

# HOUSE BILL NO. 720

## 101ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE SHARP (36).

1442H.011

DANA RADEMAN MILLER, Chief Clerk

### AN ACT

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

*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 known as section 135.1610, to read as follows:

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

(1) "Eligible expenses", expenses incurred in the construction or development of establishing an urban farm in a food desert;

(2) "Food desert", a census tract that has a poverty rate of at least twenty percent or a median family income of less than eighty percent of the statewide average and where at least five hundred people or thirty-three percent of the population is located at least a quarter mile away from a full-service grocery store in an urban area;

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

(4) "Taxpayer", any individual, partnership, or corporation as described under section 143.441 or 143.471 that is subject to the tax imposed under chapter 143, excluding withholding tax imposed under sections 143.191 to 143.265, or 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;

(5) "Urban area", an urban place as designated by the United States Census Bureau;

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           (6) "Urban farm", an agricultural plot or facility in an urban area that produces  
18 agricultural products, as that term is defined under section 262.900. "Urban farm" shall  
19 include, but not be limited to, community-run gardens.

20           2. For all tax years beginning on or after January 1, 2022, a taxpayer shall be  
21 allowed to claim a tax credit against the taxpayer's state tax liability in an amount equal  
22 to fifty percent of the taxpayer's eligible expenses for establishing an urban farm in a food  
23 desert.

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

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

32           5. Tax credits issued under the provisions of this section shall not be sold, assigned,  
33 or otherwise transferred.

34           6. The department of agriculture may promulgate rules to implement the provisions  
35 of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that  
36 is created under the authority delegated in this section shall become effective only if it  
37 complies with and is subject to all of the provisions of chapter 536 and, if applicable,  
38 section 536.028. This section and chapter 536 are nonseverable, and if any of the powers  
39 vested with the general assembly pursuant to chapter 536 to review, to delay the effective  
40 date, or to disapprove and annul a rule are subsequently held unconstitutional, then the  
41 grant of rulemaking authority and any rule proposed or adopted after August 28, 2021,  
42 shall be invalid and void.

43           7. Under section 23.253 of the Missouri sunset act:

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

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

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

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

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