

SECOND REGULAR SESSION

SENATE BILL NO. 708

96TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR WASSON.

Read 1st time January 26, 2012, and ordered printed.

TERRY L. SPIELER, Secretary.

5252S.011

AN ACT

To repeal sections 135.535 and 135.562, RSMo, and to enact in lieu thereof two new sections relating to tax credits for renovations for disability access.

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

Section A. Sections 135.535 and 135.562, RSMo, are repealed and two new
2 sections enacted in lieu thereof, to be known as sections 135.535 and 135.562, to
3 read as follows:

135.535. 1. A corporation, limited liability corporation, partnership or
2 sole proprietorship, which moves its operations from outside Missouri or outside
3 a distressed community into a distressed community, or which commences
4 operations in a distressed community on or after January 1, 1999, and in either
5 case has more than seventy-five percent of its employees at the facility in the
6 distressed community, and which has fewer than one hundred employees for
7 whom payroll taxes are paid, and which is a manufacturing, biomedical, medical
8 devices, scientific research, animal research, computer software design or
9 development, computer programming, including Internet, web hosting, and other
10 information technology, wireless or wired or other telecommunications or a
11 professional firm shall receive a forty percent credit against income taxes owed
12 pursuant to chapter 143, 147, or 148, other than taxes withheld pursuant to
13 sections 143.191 to 143.265, for each of the three years after such move, if
14 approved by the department of economic development, which shall issue a
15 certificate of eligibility if the department determines that the taxpayer is eligible
16 for such credit. The maximum amount of credits per taxpayer set forth in this
17 subsection shall not exceed one hundred twenty-five thousand dollars for each of
18 the three years for which the credit is claimed. The department of economic

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

19 development, by means of rule or regulation promulgated pursuant to the
20 provisions of chapter 536, shall assign appropriate North American Industry
21 Classification System numbers to the companies which are eligible for the tax
22 credits provided for in this section. Such three-year credits shall be awarded only
23 one time to any company which moves its operations from outside of Missouri or
24 outside of a distressed community into a distressed community or to a company
25 which commences operations within a distressed community. A taxpayer shall
26 file an application for certification of the tax credits for the first year in which
27 credits are claimed and for each of the two succeeding taxable years for which
28 credits are claimed.

29 2. Employees of such facilities physically working and earning wages for
30 that work within a distressed community whose employers have been approved
31 for tax credits pursuant to subsection 1 of this section by the department of
32 economic development for whom payroll taxes are paid shall also be eligible to
33 receive a tax credit against individual income tax, imposed pursuant to chapter
34 143, equal to one and one-half percent of their gross salary paid at such facility
35 earned for each of the three years that the facility receives the tax credit provided
36 by this section, so long as they were qualified employees of such entity. The
37 employer shall calculate the amount of such credit and shall report the amount
38 to the employee and the department of revenue.

39 3. A tax credit against income taxes owed pursuant to chapter 143, 147,
40 or 148, other than the taxes withheld pursuant to sections 143.191 to 143.265, in
41 lieu of the credit against income taxes as provided in subsection 1 of this section,
42 may be taken by such an entity in a distressed community in an amount of forty
43 percent of the amount of funds expended for computer equipment and its
44 maintenance, medical laboratories and equipment, research laboratory
45 equipment, manufacturing equipment, fiber optic equipment, high speed
46 telecommunications, wiring or software development expense up to a maximum
47 of seventy-five thousand dollars in tax credits for such equipment or expense per
48 year per entity and for each of three years after commencement in or moving
49 operations into a distressed community.

50 4. A corporation, partnership or sole partnership, which has no more than
51 one hundred employees for whom payroll taxes are paid, which is already located
52 in a distressed community and which expends funds for such equipment pursuant
53 to subsection 3 of this section in an amount exceeding its average of the prior two
54 years for such equipment, shall be eligible to receive a tax credit against income

55 taxes owed pursuant to chapters 143, 147, and 148 in an amount equal to the
56 lesser of seventy-five thousand dollars or twenty-five percent of the funds
57 expended for such additional equipment per such entity. Tax credits allowed
58 pursuant to this subsection or subsection 1 of this section may be carried back to
59 any of the three prior tax years and carried forward to any of the **next** five tax
60 years.

61 5. An existing corporation, partnership or sole proprietorship that is
62 located within a distressed community and that relocates employees from another
63 facility outside of the distressed community to its facility within the distressed
64 community, and an existing business located within a distressed community that
65 hires new employees for that facility may both be eligible for the tax credits
66 allowed by subsections 1 and 3 of this section. To be eligible for such tax credits,
67 such a business, during one of its tax years, shall employ within a distressed
68 community at least twice as many employees as were employed at the beginning
69 of that tax year. A business hiring employees shall have no more than one
70 hundred employees before the addition of the new employees. This subsection
71 shall only apply to a business which is a manufacturing, biomedical, medical
72 devices, scientific research, animal research, computer software design or
73 development, computer programming or telecommunications business, or a
74 professional firm.

75 6. Tax credits shall be approved for applicants meeting the requirements
76 of this section in the order that such applications are received. Certificates of tax
77 credits issued in accordance with this section may be transferred, sold or assigned
78 by notarized endorsement which names the transferee.

79 7. The tax credits allowed pursuant to subsections 1, 2, 3, 4, and 5 of this
80 section shall be for an amount of no more than ten million dollars for each year
81 beginning in 1999. [To the extent there are available tax credits remaining under
82 the ten million dollar cap provided in this section, up to one hundred thousand
83 dollars in the remaining credits shall first be used for tax credits authorized
84 under section 135.562.] The total maximum credit for all entities already located
85 in distressed communities and claiming credits pursuant to subsection 4 of this
86 section shall be seven hundred and fifty thousand dollars. The department of
87 economic development in approving taxpayers for the credit as provided for in
88 subsection 6 of this section shall use information provided by the department of
89 revenue regarding taxes paid in the previous year, or projected taxes for those
90 entities newly established in the state, as the method of determining when this

91 maximum will be reached and shall maintain a record of the order of
92 approval. Any tax credit not used in the period for which the credit was approved
93 may be carried over until the full credit has been allowed.

94 8. A Missouri employer relocating into a distressed community and having
95 employees covered by a collective bargaining agreement at the facility from which
96 it is relocating shall not be eligible for the credits in subsection 1, 3, 4, or 5 of
97 this section, and its employees shall not be eligible for the credit in subsection 2
98 of this section if the relocation violates or terminates a collective bargaining
99 agreement covering employees at the facility, unless the affected collective
100 bargaining unit concurs with the move.

101 9. Notwithstanding any provision of law to the contrary, no taxpayer shall
102 earn the tax credits allowed in this section and the tax credits otherwise allowed
103 in section 135.110, or the tax credits, exemptions, and refund otherwise allowed
104 in sections 135.200, 135.220, 135.225, and 135.245, respectively, for the same
105 business for the same tax period.

135.562. 1. If any taxpayer with a federal adjusted gross income of thirty
2 thousand dollars or less incurs costs for the purpose of making all or any portion
3 of such taxpayer's principal dwelling accessible to an individual with a disability
4 who permanently resides with the taxpayer, such taxpayer shall receive a tax
5 credit against such taxpayer's Missouri income tax liability in an amount equal
6 to the lesser of one hundred percent of such costs or two thousand five hundred
7 dollars per taxpayer, per tax year.

8 2. Any taxpayer with a federal adjusted gross income greater than thirty
9 thousand dollars but less than sixty thousand dollars who incurs costs for the
10 purpose of making all or any portion of such taxpayer's principal dwelling
11 accessible to an individual with a disability who permanently resides with the
12 taxpayer shall receive a tax credit against such taxpayer's Missouri income tax
13 liability in an amount equal to the lesser of fifty percent of such costs or two
14 thousand five hundred dollars per taxpayer per tax year. No taxpayer shall be
15 eligible to receive tax credits under this section in any tax year immediately
16 following a tax year in which such taxpayer received tax credits under the
17 provisions of this section.

18 3. Tax credits issued pursuant to this section may be refundable in an
19 amount not to exceed two thousand five hundred dollars per tax year.

20 4. Eligible costs for which the credit may be claimed include:

21 (1) Constructing entrance or exit ramps;

- 22 (2) Widening exterior or interior doorways;
- 23 (3) Widening hallways;
- 24 (4) Installing handrails or grab bars;
- 25 (5) Moving electrical outlets and switches;
- 26 (6) Installing stairway lifts;
- 27 (7) Installing or modifying fire alarms, smoke detectors, and other alerting
- 28 systems;
- 29 (8) Modifying hardware of doors; or
- 30 (9) Modifying bathrooms.

31 5. The tax credits allowed, including the maximum amount that may be

32 claimed, pursuant to this section shall be reduced by an amount sufficient to

33 offset any amount of such costs a taxpayer has already deducted from such

34 taxpayer's federal adjusted gross income or to the extent such taxpayer has

35 applied any other state or federal income tax credit to such costs.

36 6. A taxpayer shall claim a credit allowed by this section in the same

37 taxable year as the credit is issued, and at the time such taxpayer files his or her

38 Missouri income tax return; provided that such return is timely filed.

39 7. The department may, in consultation with the department of social

40 services, promulgate such rules or regulations as are necessary to administer the

41 provisions of this section. Any rule or portion of a rule, as that term is defined

42 in section 536.010, that is created under the authority delegated in this section

43 shall become effective only if it complies with and is subject to all of the

44 provisions of chapter 536 and, if applicable, section 536.028. This section and

45 chapter 536 are nonseverable and if any of the powers vested with the general

46 assembly pursuant to chapter 536 to review, to delay the effective date or to

47 disapprove and annul a rule are subsequently held unconstitutional, then the

48 grant of rulemaking authority and any rule proposed or adopted after August 28,

49 2007, shall be invalid and void.

50 8. The provisions of this section shall apply to all tax years beginning on

51 or after January 1, 2008.

52 9. The provisions of this section shall expire December 31, [2013]

53 **2016. The provisions of this subsection shall not be construed to limit**

54 **or in any way impair the department or a taxpayer's ability to redeem**

55 **tax credits authorized on or before December 31, 2016.**

56 10. In no event shall the aggregate amount of all tax credits allowed

57 pursuant to this section exceed one hundred thousand dollars in any given fiscal

58 year. The tax credits issued pursuant to this section shall be on a first-come,
59 first-served filing basis.

✓

Unofficial

Bill

Copy