

SENATE AMENDMENT NO. _____

Offered by _____ of _____

Amend SS/SCS/Senate Bills Nos. 26, et al., Page 130, Section 67.2030, Line 17

2 of said page, by inserting immediately after said line the
3 following:

4 "67.2050. 1. As used in this section, unless the context
5 clearly indicates otherwise, the following terms mean:

6 (1) "Facility", a location composed of real estate,
7 buildings, fixtures, machinery, and equipment;

8 (2) "Municipality", any county, city, incorporated town,
9 village of the state, or any utilities board thereof;

10 (3) "NAICS", the 2007 edition of the North American
11 Industry Classification System developed under the direction and
12 guidance of the federal Office of Management and Budget. Any
13 NAICS sector, subsector, industry group, or industry identified
14 in this section shall include its corresponding classification in
15 previous and subsequent federal industry classification systems;

16 (4) "Technology business facility", a facility purchased,
17 constructed, extended, or improved under this section, provided
18 that such business facility is engaged in:

19 (a) Data processing, hosting, and related services (NAICS
20 518210);

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

1 (c) The transmission of voice, data, text, sound, and video
2 using wired telecommunication networks (NAICS 517110);

3 (5) "Technology business facility project" or "project",
4 the purchase, sale, lease, construction, extension, and
5 improvement of technology business facilities, whether of the
6 facility as a whole or of any one or more of the facility's
7 components of real estate, buildings, fixtures, machinery, and
8 equipment.

9 2. The governing body of any municipality may:

10 (1) Carry out technology business facility projects for
11 economic development under this section;

12 (2) Accept grants from the federal and state governments
13 for technology business facility project purposes, and may enter
14 into such agreements as are not contrary to the laws of this
15 state and which may be required as a condition of grants by the
16 federal government or its agencies; and

17 (3) Receive gifts and donations from private sources to be
18 used for technology business facility project purposes.

19 3. The governing body of the municipality may enter into
20 loan agreements, sell, lease, or mortgage to private persons,
21 partnerships, or corporations any one or more of the components
22 of a facility received, purchased, constructed, or extended by
23 the municipality for development of a technology business
24 facility project. The loan agreement, installment sale
25 agreement, lease, or other such document shall contain such other
26 terms as are agreed upon between the municipality and the
27 obligor, provided that such terms shall be consistent with this
28 section. When, in the judgment of the governing body of the
29 municipality, the technology business facility project will

1 result in economic benefits to the municipality, the governing
2 body may lawfully enter into an agreement that includes nominal
3 monetary consideration to the municipality in exchange for the
4 use of one or more components of the facility.

5 4. Transactions involving the lease or rental of any
6 components of a project under this section shall be specifically
7 exempted from the provisions of the local sales tax law as
8 defined in section 32.085, section 238.235, and sections 144.010
9 to 144.525 and 144.600 to 144.761, and from the computation of
10 the tax levied, assessed, or payable under the local sales tax
11 law as defined in section 32.085, section 238.235, and sections
12 144.010 to 144.525 and 144.600 to 144.745.

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

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

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

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

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

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

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

26 "135.305. A Missouri wood energy producer shall be eligible
27 for a tax credit on taxes otherwise due under chapter 143, except
28 sections 143.191 to 143.261, as a production incentive to produce
29 processed wood products in a qualified wood-producing facility

1 using Missouri forest product residue. The tax credit to the
2 wood energy producer shall be five dollars per ton of processed
3 material. The credit may be claimed for a period of five years
4 and is to be a tax credit against the tax otherwise due. No new
5 tax credits, provided for under sections 135.300 to 135.311,
6 shall be authorized after June 30, ~~[2013]~~ 2019. In no event
7 shall the aggregate amount of all tax credits allowed pursuant to
8 sections 135.300 to 135.311 exceed three million five hundred
9 thousand dollars in any given fiscal year.

10 135.350. As used in this section, unless the context
11 clearly requires otherwise, the following words and phrases shall
12 mean:

- 13 (1) "Commission", the Missouri housing development
14 commission, or its successor agency;
- 15 (2) "Director", director of the department of revenue;
- 16 (3) "Eligibility statement", a statement authorized and
17 issued by the commission certifying that a given project
18 qualifies for the Missouri low-income housing tax credit. The
19 commission shall promulgate rules establishing criteria upon
20 which the eligibility statements will be issued. The eligibility
21 statement shall specify the amount of the Missouri low-income
22 housing tax credit allowed. The commission shall only authorize
23 the tax credits to qualified projects which begin after June 18,
24 1991;
- 25 (4) "Federal credit period", the same meaning as is
26 prescribed the term "credit period" under section 42 of the 1986
27 Internal Revenue Code, as amended;
- 28 (5) "Federal low-income housing tax credit", the federal
29 tax credit as provided in section 42 of the 1986 Internal Revenue

1 Code, as amended;

2 [(5)] (6) "Low-income project", a housing project which has
3 restricted rents that do not exceed thirty percent of median
4 income for at least forty percent of its units occupied by
5 persons of families having incomes of sixty percent or less of
6 the median income, or at least twenty percent of the units
7 occupied by persons or families having incomes of fifty percent
8 or less of the median income;

9 [(6)] (7) "Median income", those incomes which are
10 determined by the federal Department of Housing and Urban
11 Development guidelines and adjusted for family size;

12 [(7)] (8) "Qualified Missouri project", a qualified
13 low-income building as that term is defined in section 42 of the
14 1986 Internal Revenue Code, as amended, which is located in
15 Missouri;

16 [(8)] (9) "Taxpayer", person, firm or corporation subject
17 to the state income tax imposed by the provisions of chapter 143
18 (except withholding imposed by sections 143.191 to 143.265) or a
19 corporation subject to the annual corporation franchise tax
20 imposed by the provisions of chapter 147, or an insurance company
21 paying an annual tax on its gross premium receipts in this state,
22 or other financial institution paying taxes to the state of
23 Missouri or any political subdivision of this state under the
24 provisions of chapter 148, or an express company which pays an
25 annual tax on its gross receipts in this state.

26 135.352. 1. A taxpayer owning an interest in a qualified
27 Missouri project shall, subject to the limitations provided under
28 the provisions of subsection 3 of this section, be allowed a
29 state tax credit, whether or not allowed a federal tax credit, to

1 be termed the Missouri low-income housing tax credit, if the
2 commission issues an eligibility statement for that project.

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

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

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

25 5. The Missouri low-income housing tax credit shall be
26 taken against the taxes and in the order specified pursuant to
27 section 32.115. The credit authorized by this section shall not
28 be refundable. Any amount of credit that exceeds the tax due for
29 a taxpayer's taxable year may be carried back to any of the

1 taxpayer's three prior taxable years or carried forward to any of
2 the taxpayer's five subsequent taxable years. For projects
3 authorized on or after July 1, 2013, any amount of credit that
4 exceeds the tax due for a taxpayer's taxable year may be carried
5 forward to any of the taxpayer's two subsequent taxable years.

6 [5.] 6. All or any portion of Missouri tax credits issued
7 in accordance with the provisions of sections 135.350 to 135.362
8 may be allocated to parties who are eligible pursuant to the
9 provisions of subsection 1 of this section. Beginning January 1,
10 1995, for qualified projects which began on or after January 1,
11 1994, an owner of a qualified Missouri project shall certify to
12 the director the amount of credit allocated to each taxpayer.
13 The owner of the project shall provide to the director
14 appropriate information so that the low-income housing tax credit
15 can be properly allocated.

16 [6.] 7. In the event that recapture of Missouri low-income
17 housing tax credits is required pursuant to subsection 2 of
18 section 135.355, any statement submitted to the director as
19 provided in this section shall include the proportion of the
20 state credit required to be recaptured, the identity of each
21 taxpayer subject to the recapture and the amount of credit
22 previously allocated to such taxpayer.

23 8. A taxpayer that receives state tax credits under the
24 provisions of sections 253.545 to 253.559 shall be ineligible to
25 receive state tax credits under the provisions of sections
26 135.350 to 135.363 for the same project, if such project is not
27 financed through tax exempt bond issuance.

28 [7.] 9. The director of the department may promulgate
29 rules and regulations necessary to administer the provisions of

1 this section. No rule or portion of a rule promulgated pursuant
2 to the authority of this section shall become effective unless it
3 has been promulgated pursuant to the provisions of section
4 536.024.

5 135.484. 1. Beginning January 1, 2000, tax credits shall
6 be allowed pursuant to section 135.481 in an amount not to exceed
7 sixteen million dollars per year. Of this total amount of tax
8 credits in any given year, eight million dollars shall be set
9 aside for projects in areas described in subdivision (6) of
10 section 135.478 and eight million dollars for projects in areas
11 described in subdivision (10) of section 135.478. The maximum
12 tax credit for a project consisting of multiple-unit qualifying
13 residences in a distressed community shall not exceed three
14 million dollars.

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

26 3. The tax credits allowed pursuant to sections 135.475 to
27 135.487 may not be claimed in addition to any other state tax
28 credits, with the exception of the historic structures
29 rehabilitation tax credit authorized pursuant to sections 253.545

1 to 253.559, which insofar as sections 135.475 to 135.487 are
2 concerned may be claimed only in conjunction with the tax credit
3 allowed pursuant to subsection 4 of section 135.481. In order
4 for a taxpayer eligible for the historic structures
5 rehabilitation tax credit to claim the tax credit allowed
6 pursuant to subsection 4 of section 135.481, the taxpayer must
7 comply with the requirements of sections 253.545 to 253.559, and
8 in such cases, the amount of the tax credit pursuant to
9 subsection 4 of section 135.481 shall be limited to the lesser of
10 twenty percent of the taxpayer's eligible costs or forty thousand
11 dollars.

12 4. No tax credits provided under sections 135.475 to
13 135.487 shall be authorized on or after the effective date of
14 this act. The provisions of this subsection shall not be
15 construed to limit or in any way impair the department's ability
16 to issue tax credits authorized prior to the effective date of
17 this act, or a taxpayer's ability to redeem such tax credits.

18 135.1550. 1. Sections 135.1550 to 135.1575, shall be known
19 and may be cited as the "Missouri Export Incentive Act".

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

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

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

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

3 (a) Actual weight; or

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

7 (4) "Claiming freight forwarder", the freight forwarder
8 designated as the "agent" on the airway bill for the qualifying
9 outbound flight for which such air export tax credit is sought;

10 (5) "Department", the Missouri department of economic
11 development;

12 (6) "Direct international aircraft flight", a single
13 aircraft transoceanic flight that operates to an international
14 destination in accordance with the operators bilateral route
15 authority;

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

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

24 135.1555. 1. For all fiscal years beginning on or after
25 July 1, 2013, a claiming freight forwarder shall be entitled to
26 an air export tax credit for the shipment of cargo on a
27 qualifying outbound flight in an amount equal to forty cents per
28 chargeable kilo.

29 2. The department shall index, and the secretary of state

1 shall publish in the Missouri Register, the amount of the air
2 export tax credits to adjust each year depending upon
3 fluctuations in the cost of fuel for over-the-road
4 transportation.

5 135.1560. 1. To receive benefits provided under section
6 135.1555, a claiming freight forwarder shall file an application
7 with the department within one hundred twenty calendar days of
8 the date of shipment. The documentation to be presented by the
9 claiming freight forwarder in such an application shall consist
10 of the master airway bill for the shipment on the qualifying
11 outbound flight for which the claiming freight forwarder is
12 seeking air export tax credits. The department shall establish
13 procedures to allow claiming freight forwarders that file
14 applications for air export tax credits to receive such tax
15 credits within twenty business days of the filing of the
16 application.

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

21 135.1565. The total aggregate amount for air export tax
22 credits authorized under section 135.1555 shall not exceed sixty
23 million dollars. The amount of the air export tax credits issued
24 under section 135.1555 shall not exceed seven million five
25 hundred thousand dollars for each fiscal year beginning on or
26 after July 1, 2013.

27 135.1570. Tax credits granted to a partnership, a limited
28 liability company taxed as a partnership, or multiple owners of
29 property shall be passed through to the partners, members, or

1 owners respectively pro rata or pursuant to an executed agreement
2 among the partners, members, or owners documenting an alternate
3 distribution method.

4 135.1575. 1. The department may promulgate rules to
5 implement the provisions of sections 135.1550 to 135.1575. Any
6 rule or portion of a rule, as that term is defined in section
7 536.010 that is created under the authority delegated in this
8 section shall become effective only if it complies with and is
9 subject to all of the provisions of chapter 536, and, if
10 applicable, section 536.028. This section and chapter 536 are
11 nonseverable and if any of the powers vested with the general
12 assembly pursuant to chapter 536, to review, to delay the
13 effective date, or to disapprove and annul a rule are
14 subsequently held unconstitutional, then the grant of rulemaking
15 authority and any rule proposed or adopted after the effective
16 date of this act, shall be invalid and void.

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

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

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

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

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

4 "144.810. 1. As used in this section, unless the context
5 clearly indicates otherwise, the following terms mean:

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

11 (2) "Constructing taxpayer", where more than one taxpayer
12 is responsible for a project, a taxpayer responsible for the
13 construction of the facility, as opposed to a taxpayer
14 responsible for the equipping and ongoing operations of the
15 facility;

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

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

25 (a) Data processing, hosting, and related services (NAICS
26 518210);

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

29 (c) Customer service, customer contact, or customer support

1 operations through the use of computer databases and
2 telecommunications services at the business facility;

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

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

19 (7) "Expanding facility project" or "expanding data storage
20 center project", the construction, extension, improvement,
21 equipping, and operation of an expanding facility;

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

27 (9) "NAICS", the 2007 edition of the North American
28 Industry Classification System as prepared by the Executive
29 Office of the President, Office of Management and Budget. Any

1 NAICS sector, subsector, industry group, or industry identified
2 in this section shall include its corresponding classification in
3 previous and subsequent federal industry classification systems;

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

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

17 (b) If such facility was acquired by an operating or
18 constructing taxpayer from another person or persons on or after
19 August 28, 2013, and such facility was employed prior to August
20 28, 2013, by any other person or persons in the operation of a
21 data storage center the facility shall not be considered a new
22 facility;

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

25 (d) The new facility project investment is at least thirty-
26 seven million dollars during a period of up to thirty-six
27 consecutive months from the date of the conditional approval for
28 an exemption under this section. Where more than one taxpayer is
29 responsible for a project, the investment requirement may be met

1 by an operating taxpayer, a constructing taxpayer, or a
2 combination of constructing taxpayers and operating taxpayers;

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

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

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

14 (12) "New job" in the case of a new data center project,
15 the total number of full-time employees located at a new data
16 storage center for a period of up to thirty-six consecutive
17 months from the date of conditional approval for an exemption
18 under this section. In the case of an expanding data storage
19 center project, the total number of full-time employees located
20 at the expanding data storage center that exceeds the greater of
21 the number of full-time employees located at the project facility
22 on the date of the submission of a project plan under this
23 section or for the twelve-month period prior to the date of the
24 submission of a project plan, the average number of full-time
25 employees located at the expanding data storage center facility.
26 In the event the expanding data storage center facility has not
27 been in operation for a full twelve-month period at the time of
28 the submission of a project plan, the total number of full-time
29 employees located at the expanding data storage center that

1 exceeds the greater of the number of full-time employees located
2 at the project facility on the date of the submission of a
3 project plan under this section or the average number of full-
4 time employees for the number of months the expanding data
5 storage center facility has been in operation prior to the date
6 of the submission of the project plan;

7 (13) "Notice of intent", a form developed by the department
8 of economic development, completed by the project taxpayer, and
9 submitted to the department, which states the project taxpayer's
10 intent to construct or expand a data center and request the
11 exemptions under this program;

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

17 (15) "Project taxpayers", each constructing taxpayer and
18 each operating taxpayer for a data storage center project;

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

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

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

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

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

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

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

24 3. (1) Any data storage center project seeking a tax
25 exemption under subsection 2 of this section shall submit a
26 notice of intent and a project plan to the department of economic
27 development, which shall identify each known constructing
28 taxpayer and known operating taxpayer for the project and include
29 any additional information the department of economic development

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

12 (2) The department of economic development shall convey
13 conditional approvals to the department of revenue and the
14 identified project taxpayers. After a conditionally approved new
15 facility has met the requirements in subsection 1 of this section
16 for a new facility and the execution of the agreement specified
17 in subsection 6 of this section, the project taxpayers shall
18 provide proof of the same to the department of economic
19 development. Upon verification of such proof, the department of
20 economic development shall certify the new facility to the
21 department of revenue as being eligible for the exemption dating
22 retroactively to the first day of construction on the new
23 facility. The department of revenue, upon receipt of adequate
24 proof of the amount of sales taxes paid since the first day of
25 construction, shall issue a refund of taxes paid but eligible for
26 exemption under subsection 2 of this section to any applicable
27 taxpayer and issue a certificate of exemption to each new project
28 taxpayer for ongoing exemptions under subsection 2 of this
29 section. The department of revenue shall issue such a refund

1 within thirty days of receipt of certification from the
2 department of economic development.

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

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

13 4. In addition to the exemptions granted under chapter 144,
14 upon approval by the department of economic development, project
15 taxpayers for expanding data center projects may, for a period
16 not to exceed ten years, be specifically exempted from state and
17 local sales and use taxes defined, levied, or calculated under
18 section 32.085, sections 144.010 to 144.525, sections 144.600 to
19 144.761, or section 238.235 on:

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

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

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

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

11 5. (1) Any data storage center project seeking a tax
12 exemption under subsection 4 of this section shall submit a
13 notice of intent and a project plan to the department of economic
14 development, which shall identify each known constructing
15 taxpayer and each known operating taxpayer for the project and
16 include any additional information the department of economic
17 development may reasonably require to determine eligibility for
18 the exemption. The department of economic development shall
19 review the project plan and determine whether the project is
20 eligible for the exemption under subsection 4 of this section,
21 conditional upon subsequent verification by the department that
22 the project meets the requirements in subsection 1 of this
23 section for an expanding facility project and the execution of
24 the agreement specified in subsection 6 of this section. The
25 department shall make such conditional determination within
26 thirty days of submission by the operating taxpayer. Failure of
27 the department to respond within thirty days shall result in a
28 project plan being deemed conditionally approved.

29 (2) The department of economic development shall convey

1 such conditional approval to the department of revenue and the
2 identified project taxpayers. After a conditional approved
3 facility has met the requirements in subsection 1 of this
4 section, the project taxpayers shall provide proof of the same to
5 the department of economic development. Upon verification of
6 such proof, the department of economic development shall certify
7 the project to the department of revenue as being eligible for
8 the exemption dating retroactively to the first day of the
9 expansion of the facility. The department of revenue, upon
10 receipt of adequate proof of the amount of sales taxes paid since
11 the first day of the expansion of the facility, shall issue a
12 refund of taxes paid but eligible for exemption under subsection
13 4 of this section to any applicable project taxpayer and issue a
14 certificate of exemption to any applicable project taxpayer for
15 ongoing exemptions under subsection 4 of this section. The
16 department of revenue shall issue such a refund within thirty
17 days of receipt of certification from the department of economic
18 development.

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

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

29 6. (1) The exemptions in subsections 2 and 4 of this

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

12 (2) In order to received exemptions under subsection 2 or 4
13 of this section, the project taxpayers shall enter into an
14 agreement with the department of economic development providing
15 for repayment penalties in the event the data storage center
16 project fails to:

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

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

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

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

27 8. Notwithstanding any other provision of law to the
28 contrary, no recipient of an exemption pursuant to this section
29 shall be eligible for benefits under any business recruitment tax

1 credit, as defined in section 135.800.

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

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

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

23 "253.550. 1. Any taxpayer incurring costs and expenses for
24 the rehabilitation of eligible property, which is a certified
25 historic structure or structure in a certified historic district,
26 may, subject to the provisions of this section and section
27 253.559, receive a credit against the taxes imposed pursuant to
28 chapters 143 and 148, except for sections 143.191 to 143.265, on
29 such taxpayer in an amount equal to twenty-five percent of the

1 total costs and expenses of rehabilitation incurred after January
2 1, 1998, which shall include, but not be limited to, qualified
3 rehabilitation expenditures as defined under section 47(c)(2)(A)
4 of the Internal Revenue Code of 1986, as amended, and the related
5 regulations thereunder, provided the rehabilitation costs
6 associated with rehabilitation and the expenses exceed fifty
7 percent of the total basis in the property and the rehabilitation
8 meets standards consistent with the standards of the Secretary of
9 the United States Department of the Interior for rehabilitation
10 as determined by the state historic preservation officer of the
11 Missouri department of natural resources.

12 2. During the period beginning on January 1, 2010, but
13 ending on or after June 30, 2010, the department of economic
14 development shall not approve applications for tax credits under
15 the provisions of subsections 3 and 8 of section 253.559 which,
16 in the aggregate, exceed seventy million dollars, increased by
17 any amount of tax credits for which approval shall be rescinded
18 under the provisions of section 253.559. For each fiscal year
19 beginning on or after July 1, 2010, but ending on or before June
20 30, 2013, the department of economic development shall not
21 approve applications for tax credits under the provisions of
22 subsections 3 and 8 of section 253.559 which, in the aggregate,
23 exceed one hundred forty million dollars, increased by any amount
24 of tax credits for which approval shall be rescinded under the
25 provisions of section 253.559. The limitations provided under
26 this subsection shall not apply to applications approved under
27 the provisions of subsection 3 of section 253.559 for projects to
28 receive less than two hundred seventy-five thousand dollars in
29 tax credits.

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

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

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

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

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

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

29 5. For each fiscal year beginning on or after July 1, 2013,

1 the department of economic development shall not approve
2 applications for tax credits under the provisions of subsections
3 3 and 8 of section 253.559 which, in the aggregate, exceed forty-
4 five million dollars, increased by any amount of tax credits for
5 which approval shall be rescinded under the provisions of section
6 253.559. The limitations provided under this subsection shall
7 not apply to applications approved under the provisions of
8 subsection 3 of section 253.559 for projects to receive less than
9 two hundred seventy-five thousand dollars in tax credits.

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

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

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

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

29 (a) Received an approved Part I from the Secretary of the

1 United States Department of Interior and has incurred costs and
2 expenses for an eligible property which exceed the lesser of
3 fifteen percent of the total project costs or three million
4 dollars; or

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

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

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

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

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

1 the total project costs; or

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

9 253.557. 1. If the amount of such credit exceeds the total
10 tax liability for the year in which the rehabilitated property is
11 placed in service, the amount that exceeds the state tax
12 liability may be carried back to any of the three preceding years
13 and carried forward for credit against the taxes imposed pursuant
14 to chapter 143 and chapter 148, except for sections 143.191 to
15 143.265 for the succeeding ten years, or until the full credit is
16 used, whichever occurs first. For all tax credits authorized
17 under the provisions of sections 253.545 to 253.559 on or after
18 the effective date of this act, if the total amount of such
19 credit exceeds the total tax liability for the year in which the
20 rehabilitated property is placed in service, the amount that
21 exceeds the state tax liability may be carried forward for credit
22 against the taxes imposed pursuant to chapter 143 and chapter
23 148, except for sections 143.191 to 143.265 for the succeeding
24 two years, or until the full credit is used, whichever occurs
25 first. Not-for-profit entities, including but not limited to
26 corporations organized as not-for-profit corporations pursuant to
27 chapter 355 shall be ineligible for the tax credits authorized
28 under sections 253.545 [through 253.561] to 253.559. Any
29 taxpayer that receives state tax credits under the provisions of

1 sections 135.350 to 135.363 for a project that is not financed
2 through tax exempt bonds issuance shall be ineligible for the
3 state tax credits authorized under sections 253.545 to 253.559
4 for the same project. Taxpayers eligible for such tax credits
5 may transfer, sell or assign the credits. Credits granted to a
6 partnership, a limited liability company taxed as a partnership
7 or multiple owners of property shall be passed through to the
8 partners, members or owners respectively pro rata or pursuant to
9 an executed agreement among [the] such partners, members or
10 owners documenting an alternate distribution method.

11 2. The assignee of the tax credits, hereinafter the
12 assignee for purposes of this subsection, may use acquired
13 credits to offset up to one hundred percent of the tax
14 liabilities otherwise imposed pursuant to chapter 143 and chapter
15 148, except for sections 143.191 to 143.265. The assignor shall
16 perfect such transfer by notifying the department of economic
17 development in writing within thirty calendar days following the
18 effective date of the transfer and shall provide any information
19 as may be required by the department of economic development to
20 administer and carry out the provisions of this section.

21 253.559. 1. To obtain approval for tax credits allowed
22 under sections 253.545 to 253.559, a taxpayer shall submit an
23 application for tax credits to the department of economic
24 development. Each application for approval, including any
25 applications received for supplemental allocations of tax credits
26 as provided under subsection 8 of this section, shall be
27 prioritized for review and approval, in the order of the date on
28 which the application was postmarked, with the oldest postmarked
29 date receiving priority. Applications postmarked on the same day

1 shall go through a lottery process to determine the order in
2 which such applications shall be reviewed.

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

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

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

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

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

26 (5) Any other information which the department of economic
27 development may reasonably require to review the project for
28 approval. Only the property for which a property address is
29 provided in the application shall be reviewed for approval. Once

1 selected for review, a taxpayer shall not be permitted to request
2 the review of another property for approval in the place of the
3 property contained in such application. Any disapproved
4 application shall be removed from the review process. If an
5 application is removed from the review process, the department of
6 economic development shall notify the taxpayer in writing of the
7 decision to remove such application. Disapproved applications
8 shall lose priority in the review process. A disapproved
9 application, which is removed from the review process, may be
10 resubmitted, but shall be deemed to be a new submission for
11 purposes of the priority procedures described in this section.

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

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

24 (1) The taxpayer may add partners, members, or shareholders
25 as part of the ownership structure, so long as the principal
26 remains the same, provided however, that subsequent to the
27 commencement of renovation and the expenditure of at least ten
28 percent of the proposed rehabilitation budget, removal of the
29 principal for failure to perform duties and the appointment of a

1 new principal thereafter shall not constitute a change of the
2 principal; or

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

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

25 6. All taxpayers with applications receiving approval on or
26 after the effective date of this act shall commence
27 rehabilitation within two years of the date of issuance of the
28 letter from the department of economic development granting the
29 approval for tax credits. "Commencement of rehabilitation" shall

1 mean that as of the date in which actual physical work,
2 contemplated by the architectural plans submitted with the
3 application, has begun, the taxpayer has incurred no less than
4 ten percent of the estimated costs of rehabilitation provided in
5 the application. Taxpayers with approval of a project shall
6 submit evidence of compliance with the provisions of this
7 subsection. If the department of economic development determines
8 that a taxpayer has failed to comply with the requirements
9 provided under this section, the approval for the amount of tax
10 credits for such taxpayer shall be rescinded and such amount of
11 tax credits shall then be included in the applicable total amount
12 of tax credits, provided under subsection 2, 5, or 8 of section
13 253.550, from which approvals may be granted. Any taxpayer whose
14 approval shall be subject to rescission shall be notified of such
15 from the department of economic development and, upon receipt of
16 such notice, may submit a new application for the project.

17 7. To claim the credit authorized under sections 253.550 to
18 253.559, a taxpayer with approval shall apply for final approval
19 and issuance of tax credits from the department of economic
20 development which, in consultation with the department of natural
21 resources, shall determine the final amount of eligible
22 rehabilitation costs and expenses and whether the completed
23 rehabilitation meets the standards of the Secretary of the United
24 States Department of the Interior for rehabilitation as
25 determined by the state historic preservation officer of the
26 Missouri department of natural resources. For financial
27 institutions credits authorized pursuant to sections 253.550 to
28 253.561 shall be deemed to be economic development credits for
29 purposes of section 148.064. The approval of all applications

1 and the issuing of certificates of eligible credits to taxpayers
2 shall be performed by the department of economic development.
3 The department of economic development shall inform a taxpayer of
4 final approval by letter and shall issue, to the taxpayer, tax
5 credit certificates. The taxpayer shall attach the certificate
6 to all Missouri income tax returns on which the credit is
7 claimed.

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

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

26 10. By no later than January 1, 2014, the department of
27 economic development shall propose rules to implement the
28 provisions of sections 253.550 to 253.559. Prior to proposing
29 such rules, the department shall conduct a stakeholder process

1 designed to solicit input from interested parties. Any rule or
2 portion of a rule, as that term is defined in section 536.010,
3 that is created under the authority delegated herein shall become
4 effective only if it complies with and is subject to all of the
5 provisions of chapter 536 and, if applicable, section 536.028.
6 This section and chapter 536 are nonseverable and if any of the
7 powers vested with the general assembly pursuant to chapter 536
8 to review, to delay the effective date, or to disapprove and
9 annul a rule are subsequently held unconstitutional, then the
10 grant of rulemaking authority and any rule proposed or adopted
11 after the effective date of this act, shall be invalid and void.

12 348.273. 1. This section and section 348.274 shall be
13 known and may be cited as the "Missouri Angel Investment
14 Incentive Act".

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

17 (1) "Cash investment", money or money equivalent
18 contribution;

19 (2) "Department", the department of economic development;

20 (3) "Investor":

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

24 (b) A permitted entity investor who is an accredited
25 investor as defined in 17 CFR 230.501(a) (8), as in effect on
26 August 28, 2013; or

27 (c) A natural person or permitted entity investor making an
28 investment that is permitted under the Jumpstart Our Business
29 Startups Act, Pub. L. No. 112-106, Sections 301-305, 126 Stat.

1 315-323, as in effect on August 28, 2013.

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

6 (4) "Owner", any natural person who is, directly or
7 indirectly, a partner, stockholder, or member in a permitted
8 entity investor;

9 (5) "Permitted entity investor", any charitable
10 organization which is exempt from federal income tax and whose
11 Missouri unrelated business taxable income, if any, would be
12 subject to the state income tax imposed under chapter 143,
13 general partnership, limited partnership, small corporation
14 described in section 143.471, revocable living trust, or limited
15 liability company that has elected to be taxed as a partnership
16 under the United States internal revenue code, and that was
17 established and is operated for the purpose of making investments
18 in other entitites;

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

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

26 (a) Any business owned by an individual;

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

29 (c) Any corporation, even if a wholly owned subsidiary of a

1 foreign corporation, that does business primarily in Missouri or
2 does substantially all of such business's production in Missouri;

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

7 (a) Any form of equity, such as:

8 a. A general or limited partnership interest;

9 b. Common stock;

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

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

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

21 (9) "SBTDC", the Missouri small business and technology
22 development center; and

23 (10) "Tax credit", a credit against the tax otherwise due
24 under chapter 143, excluding withholding tax imposed by sections
25 143.191 to 143.265.

26 3. The Missouri angel investment incentive act shall be
27 administered by the regional SBTDCs and the department, with the
28 primary goal of encouraging individuals to provide seed-capital
29 financing for emerging Missouri businesses engaged in the

1 development, implementation, and commercialization of innovative
2 technologies, products, and services. Each regional SBTDC shall
3 establish a regional committee consisting of no fewer than three
4 but no more than five persons for the purpose of reviewing
5 applications from businesses requesting designation as a
6 qualified Missouri business and allocating the amount of
7 available tax credits among the qualified Missouri businesses.
8 The department shall establish its own rules of procedure,
9 including the form and substance of applications to be used by
10 each regional SBTDC and the criteria to be considered by each
11 regional SBTDC when evaluating a qualified Missouri business,
12 such applications and criteria to be not less than the minimum
13 requirements set forth in subsection 5 of this section. The
14 department shall issue tax credits to qualified investors that
15 make cash investments in qualified Missouri businesses that have
16 been allocated available tax credits by a regional SBTDC.

17 4. (1) A tax credit shall be allowed for an investor's
18 cash investment in the qualified securities of a qualified
19 Missouri business. The credit shall be in a total amount equal
20 to fifty percent of such investor's cash investment in any
21 qualified Missouri business, subject to the limitations set forth
22 in this subsection. This tax credit may be used in its entirety
23 in the taxable year in which the cash investment is made except
24 that no tax credit shall be allowed in a year prior to the year
25 beginning January 1, 2014. If the amount by which that portion
26 of the credit allowed by this section exceeds the investor's
27 liability in any one taxable year, the remaining portion of the
28 credit may be carried forward five years or until the total
29 amount of the credit is used, whichever occurs first. If the

1 investor is a permitted entity investor, the credit provided by
2 this section shall be claimed by the owners of the permitted
3 entity investor in proportion to their equity investment in the
4 permitted entity investor.

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

9 (3) The director of the department of revenue shall not
10 allow tax credits of more than fifty thousand dollars for a
11 single qualified Missouri business or a total of two hundred
12 fifty thousand dollars in tax credits for a single year per
13 investor who is a natural person or owner of a permitted entity
14 investor. No tax credits authorized by this section and section
15 348.274 shall be allowed for any cash investments in qualified
16 securities for any year beginning after December 31, 2019. The
17 total amount of tax credits allocated under this section shall
18 not exceed six million dollars per year.

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

29 (5) At the end of each calendar quarter, each regional

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

9 (6) During the fourth calendar quarter, a regional SBTDC in
10 need of additional tax credits for transactions closing in the
11 fourth calendar quarter may request that another regional SBTDC
12 with unallocated tax credits permit such unallocated tax credits
13 to be allocated by the requesting SBTDC. No regional SBTDC shall
14 be required to grant such request. When a granting SBTDC
15 transfers the allocation of the unallocated tax credits to a
16 requesting SBTDC under this subdivision, the granting SBTDC shall
17 provide to the requesting SBTDC a written confirmation
18 authorizing such transfer, the granting SBTDC shall include a
19 copy of such written confirmation in its reports provided under
20 section 348.274, and the requesting SBTDC shall include a copy of
21 such written confirmation in its reports provided under section
22 348.274.

23 5. (1) Before an investor may be entitled to receive tax
24 credits under this section and section 348.274, such investor
25 shall have made a cash investment in a qualified security of a
26 qualified Missouri business. The business shall have been
27 approved by a regional SBTDC as a qualified Missouri business
28 before the date on which the cash investment was made. To be
29 designated as a qualified Missouri business, a business shall

1 make application to a regional SBTDC in accordance with the
2 provisions of this section.

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

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

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

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

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

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

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

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

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

4 (b) Businesses that are not bioscience businesses shall
5 have been in operation for less than five years, and bioscience
6 businesses shall have been in operation for less than ten years;

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

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

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

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

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

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

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

26 e. Insurance;

27 f. Construction or construction management or contracting;

28 g. Business consulting or brokerage;

29 h. Any business engaged primarily as a passive business,

1 having irregular or noncontinuous operations, or deriving
2 substantially all of the income of the business from passive
3 investments that generate interest, dividends, royalties, or
4 capital gains, or any business arrangements the effect of which
5 is to immunize an investor from risk of loss;

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

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

9 k. Any gambling related business;

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

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

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

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

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

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

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

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

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

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

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

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

24 348.274. 1. (1) Each regional SBTDC is authorized to
25 allocate tax credits to qualified Missouri businesses. The
26 department is authorized to issue tax credits to qualified
27 investors in such qualified Missouri businesses. Such tax
28 credits shall be allocated to those qualified Missouri businesses
29 which, as determined by the regional SBTDC, are most likely to

1 provide the greatest economic benefit to the region, the state,
2 or both. The regional SBTDC may allocate, and the department may
3 issue, whole or partial tax credits based on the regional SBTDC's
4 assessment of the qualified Missouri businesses. The regional
5 SBTDC may consider numerous factors in such assessment, including
6 but not limited to, the quality and experience of the management
7 team, the size of the estimated market opportunity, the risk from
8 current or future competition, the ability to defend intellectual
9 property, the quality and utility of the business model, and the
10 quality and reasonableness of financial projections for the
11 business.

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

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

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

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

27 2. (1) The state of Missouri shall not be held liable for
28 any damages to any investor that makes an investment in any
29 qualified security of a qualified Missouri business, any business

1 that applies to be designated as a qualified Missouri business
2 and is turned down, or any investor that makes an investment in a
3 business that applies to be designated as a qualified Missouri
4 business and is turned down.

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

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

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

28 (5) At the end of the one hundred twenty-day period, if the
29 qualified Missouri business is still not in substantial

1 compliance, the department shall send a notice of loss of
2 designation to the business, each regional SBTDC, the director of
3 the department of revenue and to all known investors in the
4 business.

5 (6) A business shall lose its designation as a qualified
6 Missouri business under this section and section 348.273 by
7 moving its operations outside Missouri within ten years after
8 receiving financial assistance under this section and section
9 348.273.

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

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

23 (9) The portions of documents and other materials submitted
24 to any regional SBTDC or the department that contain trade
25 secrets shall be kept confidential and shall be maintained in a
26 secured environment by the regional SBTDC and the department, as
27 applicable. For the purposes of this section and section
28 348.273, "trade secrets" means any customer lists, formula,
29 compound, production data, or compilation of information that

1 will allow individuals within a commercial concern using such
2 information the means to fabricate, produce, or compound an
3 article of trade or perform any service having commercial value,
4 which gives the user an opportunity to obtain a business
5 advantage over competitors who do not know or use such service.

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

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

22 4. (1) Each qualified Missouri business for which tax
23 credits have been issued under this section and section 348.273
24 shall report to the applicable regional SBTDC on an annual basis,
25 on or before February first. The regional SBTDC shall provide
26 copies of the reports to the department. Such reports shall
27 include the following:

28 (a) The name, address, and taxpayer identification number
29 of each investor who has made cash investment in the qualified

1 securities of the qualified Missouri business and has received
2 tax credits for this investment during the preceding year;

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

6 (c) Any additional information as the regional SBTDC or the
7 department may reasonably require under this section and section
8 348.273.

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

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

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

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

19 (d) The amount of unallocated tax credits; and

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

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

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

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

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

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

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

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

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

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

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

26 (4) Any violation of the reporting requirements of this
27 subsection by a qualified Missouri business may be grounds for
28 the loss of designation of such qualified Missouri business, and
29 such business that loses its designation as a qualified Missouri

1 business shall be subject to the restrictions upon loss of
2 designation set forth in subsection 2 of this section.

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

6 447.708. 1. For eligible projects, the director of the
7 department of economic development, with notice to the directors
8 of the departments of natural resources and revenue, and subject
9 to the other provisions of sections 447.700 to 447.718, may not
10 create a new enterprise zone but may decide that a prospective
11 operator of a facility being remedied and renovated pursuant to
12 sections 447.700 to 447.718 may receive the tax credits and
13 exemptions pursuant to sections 135.100 to 135.150 and sections
14 135.200 to 135.257. The tax credits allowed pursuant to this
15 subsection shall be used to offset the tax imposed by chapter
16 143, excluding withholding tax imposed by sections 143.191 to
17 143.265, or the tax otherwise imposed by chapter 147, or the tax
18 otherwise imposed by chapter 148. Notwithstanding any provisions
19 of law to the contrary, the department shall not authorize tax
20 credits and exemptions pursuant to this subsection after the
21 effective date of this act. For purposes of this subsection:

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

29 (2) For receipt of the income tax exemption pursuant to

1 section 135.220 and tax credit for new or expanded business
2 facilities pursuant to sections 135.100 to 135.150, and 135.225,
3 the eligible project must create at least ten new jobs or retain
4 businesses which supply at least twenty-five existing jobs, or
5 combination thereof. For purposes of sections 447.700 to
6 447.718, the tax credits described in section 135.225 are
7 modified as follows: the tax credit shall be four hundred dollars
8 per employee per year, an additional four hundred dollars per
9 year for each employee exceeding the minimum employment
10 thresholds of ten and twenty-five jobs for new and existing
11 businesses, respectively, an additional four hundred dollars per
12 year for each person who is a person difficult to employ as
13 defined by section 135.240, and investment tax credits at the
14 same amounts and levels as provided in subdivision (4) of
15 subsection 1 of section 135.225;

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

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

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

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

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

25 (8) For the purpose of meeting the existing job retention
26 requirement, if the eligible project replaces a similar facility
27 that closed elsewhere in Missouri prior to the end of the
28 taxpayer's tax period in which the tax credits are earned, it
29 shall be required that at least twenty-five existing jobs be

1 retained at, and in connection with the eligible project, on a
2 full-time basis during the taxpayer's tax period for which the
3 credits are earned. "Retained job" means a person who was
4 previously employed by the taxpayer or related taxpayer, at a
5 facility similar to the eligible project that closed elsewhere in
6 Missouri prior to the end of the taxpayer's tax period in which
7 the tax credits are earned, within the tax period immediately
8 preceding the time the person was employed by the taxpayer to
9 work at, or in connection with, the eligible project on a
10 full-time basis. "Full-time basis" means the employee works an
11 average of at least thirty-five hours per week during the
12 taxpayer's tax period for which the tax credits are earned;

13 (9) In the case where an eligible project replaces a
14 similar facility that closed elsewhere in Missouri prior to the
15 end of the taxpayer's tax period in which the tax credits are
16 earned, the owner and operator of the eligible project shall
17 provide the director with a written statement explaining the
18 reason for discontinuing operations at the closed facility. The
19 statement shall include a comparison of the activities performed
20 at the closed facility prior to the date the facility ceased
21 operating, to the activities performed at the eligible project,
22 and a detailed account describing the need and rationale for
23 relocating to the eligible project. If the director finds the
24 relocation to the eligible project significantly impaired the
25 economic stability of the area in which the closed facility was
26 located, and that such move was detrimental to the overall
27 economic development efforts of the state, the director may deny
28 the taxpayer's request to claim tax benefits;

29 (10) Notwithstanding any provision of law to the contrary,

1 for the purpose of this section, the number of new jobs created
2 and maintained, the number of existing jobs retained, and the
3 value of new qualified investment used at the eligible project
4 during any tax year shall be determined by dividing by twelve, in
5 the case of jobs, the sum of the number of individuals employed
6 at the eligible project, or in the case of new qualified
7 investment, the value of new qualified investment used at the
8 eligible project, on the last business day of each full calendar
9 month of the tax year. If the eligible project is in operation
10 for less than the entire tax year, the number of new jobs created
11 and maintained, the number of existing jobs retained, and the
12 value of new qualified investment created at the eligible project
13 during any tax year shall be determined by dividing the sum of
14 the number of individuals employed at the eligible project, or in
15 the case of new qualified investment, the value of new qualified
16 investment used at the eligible project, on the last business day
17 of each full calendar month during the portion of the tax year
18 during which the eligible project was in operation, by the number
19 of full calendar months during such period;

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

27 2. The determination of the director of economic
28 development pursuant to subsection 1 of this section shall not
29 affect requirements for the prospective purchaser to obtain the

1 approval of the granting of real property tax abatement by the
2 municipal or county government where the eligible project is
3 located.

4 3. (1) The director of the department of economic
5 development, with the approval of the director of the department
6 of natural resources, may, [in addition to the tax credits
7 allowed in subsection 1 of this section,] grant a remediation tax
8 credit to the applicant for up to one hundred percent of the
9 costs of materials, supplies, equipment, labor, professional
10 engineering, consulting and architectural fees, permitting fees
11 and expenses, demolition, asbestos abatement, and direct utility
12 charges for performing the voluntary remediation activities for
13 the preexisting hazardous substance contamination and releases,
14 including, but not limited to, the costs of performing operation
15 and maintenance of the remediation equipment at the property
16 beyond the year in which the systems and equipment are built and
17 installed at the eligible project and the costs of performing the
18 voluntary remediation activities over a period not in excess of
19 four tax years following the taxpayer's tax year in which the
20 system and equipment were first put into use at the eligible
21 project, provided the remediation activities are the subject of a
22 plan submitted to, and approved by, the director of natural
23 resources pursuant to sections 260.565 to 260.575. The tax
24 credit may also include up to one hundred percent of the costs of
25 demolition that are not directly part of the remediation
26 activities, provided that the demolition is on the property where
27 the voluntary remediation activities are occurring, the
28 demolition is necessary to accomplish the planned use of the
29 facility where the remediation activities are occurring, and the

1 demolition is part of a redevelopment plan approved by the
2 municipal or county government and the department of economic
3 development. The demolition may occur on an adjacent property if
4 the project is located in a municipality which has a population
5 less than twenty thousand and the above conditions are otherwise
6 met. The adjacent property shall independently qualify as
7 abandoned or underutilized. The amount of the credit available
8 for demolition not associated with remediation cannot exceed the
9 total amount of credits approved for remediation including
10 demolition required for remediation.

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

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

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

1 section.

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

17 4. In the exercise of the sound discretion of the director
18 of the department of economic development or the director's
19 designee, the tax credits and exemptions described in this
20 section may be terminated, suspended or revoked, if the eligible
21 project fails to continue to meet the conditions set forth in
22 this section. In making such a determination, the director shall
23 consider the severity of the condition violation, actions taken
24 to correct the violation, the frequency of any condition
25 violations and whether the actions exhibit a pattern of conduct
26 by the eligible facility owner and operator. The director shall
27 also consider changes in general economic conditions and the
28 recommendation of the director of the department of natural
29 resources, or his or her designee, concerning the severity,

1 scope, nature, frequency and extent of any violations of the
2 environmental compliance conditions. The taxpayer or person
3 claiming the tax credits or exemptions may appeal the decision
4 regarding termination, suspension or revocation of any tax credit
5 or exemption in accordance with the procedures outlined in
6 subsections 4 to 6 of section 135.250. The director of the
7 department of economic development shall notify the directors of
8 the departments of natural resources and revenue of the
9 termination, suspension or revocation of any tax credits as
10 determined in this section or pursuant to the provisions of
11 section 447.716.

12 5. Notwithstanding any provision of law to the contrary, no
13 taxpayer shall earn the tax credits, exemptions or refund
14 otherwise allowed in subdivisions (2), (3) and (4) of subsection
15 1 of this section and the tax credits otherwise allowed in
16 section 135.110, or the tax credits, exemptions and refund
17 otherwise allowed in sections 135.215, 135.220, 135.225 and
18 135.245, respectively, for the same facility for the same tax
19 period.

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

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

24 (2) One hundred percent of the total business' income tax
25 if the eligible facility does not replace a similar facility that
26 closed elsewhere in Missouri prior to the end of the taxpayer's
27 tax period in which the tax credits are earned, and further
28 provided the taxpayer does not operate any other facilities
29 besides the eligible project in Missouri; fifty percent of the

1 total business' income tax if the eligible facility replaces a
2 similar facility that closed elsewhere in Missouri prior to the
3 end of the taxpayer's tax period in which the credits are earned,
4 and further provided the taxpayer does not operate any other
5 facilities besides the eligible project in Missouri; or
6 twenty-five percent of the total business income if the taxpayer
7 operates, in addition to the eligible facility, any other
8 facilities in Missouri. In no case shall a taxpayer operating
9 more than one eligible project in Missouri be allowed to offset
10 more than twenty-five percent of the taxpayer's business income
11 in any tax period. That portion of the taxpayer's income
12 attributed to the eligible project as referenced in subdivision
13 (1) of this subsection, for which the credits allowed in sections
14 135.110 and 135.225 and subsection 3 of this section, may apply,
15 shall be determined in the same manner as prescribed in
16 subdivision (6) of section 135.100. That portion of the
17 taxpayer's franchise tax attributed to the eligible project for
18 which the remediation tax credit may offset, shall be determined
19 in the same manner as prescribed in paragraph (a) of subdivision
20 (6) of section 135.100.

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

1 during which the eligible project was first capable of being
2 used, and during any applicable subsequent tax periods.

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

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

25 10. In the case where an operator and assignor of an
26 eligible project has been certified to claim state tax benefits
27 allowed in subdivisions (2) and (3) of subsection 1 of this
28 section, and sells or otherwise transfers title of the eligible
29 project to another taxpayer or assignee who continues the same or

1 substantially similar operations at the eligible project, the
2 director shall allow the assignee to claim the credits for a
3 period of time to be determined by the director; except that, the
4 total number of tax periods the tax credits may be earned by the
5 assignor and the assignee shall not exceed ten. To perfect the
6 transfer, the assignor shall provide written notice to the
7 director of the assignor's intent to transfer the tax credits to
8 the assignee, the date the transfer is effective, the assignee's
9 name, address, and the assignee's tax period, and the amount of
10 tax credits to be transferred.

11 11. For the purpose of the state tax benefits described in
12 this section, in the case of a corporation described in section
13 143.471 or partnership, in computing Missouri's tax liability,
14 such state benefits shall be allowed to the following:

15 (1) The shareholders of the corporation described in
16 section 143.471;

17 (2) The partners of the partnership.

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

22 12. For each fiscal year beginning on or after July 1,
23 2013, no more than twenty million dollars in tax credits shall be
24 authorized under the provisions of section 447.700 to 447.718.";
25 and

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

29 "Section 1. 1. No political subdivision shall be

1 responsible for costs associated with upgrading infrastructure
2 due to an increased use of such infrastructure caused by the
3 program authorized under sections 135.1550 to 135.1575.

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

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

10 "[143.119. 1. A self-employed taxpayer, as such
11 term is used in the federal internal revenue code, who
12 is otherwise ineligible for the federal income tax
13 health insurance deduction under Section 162 of the
14 federal internal revenue code shall be entitled to a
15 credit against the tax otherwise due under this
16 chapter, excluding withholding tax imposed by sections
17 143.191 to 143.265, in an amount equal to the portion
18 of such taxpayer's federal tax liability incurred due
19 to such taxpayer's inclusion of such payments in
20 federal adjusted gross income. The tax credits
21 authorized under this section shall be nontransferable.
22 To the extent tax credit issued under this section
23 exceeds a taxpayer's state income tax liability, such
24 excess shall be considered an overpayment of tax and
25 shall be refunded to the taxpayer.

26 2. The director of the department of revenue
27 shall promulgate rules and regulations to administer
28 the provisions of this section. Any rule or portion of
29 a rule, as that term is defined in section 536.010,
30 that is created under the authority delegated in this
31 section shall become effective only if it complies with
32 and is subject to all of the provisions of chapter 536
33 and, if applicable, section 536.028. This section and
34 chapter 536 are nonseverable and if any of the powers
35 vested with the general assembly pursuant to chapter
36 536 to review, to delay the effective date, or to
37 disapprove and annul a rule are subsequently held
38 unconstitutional, then the grant of rulemaking
39 authority and any rule proposed or adopted after August
40 28, 2007, shall be invalid and void.]" ; and

41
42 Further amend said bill, Page 316, Section B, Line 3 of said
43 page, by inserting after all of said line the following:

1 "Section C. Because immediate action is necessary to
2 encourage economic development in the state, the enactment of
3 sections 135.1550, 135.1555, 135.1560, 135.1565, 135.1570, and
4 135.1575 and the repeal and reenactment of sections 135.350,
5 135.352, 135.484, 253.550, 253.557, 253.559, and 447.708 of this
6 act is deemed necessary for the immediate preservation of the
7 public health, welfare, peace and safety, and is hereby declared
8 to be an emergency act within the meaning of the constitution,
9 and the enactment of sections 135.1550, 135.1555, 135.1560,
10 135.1565, 135.1570, and 135.1575 and the repeal and reenactment
11 of sections 135.350, 135.352, 135.484, 253.550, 253.557, 253.559,
12 and 447.708 of this act shall be in full force and effect upon
13 its passage and approval."; and

14 Further amend the title and enacting clause accordingly.
15