

HB 676 -- EDUCATION INNOVATION INVESTMENT ACT

SPONSOR: Rowden

COMMITTEE ACTIONS: Voted "Do Pass" by the Standing Committee on Economic Development and Business Attraction and Retention by a vote of 11 to 0. Voted "Do Pass" by the Select Committee on Commerce by a vote of 7 to 0.

This bill establishes the Education Innovation Investment Act that creates tax incentives for any eligible business that establishes a presence within an unused or vacant area owned by a public two-year or four-year higher education institution and their employees. An institution may contract with eligible businesses to establish a presence within an unused or vacant area if:

- (1) The institution can demonstrate to the satisfaction of the Department of Economic Development that the business is aligned with or would further the academic mission of the institution;
- (2) The business's participation would have a positive community and economic impact, including an analysis of whether the business would compete with businesses within the same community;
- (3) The institution and the department agree on reasonable performance metrics for the eligible business, including the number of new jobs to be created; and
- (4) No land that was acquired by the institution by right of condemnation after August 28, 2015, is used.

The bill specifies that for all taxable years beginning on January 1, 2016, the first five years the eligible business is located in an unused or vacant area, an eligible business must be allowed to subtract 50% of the eligible business's business income from the eligible business's federal adjusted gross income when determining Missouri adjusted gross income. For all taxable years beginning on January 1, 2016, any Missouri resident employed at a new job at an eligible business may subtract \$10,000 of his or her income when determining Missouri adjusted gross income for the first five years the employee is employed at a new job in an unused or vacant area.

The provisions of the bill will expire six years after the effective date.

PROPOSERS: Supporters say that the bill is designed to provide new channels and new opportunities for higher education institutions and start-up companies to partner together. The partnership will utilize vacant land and empty buildings.

Testifying for the bill was Representative Rowden.

OPPONENTS: There was no opposition voiced to the committee.