

SECOND REGULAR SESSION

HOUSE BILL NO. 2020

101ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE YOUNG.

3420H.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.

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

21 **2. For all tax years beginning on or after January 1, 2023, a taxpayer shall be**
22 **allowed to claim a tax credit against the taxpayer's state tax liability in an amount equal**
23 **to fifty percent of the taxpayer's eligible expenses for establishing an urban farm in a**
24 **food desert.**

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

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

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

35 **6. The department of agriculture may promulgate rules to implement the**
36 **provisions of this section. Any rule or portion of a rule, as that term is defined in section**
37 **536.010, that is created under the authority delegated in this section shall become**
38 **effective only if it complies with and is subject to all of the provisions of chapter 536 and,**
39 **if applicable, section 536.028. This section and chapter 536 are nonseverable, and if any**
40 **of the powers vested with the general assembly pursuant to chapter 536 to review, to**
41 **delay the effective date, or to disapprove and annul a rule are subsequently held**
42 **unconstitutional, then the grant of rulemaking authority and any rule proposed or**
43 **adopted after August 28, 2022, shall be invalid and void.**

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

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

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

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

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

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