

SECOND REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 1586**  
**100TH GENERAL ASSEMBLY**

3898H.02C

DANA RADEMAN MILLER, Chief Clerk

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**AN ACT**

To amend chapter 135, RSMo, by adding thereto one new section relating to tax credits for urban farms.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 135, RSMo, is amended by adding thereto one new section, to be  
2 known as section 135.1610, to read as follows:

**135.1610. 1. As used in this section, the following terms mean:**

- 2       **(1) "Eligible expenses", expenses incurred in the construction or development of**  
3 **establishing or improving an urban farm in an urban area;**  
4       **(2) "Tax credit", a credit against the tax otherwise due under chapter 143,**  
5 **excluding withholding tax imposed under sections 143.191 to 143.265;**  
6       **(3) "Taxpayer", any individual, partnership, or corporation as described under**  
7 **section 143.441 or 143.471 that is subject to the tax imposed under chapter 143, excluding**  
8 **withholding tax imposed under sections 143.191 to 143.265, or any charitable organization**  
9 **that is exempt from federal income tax and whose Missouri unrelated business taxable**  
10 **income, if any, would be subject to the state income tax imposed under chapter 143;**  
11       **(4) "Urban area", an urbanized area as defined by the United States Census**  
12 **Bureau;**  
13       **(5) "Urban farm", an agricultural plot or facility in an urban area that produces**  
14 **agricultural products, solely for distribution to the public by sale or donation. "Urban**  
15 **farm" shall include community-run gardens. "Urban farm" shall not include personal**  
16 **farms or residential lots for personal use.**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17           **2. A taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax**  
18 **liability in an amount equal to fifty percent of the taxpayer's eligible expenses for**  
19 **establishing or improving an urban farm.**

20           **3. The amount of the tax credit claimed shall not exceed the amount of the**  
21 **taxpayer's state tax liability in the tax year for which the credit is claimed, and the**  
22 **taxpayer shall not be allowed to claim a tax credit under this section in excess of five**  
23 **thousand dollars for each urban farm. However, any tax credit that cannot be claimed in**  
24 **the tax year the contribution was made may be carried over to the next three succeeding**  
25 **tax years until the full credit is claimed.**

26           **4. The total amount of tax credits that may be authorized under this section shall**  
27 **not exceed one hundred thousand dollars in any calendar year.**

28           **5. Tax credits issued under the provisions of this section shall not be transferred,**  
29 **sold, or assigned.**

30           **6. The Missouri agriculture and small business development authority may**  
31 **promulgate rules to implement the provisions of this section. Any rule or portion of a rule,**  
32 **as that term is defined in section 536.010, that is created under the authority delegated in**  
33 **this section shall become effective only if it complies with and is subject to all of the**  
34 **provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536**  
35 **are nonseverable, and if any of the powers vested with the general assembly pursuant to**  
36 **chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are**  
37 **subsequently held unconstitutional, then the grant of rulemaking authority and any rule**  
38 **proposed or adopted after August 28, 2020, shall be invalid and void.**

39           **7. Under section 23.253 of the Missouri sunset act:**

40           **(1) The program authorized under this section shall automatically sunset on**  
41 **December thirty-first six years after the effective date of this section unless reauthorized**  
42 **by an act of the general assembly;**

43           **(2) If such program is reauthorized, the program authorized under this section**  
44 **shall automatically sunset on December thirty-first twelve years after the effective date of**  
45 **the reauthorization of this section;**

46           **(3) This section shall terminate on September first of the calendar year immediately**  
47 **following the calendar year in which the program authorized under this section is sunset;**  
48 **and**

49           **(4) Nothing in this subsection shall prevent a taxpayer from claiming a tax credit**  
50 **properly issued before the program was sunset in a tax year after the program is sunset.**

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