

FIRST REGULAR SESSION

SENATE BILL NO. 406

93RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR GROSS.

Read 1st time February 23, 2005, and ordered printed.

TERRY L. SPIELER, Secretary.

1437S.04I

AN ACT

To repeal section 33.282, RSMo, and to enact in lieu thereof one new section relating to limitations upon issuance and redemption of economic development tax credits.

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

Section A. Section 33.282, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 33.282, to read as follows:

33.282. 1. Subject to appropriation the office of administration shall develop a tax expenditure budget for submission to the general assembly in conjunction with the submission of the state budget as required in section 33.280. The tax expenditure budget shall indicate, on an annual basis, the reduction in revenue collections for each fiscal year as a result of each deduction, exemption, credit or other tax preference as may be authorized by law, and shall indicate, where appropriate, the tax source of each state-funded program. Periodically the tax expenditure budget shall include a cost-benefit analysis of the following:

- (1) The neighborhood assistance program, sections 32.100 to 32.125, RSMo;
- (2) Tax increment financing, sections 99.800 to 99.865, RSMo;
- (3) Export and infrastructure funding, sections 100.250 to 100.297, RSMo;
- (4) Credit for new expanded business facility, sections 135.100 to 135.150, RSMo;
- (5) Enterprise zones, sections 135.200 to 135.256, RSMo;
- (6) Main street program, sections 251.470 to 251.485, RSMo;
- (7) Economic development districts, sections 251.500 to 251.510, RSMo;

(8) Rural economic development, sections 620.155 to 620.165, RSMo;
(9) Export development, sections 620.170 to 620.174, RSMo;
(10) Small business incubator program, section 620.495, RSMo; and
(11) Other programs as may be practical. Pursuant to the provisions of section 32.057, RSMo, the department of revenue shall not release information as part of the tax expenditure budget in a manner that would allow the identification of any individual taxpayer.

2. On or before October first of each year each state department authorized by law to offer deductions, exemptions, credits or other tax preferences shall submit to the budget director the estimated amount of such tax expenditures for the fiscal year beginning July first of the following year and a cost/benefit analysis of such tax expenditures for the preceding fiscal year. Such estimates and analysis shall be in the manner and form prescribed by the budget director and shall be submitted by the budget director to the chairman of the senate appropriations committee and the chairman of the house budget committee by January first of each year.

3. No new tax credits, except the senior citizens property tax credit as referenced in chapter 135, RSMo, shall be issued or certified for any tax year beginning after July first of the following year unless the estimate of such credits have been reviewed and approved by a majority of the senate appropriations committee and the house budget committee.

4. For purposes of subsection 5 of this section, the term "economic development tax credit" shall include the following:

(1) The Missouri examination fee tax credit program as authorized by section 148.400, RSMo;

(2) The health insurance high risk pool tax credit program as authorized by section 376.975, RSMo;

(3) The life and health insurance guarantee tax credit program as authorized by section 376.975, RSMo;

(4) The property and casualty guarantee tax credit program as authorized by section 376.975, RSMo;

(5) The charcoal producers tax credit program as authorized by section 135.313, RSMo;

(6) The wood energy tax credit program as authorized by sections 135.300 to 135.311, RSMo;

(7) The bank tax credit program as authorized by section 148.064,

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(8) The long term care tax credit (deduction) as authorized by section 135.096, RSMo;

(9) The recycling cellulose casings tax credit program as authorized by section 260.285, RSMo;

(10) The new and expanded business facility tax credit program as authorized under sections 135.100 to 135.150 and 135.258, RSMo;

(11) The enterprise zone tax benefit program as authorized under sections 135.200 to 135.270, RSMo;

(12) The historic preservation tax credit program as authorized under sections 253.545 to 253.561, RSMo;

(13) The wine and grape production tax credit program as authorized under section 135.700, RSMo;

(14) The loan guarantee fee program as authorized under section 135.766, RSMo; and

(15) The low income housing tax credit program as authorized under sections 135.350 to 135.363, RSMo.

5. For fiscal year 2006, and every subsequent fiscal year, the approval, issuance, and redemption of economic development tax credits allowable shall be limited to three percent of the net general revenue of the state for the preceding fiscal year. No tax credits shall be approved or issued for any specific economic development tax credit program listed in subsection 4 of this section until all tax credits for that specific program that were previously denied under this subsection have been issued.

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