

HCS HB 1476 -- FREIGHT FORWARDERS INCENTIVE ACT (Leara)

COMMITTEE OF ORIGIN: Committee on Economic Development

The substitute establishes the Freight Forwarders Incentive Act to encourage foreign trade through the Lambert-St. Louis International Airport. For all taxable years beginning on or after January 1, 2012, an air export tax credit is authorized for a freight forwarder against income taxes with the exception of withholding taxes, corporate franchise taxes, and financial institution taxes for the shipment of cargo on a qualifying outbound flight in an amount equal to 30 cents per chargeable kilo and 35 cents per chargeable kilo on the shipment of perishable freight. The substitute specifies the requirements for a freight forwarder to receive the credit and how it will be calculated. No credit can be authorized after August 28, 2020.

The maximum amount of tax credits that can be issued each year is specified in the substitute. Any tax credit that is authorized but not issued due to the annual caps can be carried forward to the next year. A tax credit that is authorized before the provisions of the substitute expire may be issued until all authorized credits have been issued. An authorized tax credit that exceeds an applicant's tax liability for a year may be carried forward for six years, transferred, sold, or assigned.

The provisions regarding the tax credit expire December 31 sixteen years after the effective date.

The substitute contains an emergency clause.

FISCAL NOTE: Estimated Net Cost on General Revenue Fund of Up to \$3,660,447 in FY 2013, Up to \$4,865,917 in FY 2014, and Up to \$3,666,634 in FY 2015. No impact on Other State Funds in FY 2013, FY 2014, and FY 2015.