

Journal of the Senate

FIRST REGULAR SESSION

THIRTY-FIRST DAY—WEDNESDAY, MARCH 6, 2013

The Senate met pursuant to adjournment.

Senator Pearce in the Chair.

Reverend Carl Gauck offered the following prayer:

“Life is meant to be lived from a Center, a divine Center.” (Thomas Kelly)

We know, O Lord, that silence offers us a deepening of our knowledge of You and ourselves. So we pray that we have the discipline and time to be quiet before You and learn how to be centered in our lives where You are found. Then we will be able to work most effectively and efficiently in being of service to others as we perform what is expected of us this day. In Your Holy Name we pray. Amen.

The Pledge of Allegiance to the Flag was recited.

A quorum being established, the Senate proceeded with its business.

Senator Schaaf assumed the Chair.

The Journal of the previous day was read and approved.

The following Senators were present during the day’s proceedings:

Present—Senators

Brown	Chappelle-Nadal	Cunningham	Curls	Dempsey	Dixon	Emery	Holsman
Justus	Keaveny	Kehoe	Kraus	Lager	Lamping	LeVota	Libla
McKenna	Munzlinger	Nasheed	Nieves	Parson	Pearce	Richard	Romine
Rupp	Sater	Schaaf	Schaefer	Schmitt	Sifton	Silvey	Wallingford
Walsh	Wasson—34						

Absent—Senators—None

Absent with leave—Senators—None

Vacancies—None

The Lieutenant Governor was present.

Senator Kehoe announced photographers from KOMU-TV were given permission to take pictures in the Senate Chamber.

SENATE BILLS FOR PERFECTION

Senator Sater moved that **SB 157**, with **SCS**, be taken up for perfection, which motion prevailed.

SCS for **SB 157**, entitled:

SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 157

An Act to repeal sections 407.300 and 407.303, RSMo, and to enact in lieu thereof two new sections relating to scrap metal, with penalty provisions.

Was taken up.

Senator Sater moved that **SCS** for **SB 157** be adopted.

Senator Sater offered **SA 1**:

SENATE AMENDMENT NO. 1

Amend Senate Committee Substitute for Senate Bill No. 157, Page 2, Section 407.300, Line 47, by inserting after all of said line the following:

“407.302. 1. No scrap yard shall purchase any metal that can be identified as belonging to a public or private cemetery or to a political subdivision or **telecommunications provider, cable provider**, electrical cooperative, **water utility**, municipal utility, or a utility regulated under chapter 386 or 393, including bleachers, guardrails, signs, street and traffic lights or signals, and manhole cover or covers, whether broken or unbroken, from anyone other than the cemetery or monument owner, political subdivision, **telecommunications provider, cable provider**, electrical cooperative, **water utility, municipal utility**, or a utility **regulated under chapter 386 or 393**, or manufacturer of the metal or item described in this section unless such person is authorized in writing by the cemetery or monument owner, political subdivision, **telecommunications provider, cable provider**, electrical cooperative, **water utility, municipal utility**, or a utility **regulated under chapter 386 or 393**, or manufacturer to sell the metal.

2. Anyone convicted of violating this section shall be guilty of a class B misdemeanor.”; and

Further amend the title and enacting clause accordingly.

Senator Sater moved that the above amendment be adopted, which motion prevailed.

Senator Sater moved that **SCS** for **SB 157**, as amended, be adopted, which motion prevailed.

On motion of Senator Sater, **SCS** for **SB 157**, as amended, was declared perfected and ordered printed.

Senator Wallingford moved that **SB 36**, with **SCS**, be taken up for perfection, which motion prevailed.

SCS for **SB 36**, entitled:

SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 36

An Act to repeal sections 211.071 and 211.073, RSMo, and to enact in lieu thereof three new sections relating to juvenile criminal offenders.

Was taken up.

Senator Wallingford moved that **SCS** for **SB 36** be adopted.

Senator Wallingford offered **SA 1**, which was read:

SENATE AMENDMENT NO. 1

Amend Senate Committee Substitute for Senate Bill No. 36, Page 1, Section 211.069, Lines 1-2, by striking the following: “enacted by the ninety-sixth general assembly, second regular session,”.

Senator Wallingford moved that the above amendment be adopted, which motion prevailed.

Senator Wallingford moved that **SCS** for **SB 36**, as amended, be adopted, which motion prevailed.

On motion of Senator Wallingford, **SCS** for **SB 36**, as amended, was declared perfected and ordered printed.

At the request of Senator Kehoe, **SJR 16**, with **SCS**, was placed on the Informal Calendar.

Senator Chappelle-Nadal moved that **SB 199** be taken up for perfection, which motion prevailed.

On motion of Senator Chappelle-Nadal, **SB 199** was declared perfected and ordered printed.

Senator Brown moved that **SB 29**, with **SCS** and **SA 2** (pending), be called from the Informal Calendar and again taken up for perfection, which motion prevailed.

SA 2 was again taken up.

Senator LeVota moved that **SA 2** be adopted, which motion failed by the following vote:

YEAS—Senators

Chappelle-Nadal	Curls	Holsman	Justus	Keaveny	LeVota	McKenna	Sifton
Walsh—9							

NAYS—Senators

Brown	Cunningham	Dempsey	Dixon	Emery	Kraus	Lager	Lamping
Libla	Munzlinger	Nieves	Parson	Pearce	Richard	Romine	Rupp
Sater	Schaaf	Schaefer	Schmitt	Silvey	Wallingford	Wasson—23	

Absent—Senator Kehoe—1

Absent with leave—Senator Nasheed—1

Vacancies—None

Senator Justus offered **SA 3**:

SENATE AMENDMENT NO. 3

Amend Senate Committee Substitute for Senate Bill No. 29, Page 1, Section 105.504, Lines 1-4, by striking all of said lines and inserting in lieu thereof “**105.504**”, and renumber subsequent subsections accordingly.

Senator Justus moved that the above amendment be adopted.

At the request of Senator Brown, **SB 29**, with **SCS** and **SA 3** (pending), was placed on the Informal Calendar.

REPORTS OF STANDING COMMITTEES

Senator Richard, Chairman of the Committee on Rules, Joint Rules, Resolutions and Ethics, submitted the following reports:

Mr. President: Your Committee on Rules, Joint Rules, Resolutions and Ethics, to which were referred **SB 199**; **SCS** for **SB 157**; **SCS** for **SB 36**; and **SB 236**, begs leave to report that it has examined the same and finds that the bills have been truly perfected and that the printed copies furnished the Senators are correct.

REFERRALS

President Pro Tem Dempsey referred **SB 236** to the Committee on Governmental Accountability and Fiscal Oversight.

On motion of Senator Richard, the Senate recessed until 4:30 p.m.

RECESS

The time of recess having expired, the Senate was called to order by President Kinder.

RESOLUTIONS

Senator Dixon offered Senate Resolution No. 444, regarding Scott Turk, Springfield, which was adopted.

Senator Richard offered Senate Resolution No. 445, regarding Steve and Kathy Fairchild, which was adopted.

Senator Richard offered Senate Resolution No. 446, regarding John David, which was adopted.

Senator Kraus offered Senate Resolution No. 447, regarding Oak Grove High School Class 2 State Wrestling Champions, which was adopted.

Senator Sifton offered Senate Resolution No. 448, regarding Berklea Going, which was adopted.

SENATE BILLS FOR PERFECTION

Senator Kraus moved that **SB 26**, **SB 11** and **SB 31**, with **SCS** and **SS** for **SCS** (pending), be called from the Informal Calendar and again taken up for perfection, which motion prevailed.

At the request of Senator Kraus, **SS** for **SCS** for **SBs 26, 11** and **31** was withdrawn.

Senator Kraus offered **SS No. 2** for **SCS** for **SBs 26, 11** and **31**, entitled:

SENATE SUBSTITUTE NO. 2 FOR
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILLS NOS. 26, 11 and 31

An Act to repeal sections 32.087, 66.601, 66.620, 67.395, 67.525, 67.571, 67.576, 67.578, 67.581, 67.582, 67.583, 67.584, 67.712, 67.713, 67.729, 67.737, 67.738, 67.745, 67.782, 67.799, 67.997, 67.1300, 67.1303, 67.1305, 67.1545, 67.1712, 67.1713, 67.1775, 67.1959, 67.1971, 67.2000, 67.2030, 67.2525, 67.2530, 94.578, 94.605, 94.660, 94.705, 143.011, 143.021, 143.071, 143.151, 144.010, 144.014, 144.020, 144.021, 144.030, 144.032, 144.043, 144.049, 144.054, 144.069, 144.070, 144.080, 144.083, 144.100, 144.140, 144.210, 144.285, 144.440, 144.517, 144.526, 144.605, 144.655, 144.710, 144.1000, 144.1003,

144.1006, 144.1009, 144.1012, 144.1015, 221.407, 238.235, 238.410, 644.032, RSMo, and to enact in lieu thereof eighty new sections relating to taxation, with penalty provisions and effective dates for certain sections.

Senator Richard announced photographers from The Missouri Times were given permission to take pictures in the Senate Chamber.

Senator Kehoe assumed the Chair.

Senator Holsman offered **SA 1**, which was read:

SENATE AMENDMENT NO. 1

Amend Senate Substitute No. 2 for Senate Committee Substitute for Senate Bills Nos. 26, 11 and 31, Page 316, Section B, Line 3, by inserting after all of said line the following:

“Section C. Notwithstanding the provisions of section B of this act, the provisions of this act shall only become effective upon a total formula appropriation sufficient to fully fund the entitlement calculation determined by section 163.031.”; and

Further amend the title accordingly.

Senator Holsman moved that the above amendment be adopted.

Senator Schmitt raised the point of order that **SA 1** is out of order in that it goes beyond the scope of the underlying subject matter of the bill.

The point of order was referred to the President Pro Tem who ruled it well taken.

Senator Schmitt offered **SA 2**:

SENATE AMENDMENT NO. 2

Amend Senate Substitute No. 2 for Senate Committee Substitute for Senate Bills Nos. 26, 11 and 31, Page 246, Section 144.054, Line 17, by striking the opening bracket from said line; and further amend line 18 by inserting immediately after the number “144.761,” the following: “**section 238.235, and the local sales tax law as described in section 32.085,**”; and further amend lines 20-21 by striking the closing bracket and all the underlined language from said lines and inserting in lieu thereof the following: “**section 238.235, and the local sales tax law as described in section 32.085,**”; and further amend line 28 by striking the opening bracket from said line; and

Further amend said bill and section, page 247, line 1 by inserting immediately after the word “sales” the following: “**or use**”; and further amend line 2 by inserting immediately after the number “32.085” the following: “**levied on electricity, piped natural or artificial gas, or other fuels delivered by the seller**”; and further amend lines 4-7 by striking the closing bracket and all the underlined language from said lines; and further amend line 10 by striking the opening bracket; and further amend lines 15-17 by striking the closing bracket and all the underlined language in said lines; and

Further amend said bill and section, page 248, line 6, by striking the opening bracket; and further amend lines 11-13 by striking the closing bracket and all the underlined language in said lines.

Senator Schmitt moved that the above amendment be adopted, which motion prevailed.

Senator Romine offered **SA 3**:

SENATE AMENDMENT NO. 3

Amend Senate Substitute No. 2 for Senate Committee Substitute for Senate Bills Nos. 26, 11 and 31, Page 234, Section 144.040, Line 19 of said page, by inserting after the word “section” the following: **“or transactions regulated pursuant to sections 407.660 to 407.665”**.

Senator Romine moved that the above amendment be adopted, which motion prevailed.

Senator Dixon offered **SA 4**:

SENATE AMENDMENT NO. 4

Amend Senate Substitute No. 2 for Senate Committee Substitute for Senate Bills Nos. 26, 11 and 31, Page 210, Section 144.020, Line 3 of said page, by striking the following: “, or fees paid to,”; and further amend line 4 of said page, by striking the following: “or recreation”.

Senator Dixon moved that the above amendment be adopted, which motion prevailed.

Senator Silvey assumed the Chair.

Senator Justus offered **SA 5**:

SENATE AMENDMENT NO. 5

Amend Senate Substitute No. 2 for Senate Committee Substitute for Senate Bills Nos. 26, 11 and 31, Page 130, Section 67.2030, Line 17 of said page, by inserting immediately after said line the following:

“67.2050. 1. As used in this section, unless the context clearly indicates otherwise, the following terms mean:

- (1) **“Facility”, a location composed of real estate, buildings, fixtures, machinery, and equipment;**
- (2) **“Municipality”, any county, city, incorporated town, village of the state, or any utilities board thereof;**
- (3) **“NAICS”, the 2007 edition of the North American Industry Classification System developed under the direction and guidance of the federal Office of Management and Budget. Any NAICS sector, subsector, industry group, or industry identified in this section shall include its corresponding classification in previous and subsequent federal industry classification systems;**
- (4) **“Technology business facility”, a facility purchased, constructed, extended, or improved under this section, provided that such business facility is engaged in:**
 - (a) **Data processing, hosting, and related services (NAICS 518210);**
 - (b) **Internet publishing and broadcasting and web search portals (NAICS 519130), at the business facility; or**
 - (c) **The transmission of voice, data, text, sound, and video using wired telecommunication networks (NAICS 517110);**
- (5) **“Technology business facility project” or “project”, the purchase, sale, lease, construction, extension, and improvement of technology business facilities, whether of the facility as a whole or of any one or more of the facility’s components of real estate, buildings, fixtures, machinery, and equipment.**

2. The governing body of any municipality may:

- (1) Carry out technology business facility projects for economic development under this section;**
- (2) Accept grants from the federal and state governments for technology business facility project purposes, and may enter into such agreements as are not contrary to the laws of this state and which may be required as a condition of grants by the federal government or its agencies; and**
- (3) Receive gifts and donations from private sources to be used for technology business facility project purposes.**

3. The governing body of the municipality may enter into loan agreements, sell, lease, or mortgage to private persons, partnerships, or corporations any one or more of the components of a facility received, purchased, constructed, or extended by the municipality for development of a technology business facility project. The loan agreement, installment sale agreement, lease, or other such document shall contain such other terms as are agreed upon between the municipality and the obligor, provided that such terms shall be consistent with this section. When, in the judgment of the governing body of the municipality, the technology business facility project will result in economic benefits to the municipality, the governing body may lawfully enter into an agreement that includes nominal monetary consideration to the municipality in exchange for the use of one or more components of the facility.

4. Transactions involving the lease or rental of any components of a project under this section shall be specifically exempted from the provisions of the local sales tax law as defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to 144.761, and from the computation of the tax levied, assessed, or payable under the local sales tax law as defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to 144.745.

5. Leasehold interests granted and held under this section shall not be subject to property taxes.

6. Any payments in lieu of taxes expected to be made by any lessee of the project shall be applied in accordance with this section. The lessee may reimburse the municipality for its actual costs of administering the plan. All amounts paid in excess of such actual costs shall, immediately upon receipt thereof, be disbursed by the municipality's treasurer or other financial officer to each affected taxing entity in proportion to the current ad valorem tax levy of each affected taxing entity.

7. The county assessor shall include the current assessed value of all property within the affected taxing entities in the aggregate valuation of assessed property entered upon the assessor's book and verified under section 137.245, and such value shall be used for the purpose of the debt limitation on local government under section 26(b), article VI, Constitution of Missouri.

8. The governing body of any municipality may sell or otherwise dispose of the property, buildings, or plants acquired under this section to private persons or corporations for technology business facility project purposes upon approval by the governing body. The terms and method of the sale or other disposal shall be established by the governing body so as to reasonably protect the economic well-being of the municipality and to promote the development of technology business facility projects. A private person or corporation that initially transfers property to the municipality for the purposes of a technology business facility project and does not charge a purchase price to the municipality shall retain the right, upon request to the municipality, to have the municipality retransfer the donated property to the person or corporation at no cost.

9. The provisions of this section shall not be construed to allow political subdivisions to provide telecommunications services or telecommunications facilities to the extent that they are prohibited from doing so by section 392.410.

10. This section shall terminate on September 1, 2019. The termination of this section shall not be construed to limit or in any way impair any agreements entered into or exemptions granted before the termination of this section.”; and

Further amend said bill, page 159, section 94.705, line 11 of said page, by inserting immediately after said line the following:

“135.305. A Missouri wood energy producer shall be eligible for a tax credit on taxes otherwise due under chapter 143, except sections 143.191 to 143.261, as a production incentive to produce processed wood products in a qualified wood-producing facility using Missouri forest product residue. The tax credit to the wood energy producer shall be five dollars per ton of processed material. The credit may be claimed for a period of five years and is to be a tax credit against the tax otherwise due. No new tax credits, provided for under sections 135.300 to 135.311, shall be authorized after June 30, [2013] **2019. In no event shall the aggregate amount of all tax credits allowed pursuant to sections 135.300 to 135.311 exceed three million five hundred thousand dollars in any given fiscal year.**

135.350. As used in this section, unless the context clearly requires otherwise, the following words and phrases shall mean:

(1) “Commission”, the Missouri housing development commission, or its successor agency;

(2) “Director”, director of the department of revenue;

(3) “Eligibility statement”, a statement authorized and issued by the commission certifying that a given project qualifies for the Missouri low-income housing tax credit. The commission shall promulgate rules establishing criteria upon which the eligibility statements will be issued. The eligibility statement shall specify the amount of the Missouri low-income housing tax credit allowed. The commission shall only authorize the tax credits to qualified projects which begin after June 18, 1991;

(4) **“Federal credit period”, the same meaning as is prescribed the term “credit period” under section 42 of the 1986 Internal Revenue Code, as amended;**

(5) “Federal low-income housing tax credit”, the federal tax credit as provided in section 42 of the 1986 Internal Revenue Code, as amended;

[(5)] (6) “Low-income project”, a housing project which has restricted rents that do not exceed thirty percent of median income for at least forty percent of its units occupied by persons of families having incomes of sixty percent or less of the median income, or at least twenty percent of the units occupied by persons or families having incomes of fifty percent or less of the median income;

[(6)] (7) “Median income”, those incomes which are determined by the federal Department of Housing and Urban Development guidelines and adjusted for family size;

[(7)] (8) “Qualified Missouri project”, a qualified low-income building as that term is defined in section 42 of the 1986 Internal Revenue Code, as amended, which is located in Missouri;

[(8)] (9) “Taxpayer”, person, firm or corporation subject to the state income tax imposed by the provisions of chapter 143 (except withholding imposed by sections 143.191 to 143.265) or a corporation

subject to the annual corporation franchise tax imposed by the provisions of chapter 147, or an insurance company paying an annual tax on its gross premium receipts in this state, or other financial institution paying taxes to the state of Missouri or any political subdivision of this state under the provisions of chapter 148, or an express company which pays an annual tax on its gross receipts in this state.

135.352. 1. A taxpayer owning an interest in a qualified Missouri project shall, subject to the limitations provided under the provisions of subsection 3 of this section, be allowed a state tax credit, whether or not allowed a federal tax credit, to be termed the Missouri low-income housing tax credit, if the commission issues an eligibility statement for that project.

2. For qualified Missouri projects placed in service after January 1, 1997, the Missouri low-income housing tax credit available to a project shall be such amount as the commission shall determine is necessary to ensure the feasibility of the project, up to an amount equal to the federal low-income housing tax credit for a qualified Missouri project, for a federal [tax] **credit** period, and such amount shall be subtracted from the amount of state tax otherwise due for the same tax period.

3. No more than six million dollars in tax credits shall be authorized each fiscal year **ending on or before June 30, 2013**, for projects financed through tax-exempt bond issuance.

4. For purposes of the limitations provided under this subsection, the aggregate amount of tax credits allowed over a federal credit period shall be attributed to the fiscal year in which such credits are authorized by the commission for a qualified Missouri project. For each fiscal year beginning on or after July 1, 2013, there shall be a fifty million dollar cap on tax credit authorizations for projects which are not financed through tax exempt bond issuance. For each fiscal year beginning on or after July 1, 2013, there shall be a five million dollar cap on tax credit authorizations for projects which are financed through tax exempt bond issuance.

5. The Missouri low-income housing tax credit shall be taken against the taxes and in the order specified pursuant to section 32.115. The credit authorized by this section shall not be refundable. Any amount of credit that exceeds the tax due for a taxpayer's taxable year may be carried back to any of the taxpayer's three prior taxable years or carried forward to any of the taxpayer's five subsequent taxable years. **For projects authorized on or after July 1, 2013, any amount of credit that exceeds the tax due for a taxpayer's taxable year may be carried forward to any of the taxpayer's two subsequent taxable years.**

[5.] 6. All or any portion of Missouri tax credits issued in accordance with the provisions of sections 135.350 to 135.362 may be allocated to parties who are eligible pursuant to the provisions of subsection 1 of this section. Beginning January 1, 1995, for qualified projects which began on or after January 1, 1994, an owner of a qualified Missouri project shall certify to the director the amount of credit allocated to each taxpayer. The owner of the project shall provide to the director appropriate information so that the low-income housing tax credit can be properly allocated.

[6.] 7. In the event that recapture of Missouri low-income housing tax credits is required pursuant to subsection 2 of section 135.355, any statement submitted to the director as provided in this section shall include the proportion of the state credit required to be recaptured, the identity of each taxpayer subject to the recapture and the amount of credit previously allocated to such taxpayer.

8. A taxpayer that receives state tax credits under the provisions of sections 253.545 to 253.559 shall be ineligible to receive state tax credits under the provisions of sections 135.350 to 135.363 for the same project, if such project is not financed through tax exempt bond issuance.

[7.] **9.** The director of the department may promulgate rules and regulations necessary to administer the provisions of this section. No rule or portion of a rule promulgated pursuant to the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of section 536.024.

135.484. 1. Beginning January 1, 2000, tax credits shall be allowed pursuant to section 135.481 in an amount not to exceed sixteen million dollars per year. Of this total amount of tax credits in any given year, eight million dollars shall be set aside for projects in areas described in subdivision (6) of section 135.478 and eight million dollars for projects in areas described in subdivision (10) of section 135.478. The maximum tax credit for a project consisting of multiple-unit qualifying residences in a distressed community shall not exceed three million dollars.

2. Any amount of credit which exceeds the tax liability of a taxpayer for the tax year in which the credit is first claimed may be carried back to any of the taxpayer's three prior tax years and carried forward to any of the taxpayer's five subsequent tax years. A certificate of tax credit issued to a taxpayer by the department may be assigned, transferred, sold or otherwise conveyed. Whenever a certificate of tax credit is assigned, transferred, sold or otherwise conveyed, a notarized endorsement shall be filed with the department specifying the name and address of the new owner of the tax credit and the value of the credit.

3. The tax credits allowed pursuant to sections 135.475 to 135.487 may not be claimed in addition to any other state tax credits, with the exception of the historic structures rehabilitation tax credit authorized pursuant to sections 253.545 to 253.559, which insofar as sections 135.475 to 135.487 are concerned may be claimed only in conjunction with the tax credit allowed pursuant to subsection 4 of section 135.481. In order for a taxpayer eligible for the historic structures rehabilitation tax credit to claim the tax credit allowed pursuant to subsection 4 of section 135.481, the taxpayer must comply with the requirements of sections 253.545 to 253.559, and in such cases, the amount of the tax credit pursuant to subsection 4 of section 135.481 shall be limited to the lesser of twenty percent of the taxpayer's eligible costs or forty thousand dollars.

4. No tax credits provided under sections 135.475 to 135.487 shall be authorized on or after the effective date of this act. The provisions of this subsection shall not be construed to limit or in any way impair the department's ability to issue tax credits authorized prior to the effective date of this act, or a taxpayer's ability to redeem such tax credits.

135.1550. 1. Sections 135.1550 to 135.1575, shall be known and may be cited as the "Missouri Export Incentive Act".

2. As used in sections 135.1550 to 135.1575, unless the context clearly requires otherwise, the following terms shall mean:

(1) "Air export tax credit", the tax credit against the taxes imposed under chapters 143, 147, and 148, except for sections 143.191 to 143.265, to be issued by the department to a claiming freight forwarder for the shipment of air cargo on a qualifying outbound flight;

(2) "Airport", an airport which is owned and operated by a city located within this state;

(3) "Chargeable kilo", the shipment of a kilo of freight, as measured by the greater of:

(a) Actual weight; or

(b) A dimensional weight, as determined by the conversion factors promulgated by the International Air Transport Association, on a qualifying outbound flight;

(4) "Claiming freight forwarder", the freight forwarder designated as the "agent" on the airway

bill for the qualifying outbound flight for which such air export tax credit is sought;

(5) “Department”, the Missouri department of economic development;

(6) “Direct international aircraft flight”, a single aircraft transoceanic flight that operates to an international destination in accordance with the operators bilateral route authority;

(7) “Freight forwarder”, a person that assumes responsibility in the ordinary course of its business for the transportation of cargo from the place of receipt to the place of destination, including the utilization of a qualifying outbound flight;

(8) “Qualifying outbound flight”, a direct international aircraft flight from the airport to an international destination that carries either all cargo or a mix of passengers and cargo.

135.1555. 1. For all fiscal years beginning on or after July 1, 2013, a claiming freight forwarder shall be entitled to an air export tax credit for the shipment of cargo on a qualifying outbound flight in an amount equal to forty cents per chargeable kilo.

2. The department shall index, and the secretary of state shall publish in the Missouri Register, the amount of the air export tax credits to adjust each year depending upon fluctuations in the cost of fuel for over-the-road transportation.

135.1560. 1. To receive benefits provided under section 135.1555, a claiming freight forwarder shall file an application with the department within one hundred twenty calendar days of the date of shipment. The documentation to be presented by the claiming freight forwarder in such an application shall consist of the master airway bill for the shipment on the qualifying outbound flight for which the claiming freight forwarder is seeking air export tax credits. The department shall establish procedures to allow claiming freight forwarders that file applications for air export tax credits to receive such tax credits within twenty business days of the filing of the application.

2. No tax credits provided under this section shall be authorized after June 30, 2021. Any tax credits authorized on or before June 30, 2021, but not issued, may be issued until all such authorized tax credits have been issued.

135.1565. The total aggregate amount for air export tax credits authorized under section 135.1555 shall not exceed sixty million dollars. The amount of the air export tax credits issued under section 135.1555 shall not exceed seven million five hundred thousand dollars for each fiscal year beginning on or after July 1, 2013.

135.1570. Tax credits granted to a partnership, a limited liability company taxed as a partnership, or multiple owners of property shall be passed through to the partners, members, or owners respectively pro rata or pursuant to an executed agreement among the partners, members, or owners documenting an alternate distribution method.

135.1575. 1. The department may promulgate rules to implement the provisions of sections 135.1550 to 135.1575. Any rule or portion of a rule, as that term is defined in section 536.010 that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after the effective date of this act, shall be invalid and void.

2. The provisions of section 23.253 of the Missouri sunset act notwithstanding:

(1) The provisions of the new programs authorized under sections 135.1550 to 135.1575 shall automatically sunset eight years after the effective date of this act, unless reauthorized by an act of the general assembly;

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset eight years after the effective date of the reauthorization of this section; and

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the programs authorized under sections 135.1550 to 135.1575 sunset.”; and

Further amend said bill, page 288, section 144.710, line 4 of said page, by inserting immediately after said line the following:

“144.810. 1. As used in this section, unless the context clearly indicates otherwise, the following terms mean:

(1) “Commencement of commercial operations”, shall be deemed to occur during the first calendar year for which the data storage center is first available for use by the operating taxpayer, or first capable of being used by the operating taxpayer, as a data storage center;

(2) “Constructing taxpayer”, where more than one taxpayer is responsible for a project, a taxpayer responsible for the construction of the facility, as opposed to a taxpayer responsible for the equipping and ongoing operations of the facility;

(3) “County average wage”, the average wages in each county as determined by the department for the most recently completed full calendar year. However, if the computed county average wage is above the statewide average wage, the statewide average wage shall be deemed the county average wage for such county for the purpose of determining eligibility;

(4) “Data storage center” or “facility”, a facility constructed, extended, improved, or operating under this section, provided that such business facility is engaged primarily in:

(a) Data processing, hosting, and related services (NAICS 518210);

(b) Internet publishing and broadcasting and web search portals (NAICS 519130), at the business facility; or

(c) Customer service, customer contact, or customer support operations through the use of computer databases and telecommunications services at the business facility;

(5) “Existing facility”, a data storage center in this state as it existed prior to August 28, 2013, as determined by the department;

(6) “Expanding facility” or “expanding data storage center”, an existing facility or replacement facility that expands its operations in this state on or after August 28, 2013, and has net new investment related to the expansion of operations in this state of at least five million dollars during a period of up to twelve consecutive months and results in the creation of at least five new jobs during a period of up to twenty-four consecutive months from the date of conditional approval for an exemption under this section, if the average wage of the new jobs equals or exceeds one hundred and fifty percent of the county average wage. An expanding facility shall continue to be an expanding facility regardless of a subsequent change in or addition of operating taxpayers or constructing taxpayers;

(7) “Expanding facility project” or “expanding data storage center project”, the construction, extension, improvement, equipping, and operation of an expanding facility;

(8) “Investment” shall include the value of real and depreciable personal property, acquired as part of the new or expanding facility project which is used in the operation of the facility following conditional approval of an exemption under this section;

(9) “NAICS”, the 2007 edition of the North American Industry Classification System as prepared by the Executive Office of the President, Office of Management and Budget. Any NAICS sector, subsector, industry group, or industry identified in this section shall include its corresponding classification in previous and subsequent federal industry classification systems;

(10) “New facility” or “new data storage center”, a facility in this state meeting the following requirements:

(a) The facility is acquired by, or leased to, an operating taxpayer on or after August 28, 2013. A facility shall be deemed to have been acquired by, or leased to, an operating taxpayer on or after August 28, 2013, if the transfer of title to an operating taxpayer, the transfer of possession under a binding contract to transfer title to an operating taxpayer, or the commencement of the term of the lease to an operating taxpayer occurs on or after August 28, 2013, or, if the facility is constructed, erected, or installed by or on behalf of an operating taxpayer, such construction, erection, or installation is commenced on or after August 28, 2013;

(b) If such facility was acquired by an operating or constructing taxpayer from another person or persons on or after August 28, 2013, and such facility was employed prior to August 28, 2013, by any other person or persons in the operation of a data storage center the facility shall not be considered a new facility;

(c) Such facility is not an expanding or replacement facility, as defined in this section;

(d) The new facility project investment is at least thirty-seven million dollars during a period of up to thirty-six consecutive months from the date of the conditional approval for an exemption under this section. Where more than one taxpayer is responsible for a project, the investment requirement may be met by an operating taxpayer, a constructing taxpayer, or a combination of constructing taxpayers and operating taxpayers;

(e) At least thirty new jobs are created at the new facility during a period of up to thirty-six consecutive months from the date of conditional approval for an exemption under this section if the average wage of the new jobs equals or exceeds one hundred fifty percent of the county average wage; and

(f) A new facility shall continue to be a new facility regardless of a subsequent change in or addition of operating taxpayers or constructing taxpayers;

(11) “New data storage center project” or “new facility project”, the construction, extension, improvement, equipping, and operation of a new facility;

(12) “New job” in the case of a new data center project, the total number of full-time employees located at a new data storage center for a period of up to thirty-six consecutive months from the date of conditional approval for an exemption under this section. In the case of an expanding data storage center project, the total number of full-time employees located at the expanding data storage center that exceeds the greater of the number of full-time employees located at the project facility on the date

of the submission of a project plan under this section or for the twelve-month period prior to the date of the submission of a project plan, the average number of full-time employees located at the expanding data storage center facility. In the event the expanding data storage center facility has not been in operation for a full twelve-month period at the time of the submission of a project plan, the total number of full-time employees located at the expanding data storage center that exceeds the greater of the number of full-time employees located at the project facility on the date of the submission of a project plan under this section or the average number of full-time employees for the number of months the expanding data storage center facility has been in operation prior to the date of the submission of the project plan;

(13) “Notice of intent”, a form developed by the department of economic development, completed by the project taxpayer, and submitted to the department, which states the project taxpayer’s intent to construct or expand a data center and request the exemptions under this program;

(14) “Operating taxpayer”, where more than one taxpayer is responsible for a project, a taxpayer responsible for the equipping and ongoing operations of the facility, as opposed to a taxpayer responsible for the purchasing or construction of the facility;

(15) “Project taxpayers”, each constructing taxpayer and each operating taxpayer for a data storage center project;

(16) “Replacement facility”, a facility in this state otherwise described in subdivision (7) of this subsection, but which replaces another facility located within the state, which the taxpayer or a related taxpayer previously operated but discontinued operating within one year prior to the commencement of commercial operations at the new facility;

(17) “Taxpayer”, the purchaser of tangible personal property or a service that is subject to state or local sales or use tax and from whom state or local sales or use tax is owed. Taxpayer shall not mean the seller charged by law with collecting the sales tax from the purchaser.

2. In addition to the exemptions granted under chapter 144, project taxpayers for a new data storage center project shall be entitled, for a project period not to exceed fifteen years from the date of conditional approval under this section and subject to the requirements of subsection 3 of this section, to an exemption of one hundred percent of the state and local sales and use taxes defined, levied, or calculated under section 32.085, sections 144.010 to 144.525, sections 144.600 to 144.761, or section 238.235, limited to the net fiscal benefit of the state calculated over a ten-year period, on:

(1) All electrical energy, gas, water, and other utilities including telecommunication and internet services used in a new data storage center;

(2) All machinery, equipment, and computers used in any new data storage center; and

(3) All sales at retail of tangible personal property and materials for the purpose of constructing any new data storage center.

The amount of any exemption provided under this subsection shall not exceed the projected net fiscal benefit to the state over a period of ten years, as determined by the department of economic development using the Regional Economic Modeling, Inc. dataset or comparable data.

3. (1) Any data storage center project seeking a tax exemption under subsection 2 of this section shall submit a notice of intent and a project plan to the department of economic development, which shall identify each known constructing taxpayer and known operating taxpayer for the project and

include any additional information the department of economic development may require to determine eligibility for the exemption. The department of economic development shall review the project plan and determine whether the project is eligible for the exemption under subsection 2 of this section, conditional upon subsequent verification by the department that the project meets the requirements in subsection 1 of this section for a new facility project. The department shall make such conditional determination within thirty days of submission by the operating taxpayer. Failure of the department to respond within thirty days shall result in a project plan being deemed conditionally approved.

(2) The department of economic development shall convey conditional approvals to the department of revenue and the identified project taxpayers. After a conditionally approved new facility has met the requirements in subsection 1 of this section for a new facility and the execution of the agreement specified in subsection 6 of this section, the project taxpayers shall provide proof of the same to the department of economic development. Upon verification of such proof, the department of economic development shall certify the new facility to the department of revenue as being eligible for the exemption dating retroactively to the first day of construction on the new facility. The department of revenue, upon receipt of adequate proof of the amount of sales taxes paid since the first day of construction, shall issue a refund of taxes paid but eligible for exemption under subsection 2 of this section to any applicable taxpayer and issue a certificate of exemption to each new project taxpayer for ongoing exemptions under subsection 2 of this section. The department of revenue shall issue such a refund within thirty days of receipt of certification from the department of economic development.

(3) Any project that does not meet the minimum investment or new job requirements of subsection 1 of this section may, at the discretion of the department of economic development, be awarded exemptions under subsection 2 of this section provided such exemption shall not exceed the projected net fiscal benefit to the state over a period of ten years.

(4) The commencement of the exemption period may be delayed at the option of the operating taxpayer, but not more than twenty-four months after the execution of the agreement required under subsection 6 of this section.

4. In addition to the exemptions granted under chapter 144, upon approval by the department of economic development, project taxpayers for expanding data center projects may, for a period not to exceed ten years, be specifically exempted from state and local sales and use taxes defined, levied, or calculated under section 32.085, sections 144.010 to 144.525, sections 144.600 to 144.761, or section 238.235 on:

(1) All electrical energy, gas, water, and other utilities including telecommunication and internet services used in an expanding data storage center which, on an annual basis, exceeds the amount of electrical energy, gas, water, and other utilities including telecommunication and internet services used in the existing facility or the replaced facility prior to the expansion. For purposes of this subdivision only, "amount" shall be measured in kilowatt hours, gallons, cubic feet, or other measures applicable to a utility service as opposed to in dollars, to account for increases in utility rates;

(2) All machinery, equipment, and computers used in any expanding data storage center; and

(3) All sales at retail of tangible personal property and materials for the purpose of constructing, repairing, or remodeling any expanding data storage center.

The amount of any exemption provided under this subsection shall not exceed the projected net fiscal

benefit to the state over a period of ten years, as determined by the department of economic development using the Regional Economic Modeling, Inc. dataset or comparable date.

5. (1) Any data storage center project seeking a tax exemption under subsection 4 of this section shall submit a notice of intent and a project plan to the department of economic development, which shall identify each known constructing taxpayer and each known operating taxpayer for the project and include any additional information the department of economic development may reasonably require to determine eligibility for the exemption. The department of economic development shall review the project plan and determine whether the project is eligible for the exemption under subsection 4 of this section, conditional upon subsequent verification by the department that the project meets the requirements in subsection 1 of this section for an expanding facility project and the execution of the agreement specified in subsection 6 of this section. The department shall make such conditional determination within thirty days of submission by the operating taxpayer. Failure of the department to respond within thirty days shall result in a project plan being deemed conditionally approved.

(2) The department of economic development shall convey such conditional approval to the department of revenue and the identified project taxpayers. After a conditional approved facility has met the requirements in subsection 1 of this section, the project taxpayers shall provide proof of the same to the department of economic development. Upon verification of such proof, the department of economic development shall certify the project to the department of revenue as being eligible for the exemption dating retroactively to the first day of the expansion of the facility. The department of revenue, upon receipt of adequate proof of the amount of sales taxes paid since the first day of the expansion of the facility, shall issue a refund of taxes paid but eligible for exemption under subsection 4 of this section to any applicable project taxpayer and issue a certificate of exemption to any applicable project taxpayer for ongoing exemptions under subsection 4 of this section. The department of revenue shall issue such a refund within thirty days of receipt of certification from the department of economic development.

(3) Any project that does not meet the minimum investment or new job requirements of subsection 1 of this section may, at the discretion of the department of economic development, be awarded exemptions under subsection 4 of this section provided such exemption shall not exceed the projected net fiscal benefit to the state over a period of ten years.

(4) The commencement of the exemption period may be delayed at the option of the operating taxpayer, but not more than twenty-four months after the execution of the agreement required under subsection 6 of this section.

6. (1) The exemptions in subsections 2 and 4 of this section shall be tied to the new or expanding facility project. A certificate of exemption in the hands of a taxpayer that is no longer an operating or constructing taxpayer of the new or expanding facility project shall be invalid as of the date the taxpayer was no longer an operating or constructing taxpayer of the new or expanding facility project. New certificates of exemption shall be issued to successor constructing taxpayers and operating taxpayers at such new or expanding facility projects. The right to the exemption by successor taxpayers shall exist without regard to subsequent levels of investment in the new or expanding facility by successor taxpayers.

(2) In order to receive exemptions under subsection 2 or 4 of this section, the project taxpayers shall enter into an agreement with the department of economic development providing for repayment

penalties in the event the data storage center project fails to:

(a) Comply with any of the requirements of this section; or

(b) Satisfy the investment or job creation projected in the notice of intent submitted for the project;

(3) The department of revenue shall credit any amounts remitted by the project taxpayers under this subsection to the fund to which the sales and use taxes exempted would have otherwise been credited.

7. The department of economic development and the department of revenue shall cooperate in conducting random audits to ensure that the intent of this section is followed.

8. Notwithstanding any other provision of law to the contrary, no recipient of an exemption pursuant to this section shall be eligible for benefits under any business recruitment tax credit, as defined in section 135.800.

9. The department of economic development and the department of revenue shall jointly prescribe such rules and regulations necessary to carry out the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2013, shall be invalid and void.

10. This section shall terminate on September 1, 2019. The termination of this section shall not be construed to limit or in any way impair the exemption for any project approved prior to the termination of this section.”; and

Further amend said bill, page 308, section 238.410, line 23 of said page, by inserting immediately after said line the following:

“253.550. 1. Any taxpayer incurring costs and expenses for the rehabilitation of eligible property, which is a certified historic structure or structure in a certified historic district, may, subject to the provisions of this section and section 253.559, receive a credit against the taxes imposed pursuant to chapters 143 and 148, except for sections 143.191 to 143.265, on such taxpayer in an amount equal to twenty-five percent of the total costs and expenses of rehabilitation incurred after January 1, 1998, which shall include, but not be limited to, qualified rehabilitation expenditures as defined under section 47(c)(2)(A) of the Internal Revenue Code of 1986, as amended, and the related regulations thereunder, provided the rehabilitation costs associated with rehabilitation and the expenses exceed fifty percent of the total basis in the property and the rehabilitation meets standards consistent with the standards of the Secretary of the United States Department of the Interior for rehabilitation as determined by the state historic preservation officer of the Missouri department of natural resources.

2. During the period beginning on January 1, 2010, but ending on or after June 30, 2010, the department of economic development shall not approve applications for tax credits under the provisions of subsections 3 and 8 of section 253.559 which, in the aggregate, exceed seventy million dollars, increased by any amount

of tax credits for which approval shall be rescinded under the provisions of section 253.559. For each fiscal year beginning on or after July 1, 2010, **but ending on or before June 30, 2013**, the department of economic development shall not approve applications for tax credits under the provisions of subsections 3 and 8 of section 253.559 which, in the aggregate, exceed one hundred forty million dollars, increased by any amount of tax credits for which approval shall be rescinded under the provisions of section 253.559. The limitations provided under this subsection shall not apply to applications approved under the provisions of subsection 3 of section 253.559 for projects to receive less than two hundred seventy-five thousand dollars in tax credits.

3. For all applications for tax credits approved on or after January 1, 2010, **but before the effective date of this act**, no more than two hundred fifty thousand dollars in tax credits may be issued for eligible costs and expenses incurred in the rehabilitation of an eligible property which is a nonincome producing single-family, owner-occupied residential property and is either a certified historic structure or a structure in a certified historic district.

4. The limitations on tax credit authorization provided under the provisions of subsections 2 and 3 of this section shall not apply to:

(1) Any application submitted by a taxpayer, which has received approval from the department prior to January 1, 2010; or

(2) Any taxpayer applying for tax credits, provided under this section, which, on or before January 1, 2010, has filed an application with the department evidencing that such taxpayer:

(a) Has incurred costs and expenses for an eligible property which exceed the lesser of five percent of the total project costs or one million dollars and received an approved Part I from the Secretary of the United States Department of Interior; or

(b) Has received certification, by the state historic preservation officer, that the rehabilitation plan meets the standards consistent with the standards of the Secretary of the United States Department of the Interior, and the rehabilitation costs and expenses associated with such rehabilitation shall exceed fifty percent of the total basis in the property.

5. For each fiscal year beginning on or after July 1, 2013, the department of economic development shall not approve applications for tax credits under the provisions of subsections 3 and 8 of section 253.559 which, in the aggregate, exceed forty-five million dollars, increased by any amount of tax credits for which approval shall be rescinded under the provisions of section 253.559. The limitations provided under this subsection shall not apply to applications approved under the provisions of subsection 3 of section 253.559 for projects to receive less than two hundred seventy-five thousand dollars in tax credits.

6. For all applications for tax credits approved on or after the effective date of this act, no more than one hundred and twenty-five thousand dollars in tax credits may be issued for eligible costs and expenses incurred in the rehabilitation of an eligible property which is a nonincome producing single-family, owner-occupied residential property and is either a certified historic structure or a structure in a certified historic district.

7. In lieu of the limitations on tax credit authorization provided under the provisions of subsections 5 and 6 of this section, the limitations on tax credit authorization provided under the provisions of subsections 2 and 3 of this section shall apply to:

(1) Any application submitted by a taxpayer, which has received approval from the department prior to the effective date of this act; or

(2) Any application for tax credits provided under this section for a project, which on or before the effective date of this act:

(a) Received an approved Part I from the Secretary of the United States Department of Interior and has incurred costs and expenses for an eligible property which exceed the lesser of fifteen percent of the total project costs or three million dollars; or

(b) Has received certification, by the state historic preservation officer, that the rehabilitation plan meets the standards consistent with the standards of the Secretary of the United States Department of the Interior, and the rehabilitation costs and expenses associated with such rehabilitation would, upon completion, be expected to exceed fifty percent of the total basis in the property.

8. For each fiscal year beginning on or after July 1, 2013, the department of economic development shall not approve applications for projects to receive less than two hundred seventy-five thousand dollars in tax credits which, in the aggregate, exceed five million dollars, increased by any amount of tax credits for which approval shall be rescinded under the provisions of section 253.559. The limitations on tax credit authorization provided under the provisions of this subsection, shall not apply to:

(1) Any application submitted by a taxpayer, which has received approval from the department prior to the effective date of this act; or

(2) Any application for tax credits provided under this section for a project, which on or before the effective date of this act:

(a) Received an approved Part I from the Secretary of the United States Department of Interior and has incurred costs and expenses for an eligible property which exceed five percent of the total project costs; or

(b) Has received certification, by the state historic preservation officer, that the rehabilitation plan meets the standards consistent with the standards of the Secretary of the United States Department of the Interior, and the rehabilitation costs and expenses associated with such rehabilitation would, upon completion, be expected to exceed fifty percent of the total basis in the property.

253.557. 1. If the amount of such credit exceeds the total tax liability for the year in which the rehabilitated property is placed in service, the amount that exceeds the state tax liability may be carried back to any of the three preceding years and carried forward for credit against the taxes imposed pursuant to chapter 143 and chapter 148, except for sections 143.191 to 143.265 for the succeeding ten years, or until the full credit is used, whichever occurs first. For all tax credits authorized under the provisions of sections 253.545 to 253.559 on or after the effective date of this act, if the total amount of such credit exceeds the total tax liability for the year in which the rehabilitated property is placed in service, the amount that exceeds the state tax liability may be carried forward for credit against the taxes imposed pursuant to chapter 143 and chapter 148, except for sections 143.191 to 143.265 for the succeeding two years, or until the full credit is used, whichever occurs first. Not-for-profit entities, including but not limited to corporations organized as not-for-profit corporations pursuant to chapter 355 shall be ineligible for the tax credits authorized under sections 253.545 [through 253.561] to 253.559. Any taxpayer that receives state tax credits under the provisions of sections 135.350 to 135.363 for a project that is

not financed through tax exempt bonds issuance shall be ineligible for the state tax credits authorized under sections 253.545 to 253.559 for the same project. Taxpayers eligible for such tax credits may transfer, sell or assign the credits. Credits granted to a partnership, a limited liability company taxed as a partnership or multiple owners of property shall be passed through to the partners, members or owners respectively pro rata or pursuant to an executed agreement among [the] **such** partners, members or owners documenting an alternate distribution method.

2. The assignee of the tax credits, hereinafter the assignee for purposes of this subsection, may use acquired credits to offset up to one hundred percent of the tax liabilities otherwise imposed pursuant to chapter 143 and chapter 148, except for sections 143.191 to 143.265. The assignor shall perfect such transfer by notifying the department of economic development in writing within thirty calendar days following the effective date of the transfer and shall provide any information as may be required by the department of economic development to administer and carry out the provisions of this section.

253.559. 1. To obtain approval for tax credits allowed under sections 253.545 to 253.559, a taxpayer shall submit an application for tax credits to the department of economic development. Each application for approval, including any applications received for supplemental allocations of tax credits as provided under subsection 8 of this section, shall be prioritized for review and approval, in the order of the date on which the application was postmarked, with the oldest postmarked date receiving priority. Applications postmarked on the same day shall go through a lottery process to determine the order in which such applications shall be reviewed.

2. Each application shall be reviewed by the department of economic development for approval. In order to receive approval, an application, other than applications submitted under the provisions of subsection 8 of this section, shall include:

(1) Proof of ownership or site control. Proof of ownership shall include evidence that the taxpayer is the fee simple owner of the eligible property, such as a warranty deed or a closing statement. Proof of site control may be evidenced by a leasehold interest or an option to acquire such an interest. If the taxpayer is in the process of acquiring fee simple ownership, proof of site control shall include an executed sales contract or an executed option to purchase the eligible property;

(2) Floor plans of the existing structure, architectural plans, and, where applicable, plans of the proposed alterations to the structure, as well as proposed additions;

(3) The estimated cost of rehabilitation, the anticipated total costs of the project, the actual basis of the property, as shown by proof of actual acquisition costs, the anticipated total labor costs, the estimated project start date, and the estimated project completion date;

(4) Proof that the property is an eligible property and a certified historic structure or a structure in a certified historic district; and

(5) Any other information which the department of economic development may reasonably require to review the project for approval. Only the property for which a property address is provided in the application shall be reviewed for approval. Once selected for review, a taxpayer shall not be permitted to request the review of another property for approval in the place of the property contained in such application. Any disapproved application shall be removed from the review process. If an application is removed from the review process, the department of economic development shall notify the taxpayer in writing of the decision to remove such application. Disapproved applications shall lose priority in the review

process. A disapproved application, which is removed from the review process, may be resubmitted, but shall be deemed to be a new submission for purposes of the priority procedures described in this section.

3. If the department of economic development deems the application sufficient, the taxpayer shall be notified in writing of the approval for an amount of tax credits equal to the amount provided under section 253.550 less any amount of tax credits previously approved. Such approvals shall be granted to applications in the order of priority established under this section and shall require full compliance thereafter with all other requirements of law as a condition to any claim for such credits.

4. Following approval of an application, the identity of the taxpayer contained in such application shall not be modified except:

(1) The taxpayer may add partners, members, or shareholders as part of the ownership structure, so long as the principal remains the same, provided however, that subsequent to the commencement of renovation and the expenditure of at least ten percent of the proposed rehabilitation budget, removal of the principal for failure to perform duties and the appointment of a new principal thereafter shall not constitute a change of the principal; or

(2) Where the ownership of the project is changed due to a foreclosure, deed in lieu of a foreclosure or voluntary conveyance, or a transfer in bankruptcy. **Upon any such change in ownership, the taxpayer contained in such application shall notify the department of such change.**

5. In the event that the department of economic development grants approval for tax credits equal to the **applicable** total amount available under subsection 2, **5, or 8** of section 253.550, or sufficient that when totaled with all other approvals, the **applicable** amount available under subsection 2, **5, or 8** of section 253.550 is exhausted, all taxpayers with applications then awaiting approval or thereafter submitted for approval shall be notified by the department of economic development that no additional approvals shall be granted during the fiscal year and shall be notified of the priority given to such taxpayer's application then awaiting approval. Such applications shall be kept on file by the department of economic development and shall be considered for approval for tax credits in the order established in this section in the event that additional credits become available due to the rescission of approvals or when a new fiscal year's allocation of credits becomes available for approval.

6. All taxpayers with applications receiving approval on or after the effective date of this act shall commence rehabilitation within two years of the date of issuance of the letter from the department of economic development granting the approval for tax credits. "Commencement of rehabilitation" shall mean that as of the date in which actual physical work, contemplated by the architectural plans submitted with the application, has begun, the taxpayer has incurred no less than ten percent of the estimated costs of rehabilitation provided in the application. Taxpayers with approval of a project shall submit evidence of compliance with the provisions of this subsection. If the department of economic development determines that a taxpayer has failed to comply with the requirements provided under this section, the approval for the amount of tax credits for such taxpayer shall be rescinded and such amount of tax credits shall then be included in the **applicable** total amount of tax credits, provided under subsection 2, **5, or 8** of section 253.550, from which approvals may be granted. Any taxpayer whose approval shall be subject to rescission shall be notified of such from the department of economic development and, upon receipt of such notice, may submit a new application for the project.

7. To claim the credit authorized under sections 253.550 to 253.559, a taxpayer with approval shall apply for final approval and issuance of tax credits from the department of economic development which,

in consultation with the department of natural resources, shall determine the final amount of eligible rehabilitation costs and expenses and whether the completed rehabilitation meets the standards of the Secretary of the United States Department of the Interior for rehabilitation as determined by the state historic preservation officer of the Missouri department of natural resources. For financial institutions credits authorized pursuant to sections 253.550 to 253.561 shall be deemed to be economic development credits for purposes of section 148.064. The approval of all applications and the issuing of certificates of eligible credits to taxpayers shall be performed by the department of economic development. The department of economic development shall inform a taxpayer of final approval by letter and shall issue, to the taxpayer, tax credit certificates. The taxpayer shall attach the certificate to all Missouri income tax returns on which the credit is claimed.

8. Except as expressly provided in this subsection, tax credit certificates shall be issued in the final year that costs and expenses of rehabilitation of the project are incurred, or within the twelve-month period immediately following the conclusion of such rehabilitation. In the event the amount of eligible rehabilitation costs and expenses incurred by a taxpayer would result in the issuance of an amount of tax credits in excess of the amount provided under such taxpayer's approval granted under subsection 3 of this section, such taxpayer may apply to the department for issuance of tax credits in an amount equal to such excess. Applications for issuance of tax credits in excess of the amount provided under a taxpayer's application shall be made on a form prescribed by the department. Such applications shall be subject to all provisions regarding priority provided under subsection 1 of this section.

9. The department of economic development shall determine, on an annual basis, the overall economic impact to the state from the rehabilitation of eligible property.

10. By no later than January 1, 2014, the department of economic development shall propose rules to implement the provisions of sections 253.550 to 253.559. Prior to proposing such rules, the department shall conduct a stakeholder process designed to solicit input from interested parties. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated herein shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after the effective date of this act, shall be invalid and void.

348.273. 1. This section and section 348.274 shall be known and may be cited as the "Missouri Angel Investment Incentive Act".

2. As used in this section and section 348.274, the following terms mean:

- (1) "Cash investment", money or money equivalent contribution;**
- (2) "Department", the department of economic development;**
- (3) "Investor":**

(a) A natural person who is an accredited investor as defined in 17 CFR 230.501(a)(5) or 17 CFR 230.501(a)(6), as in effect on August 28, 2013;

(b) A permitted entity investor who is an accredited investor as defined in 17 CFR 230.501(a)(8),

as in effect on August 28, 2013; or

(c) A natural person or permitted entity investor making an investment that is permitted under the Jumpstart Our Business Startups Act, Pub. L. No. 112-106, Sections 301-305, 126 Stat. 315-323, as in effect on August 28, 2013.

A person who serves as an executive, officer, or employee of the business in which an otherwise qualified cash investment is made is not an investor and such person shall not qualify for the issuance of tax credits for such investment;

(4) “Owner”, any natural person who is, directly or indirectly, a partner, stockholder, or member in a permitted entity investor;

(5) “Permitted entity investor”, any charitable organization which 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, general partnership, limited partnership, small corporation described in section 143.471, revocable living trust, or limited liability company that has elected to be taxed as a partnership under the United States internal revenue code, and that was established and is operated for the purpose of making investments in other entities;

(6) “Qualified knowledge-based company”, a company based on the use of ideas and information to provide innovative technologies, products, and services;

(7) “Qualified Missouri business”, the Missouri businesses that are approved and certified as qualified knowledge-based companies by the regional SBTDC that meet at least one of the following criteria:

(a) Any business owned by an individual;

(b) Any partnership, association, or corporation domiciled in Missouri; or

(c) Any corporation, even if a wholly owned subsidiary of a foreign corporation, that does business primarily in Missouri or does substantially all of such business’s production in Missouri;

(8) “Qualified securities”, a cash investment through any one or more forms of financial assistance as provided in this subdivision and that have been approved in form and substance by the department. Forms of such financial assistance include:

(a) Any form of equity, such as:

a. A general or limited partnership interest;

b. Common stock;

c. Preferred stock, with or without voting rights, without regard to seniority position, and whether or not convertible into common stock; or

d. Any form of subordinate or convertible debt, or both, with warrants or other means of equity conversion attached; or

(b) A debt instrument, such as a note or debenture that is secured or unsecured, subordinated to the general creditors of the debtor and requires no payments of principal, other than principal payments required to be made out of any future profits of the debtor, for at least a seven-year period after commencement of such debt instrument’s term;

(9) “SBTDC”, the Missouri small business and technology development center; and

(10) “Tax credit”, a credit against the tax otherwise due under chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265.

3. The Missouri angel investment incentive act shall be administered by the regional SBTDCs and the department, with the primary goal of encouraging individuals to provide seed-capital financing for emerging Missouri businesses engaged in the development, implementation, and commercialization of innovative technologies, products, and services. Each regional SBTDC shall establish a regional committee consisting of no fewer than three but no more than five persons for the purpose of reviewing applications from businesses requesting designation as a qualified Missouri business and allocating the amount of available tax credits among the qualified Missouri businesses. The department shall establish its own rules of procedure, including the form and substance of applications to be used by each regional SBTDC and the criteria to be considered by each regional SBTDC when evaluating a qualified Missouri business, such applications and criteria to be not less than the minimum requirements set forth in subsection 5 of this section. The department shall issue tax credits to qualified investors that make cash investments in qualified Missouri businesses that have been allocated available tax credits by a regional SBTDC.

4. (1) A tax credit shall be allowed for an investor’s cash investment in the qualified securities of a qualified Missouri business. The credit shall be in a total amount equal to fifty percent of such investor’s cash investment in any qualified Missouri business, subject to the limitations set forth in this subsection. This tax credit may be used in its entirety in the taxable year in which the cash investment is made except that no tax credit shall be allowed in a year prior to the year beginning January 1, 2014. If the amount by which that portion of the credit allowed by this section exceeds the investor’s liability in any one taxable year, the remaining portion of the credit may be carried forward five years or until the total amount of the credit is used, whichever occurs first. If the investor is a permitted entity investor, the credit provided by this section shall be claimed by the owners of the permitted entity investor in proportion to their equity investment in the permitted entity investor.

(2) A cash investment in a qualified security shall be deemed to have been made on the date of acquisition of the qualified security, as such date is determined in accordance with the provisions of the Internal Revenue Code of 1986, as amended.

(3) The director of the department of revenue shall not allow tax credits of more than fifty thousand dollars for a single qualified Missouri business or a total of two hundred fifty thousand dollars in tax credits for a single year per investor who is a natural person or owner of a permitted entity investor. No tax credits authorized by this section and section 348.274 shall be allowed for any cash investments in qualified securities for any year beginning after December 31, 2019. The total amount of tax credits allocated under this section shall not exceed six million dollars per year.

(4) At the beginning of each calendar year, the department shall equally designate the tax credits available during that year to each regional SBTDC. At the beginning of each calendar quarter, the department shall allocate to each regional SBTDC one-fourth of the total tax credits designated to such regional SBTDC for the calendar year such that the regional SBTDC can allocate tax credits among the qualified Missouri businesses. The department shall then issue tax credits to qualified investors for cash investments in such qualified Missouri businesses during that calendar quarter.

(5) At the end of each calendar quarter, each regional SBTDC shall report to the department any

unallocated tax credits for the preceding quarter. Such report shall meet the requirements set forth in section 348.274. The department shall aggregate all such tax credits and reallocate them equally among the regional SBTDCs as soon as possible during the next consecutive calendar quarter. Each regional SBTDC shall receive such reallocation in addition to the new allocation of designated tax credits for such quarter.

(6) During the fourth calendar quarter, a regional SBTDC in need of additional tax credits for transactions closing in the fourth calendar quarter may request that another regional SBTDC with unallocated tax credits permit such unallocated tax credits to be allocated by the requesting SBTDC. No regional SBTDC shall be required to grant such request. When a granting SBTDC transfers the allocation of the unallocated tax credits to a requesting SBTDC under this subdivision, the granting SBTDC shall provide to the requesting SBTDC a written confirmation authorizing such transfer, the granting SBTDC shall include a copy of such written confirmation in its reports provided under section 348.274, and the requesting SBTDC shall include a copy of such written confirmation in its reports provided under section 348.274.

5. (1) Before an investor may be entitled to receive tax credits under this section and section 348.274, such investor shall have made a cash investment in a qualified security of a qualified Missouri business. The business shall have been approved by a regional SBTDC as a qualified Missouri business before the date on which the cash investment was made. To be designated as a qualified Missouri business, a business shall make application to a regional SBTDC in accordance with the provisions of this section.

(2) The application by a business to a regional SBTDC shall be in the form and substance as required by the department, but shall include at least the following:

(a) The name of the business and certified copies of the organizational documents of the business;

(b) A business plan, including a description of the business and the management, product, market, and financial plan of the business;

(c) A statement of the potential economic impact of the enterprise, including the number, location, and types of jobs expected to be created;

(d) A description of the qualified securities to be issued, the consideration to be paid for the qualified securities, and the amount of any tax credits requested;

(e) A statement of the amount, timing, and projected use of the proceeds to be raised from the proposed sale of qualified securities; and

(f) Such other information as the regional SBTDC or the department may reasonably request.

(3) The designation of a business as a qualified Missouri business shall be made by the regional SBTDC, and such designation shall be renewed annually. A business shall be so designated if the regional SBTDC determines, based upon the application submitted by the business and any additional investigation the regional SBTDC shall make, that such business meets the criteria established by the department. Such criteria shall include at least the following:

(a) The business shall not have had annual gross revenues of more than five million dollars in the most recent tax year of the business;

(b) Businesses that are not bioscience businesses shall have been in operation for less than five

years, and bioscience businesses shall have been in operation for less than ten years;

(c) The ability of investors in the business to receive tax credits for cash investments in qualified securities of the business is beneficial, because funding otherwise available for the business is not available on commercially reasonable terms;

(d) The business shall not have ownership interests including, but not limited to, common or preferred shares of stock, that can be traded via a public stock exchange before the date that a qualifying investment is made;

(e) The business shall not be engaged primarily in any one or more of the following enterprises:

a. The business of banking, savings and loan or lending institutions, credit or finance, or financial brokerage or investments;

b. The provision of professional services, such as legal, accounting, or engineering services;

c. Governmental, charitable, religious, or trade organizations;

d. The ownership, development brokerage, sales, or leasing of real estate;

e. Insurance;

f. Construction or construction management or contracting;

g. Business consulting or brokerage;

h. Any business engaged primarily as a passive business, having irregular or noncontinuous operations, or deriving substantially all of the income of the business from passive investments that generate interest, dividends, royalties, or capital gains, or any business arrangements the effect of which is to immunize an investor from risk of loss;

i. Any activity that is in violation of the law;

j. Any business raising money primarily to purchase real estate, land, or fixtures; and

k. Any gambling related business;

(f) The business has a reasonable chance of success;

(g) The business has the reasonable potential to create measurable employment within the region, this state, or both;

(h) The business has an innovative and proprietary technology, product, or service;

(i) The existing owners of the business and other founders have made or are committed to make a substantial financial and time commitment to the business;

(j) The securities to be issued and purchased are qualified securities;

(k) The business has the reasonable potential to address the needs and opportunities specific to the region or this state, or both;

(l) The business has made binding commitments to the regional SBTDC for adequate reporting of financial data, including a requirement for an annual report, or, if required by the regional SBTDC, an annual audit of the financial and operational records of the business, the right of access to the financial records of the business, and the right of the regional SBTDC to record and publish

normal and customary data and information related to the issuance of tax credits that are not otherwise determined to be trade or business secrets; and

(m) The business shall satisfy all other requirements of this section and section 348.274.

(4) Notwithstanding the requirements of subdivision (3) of this subsection, a business may be considered as a qualified Missouri business under the provisions of this section and section 348.274 if such business falls within a standard industrial classification code established by the department.

(5) A qualified Missouri business shall have the burden of proof to demonstrate to the regional SBTDC the qualifications of the business under this section.

6. Any rule or portion of a rule, as that term is defined in section 536.010 that is created under the authority delegated in this section and section 348.274 shall become effective only if it complies with and is subject to all of the provisions of chapter 536, and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2013, shall be invalid and void.

348.274. 1. (1) Each regional SBTDC is authorized to allocate tax credits to qualified Missouri businesses. The department is authorized to issue tax credits to qualified investors in such qualified Missouri businesses. Such tax credits shall be allocated to those qualified Missouri businesses which, as determined by the regional SBTDC, are most likely to provide the greatest economic benefit to the region, the state, or both. The regional SBTDC may allocate, and the department may issue, whole or partial tax credits based on the regional SBTDC's assessment of the qualified Missouri businesses. The regional SBTDC may consider numerous factors in such assessment, including but not limited to, the quality and experience of the management team, the size of the estimated market opportunity, the risk from current or future competition, the ability to defend intellectual property, the quality and utility of the business model, and the quality and reasonableness of financial projections for the business.

(2) Each qualified Missouri business for which a regional SBTDC has allocated tax credits such that the department can issue tax credits to the qualified investors of such qualified Missouri business shall submit to the regional SBTDC a report before such tax credits are issued. The regional SBTDC shall provide copies of this report to the department. Such report shall include the following:

(a) The name, address, and taxpayer identification number of each investor who has made cash investment in the qualified securities of the qualified Missouri business;

(b) Proof of such investment, including copies of the securities purchase agreements and cancelled checks or wire transfer receipts; and

(c) Any additional information as the regional SBTDC may reasonably require under this section and section 348.273.

2. (1) The state of Missouri shall not be held liable for any damages to any investor that makes an investment in any qualified security of a qualified Missouri business, any business that applies to be designated as a qualified Missouri business and is turned down, or any investor that makes an investment in a business that applies to be designated as a qualified Missouri business and is turned

down.

(2) Each qualified Missouri business shall have the obligation to notify the regional SBTDC that allocated tax credits to the qualified Missouri business and the department in a timely manner of any changes in the qualifications of the business or in the eligibility of investors to claim a tax credit for cash investment in a qualified security.

(3) The department shall provide the information specified in subdivision (3) of subsection 4 of this section to the department of revenue on an annual basis. The department shall conduct an annual review of the activities undertaken under this section and section 348.273 to ensure that tax credits issued under this section and section 348.273 are issued in compliance with the provisions of this section and section 348.273 or rules and regulations promulgated by each regional SBTDC or the department with respect to this section and section 348.273.

(4) If the department determines that a business is not in substantial compliance with the requirements of this section and section 348.273 to maintain its designation, the department, by written notice, shall inform the business that such business will lose its designation as a qualified Missouri business one hundred twenty days from the date of mailing of the notice unless such business corrects the deficiencies and is once again in compliance with the requirements for designation.

(5) At the end of the one hundred twenty-day period, if the qualified Missouri business is still not in substantial compliance, the department shall send a notice of loss of designation to the business, each regional SBTDC, the director of the department of revenue and to all known investors in the business.

(6) A business shall lose its designation as a qualified Missouri business under this section and section 348.273 by moving its operations outside Missouri within ten years after receiving financial assistance under this section and section 348.273.

(7) In the event that a business loses its designation as a qualified Missouri business, such business shall be precluded from being issued any additional tax credits with respect to the business, shall be precluded from being approved as a qualified Missouri business and shall repay any financial assistance to the regional SBTDC, in an amount to be determined by the regional SBTDC. Each qualified Missouri business that loses its designation as a qualified Missouri business shall enter into a repayment agreement with the regional SBTDC specifying the terms of such repayment obligation.

(8) Investors in a qualified Missouri business shall be entitled to keep all of the tax credits properly issued to such investors under this section and section 348.273.

(9) The portions of documents and other materials submitted to any regional SBTDC or the department that contain trade secrets shall be kept confidential and shall be maintained in a secured environment by the regional SBTDC and the department, as applicable. For the purposes of this section and section 348.273, “trade secrets” means any customer lists, formula, compound, production data, or compilation of information that will allow individuals within a commercial concern using such information the means to fabricate, produce, or compound an article of trade or perform any service having commercial value, which gives the user an opportunity to obtain a business advantage over competitors who do not know or use such service.

(10) Each regional SBTDC and the department may prepare and adopt procedures concerning the performance of the duties placed upon each respective entity by this section and section 348.273.

3. Any qualified investor who makes a cash investment in a qualified security of a qualified Missouri business may transfer the tax credits such qualified investor may receive under subsection 4 of section 348.273 to any natural person. Such transferee may claim the tax credit against the transferee's Missouri income tax liability as provided in subdivision (1) of subsection 4 of section 348.273, subject to all restrictions and limitations set forth in this section and section 348.273. Only the full credit for any one investment shall be transferred and this interest shall only be transferred one time. Documentation of any tax credit transfer under this section shall be provided by the qualified investor in the manner required by the department.

4. (1) Each qualified Missouri business for which tax credits have been issued under this section and section 348.273 shall report to the applicable regional SBTDC on an annual basis, on or before February first. The regional SBTDC shall provide copies of the reports to the department. Such reports shall include the following:

(a) The name, address, and taxpayer identification number of each investor who has made cash investment in the qualified securities of the qualified Missouri business and has received tax credits for this investment during the preceding year;

(b) The amounts of these cash investments by each investor and a description of the qualified securities issued in consideration of such cash investments; and

(c) Any additional information as the regional SBTDC or the department may reasonably require under this section and section 348.273.

(2) Each regional SBTDC shall report quarterly to the department on the allocation of the tax credits in the preceding calendar quarter. Such reports shall include:

(a) The amount of applications the regional SBTDC received;

(b) The number and ratio of successful applications to unsuccessful applications;

(c) The amount of tax credits allocated but not issued in the previous quarter, including what percentage was allocated to individuals and what percentage was allocated to investment firms;

(d) The amount of unallocated tax credits; and

(e) Such other information as reasonably agreed upon by each regional SBTDC and the department.

(3) The department shall also report annually to the governor, the president pro tempore of the senate, and the speaker of the house of representatives, on or before April first, on the allocation and issuance of the tax credits. Such reports shall include:

(a) The amount of tax credits issued in the previous fiscal year, including what percentage was issued to individuals and what percentage was issued to investment firms;

(b) The types of businesses that benefitted from the tax credits;

(c) The amount of allocated but unissued tax credits and the information about the unissued tax credits set forth in subdivision (2) of this subsection;

(d) Any aggregate job creation or capital investment in the region that resulted from the use of the tax credits for a period of five years beginning from the date on which the tax credits were

awarded;

(e) **The manner in which the purpose of this section and section 348.273 has been carried out with regard to the region;**

(f) **The total cash investments made for the purchase of qualified securities of qualified Missouri businesses within the region during the preceding year and cumulatively since the effective date of this section and section 348.273;**

(g) **An estimate of jobs created and jobs preserved by cash investments made in qualified Missouri businesses within the region;**

(h) **An estimate of the multiplier effect on the economy of the region of the cash investments made under this section and section 348.273;**

(i) **Information regarding what businesses derived benefit from the tax credits remained in the region, what businesses ceased business, what businesses were purchased, and what businesses may have moved out-of-region or out-of-state and why.**

(4) Any violation of the reporting requirements of this subsection by a qualified Missouri business may be grounds for the loss of designation of such qualified Missouri business, and such business that loses its designation as a qualified Missouri business shall be subject to the restrictions upon loss of designation set forth in subsection 2 of this section.

5. Notwithstanding sections 23.250 to 23.298 of the Missouri sunset act, sections 348.273 and 348.274 shall expire on December 31, 2019.

447.708. 1. For eligible projects, the director of the department of economic development, with notice to the directors of the departments of natural resources and revenue, and subject to the other provisions of sections 447.700 to 447.718, may not create a new enterprise zone but may decide that a prospective operator of a facility being remedied and renovated pursuant to sections 447.700 to 447.718 may receive the tax credits and exemptions pursuant to sections 135.100 to 135.150 and sections 135.200 to 135.257. The tax credits allowed pursuant to this subsection shall be used to offset the tax imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or the tax otherwise imposed by chapter 147, or the tax otherwise imposed by chapter 148. **Notwithstanding any provisions of law to the contrary, the department shall not authorize tax credits and exemptions pursuant to this subsection after the effective date of this act.** For purposes of this subsection:

(1) For receipt of the ad valorem tax abatement pursuant to section 135.215, the eligible project must create at least ten new jobs or retain businesses which supply at least twenty-five existing jobs. The city, or county if the eligible project is not located in a city, must provide ad valorem tax abatement of at least fifty percent for a period not less than ten years and not more than twenty-five years;

(2) For receipt of the income tax exemption pursuant to section 135.220 and tax credit for new or expanded business facilities pursuant to sections 135.100 to 135.150, and 135.225, the eligible project must create at least ten new jobs or retain businesses which supply at least twenty-five existing jobs, or combination thereof. For purposes of sections 447.700 to 447.718, the tax credits described in section 135.225 are modified as follows: the tax credit shall be four hundred dollars per employee per year, an additional four hundred dollars per year for each employee exceeding the minimum employment thresholds of ten and twenty-five jobs for new and existing businesses, respectively, an additional four hundred dollars

per year for each person who is a person difficult to employ as defined by section 135.240, and investment tax credits at the same amounts and levels as provided in subdivision (4) of subsection 1 of section 135.225;

(3) For eligibility to receive the income tax refund pursuant to section 135.245, the eligible project must create at least ten new jobs or retain businesses which supply at least twenty-five existing jobs, or combination thereof, and otherwise comply with the provisions of section 135.245 for application and use of the refund and the eligibility requirements of this section;

(4) The eligible project operates in compliance with applicable environmental laws and regulations, including permitting and registration requirements, of this state as well as the federal and local requirements;

(5) The eligible project operator shall file such reports as may be required by the director of economic development or the director's designee;

(6) The taxpayer may claim the state tax credits authorized by this subsection and the state income exemption for a period not in excess of ten consecutive tax years. For the purpose of this section, "taxpayer" means an individual proprietorship, partnership or corporation described in section 143.441 or 143.471 who operates an eligible project. The director shall determine the number of years the taxpayer may claim the state tax credits and the state income exemption based on the projected net state economic benefits attributed to the eligible project;

(7) For the purpose of meeting the new job requirement prescribed in subdivisions (1), (2) and (3) of this subsection, it shall be required that at least ten new jobs be created and maintained during the taxpayer's tax period for which the credits are earned, in the case of an eligible project that does not replace a similar facility in Missouri. "New job" means a person who was not previously employed by the taxpayer or related taxpayer within the twelve-month period immediately preceding the time the person was employed by that taxpayer to work at, or in connection with, the eligible project on a full-time basis. "Full-time basis" means the employee works an average of at least thirty-five hours per week during the taxpayer's tax period for which the tax credits are earned. For the purposes of this section, related taxpayer has the same meaning as defined in subdivision (9) of section 135.100;

(8) For the purpose of meeting the existing job retention requirement, if the eligible project replaces a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer's tax period in which the tax credits are earned, it shall be required that at least twenty-five existing jobs be retained at, and in connection with the eligible project, on a full-time basis during the taxpayer's tax period for which the credits are earned. "Retained job" means a person who was previously employed by the taxpayer or related taxpayer, at a facility similar to the eligible project that closed elsewhere in Missouri prior to the end of the taxpayer's tax period in which the tax credits are earned, within the tax period immediately preceding the time the person was employed by the taxpayer to work at, or in connection with, the eligible project on a full-time basis. "Full-time basis" means the employee works an average of at least thirty-five hours per week during the taxpayer's tax period for which the tax credits are earned;

(9) In the case where an eligible project replaces a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer's tax period in which the tax credits are earned, the owner and operator of the eligible project shall provide the director with a written statement explaining the reason for discontinuing operations at the closed facility. The statement shall include a comparison of the activities performed at the closed facility prior to the date the facility ceased operating, to the activities performed at the eligible project, and a detailed account describing the need and rationale for relocating to the eligible

project. If the director finds the relocation to the eligible project significantly impaired the economic stability of the area in which the closed facility was located, and that such move was detrimental to the overall economic development efforts of the state, the director may deny the taxpayer's request to claim tax benefits;

(10) Notwithstanding any provision of law to the contrary, for the purpose of this section, the number of new jobs created and maintained, the number of existing jobs retained, and the value of new qualified investment used at the eligible project during any tax year shall be determined by dividing by twelve, in the case of jobs, the sum of the number of individuals employed at the eligible project, or in the case of new qualified investment, the value of new qualified investment used at the eligible project, on the last business day of each full calendar month of the tax year. If the eligible project is in operation for less than the entire tax year, the number of new jobs created and maintained, the number of existing jobs retained, and the value of new qualified investment created at the eligible project during any tax year shall be determined by dividing the sum of the number of individuals employed at the eligible project, or in the case of new qualified investment, the value of new qualified investment used at the eligible project, on the last business day of each full calendar month during the portion of the tax year during which the eligible project was in operation, by the number of full calendar months during such period;

(11) For the purpose of this section, "new qualified investment" means new business facility investment as defined and as determined in subdivision (7) of section 135.100 which is used at and in connection with the eligible project. "New qualified investment" shall not include small tools, supplies and inventory. "Small tools" means tools that are portable and can be hand held.

2. The determination of the director of economic development pursuant to subsection 1 of this section shall not affect requirements for the prospective purchaser to obtain the approval of the granting of real property tax abatement by the municipal or county government where the eligible project is located.

3. (1) The director of the department of economic development, with the approval of the director of the department of natural resources, may, [in addition to the tax credits allowed in subsection 1 of this section,] grant a remediation tax credit to the applicant for up to one hundred percent of the costs of materials, supplies, equipment, labor, professional engineering, consulting and architectural fees, permitting fees and expenses, demolition, asbestos abatement, and direct utility charges for performing the voluntary remediation activities for the preexisting hazardous substance contamination and releases, including, but not limited to, the costs of performing operation and maintenance of the remediation equipment at the property beyond the year in which the systems and equipment are built and installed at the eligible project and the costs of performing the voluntary remediation activities over a period not in excess of four tax years following the taxpayer's tax year in which the system and equipment were first put into use at the eligible project, provided the remediation activities are the subject of a plan submitted to, and approved by, the director of natural resources pursuant to sections 260.565 to 260.575. The tax credit may also include up to one hundred percent of the costs of demolition that are not directly part of the remediation activities, provided that the demolition is on the property where the voluntary remediation activities are occurring, the demolition is necessary to accomplish the planned use of the facility where the remediation activities are occurring, and the demolition is part of a redevelopment plan approved by the municipal or county government and the department of economic development. The demolition may occur on an adjacent property if the project is located in a municipality which has a population less than twenty thousand and the above conditions are otherwise met. The adjacent property shall independently qualify as abandoned or underutilized. The amount of the credit available for demolition not associated with remediation cannot

exceed the total amount of credits approved for remediation including demolition required for remediation.

(2) The amount of remediation tax credits issued shall be limited to the least amount necessary to cause the project to occur, as determined by the director of the department of economic development.

(3) The director may, with the approval of the director of natural resources, extend the tax credits allowed for performing voluntary remediation maintenance activities, in increments of three-year periods, not to exceed five consecutive three-year periods. The tax credits allowed in this subsection shall be used to offset the tax imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or the tax otherwise imposed by chapter 147, or the tax otherwise imposed by chapter 148. The remediation tax credit may be taken in the same tax year in which the tax credits are received or may be taken over a period not to exceed twenty years.

(4) The project facility shall be projected to create at least ten new jobs or at least twenty-five retained jobs, or a combination thereof, as determined by the department of economic development, to be eligible for tax credits pursuant to this section.

(5) No more than seventy-five percent of earned remediation tax credits may be issued when the remediation costs were paid, and the remaining percentage may be issued when the department of natural resources issues a letter of completion letter or covenant not to sue following completion of the voluntary remediation activities. It shall not include any costs associated with ongoing operational environmental compliance of the facility or remediation costs arising out of spills, leaks, or other releases arising out of the ongoing business operations of the facility. In the event the department of natural resources issues a letter of completion for a portion of a property, an impacted media such as soil or groundwater, or for a site or a portion of a site improvement, a prorated amount of the remaining percentage may be released based on the percentage of the total site receiving a letter of completion.

4. In the exercise of the sound discretion of the director of the department of economic development or the director's designee, the tax credits and exemptions described in this section may be terminated, suspended or revoked, if the eligible project fails to continue to meet the conditions set forth in this section. In making such a determination, the director shall consider the severity of the condition violation, actions taken to correct the violation, the frequency of any condition violations and whether the actions exhibit a pattern of conduct by the eligible facility owner and operator. The director shall also consider changes in general economic conditions and the recommendation of the director of the department of natural resources, or his or her designee, concerning the severity, scope, nature, frequency and extent of any violations of the environmental compliance conditions. The taxpayer or person claiming the tax credits or exemptions may appeal the decision regarding termination, suspension or revocation of any tax credit or exemption in accordance with the procedures outlined in subsections 4 to 6 of section 135.250. The director of the department of economic development shall notify the directors of the departments of natural resources and revenue of the termination, suspension or revocation of any tax credits as determined in this section or pursuant to the provisions of section 447.716.

5. Notwithstanding any provision of law to the contrary, no taxpayer shall earn the tax credits, exemptions or refund otherwise allowed in subdivisions (2), (3) and (4) of subsection 1 of this section and the tax credits otherwise allowed in section 135.110, or the tax credits, exemptions and refund otherwise allowed in sections 135.215, 135.220, 135.225 and 135.245, respectively, for the same facility for the same tax period.

6. The total amount of the tax credits allowed in subsection 1 of this section may not exceed the greater

of:

(1) That portion of the taxpayer's income attributed to the eligible project; or

(2) One hundred percent of the total business' income tax if the eligible facility does not replace a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer's tax period in which the tax credits are earned, and further provided the taxpayer does not operate any other facilities besides the eligible project in Missouri; fifty percent of the total business' income tax if the eligible facility replaces a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer's tax period in which the credits are earned, and further provided the taxpayer does not operate any other facilities besides the eligible project in Missouri; or twenty-five percent of the total business income if the taxpayer operates, in addition to the eligible facility, any other facilities in Missouri. In no case shall a taxpayer operating more than one eligible project in Missouri be allowed to offset more than twenty-five percent of the taxpayer's business income in any tax period. That portion of the taxpayer's income attributed to the eligible project as referenced in subdivision (1) of this subsection, for which the credits allowed in sections 135.110 and 135.225 and subsection 3 of this section, may apply, shall be determined in the same manner as prescribed in subdivision (6) of section 135.100. That portion of the taxpayer's franchise tax attributed to the eligible project for which the remediation tax credit may offset, shall be determined in the same manner as prescribed in paragraph (a) of subdivision (6) of section 135.100.

7. Taxpayers claiming the state tax benefits allowed in subdivisions (2) and (3) of subsection 1 of this section shall be required to file all applicable tax credit applications, forms and schedules prescribed by the director during the taxpayer's tax period immediately after the tax period in which the eligible project was first put into use. Otherwise, the taxpayer's right to claim such state tax benefits shall be forfeited. Unused business facility and enterprise zone tax credits shall not be carried forward but shall be initially claimed for the tax period during which the eligible project was first capable of being used, and during any applicable subsequent tax periods.

8. Taxpayers claiming the remediation tax credit allowed in subsection 3 of this section shall be required to file all applicable tax credit applications, forms and schedules prescribed by the director during the taxpayer's tax period immediately after the tax period in which the eligible project was first put into use, or during the taxpayer's tax period immediately after the tax period in which the voluntary remediation activities were performed.

9. The recipient of remediation tax credits, for the purpose of this subsection referred to as assignor, may assign, sell or transfer, in whole or in part, the remediation tax credit allowed in subsection 3 of this section to any other person, for the purpose of this subsection referred to as assignee. To perfect the transfer, the assignor shall provide written notice to the director of the assignor's intent to transfer the tax credits to the assignee, the date the transfer is effective, the assignee's name, address and the assignee's tax period and the amount of tax credits to be transferred. The number of tax periods during which the assignee may subsequently claim the tax credits shall not exceed twenty tax periods, less the number of tax periods the assignor previously claimed the credits before the transfer occurred.

10. In the case where an operator and assignor of an eligible project has been certified to claim state tax benefits allowed in subdivisions (2) and (3) of subsection 1 of this section, and sells or otherwise transfers title of the eligible project to another taxpayer or assignee who continues the same or substantially similar operations at the eligible project, the director shall allow the assignee to claim the credits for a period of time to be determined by the director; except that, the total number of tax periods the tax credits may be

earned by the assignor and the assignee shall not exceed ten. To perfect the transfer, the assignor shall provide written notice to the director of the assignor's intent to transfer the tax credits to the assignee, the date the transfer is effective, the assignee's name, address, and the assignee's tax period, and the amount of tax credits to be transferred.

11. For the purpose of the state tax benefits described in this section, in the case of a corporation described in section 143.471 or partnership, in computing Missouri's tax liability, such state benefits shall be allowed to the following:

- (1) The shareholders of the corporation described in section 143.471;
- (2) The partners of the partnership.

The credit provided in this subsection shall be apportioned to the entities described in subdivisions (1) and (2) of this subsection in proportion to their share of ownership on the last day of the taxpayer's tax period.

12. For each fiscal year beginning on or after July 1, 2013, no more than twenty million dollars in tax credits shall be authorized under the provisions of section 447.700 to 447.718.”; and

Further amend said bill, page 310, section 644.032, line 24 of said page, by inserting immediately after said line the following:

“Section 1. 1. No political subdivision shall be responsible for costs associated with upgrading infrastructure due to an increased use of such infrastructure caused by the program authorized under sections 135.1550 to 135.1575.

2. The department of natural resources shall conduct a comprehensive water study on the impact that the program authorized under sections 135.1550 to 135.1575 has on surrounding storm water drainage.”; and

Further amend said Page 311, Section 67.1911, Line 30 of said page, by inserting after all of said line the following:

“[143.119. 1. A self-employed taxpayer, as such term is used in the federal internal revenue code, who is otherwise ineligible for the federal income tax health insurance deduction under Section 162 of the federal internal revenue code shall be entitled to a credit against the tax otherwise due under this chapter, excluding withholding tax imposed by sections 143.191 to 143.265, in an amount equal to the portion of such taxpayer's federal tax liability incurred due to such taxpayer's inclusion of such payments in federal adjusted gross income. The tax credits authorized under this section shall be nontransferable. To the extent tax credit issued under this section exceeds a taxpayer's state income tax liability, such excess shall be considered an overpayment of tax and shall be refunded to the taxpayer.

2. The director of the department of revenue shall promulgate rules and regulations to administer the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.]”;

Further amend said bill, Page 316, Section B, Line 3 of said page, by inserting after all of said line the following:

“Section C. Because immediate action is necessary to encourage economic development in the state, the enactment of sections 135.1550, 135.1555, 135.1560, 135.1565, 135.1570, and 135.1575 and the repeal and reenactment of sections 135.350, 135.352, 135.484, 253.550, 253.557, 253.559, and 447.708 of this act is deemed necessary for the immediate preservation of the public health, welfare, peace and safety, and is hereby declared to be an emergency act within the meaning of the constitution, and the enactment of sections 135.1550, 135.1555, 135.1560, 135.1565, 135.1570, and 135.1575 and the repeal and reenactment of sections 135.350, 135.352, 135.484, 253.550, 253.557, 253.559, and 447.708 of this act shall be in full force and effect upon its passage and approval.”; and

Further amend the title and enacting clause accordingly.

Senator Justus moved that the above amendment be adopted, which motion failed on a standing division vote.

Senator Nasheed offered **SA 6**:

SENATE AMENDMENT NO. 6

Amend Senate Substitute No. 2 for Senate Committee Substitute for Senate Bills Nos. 26, 11 and 31, Page 12, Section 143.071, Line 5 of said page, by inserting immediately after said line the following:

“143.121. 1. The Missouri adjusted gross income of a resident individual shall be the taxpayer’s federal adjusted gross income subject to the modifications in this section.

2. There shall be added to the taxpayer’s federal adjusted gross income:

(1) The amount of any federal income tax refund received for a prior year which resulted in a Missouri income tax benefit;

(2) Interest on certain governmental obligations excluded from federal gross income by Section 103 of the Internal Revenue Code. The previous sentence shall not apply to interest on obligations of the state of Missouri or any of its political subdivisions or authorities and shall not apply to the interest described in subdivision (1) of subsection 3 of this section. The amount added pursuant to this subdivision shall be reduced by the amounts applicable to such interest that would have been deductible in computing the taxable income of the taxpayer except only for the application of Section 265 of the Internal Revenue Code. The reduction shall only be made if it is at least five hundred dollars;

(3) The amount of any deduction that is included in the computation of federal taxable income pursuant to Section 168 of the Internal Revenue Code as amended by the Job Creation and Worker Assistance Act of 2002 to the extent the amount deducted relates to property purchased on or after July 1, 2002, but before July 1, 2003, and to the extent the amount deducted exceeds the amount that would have been deductible pursuant to Section 168 of the Internal Revenue Code of 1986 as in effect on January 1, 2002;

(4) The amount of any deduction that is included in the computation of federal taxable income for net operating loss allowed by Section 172 of the Internal Revenue Code of 1986, as amended, other than the deduction allowed by Section 172(b)(1)(G) and Section 172(i) of the Internal Revenue Code of 1986, as amended, for a net operating loss the taxpayer claims in the tax year in which the net operating loss occurred or carries forward for a period of more than twenty years and carries backward for more than two years. Any amount of net operating loss taken against federal taxable income but disallowed for Missouri income tax

purposes pursuant to this subdivision after June 18, 2002, may be carried forward and taken against any income on the Missouri income tax return for a period of not more than twenty years from the year of the initial loss; and

(5) For nonresident individuals in all taxable years ending on or after December 31, 2006, the amount of any property taxes paid to another state or a political subdivision of another state for which a deduction was allowed on such nonresident's federal return in the taxable year unless such state, political subdivision of a state, or the District of Columbia allows a subtraction from income for property taxes paid to this state for purposes of calculating income for the income tax for such state, political subdivision of a state, or the District of Columbia.

3. There shall be subtracted from the taxpayer's federal adjusted gross income the following amounts to the extent included in federal adjusted gross income:

(1) Interest or dividends on obligations of the United States and its territories and possessions or of any authority, commission or instrumentality of the United States to the extent exempt from Missouri income taxes pursuant to the laws of the United States. The amount subtracted pursuant to this subdivision shall be reduced by any interest on indebtedness incurred to carry the described obligations or securities and by any expenses incurred in the production of interest or dividend income described in this subdivision. The reduction in the previous sentence shall only apply to the extent that such expenses including amortizable bond premiums are deducted in determining the taxpayer's federal adjusted gross income or included in the taxpayer's Missouri itemized deduction. The reduction shall only be made if the expenses total at least five hundred dollars;

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis to the taxpayer for Missouri income tax purposes than for federal income tax purposes on December 31, 1972, that does not exceed such difference in basis. If a gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to one-half of such portion of the gain;

(3) The amount necessary to prevent the taxation pursuant to this chapter of any annuity or other amount of income or gain which was properly included in income or gain and was taxed pursuant to the laws of Missouri for a taxable year prior to January 1, 1973, to the taxpayer, or to a decedent by reason of whose death the taxpayer acquired the right to receive the income or gain, or to a trust or estate from which the taxpayer received the income or gain;

(4) Accumulation distributions received by a taxpayer as a beneficiary of a trust to the extent that the same are included in federal adjusted gross income;

(5) The amount of any state income tax refund for a prior year which was included in the federal adjusted gross income;

(6) The portion of capital gain specified in section 135.357 that would otherwise be included in federal adjusted gross income;

(7) The amount that would have been deducted in the computation of federal taxable income pursuant to Section 168 of the Internal Revenue Code as in effect on January 1, 2002, to the extent that amount relates to property purchased on or after July 1, 2002, but before July 1, 2003, and to the extent that amount exceeds the amount actually deducted pursuant to Section 168 of the Internal Revenue Code as amended by the Job Creation and Worker Assistance Act of 2002;

(8) For all tax years beginning on or after January 1, 2005, the amount of any income received for military service while the taxpayer serves in a combat zone which is included in federal adjusted gross income and not otherwise excluded therefrom. As used in this section, “combat zone” means any area which the President of the United States by Executive Order designates as an area in which Armed Forces of the United States are or have engaged in combat. Service is performed in a combat zone only if performed on or after the date designated by the President by Executive Order as the date of the commencing of combat activities in such zone, and on or before the date designated by the President by Executive Order as the date of the termination of combatant activities in such zone; [and]

(9) For all tax years ending on or after July 1, 2002, with respect to qualified property that is sold or otherwise disposed of during a taxable year by a taxpayer and for which an addition modification was made under subdivision (3) of subsection 2 of this section, the amount by which addition modification made under subdivision (3) of subsection 2 of this section on qualified property has not been recovered through the additional subtractions provided in subdivision (7) of this subsection; **and**

(10) An amount equal to three thousand dollars for any taxpayer that has previous military service in a combat zone and if discharged, under honorable conditions.

4. There shall be added to or subtracted from the taxpayer’s federal adjusted gross income the taxpayer’s share of the Missouri fiduciary adjustment provided in section 143.351.

5. There shall be added to or subtracted from the taxpayer’s federal adjusted gross income the modifications provided in section 143.411.

6. In addition to the modifications to a taxpayer’s federal adjusted gross income in this section, to calculate Missouri adjusted gross income there shall be subtracted from the taxpayer’s federal adjusted gross income any gain recognized pursuant to Section 1033 of the Internal Revenue Code of 1986, as amended, arising from compulsory or involuntary conversion of property as a result of condemnation or the imminence thereof.

7. (1) As used in this subsection, “qualified health insurance premium” means the amount paid during the tax year by such taxpayer for any insurance policy primarily providing health care coverage for the taxpayer, the taxpayer’s spouse, or the taxpayer’s dependents.

(2) In addition to the subtractions in subsection 3 of this section, one hundred percent of the amount of qualified health insurance premiums shall be subtracted from the taxpayer’s federal adjusted gross income to the extent the amount paid for such premiums is included in federal taxable income. The taxpayer shall provide the department of revenue with proof of the amount of qualified health insurance premiums paid.

8. (1) Beginning January 1, 2009, in addition to the subtractions provided in this section, one hundred percent of the cost incurred by a taxpayer for a home energy audit conducted by an entity certified by the department of natural resources under section 640.153 or the implementation of any energy efficiency recommendations made in such an audit shall be subtracted from the taxpayer’s federal adjusted gross income to the extent the amount paid for any such activity is included in federal taxable income. The taxpayer shall provide the department of revenue with a summary of any recommendations made in a qualified home energy audit, the name and certification number of the qualified home energy auditor who conducted the audit, and proof of the amount paid for any activities under this subsection for which a deduction is claimed. The taxpayer shall also provide a copy of the summary of any recommendations made in a qualified home energy audit to the department of natural resources.

(2) At no time shall a deduction claimed under this subsection by an individual taxpayer or taxpayers filing combined returns exceed one thousand dollars per year or cumulatively exceed two thousand dollars per taxpayer or taxpayers filing combined returns.

(3) Any deduction claimed under this subsection shall be claimed for the tax year in which the qualified home energy audit was conducted or in which the implementation of the energy efficiency recommendations occurred. If implementation of the energy efficiency recommendations occurred during more than one year, the deduction may be claimed in more than one year, subject to the limitations provided under subdivision (2) of this subsection.

(4) A deduction shall not be claimed for any otherwise eligible activity under this subsection if such activity qualified for and received any rebate or other incentive through a state-sponsored energy program or through an electric corporation, gas corporation, electric cooperative, or municipally owned utility.

9. The provisions of subsection 8 of this section shall expire on December 31, 2013.”; and

Further amend the title and enacting clause accordingly.

Senator Nasheed moved that the above amendment be adopted, which motion failed on a standing division vote.

Senator Schaaf assumed the Chair.

Senator Sifton offered SA 7:

SENATE AMENDMENT NO. 7

Amend Senate Substitute No. 2 for Senate Committee Substitute for Senate Bills Nos. 26, 11 and 31, Page 161, Section 143.011, Line 4 of said page, by striking the following: “\$8,600” and inserting in lieu thereof the following: “\$8,700”; and further amend lines 6-7 of said page, by striking all of said lines and inserting in lieu thereof the following:

“Over \$8,700 \$299 plus 5 17/20% of excess over \$8,700”; and

Further amend said bill and section, page 162, line 1 of said page, by striking the following: “\$8,200” and inserting in lieu thereof the following: “\$8,400”; and further amend lines 3-4 of said page, by striking all of said lines and inserting in lieu thereof the following:

“Over \$8,400 \$282 plus 5 7/10% of excess over \$8,400”; and further amend said

page, line 24 of said page, by striking the following: “\$7,800” and inserting in lieu thereof the following: “\$8,000”; and further amend lines 26-27 of said page, by striking all of said lines, and inserting in lieu thereof the following:

“Over \$8,000 but not over \$8,100 \$260 plus 5 1/2% of excess over \$8,000

Over \$8,100 \$266 plus 5 11/20% of excess over \$8,100”; and

Further amend said bill and section, page 163, line 19 of said page, by striking the following: “\$7,400” and inserting in lieu thereof the following: “\$7,900”; and further amend lines 21-22 of said page, by striking

all of said lines and inserting in lieu thereof the following:

“Over \$7,900 \$255 plus 5 8/20% of excess over \$7,900”; and

Further amend said bill and section, page 164, line 14 of said page, by striking all of said line and inserting in lieu thereof the following:

“Over \$7,000 but not over \$7,600 \$210 plus 5% of excess over \$7,000

Over \$7,600 \$243 plus 5 1/4% of excess over \$7,600”; and

Further amend said bill, page 165, section 143.021, line 8 of said page, by striking the word “six” and inserting in lieu thereof the following: “**seven**”; and further amend line 12 of said page, by striking the word “six” and inserting in lieu thereof the following: “**seven**”; and further amend line 18 of said page, by striking the word “six” and inserting in lieu thereof the following: “**seven**”; and further amend line 22 of said page, by striking the word “two” and inserting in lieu thereof the following: “**four**”; and further amend line 26 of said page, by striking the word “two” and inserting in lieu thereof the following: “**four**”; and

Further amend said bill and section, page 166, line 4 of said page, by striking the word “two” and inserting in lieu thereof the following: “**four**”; and further amend line 8 of said page, by striking the following: “seven thousand eight” and inserting in lieu thereof the following: “**eight thousand one**”; and further amend lines 12-13 of said page, by striking the following: “seven thousand eight” and inserting in lieu thereof the following: “**eight thousand one**”; and further amend line 18 of said page, by striking the following: “seven thousand eight” and inserting in lieu thereof the following: “**eight thousand one**”; and further amend line 23 of said page, by striking the word “four” and inserting in lieu thereof the following: “**six**”; and further amend line 27 of said page, by striking the word “four” and inserting in lieu thereof the following: “**six**”; and

Further amend said bill and section, page 167, line 5 of said page, by striking the word “four” and inserting in lieu thereof the following: “**six**”; and further amend line 9 of said page, by inserting immediately after the word “thousand” the following: “**three hundred**”; and further amend line 13 of said page, by inserting immediately after the word “thousand” the following: “**three hundred**”; and further amend line 18 of said page, by inserting immediately after the word “thousand” the following: “**three hundred**”; and

Further amend said bill, page 169, section 143.071, line 16 of said page, by striking the word “one-twentieths” and inserting in lieu thereof the following: “**one-tenth**”; and further amend line 21 of said page, by striking the word “seventeen-twentieths” and inserting in lieu thereof the following: “**nineteen-twentieths**”; and further amend line 26 of said page, by striking the word “thirteen-twentieths” and inserting in lieu thereof the following: “**four-fifths**”; and

Further amend said bill and section, page 170, line 3 of said page, by striking the word “nine” and inserting in lieu thereof the following: “**thirteen**”; and further amend line 7 of said page, by striking the word “one-quarter” and inserting in lieu thereof the following: “**one-half**”; and further amend line 8, by inserting immediately after all of said line the following:

“4. Notwithstanding the provisions of this section to the contrary, the first twenty-five thousand

dollars of corporate income shall be exempt from taxation.

5. If the federal Marketplace Fairness Act of 2013 or similar legislation providing for a uniform method of collection of sales and use tax on purchases shipped into this state becomes federal law, the director of the department of revenue shall, by rule, adjust the tax rates of this section to decrease the rate of tax by one-fourth percent.”.

Senator Sifton moved that the above amendment be adopted, which motion prevailed.

Senator Kraus offered **SA 8**:

SENATE AMENDMENT NO. 8

Amend Senate Substitute No. 2 for Senate Committee Substitute for Senate Bills Nos. 26, 11 and 31, Page 164, Section 143.011, Line 14, by inserting immediately after all of said line the following:

“**over \$7,000**”; and

Further amend said bill, page 167, section 143.021, line 22, by striking the number “144.011” and inserting in lieu thereof the following: “**143.011**”.

Senator Kraus moved that the above amendment be adopted, which motion prevailed.

Senator LeVota offered **SA 9**:

SENATE AMENDMENT NO. 9

Amend Senate Substitute No. 2 for Senate Committee Substitute for Senate Bills Nos. 26, 11 and 31, Page 310, Section 644.032, Line 24, by inserting immediately after all of said line the following:

“Section 1. The provisions of this act shall terminate on August 28 following any fiscal year where net general revenue collections of the state decrease from the prior fiscal year.

Section 2. Notwithstanding the provisions of section 1.140, to the contrary, the provisions of this act shall be nonseverable, and if any provision is for any reason held to be invalid, such decision shall invalidate all of the remaining provisions of this act.”; and

Further amend the title and enacting clause accordingly.

Senator LeVota moved that the above amendment be adopted, which motion failed.

Senator Kraus moved that **SS No. 2** for **SCS** for **SBs 26, 11 and 31**, as amended, be adopted, which motion prevailed.

On motion of Senator Kraus, **SS No. 2** for **SCS** for **SBs 26, 11 and 31**, as amended, was declared perfected and ordered printed.

INTRODUCTIONS OF GUESTS

Senator Munzlinger introduced to the Senate, 2012 Ms. Missouri Nursing Home, Elvis Gundy, Memphis.

Senator Brown introduced to the Senate, Chantae Alfred, Tracy Dampier and Jessica Beucler, Leadership Phelps County, Rolla.

Senator Schmitt introduced to the Senate, Dr. Stuart Sweet, St. Louis; and forty-five Pediatric Residents from Missouri’s pediatric hospitals.

On behalf of Senator Schaaf, the President introduced to the Senate, Dr. Claudia Peruschoff, Poplar Bluff.

Senator Lamping introduced to the Senate, Sean Donegan, Columbia.

Senator Holsman introduced to the Senate, Thuylinh Pham, M.D., Elizabeth Simpson, M.D., Juhi Kangas, M.D., Erin McDaniel, M.D., Disa F. Wagner, D.O., Kylie Clark, M.D. and Emily Killough, M.D., Pediatric Residents from Children's Mercy Hospital, Kansas City.

Senator Schaefer introduced to the Senate, Dr. Kristin Sohl and twenty-five Pediatric Residents from University of Missouri-Columbia.

Senator Schaefer introduced to the Senate, Dr. Mary Stegmaier, Emily Johnson and students, Youngil Kim, Bo sun Choi, Iris Chun and Jae Jang, Truman School of Public Affairs, University of Missouri-Columbia.

Senator Lager introduced to the Senate, members of the Student Senate, Northwest Missouri State University, Maryville.

Senator Nieves introduced to the Senate, the Physician of the Day, Dr. Tom Stamos, Chesterfield.

Senator Sifton introduced to the Senate, representatives of FOCUS Leadership St. Louis.

Senator Pearce introduced to the Senate, Dr. Julie Dill, Superintendent, Crest Ridge R-VII School District.

Senator Pearce introduced to the Senate, Records of Deeds, Jamie Nichols, Saline County; Patsy Olvera, Lafayette County; and Jan Jones, Johnson County.

Senator Curls introduced to the Senate, representatives of Restart, Inc., Kansas City.

Senator Walsh introduced to the Senate, Butch Hepburn, St. Louis.

Senator Pearce introduced to the Senate, his brother, Mark, and Michael O'Keefe, Warrensburg; Michael Zeller, Kansas City; and Jack Galmiche, St. Louis.

Senator Romine introduced to the Senate, his niece, Jaime Dement and Girl Scouts from Ashland and Sikeston.

On motion of Senator Richard, the Senate adjourned under the rules.

SENATE CALENDAR

THIRTY-SECOND DAY—THURSDAY, MARCH 7, 2013

FORMAL CALENDAR

SECOND READING OF SENATE BILLS

SB 393-Libla and Emery
SB 394-Silvey

SB 395-Kraus and LeVota
SB 396-Holsman and Chappelle-Nadal

SB 397-Holsman and Curls	SB 437-Pearce
SB 398-Holsman	SB 438-Munzlinger
SB 399-Holsman and Curls	SB 439-Munzlinger
SB 400-Holsman	SB 440-Munzlinger
SB 401-Rupp	SB 441-Dempsey
SB 402-Rupp	SB 442-Silvey
SB 403-Rupp	SB 443-Silvey
SB 404-Munzlinger	SB 444-Schaaf
SB 405-Sater	SB 445-Wasson
SB 406-Wallingford	SB 446-Brown
SB 407-Wallingford	SB 447-Brown
SB 408-Emery	SB 448-Schmitt and Keaveny
SB 409-Keaveny	SB 449-Romine
SB 410-Kehoe	SB 450-Justus
SB 411-Kehoe	SB 451-Justus
SB 412-Kehoe	SB 452-Justus
SB 413-Wasson	SB 453-Cunningham
SB 414-Dixon	SB 454-Nieves
SB 415-Dixon	SB 455-Nieves
SB 416-Dixon	SB 456-Parson
SB 417-Lager	SB 457-Parson
SB 418-Lager	SB 458-Kehoe
SB 419-Lager	SB 459-Kehoe
SB 420-Lager	SB 460-Kehoe
SB 421-Walsh	SB 461-Wallingford
SB 422-Curls and LeVota	SB 462-Schaefer
SB 423-Nasheed	SB 463-Schaefer
SB 424-Nasheed	SB 464-Schaefer
SB 425-Nasheed	SB 465-Schaefer
SB 426-Nasheed	SB 466-Schaefer
SB 427-Sifton	SB 467-Schaefer
SB 428-Sifton	SB 468-Schaefer
SB 429-Chappelle-Nadal	SB 469-Chappelle-Nadal
SB 430-Chappelle-Nadal	SB 470-Rupp
SB 431-Cunningham	SB 471-Rupp
SB 432-Cunningham	SB 472-Rupp
SB 433-Lamping, et al	SB 473-Lamping and Lager
SB 434-Lamping, et al	SB 474-Lamping
SB 435-McKenna	SB 475-Lamping
SB 436-McKenna	SB 476-Lamping

SB 477-Lamping
 SB 478-Lamping
 SB 479-Dixon
 SB 480-Richard
 SB 481-Rupp
 SB 482-Nasheed
 SB 483-Nasheed
 SB 484-Cunningham

SJR 17-Nieves
 SJR 18-Schmitt
 SJR 19-Lager
 SJR 20-Curls
 SJR 21-LeVota
 SJR 22-Parson, et al
 SJR 23-Cunningham
 SJR 24-Emery

HOUSE BILLS ON SECOND READING

HB 55-Flanigan and Allen
 HCS for HB 202
 HCS for HB 158
 HCS for HB 388
 HB 44-Korman

HB 34-Guernsey
 HCS for HB 320
 HCS for HB 14
 HCS for HJR 11 & 7
 HJR 8-Solon, et al

THIRD READING OF SENATE BILLS

1. SB 127-Sater (In Fiscal Oversight)
2. SB 41-Munzlinger
3. SCS for SB 240-Lager (In Fiscal Oversight)
4. SCS for SB 164-Walsh
5. SB 193-Schaefer
6. SS for SCS for SB 114-Schmitt
7. SB 102-Kraus

8. SB 73-Schaefer
9. SB 18-Munzlinger
10. SS for SCS for SB 129-Sater
11. SB 208-Justus and McKenna
12. SB 199-Chappelle-Nadal
13. SCS for SB 157-Sater
14. SCS for SB 36-Wallingford and Sifton
15. SB 236-Parson (In Fiscal Oversight)

INFORMAL CALENDAR

SENATE BILLS FOR PERFECTION

SB 3-Rupp, with SA 1 (pending)
 SB 13-Schaefer, with SCS
 SB 21-Dixon
 SB 22-Dixon

SB 29-Brown, with SCS & SA 3 (pending)
 SB 48-Lamping
 SJR 16-Kehoe and McKenna, with SCS

CONSENT CALENDAR

Senate Bills

Reported 2/28

SB 90-McKenna
SB 218-LeVota

SB 234-Wasson
SB 148-Wasson

RESOLUTIONS

Reported from Committee

SCR 5-Lamping, with SCS

✓