

FIRST REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 252

93RD GENERAL ASSEMBLY

2005

1190L.08T

AN ACT

To repeal section 143.121, RSMo, and to enact in lieu thereof four new sections relating to the protection of military facilities and personnel, with an emergency clause.

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

Section A. Section 143.121, RSMo, is repealed and four new sections enacted in lieu thereof, to be known as sections 41.1010, 41.1013, 41.1016, and 143.121 to read as follows:

41.1010. 1. There is hereby established the "Missouri Military Preparedness and Enhancement Commission". The commission shall have as its purpose the design and implementation of measures intended to protect, retain, and enhance the present and future mission capabilities at the military posts or bases within the state. The commission shall consist of nine members:

- (1) Five members to be appointed by the governor;**
- (2) Two members of the house of representatives, one appointed by the speaker of the house, and one appointed by the minority floor leader;**
- (3) Two members of the senate, one appointed by the president pro tempore, and one appointed by the minority floor leader;**
- (4) The director of the department of economic development or the director's designee, ex officio.**

No more than three of the five members appointed by the governor shall be of the same political party. To be eligible for appointment by the governor, a person shall have demonstrated experience in economic development, the defense industry, military installation operation, environmental issues, finance, local government, or the use of air space for future military missions. Appointed

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

members of the commission shall serve three-year terms, except that of the initial appointments made by the governor, two shall be for one-year terms, two shall be for two-year terms, and one shall be for a three-year term. No appointed member of the commission shall serve more than six years total. A vacancy occurs if a legislative member leaves office for any reason. Any vacancy on the commission shall be filled in the same manner as the original appointment.

2. Members of the commission shall be reimbursed for the actual and necessary expenses incurred in the discharge of the member's official duties.

3. A chair of the commission shall be selected by the members of the commission.

4. The commission shall meet at least quarterly and at such other times as the chair deems necessary.

5. The commission shall be funded by an appropriation limited to that purpose. Any expenditure constituting more than ten percent of the commission's annual appropriation shall be based on a competitive bid process.

6. The commission shall:

(1) Advise the governor and the general assembly on military issues and economic and industrial development related to military issues;

(2) Make recommendations regarding:

(a) Developing policies and plans to support the long-term viability and prosperity of the military, active and civilian, in this state, including promoting strategic regional alliances that may extend over state lines;

(b) Developing methods to improve private and public employment opportunities for former members of the military residing in this state; and

(c) Developing methods to assist defense-dependent communities in the design and execution of programs that enhance a community's relationship with military installations and defense-related businesses;

(3) Provide information to communities, the general assembly, the state's congressional delegation, and state agencies regarding federal actions affecting military installations and missions;

(4) Serve as a clearinghouse for:

(a) Defense economic adjustment and transition information and activities; and

(b) Information concerning the following:

a. Issues related to the operating costs, missions, and strategic value of federal military installations located in the state;

b. Employment issues for communities that depend on defense bases and in defense-related businesses; and

c. Defense strategies and incentive programs that other states are using to maintain, expand, and attract new defense contractors;

(5) Provide assistance to communities that have experienced a defense-related closure or realignment;

(6) Assist communities in the design and execution of programs that enhance a community's relationship with military installations and defense-related businesses, including regional alliances that may extend over state lines;

(7) Assist communities in the retention and recruiting of defense-related businesses, including fostering strategic regional alliances that may extend over state lines;

(8) Prepare a biennial strategic plan that:

(a) Fosters the enhancement of military value of the contributions of Missouri military installations to national defense strategies;

(b) Considers all current and anticipated base realignment and closure criteria; and

(c) Develops strategies to protect the state's existing military missions and positions the state to be competitive for new and expanded military missions;

(9) Encourage economic development in this state by fostering the development of industries related to defense affairs.

7. The commission shall prepare and present an annual report to the governor and the general assembly by December thirty-first of each year.

8. The department of economic development shall furnish administrative support and staff for the effective operation of the commission.

41.1013. The governing body or county planning commission, if any, of any county of the second classification with more than forty-eight thousand two hundred but fewer than forty-eight thousand three hundred inhabitants shall provide for the planning, zoning, subdivision and building within all or any portion of the unincorporated area extending three thousand feet outward from the boundaries of any military base located in such county and the area within the perimeter of accident potential zones one and two if the county has a zoning commission and a board of adjustment established under sections 64.510 to 64.727, RSMo. As used in this section, the term "accident potential zones one and two" means any land area that was identified in the April, 1976 Air Installation Compatible Use Zone Report at the north and south ends of the clear zone of a military installation located in any county of the second classification with more than forty-eight thousand two hundred but fewer than forty-eight thousand three hundred inhabitants and which is in significant danger of aircraft accidents by being beneath that airspace where the potential for aircraft accidents is most

likely to occur.

41.1016. For the purposes of student resident status, military personnel, when stationed within the state under military orders, their spouses, and their unemancipated children under twenty-four years of age who enroll in a Missouri community college, Missouri college, or Missouri state university shall be regarded as holding Missouri resident status.

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:

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

(b) 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 (a) of subsection 3 of this section. The amount added pursuant to this paragraph 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;

(c) 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; and

(d) 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 income taxes but disallowed against Missouri income taxes pursuant to this paragraph since July 1, 2002, may be carried forward and taken against any loss on the Missouri income tax return for a period of not more than twenty years from the year of the initial loss.

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:

(a) 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 paragraph 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 paragraph. 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;

(b) 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;

(c) 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;

(d) 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;

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

(f) The portion of capital gain specified in section 135.357, RSMo, that would otherwise be included in federal adjusted gross income; [and]

(g) 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; and

(h) 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.

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.

Section B. Because of the need for the state of Missouri to meet the deadline for military base reorganization, section A 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 section A of this act shall be in full force and effect upon its passage and approval.

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