participating in a project shall establish a special fund for and in the name of the project. All funds appropriated by the general assembly from the Missouri community college job training retention program fund and disbursed by the division of workforce development for the project and other amounts received by the district in respect of the project and required by the agreement to be used to pay program costs for the project shall be deposited in the special fund. Amounts held in the special fund may be used and disbursed by the district only to pay program costs for the project. The special fund may be divided into such accounts and subaccounts as shall be provided in the agreement, and amounts held therein may be invested in investments which are legal for the investment of the district's other funds;

(4) Any disbursement in respect of a project received from the division of workforce development under sections 178.760 to 178.764 and the special fund into which it is paid may be irrevocably pledged by a community college district for the payment of the principal, premium, and interest on the certificate issued by a community college district to finance or refinance, in whole or in part, the project;

(5) The employer shall certify to the department of revenue that the credit from withholding is in accordance with an agreement and shall provide other information the department may require;

(6) An employee participating in a project will receive full credit for the amount designated as a retained jobs credit from withholding and withheld as provided in section 143.221;

(7) If an agreement provides that all or part of program costs are to be met by receipt of retained jobs credit from withholding, the provisions of this subsection shall also apply to any successor to the original employer until such time as the principal and interest on the certificates have been paid.**]**

[178.763. 1. To provide funds for the present payment of the costs of retained jobs training programs, a community college district may borrow money and issue and sell certificates payable from a sufficient portion of the future receipts of payments authorized by the agreement including disbursements from the Missouri community college job retention training program to the special fund established by the district for each project. The total amount of outstanding certificates sold by all community college districts shall not exceed fifteen million dollars, unless an increased amount is authorized in writing by a majority of members of the Missouri job training joint legislative oversight committee. The certificates shall be marketed through financial institutions authorized to do business in Missouri. The receipts shall be pledged to the payment of principal of and interest on the certificates. Certificates may be sold at public sale or at private sale at par, premium, or discount of not less than ninety-five percent of the par value thereof, at the discretion of the board of trustees, and may bear interest at such rate or rates as the board of trustees shall determine, notwithstanding the provisions of section 108.170 to the contrary. However, chapter 176 does not apply to the issuance of these certificates. Certificates may be issued with respect to a single project or multiple projects and may contain terms or

conditions as the board of trustees may provide by resolution authorizing the issuance of the certificates.

2. Certificates issued to refund other certificates may be sold at public sale or at private sale as provided in this section with the proceeds from the sale to be used for the payment of the certificates being refunded. The refunding certificates may be exchanged in payment and discharge of the certificates being refunded, in installments at different times or an entire issue or series at one time. Refunding certificates may be sold or exchanged at any time on, before, or after the maturity of the outstanding certificates to be refunded. They may be issued for the purpose of refunding a like, greater, or lesser principal amount of certificates and may bear a higher, lower, or equivalent rate of interest than the certificates being renewed or refunded.

3. Before certificates are issued, the board of trustees shall publish once a notice of its intention to issue the certificates, stating the amount, the purpose, and the project or projects for which the certificates are to be issued. A person may, within fifteen days after the publication of the notice, by action in the circuit court of a county in the district, appeal the decision of the board of trustees to issue the certificates. The action of the board of trustees in determining to issue the certificates is final and conclusive unless the circuit court finds that the board of trustees has exceeded its legal authority. An action shall not be brought which questions the legality of the certificates, the power of the board of trustees to issue the certificates, the effectiveness of any proceedings relating to the authorization of the project, or the authorization and issuance of the certificates from and after fifteen days from the publication of the notice of intention to issue.

4. The board of trustees shall make a finding based on information supplied by the employer that revenues provided in the agreement are sufficient to secure the faithful performance of obligations in the agreement.

5. Certificates issued under this section shall not be deemed to be an indebtedness of the state or the community college district or of any other political subdivision of the state, and the principal and interest on such certificates shall be payable only from the sources provided in subdivision (1) of section 178.761 which are pledged in the agreement.

6. The department of economic development shall

coordinate the retained jobs training program, and may promulgate rules that districts will use in developing projects with industrial retained jobs training proposals which shall include rules providing for the coordination of such proposals with the service delivery areas established in the state to administer federal funds pursuant to the federal Workforce Investment Act. No rule or portion of a rule promulgated pursuant to the authority of this section shall become effective unless it has been promulgated pursuant to chapter 536.

7. No community college district may sell certificates as described in this section after July 1, 2014.**]**

[178.764. 1. There is hereby established within the state treasury a special fund, to be known as the "Missouri Community College Job Retention Training Program Fund", to be administered by the division of workforce development. The department of revenue shall credit to the community college job retention training program fund, as received, all retained jobs credit from withholding remitted by employers pursuant to section 178.762. The fund shall also consist of any gifts, contributions, grants, or bequests received from federal, private, or other sources. The general assembly, however, shall not provide for any transfer of general revenue funds into the community college job retention training program fund. Moneys in the Missouri community college job retention training program fund shall be disbursed to the division of workforce development pursuant to regular appropriations by the general assembly. The division shall disburse such appropriated funds in a timely manner into the special funds established by community college districts for projects, which funds shall be used to pay program costs, including the principal, premium, and interest on certificates issued by the district to finance or refinance, in whole or in part, a project. Such disbursements by the division of workforce development shall be made to the special fund for each project in the same proportion as the retained jobs credit from withholding remitted by the employer participating in such project bears to the total retained jobs credit from withholding remitted by all employers participating in projects during the period for which the disbursement is made. Moneys for retained jobs training programs established under sections 178.760 to 178.764 shall be obtained from appropriations made by the general assembly from the Missouri community college job retention training

program fund. All moneys remaining in the Missouri community college job retention training program fund at the end of any fiscal year shall not lapse to the general revenue fund, as provided in section 33.080, but shall remain in the Missouri community college job retention training program fund.

2. The department of revenue shall develop such forms as are necessary to demonstrate accurately each employer's retained jobs credit from withholding paid into the Missouri community college job retention training program fund.

The retained jobs credit from withholding shall be accounted as separate from the normal withholding tax paid to the department of revenue by the employer. Reimbursements made by all employers to the Missouri community college job retention training program fund shall be no less than all allocations made by the division of workforce development to all community college districts for all job retention projects. The employer shall remit the amount of the retained job credit to the department of revenue in the same manner as provided in sections 143.191 to 143.265.**]**

[178.892. As used in sections 178.892 to 178.896, the following terms mean:

(1) "Agreement", the agreement, between an employer and a community college district, concerning a project. An agreement may be for a period not to exceed ten years when the program services associated with a project are not in excess of five hundred thousand dollars. For a project where associated program costs are greater than five hundred thousand dollars, the agreement may not exceed a period of eight years. No agreement shall be entered into between an employer and a community college district which involves the training of potential employees with the purpose of replacing or supplanting employees engaged in an authorized work stoppage;

(2) "Board of trustees", the board of trustees of a community college district;

(3) "Certificate", industrial new jobs training certificates issued pursuant to section 178.895;

(4) "Date of commencement of the project", the date of the agreement;

(5) "Employee", the person employed in a new job;

(6) "Employer", the person providing new jobs in conjunction with a project;

(7) "Essential industry", a business that otherwise meets the definition of industry but instead of creating new jobs maintains existing jobs. To be an essential industry, the business must have maintained

at least two thousand jobs each year for a period of four years preceding the year in which application for the program authorized by sections 178.892 to 178.896 is made and must be located in a home rule city with more than twenty-six thousand but less than twenty-seven thousand inhabitants located in any county with a charter form of government and with more than one million inhabitants;

(8) "Existing job", a job in an essential industry that pays wages or salary greater than the average of the county in which the project will be located;

(9) "Industry", a business located within the state of Missouri which enters into an agreement with a community college district and which is engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, or assembling products, conducting research and development, or providing services in interstate commerce, but excluding retail services. "Industry" does not include a business which closes or substantially reduces its operation in one area of the state and relocates substantially the same operation in another area of the state. This does not prohibit a business from expanding its operations in another area of the state provided that existing operations of a similar nature are not closed or substantially reduced;

(10) "New job", a job in a new or expanding industry not including jobs of recalled workers, or replacement jobs or other jobs that formerly existed in the industry in the state. For an essential industry, an existing job shall be considered a new job for the purposes of the new job training programs;

(11) "New jobs credit from withholding", the credit as provided in section 178.894;

(12) "New jobs training program" or "program", the project or projects established by a community college district for the creation of jobs by providing education and training of workers for new jobs for new or expanding industry in the state;

(13) "Program costs", all necessary and incidental costs of providing program services including payment of the principal of, premium, if any, and interest on certificates, including capitalized interest, issued to finance a project, funding and maintenance of a debt service reserve fund to secure such certificates and wages, salaries and benefits of employees participating in on-the-job training;

(14) "Program services" includes, but is not limited to, the following:

(a) New jobs training;

(b) Adult basic education and job-related instruction;

(c) Vocational and skill-assessment services and testing;

(d) Training facilities, equipment, materials, and supplies;

(e) On-the-job training;

(f) Administrative expenses equal to fifteen percent of the total training costs;

(g) Subcontracted services with state institutions of higher education, private colleges or universities, or other federal, state, or local agencies;

(h) Contracted or professional services; and

(i) Issuance of certificates;

(15) "Project", a training arrangement which is the subject of an agreement entered into between the community college district and an employer to provide program services;

(16) "Total training costs", costs of training, including supplies, wages and benefits of instructors, subcontracted services, on-the-job training, training facilities, equipment, skill assessment and all program services excluding issuance of certificates.**]**

[178.893. A community college district, with the approval of the department of economic development in consultation with the office of administration, may enter into an agreement to establish a project and provide program services to an employer. As soon as possible after initial contact between a community college district and a potential employer regarding the possibility of entering into an agreement, the district shall inform the division of job development and training of the department of economic development and the office of administration about the potential project. The division of job development and training shall evaluate the proposed project within the overall job training efforts of the state to ensure that the project will not duplicate other job training programs. The department of economic development shall have fourteen days from receipt of the application to approve or disapprove projects. If no response is received by the community college within fourteen days the projects are approved. Any project that is disapproved must be in writing stating the reasons for the disapproval. If an agreement is entered into, the district and the employer shall notify the department of revenue within fifteen calendar days. An agreement may provide, but is not limited to:

(1) Payment of program costs, including deferred

costs, which may be paid from one or a combination of the following sources:

(a) Funds appropriated by the general assembly from the Missouri community college job training program fund and disbursed by the division of job development and training in respect of new jobs credit from withholding to be received or derived from new employment resulting from the project;

(b) Tuition, student fees, or special charges fixed by the board of trustees to defray program costs in whole or in part;

(c) Guarantee of payments to be received under paragraph (a) or (b) of this subdivision;

(2) Payment of program costs shall not be deferred for a period longer than ten years if program costs do not exceed five hundred thousand dollars, or eight years if program costs exceed five hundred thousand dollars from the date of commencement of the project;

(3) Costs of on-the-job training for employees, shall include wages or salaries of participating employees. Payments for on-the-job training shall not exceed the average of fifty percent of the total percent of the total wages paid by the employer to each participant during the period of training. Payment for on-the-job training may continue for up to six months after the placement of the participant in the new job;

(4) A provision which fixes the minimum amount of new jobs credit from withholding, or tuition and fee payments which shall be paid for program costs;

(5) Any payment required to be made by an employer is a lien upon the employer's business property until paid and has equal precedence with ordinary taxes and shall not be divested by a judicial sale. Property subject to the lien may be sold for sums due and delinquent at a tax sale, with the same forfeitures, penalties, and consequences as for the nonpayment of ordinary taxes. The purchasers at tax sale obtain the property subject to the remaining payments.**]**

[178.894. If an agreement provides that all or part of program costs are to be met by receipt of new jobs credit from withholding, such new jobs credit from withholding shall be determined and paid as follows:

(1) New jobs credit from withholding shall be based upon the wages paid to the employees in the new jobs;

(2) A portion of the total payments made by the employer pursuant to section 143.221 shall be

designated as the new jobs credit from withholding. Such portion shall be an amount equal to two and one-half percent of the gross wages paid by the employer for each of the first one hundred jobs included in the project and one and one-half percent of the gross wages paid by the employer for each of the remaining jobs included in the project. If business or employment conditions cause the amount of the new jobs credit from withholding to be less than the amount projected in the agreement for any time period, then other withholding tax paid by the employer pursuant to section 143.221 shall be credited to the Missouri community college job training fund by the amount of such difference. The employer shall remit the amount of the new jobs credit to the department of revenue in the manner prescribed in section 178.896. When all program costs, including the principal of, premium, if any, and interest on the certificates have been paid, the employer credits shall cease;

(3) The community college district participating in a project shall establish a special fund for and in the name of the project. All funds appropriated by the general assembly from the Missouri community college job training program fund and disbursed by the division of job development and training for the project and other amounts received by the district in respect of the project and required by the agreement to be used to pay program costs for the project shall be deposited in the special fund. Amounts held in the special fund may be used and disbursed by the district only to pay program costs for the project. The special fund may be divided into such accounts and subaccounts as shall be provided in the agreement, and amounts held therein may be invested in investments which are legal for the investment of the district's other funds;

(4) Any disbursement in respect of a project received from the division of job development and training under the provisions of sections 178.892 to 178.896 and the special fund into which it is paid may be irrevocably pledged by a community college district for the payment of the principal of, premium, if any, and interest on the certificate issued by a community college district to finance or refinance, in whole or in part, the project;

(5) The employer shall certify to the department of revenue that the credit from withholding is in accordance with an agreement and shall provide other information the department may require;

(6) An employee participating in a project will receive full credit for the amount designated as a new jobs credit from withholding and withheld as provided

in section 143.221;

(7) If an agreement provides that all or part of program costs are to be met by receipt of new jobs credit from withholding, the provisions of this subsection shall also apply to any successor to the original employer until such time as the principal and interest on the certificates have been paid.**]**

[178.895. 1. To provide funds for the present payment of the costs of new jobs training programs, a community college district may borrow money and issue and sell certificates payable from a sufficient portion of the future receipts of payments authorized by the agreement including disbursements from the Missouri community college job training program to the special fund established by the district for each project. The total amount of outstanding certificates sold by all community college districts shall not exceed twenty million dollars, unless an increased amount is authorized in writing by a majority of members of the Missouri job training joint legislative oversight committee. The certificates shall be marketed through financial institutions authorized to do business in Missouri. The receipts shall be pledged to the payment of principal of and interest on the certificates. Certificates may be sold at public sale or at private sale at par, premium, or discount of not less than ninety-five percent of the par value thereof, at the discretion of the board of trustees, and may bear interest at such rate or rates as the board of trustees shall determine, notwithstanding the provisions of section 108.170 to the contrary. However, chapter 176 does not apply to the issuance of these certificates. Certificates may be issued with respect to a single project or multiple projects and may contain terms or conditions as the board of trustees may provide by resolution authorizing the issuance of the certificates.

2. Certificates issued to refund other certificates may be sold at public sale or at private sale as provided in this section with the proceeds from the sale to be used for the payment of the certificates being refunded. The refunding certificates may be exchanged in payment and discharge of the certificates being refunded, in installments at different times or an entire issue or series at one time. Refunding certificates may be sold or exchanged at any time on, before, or after the maturity of the outstanding certificates to be refunded. They may be issued for the purpose of refunding a like, greater, or lesser principal amount of certificates and may bear a higher,

lower, or equivalent rate of interest than the certificates being renewed or refunded.

3. Before certificates are issued, the board of trustees shall publish once a notice of its intention to issue the certificates, stating the amount, the purpose, and the project or projects for which the certificates are to be issued. A person may, within fifteen days after the publication of the notice, by action in the circuit court of a county in the district, appeal the decision of the board of trustees to issue the certificates. The action of the board of trustees in determining to issue the certificates is final and conclusive unless the circuit court finds that the board of trustees has exceeded its legal authority. An action shall not be brought which questions the legality of the certificates, the power of the board of trustees to issue the certificates, the effectiveness of any proceedings relating to the authorization of the project, or the authorization and issuance of the certificates from and after fifteen days from the publication of the notice of intention to issue.

4. The board of trustees shall determine if revenues provided in the agreement are sufficient to secure the faithful performance of obligations in the agreement.

5. Certificates issued under this section shall not be deemed to be an indebtedness of the state or the community college district or of any other political subdivision of the state and the principal and interest on such certificates shall be payable only from the sources provided in subdivision (1) of section 178.893 which are pledged in the agreement.

6. The department of economic development shall coordinate the new jobs training program, and may promulgate rules that districts will use in developing projects with new and expanding industrial new jobs training proposals which shall include rules providing for the coordination of such proposals with the service delivery areas established in the state to administer federal funds pursuant to the federal Job Training Partnership Act. No rule or portion of a rule promulgated under the authority of sections 178.892 to 178.896 shall become effective unless it has been promulgated pursuant to the provisions of chapter 536. All rulemaking authority delegated prior to June 27, 1997, is of no force and effect and repealed; however, nothing in this section shall be interpreted to repeal or affect the validity of any rule filed or adopted prior to June 27, 1997, if such rule complied with the provisions of chapter 536. The provisions of this

section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, including the ability to review, to delay the effective date, or to disapprove and annul a rule or portion of a rule, are subsequently held unconstitutional, then the purported grant of rulemaking authority and any rule so proposed and contained in the order of rulemaking shall be invalid and void.

7. No community college district may sell certificates as described in this section after July 1, 2018.**]**

[178.896. 1. There is hereby established within the state treasury a special fund, to be known as the "Missouri Community College Job Training Program Fund", to be administered by the division of job development and training. The department of revenue shall credit to the community college job training program fund, as received, all new jobs credit from withholding remitted by employers pursuant to section 178.894. The fund shall also consist of any gifts, contributions, grants or bequests received from federal, private or other sources. The general assembly, however, shall not provide for any transfer of general revenue funds into the community college job training program fund. Moneys in the Missouri community college job training program fund shall be disbursed to the division of job development and training pursuant to regular appropriations by the general assembly. The division shall disburse such appropriated funds in a timely manner into the special funds established by community college districts for projects, which funds shall be used to pay program costs, including the principal of, premium, if any, and interest on certificates issued by the district to finance or refinance, in whole or in part, a project. Such disbursements by the division of job development and training shall be made to the special fund for each project in the same proportion as the new jobs credit from withholding remitted by the employer participating in such project bears to the total new jobs credit from withholding remitted by all employers participating in projects during the period for which the disbursement is made. Moneys for new jobs training programs established under the provisions of sections 178.892 to 178.896 shall be obtained from appropriations made by the general assembly from the Missouri community college job training program fund. All moneys remaining in the Missouri community college job training program fund at the end of any fiscal year shall not lapse to the general revenue fund, as

provided in section 33.080, but shall remain in the Missouri community college job training program fund.

2. The department of revenue shall develop such forms as are necessary to demonstrate accurately each employer's new jobs credit from withholding paid into the Missouri community college job training program fund. The new jobs credit from withholding shall be accounted as separate from the normal withholding tax paid to the department of revenue by the employer. Reimbursements made by all employers to the Missouri community college job training program fund shall be no less than all allocations made by the division of job development and training to all community college districts for all projects. The employer shall remit the amount of the new job credit to the department of revenue in the same manner as provided in sections 143.191 to 143.265.

3. Sections 178.892 to 178.896 shall expire July 1, 2028.**]**

[348.505. 1. As used in this section, "state tax liability", any state tax liability incurred by a taxpayer under the provisions of chapters 143, 147, and 148, exclusive of the provisions relating to the withholding of tax as provided for in sections 143.191 to 143.265 and related provisions.

2. Any eligible lender under the family farm livestock loan program under section 348.500 shall be entitled to receive a tax credit equal to one hundred percent of the amount of interest waived by the lender under section 348.500 on a qualifying loan for the first year of the loan only. The tax credit shall be evidenced by a tax credit certificate issued by the agricultural and small business development authority and may be used to satisfy the state tax liability of the owner of such certificate that becomes due in the tax year in which the interest on a qualified loan is waived by the lender under section 348.500. No lender may receive a tax credit under this section unless such person presents a tax credit certificate to the department of revenue for payment of such state tax liability. The amount of the tax credits that may be issued to all eligible lenders claiming tax credits authorized in this section in a fiscal year shall not exceed three hundred thousand dollars.

3. The agricultural and small business development authority shall be responsible for the administration and issuance of the certificate of tax credits authorized by this section. The authority shall issue a certificate of tax credit at the request of any lender. Each request shall include a true copy

of the loan documents, the name of the lender who is to receive a certificate of tax credit, the type of state tax liability against which the tax credit is to be used, and the amount of the certificate of tax credit to be issued to the lender based on the interest waived by the lender under section 348.500 on the loan for the first year.

4. The Missouri department of revenue shall accept a certificate of tax credit in lieu of other payment in such amount as is equal to the lesser of the amount of the tax or the remaining unused amount of the credit as indicated on the certificate of tax credit, and shall indicate on the certificate of tax credit the amount of tax thereby paid and the date of such payment.

5. The following provisions shall apply to tax credits authorized under this section:

(1) Tax credits claimed in a taxable year may be claimed on a quarterly basis and applied to the estimated quarterly tax of the lender;

(2) Any amount of tax credit which exceeds the tax due, including any estimated quarterly taxes paid by the lender under subdivision (1) of this subsection which results in an overpayment of taxes for a taxable year, shall not be refunded but may be carried over to any subsequent taxable year, not to exceed a total of three years for which a tax credit may be taken for a qualified family farm livestock loan;

(3) Notwithstanding any provision of law to the contrary, a lender may assign, transfer or sell tax credits authorized under this section, with the new owner of the tax credit receiving the same rights in the tax credit as the lender. For any tax credits assigned, transferred, sold, or otherwise conveyed, a notarized endorsement shall be filed by the lender with the authority specifying the name and address of the new owner of the tax credit and the value of such tax credit; and

(4) Notwithstanding any other provision of this section to the contrary, any commercial bank may use tax credits created under this section as provided in section 148.064 and receive a net tax credit against taxes actually paid in the amount of the first year's interest on loans made under this section. If such first year tax credits reduce taxes due as provided in section 148.064 to zero, the remaining tax credits may be carried over as otherwise provided in this section and utilized as provided in section 148.064 in subsequent years.**]**

[620.470. As used in sections 620.470 to 620.481, unless the context clearly requires otherwise, the

following terms mean:

(1) "Department", the Missouri department of economic development;

(2) "Fund", the Missouri job development fund as established by section 620.478;

(3) "Industry", an entity the objective of which is to supply a service or the objective of which is the commercial production and sale of an article of trade or commerce. The term includes a consortium of such entities organized for the purpose of providing for common training to the member entities' employees, provided that the consortium as a whole meets the requirements for participation in this program;

(4) "Manufacturing", the making or processing of raw materials into a finished product, especially by means of large-scale machines of industry.**]**

[620.472. 1. The department shall establish a new or expanding industry training program, the purpose of which is to provide assistance for new or expanding industries for the training, retraining or upgrading of the skills of potential employees. Training may include preemployment training, and services may include analysis of the specified training needs for such company, development of training plans, and provision of training through qualified training staff. Such program may fund in-plant training analysis, curriculum development, assessment and preselection tools, publicity for the program, instructional services, rental of instructional facilities with necessary utilities, access to equipment and supplies, other necessary services, overall program direction, and an adequate staff to carry out an effective training program. In addition, the program may fund a coordinated transportation program for trainings if the training can be more effectively provided outside the community where the jobs are to be located. In-plant training analysis shall include fees for professionals and necessary travel and expenses. Such program may also provide assistance in the locating of skilled employees and in the locating of additional sources of job training funds. Such program shall be operated with appropriations made by the general assembly from the fund.

2. Assistance under the new or expanding industry training program may be available only for industries who certify to the department that their investments relate directly to a projected increase in employment which will result in the need for training of newly hired employees or the retraining or upgrading of the skills of existing employees for new jobs created by

the new or expanding industry's investment.

3. The department shall issue rules and regulations governing the awarding of funds administered through the new or expanding industry training program. When promulgating these rules and regulations, the department shall consider such factors as the potential number of new permanent jobs to be created, the amount of private sector investment in new facilities and equipment, the significance of state funding to the industry's decision to locate or expand in Missouri, the economic need of the affected community, and the importance of the industry to the economic development of Missouri.**]**

[620.474. 1. The department shall establish a basic industry retraining program, the purpose of which is to provide assistance for industries in Missouri for the retraining and upgrading of employees' skills which are required to support new investment. Such program shall be operated with appropriations made by the general assembly from the fund.

2. Assistance under the basic industry retraining program may be made available for industries in Missouri which make new investments without the creation of new employment.

3. The department shall issue rules and regulations governing the awarding of funds administered through the basic industry retraining fund. When promulgating these rules and regulations, the department shall consider such factors as the number of jobs in jeopardy of being lost if retraining does not occur, the amount of private sector investment in new facilities and equipment, the ratio of jobs retained versus investment, the cost of normal, ongoing training required for the industry, the economic need of the affected community, and the importance of the industry to the economic development of Missouri.**]**

[620.475. 1. The department shall establish an industry quality and productivity improvement program to help industries and businesses evaluate and enhance quality and productivity, and to encourage the private sector to develop long-range goals to improve quality and productivity and improve the competitive position of private businesses. The quality and productivity improvement program shall include seminars, workshops and short courses on subjects such as long-range planning, new management techniques, automated manufacturing, innovative uses of new materials and the latest philosophies of management and quality improvement. The program shall be available to

existing Missouri manufacturing, distribution and service businesses.

2. The department may develop quality and productivity improvement centers at university and community college campuses throughout the state as the demand and need is determined. The department shall have the authority to contract with individuals who possess particular knowledge, ability and expertise in the various subjects which may be essential to the program's goals. Seminars, workshops, short courses and specific not for credit classes shall be developed on and off campus for personnel engaged in manufacturing, distribution and service businesses. At the discretion of the department, the University of Missouri and Lincoln University extension services, the continuing education offices of the regional universities and community colleges may be used for the promotion and coordination of the off-campus courses that are offered.

3. Activities eligible for reimbursement in the industry quality and productivity program shall include:

(1) The cost of seminars, workshops, short courses and specific not for credit classes;

(2) The wages of instructors;

(3) Productivity materials and supplies, including the purchase of packaged productivity programs when appropriate;

(4) Travel directly related to the program;

(5) Tuition payments to third-party productivity providers and to businesses; and

(6) Teaching and assistance provided by educational institutions in the state.

4. No industry receiving assistance under the industry quality and productivity improvement program shall be reimbursed for more than fifty percent of the total costs of its participation in the program.**]**

[620.476. Activities eligible for reimbursement by funds administered through the new or expanding industry program and the basic industry retraining program shall include: the wages of instructors, who may or may not be employees of the industry; training development costs, including the cost of training of instructors; training materials and supplies, including the purchase of packaged training programs when appropriate; travel directly related to the training program; tuition payments to third-party training providers and to the industry; teaching and assistance provided by educational institutions in the state of Missouri; on-the-job training; and the leasing, but not

the purchase, of training equipment and space.]

[620.478. 1. There is hereby established in the state treasury a special fund to be known as the "Missouri Job Development Fund". The fund shall consist of all moneys which may be appropriated to it by the general assembly and also any gifts, contributions, grants or bequests received from federal, private or other sources. Appropriations made from the fund shall be for the purpose of providing contractual services through the department of elementary and secondary education for vocational related training or retraining provided by public or private training institutions within Missouri; and for contracted services through the department of economic development for vocational related training or retraining provided by public or private training institutions located outside of Missouri; and for vocational related training or retraining provided on site, within Missouri, by any proprietorship, partnership or corporate entity. Except for state-sponsored preemployment training, no applicant shall receive more than fifty percent of its project training or retraining costs from the development fund. Moneys to operate the new or expanding industry training program, the basic industry retraining program, the industry quality and productivity improvement program and assistance to community college business and technology centers shall be obtained from appropriations made by the general assembly from the fund. No funds shall be awarded or reimbursed to any industry for the training, retraining or upgrading of skills of potential employees with the purpose of replacing or supplanting employees engaged in an authorized work stoppage.

2. The Missouri job development fund shall be able to receive any block grant or other sources of funding relating to job training, school-to-work transition, welfare reform, vocational and technical training, housing, infrastructure development and human resource investment programs which may be provided by the federal government or other sources.]

[620.479. The department is authorized to contract with other entities, including businesses, industries, other state agencies and the political subdivisions of the state, for the purpose of carrying out the provisions of sections 620.470 to 620.481.]

[620.480. To efficiently carry out the

responsibilities of the division of job development and training and to improve job training program coordination, the commissioner of administration shall authorize the division to directly negotiate with and contract for job training and related services with administrative entities designated pursuant to the requirements of the Job Training Partnership Act and any subsequent amendments and any other agencies or entities which may be designated to administer job training and related services pursuant to any succeeding federal or state legislative or regulatory requirements.**]**

[620.481. There is hereby created the "Missouri Job Training Joint Legislative Oversight Committee". The committee shall consist of three members of the Missouri senate appointed by the president pro tem of the senate; three members of the house of representatives appointed by the speaker of the house. No more than two of the members of the senate and two of the members of the house of representatives shall be from the same political party. Members of the Missouri job training joint legislative oversight committee shall report to the governor, the president pro tem of the senate and the speaker of the house of representatives on all assistance to industries under the provisions of sections 620.470 to 620.481 provided during the preceding fiscal year and the customized job training program administered by the department of elementary and secondary education. The report of the committee shall be delivered no later than October first of each year. The director of the department of economic development shall report to the committee such information as the committee may deem necessary for its annual report. Members of the committee shall receive no compensation in addition to their salary as members of the general assembly, but may receive their necessary expenses while attending the meetings of the committee, to be paid out of the joint contingent fund.**]**

[620.482. 1. The department may provide assistance, through appropriations made from the Missouri job development fund, to business and technology centers. Such assistance may not include the lending of the state's credit for the payment of any liability of the fund. Such centers may be established by Missouri community colleges, or a state-owned postsecondary technical college, to provide business and training services in disciplines which shall include, but not be limited to, environmental

health and safety, industrial electrical technology, machine tool technology, industrial management and technology, computer consulting and computer-aided drafting, microcomputer training and telecommunications training.

2. The department of economic development shall promulgate rules and regulations as are necessary to implement the provisions of sections 620.470 to 620.482. No rule or portion of a rule promulgated under the authority of sections 620.470 to 620.482 shall become effective unless it has been promulgated pursuant to the provisions of section 536.024.**]**

Section B. Because immediate action is necessary to secure adequate state revenue, section A of this act is deemed necessary for the immediate preservation of the public health, welfare, peace and safety, and is hereby declared to be an emergency act within the meaning of the constitution, and section A of this act shall be in full force and effect upon its passage and approval.