

SENATE SUBSTITUTE  
FOR  
SENATE COMMITTEE SUBSTITUTE  
FOR  
SENATE BILL NO. 120

AN ACT

To repeal sections 135.350, 135.352, 135.484, 143.119, 253.550, 253.557, 253.559, and 447.708, RSMo, and to enact in lieu thereof fifteen new sections relating to tax incentives, with an emergency clause for certain sections.

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BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI, AS FOLLOWS:

1           Section A. Sections 135.350, 135.352, 135.484, 143.119,  
2           253.550, 253.557, 253.559, and 447.708, RSMo, are repealed and  
3           fifteen new sections enacted in lieu thereof, to be known as  
4           sections 67.2050, 135.350, 135.352, 135.484, 135.1550, 135.1555,  
5           135.1560, 135.1565, 135.1570, 135.1575, 144.810, 253.550,  
6           253.557, 253.559, and 447.708, to read as follows:

7           67.2050. 1. As used in this section, unless the context  
8           clearly indicates otherwise, the following terms mean:

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

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

13           (3) "NAICS", the 2007 edition of the North American  
14           Industry Classification System developed under the direction and  
15           guidance of the federal 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 (4) "Technology business facility", a facility purchased,  
5 constructed, extended, or improved under this section, provided  
6 that such business facility is engaged in:

7 (a) Data processing, hosting, and related services (NAICS  
8 518210);

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

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

13 (5) "Technology business facility project" or "project",  
14 the purchase, sale, lease, construction, extension, and  
15 improvement of technology business facilities, whether of the  
16 facility as a whole or of any one or more of the facility's  
17 components of real estate, buildings, fixtures, machinery, and  
18 equipment.

19 2. The governing body of any municipality may:

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

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

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

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

16           4. Transactions involving the lease or rental of any  
17 components of a project under this section shall be specifically  
18 exempted from the provisions of the local sales tax law as  
19 defined in section 32.085, section 238.235, and sections 144.010  
20 to 144.525 and 144.600 to 144.761, and from the computation of  
21 the tax levied, assessed, or payable under the local sales tax  
22 law as defined in section 32.085, section 238.235, and sections  
23 144.010 to 144.525 and 144.600 to 144.745.

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

26           6. Any payments in lieu of taxes expected to be made by any  
27 lessee of the project shall be applied in accordance with this  
28 section. The lessee may reimburse the municipality for its

1 actual costs of administering the plan. All amounts paid in  
2 excess of such actual costs shall, immediately upon receipt  
3 thereof, be disbursed by the municipality's treasurer or other  
4 financial officer to each affected taxing entity in proportion to  
5 the current ad valorem tax levy of each affected taxing entity.

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

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

27 9. The provisions of this section shall not be construed to  
28 allow political subdivisions to provide telecommunications

1 services or telecommunications facilities to the extent that they  
2 are prohibited from doing so by section 392.410.

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

7 135.350. As used in this section, unless the context  
8 clearly requires otherwise, the following words and phrases shall  
9 mean:

10 (1) "Commission", the Missouri housing development  
11 commission, or its successor agency;

12 (2) "Director", director of the department of revenue;

13 (3) "Eligibility statement", a statement authorized and  
14 issued by the commission certifying that a given project  
15 qualifies for the Missouri low-income housing tax credit. The  
16 commission shall promulgate rules establishing criteria upon  
17 which the eligibility statements will be issued. The eligibility  
18 statement shall specify the amount of the Missouri low-income  
19 housing tax credit allowed. The commission shall only authorize  
20 the tax credits to qualified projects which begin after June 18,  
21 1991;

22 (4) "Federal credit period", the same meaning as is  
23 prescribed the term "credit period" under section 42 of the 1986  
24 Internal Revenue Code, as amended;

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

28 [(5)] (6) "Low-income project", a housing project which has

1 restricted rents that do not exceed thirty percent of median  
2 income for at least forty percent of its units occupied by  
3 persons of families having incomes of sixty percent or less of  
4 the median income, or at least twenty percent of the units  
5 occupied by persons or families having incomes of fifty percent  
6 or less of the median income;

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

10 [(7)] (8) "Qualified Missouri project", a qualified  
11 low-income building as that term is defined in section 42 of the  
12 1986 Internal Revenue Code, as amended, which is located in  
13 Missouri;

14 [(8)] (9) "Taxpayer", person, firm or corporation subject  
15 to the state income tax imposed by the provisions of chapter 143  
16 (except withholding imposed by sections 143.191 to 143.265) or a  
17 corporation subject to the annual corporation franchise tax  
18 imposed by the provisions of chapter 147, or an insurance company  
19 paying an annual tax on its gross premium receipts in this state,  
20 or other financial institution paying taxes to the state of  
21 Missouri or any political subdivision of this state under the  
22 provisions of chapter 148, or an express company which pays an  
23 annual tax on its gross receipts in this state.

24 135.352. 1. A taxpayer owning an interest in a qualified  
25 Missouri project shall, subject to the limitations provided under  
26 the provisions of subsection 3 of this section, be allowed a  
27 state tax credit, whether or not allowed a federal tax credit, to  
28 be termed the Missouri low-income housing tax credit, if the

1 commission issues an eligibility statement for that project.

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

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

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

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

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

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

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



1           [7.] 9. The director of the department may promulgate rules  
2 and regulations necessary to administer the provisions of this  
3 section. No rule or portion of a rule promulgated pursuant to  
4 the authority of this section shall become effective unless it  
5 has been promulgated pursuant to the provisions of section  
6 536.024.

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

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

28           3. The tax credits allowed pursuant to sections 135.475 to

1 135.487 may not be claimed in addition to any other state tax  
2 credits, with the exception of the historic structures  
3 rehabilitation tax credit authorized pursuant to sections 253.545  
4 to 253.559, which insofar as sections 135.475 to 135.487 are  
5 concerned may be claimed only in conjunction with the tax credit  
6 allowed pursuant to subsection 4 of section 135.481. In order  
7 for a taxpayer eligible for the historic structures  
8 rehabilitation tax credit to claim the tax credit allowed  
9 pursuant to subsection 4 of section 135.481, the taxpayer must  
10 comply with the requirements of sections 253.545 to 253.559, and  
11 in such cases, the amount of the tax credit pursuant to  
12 subsection 4 of section 135.481 shall be limited to the lesser of  
13 twenty percent of the taxpayer's eligible costs or forty thousand  
14 dollars.

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

21 135.1550. 1. Sections 135.1550 to 135.1575, shall be known  
22 and may be cited as the "Missouri Export Incentive Act".

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

26 (1) "Air export tax credit", the tax credit against the  
27 taxes imposed under chapters 143, 147, and 148, except for  
28 sections 143.191 to 143.265, to be issued by the department to a

1 claiming freight forwarder for the shipment of air cargo on a  
2 qualifying outbound flight;

3 (2) "Airport", an airport which is owned and operated by a  
4 city not within a county;

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

7 (a) Actual weight; or

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

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

14 (5) "Department", the Missouri department of economic  
15 development;

16 (6) "Direct international aircraft flight", a single  
17 aircraft transoceanic flight that operates to an international  
18 destination in accordance with the operators bilateral route  
19 authority;

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

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

28 135.1555. 1. For all fiscal years beginning on or after

1 July 1, 2013, a claiming freight forwarder shall be entitled to  
2 an air export tax credit for the shipment of cargo on a  
3 qualifying outbound flight in an amount equal to forty cents per  
4 chargeable kilo.

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

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

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

26 135.1565. 1. The total aggregate amount for air export tax  
27 credits authorized under section 135.1555 shall not exceed sixty  
28 million dollars. The amount of the air export tax credits issued

1 under section 135.1555 shall not exceed seven million five  
2 hundred thousand dollars for each fiscal year beginning on or  
3 after July 1, 2013, unless the department, at its discretion,  
4 issues a larger amount.

5 2. If the amount of air export tax credits issued in a  
6 fiscal year is less than the fiscal year cap on issuance  
7 established in subsection 1 of this section, the amount of  
8 unissued tax credits under the fiscal year cap shall increase the  
9 cap of the next fiscal year. This subdivision shall not be  
10 construed to allow authorization or issuance of more than sixty  
11 million dollars in the aggregate of air export tax credits.

12 135.1570. If the amount of any tax credit authorized under  
13 sections 135.1550 to 135.1575 exceeds the total tax liability for  
14 the year in which the applicant is entitled to receive a tax  
15 credit, the amount that exceeds the state tax liability shall be  
16 refunded to the applicant by the director of revenue. Tax  
17 credits granted to a partnership, a limited liability company  
18 taxed as a partnership, or multiple owners of property shall be  
19 passed through to the partners, members, or owners respectively  
20 pro rata or pursuant to an executed agreement among the partners,  
21 members, or owners documenting an alternate distribution method.

22 135.1575. 1. The department may promulgate rules to  
23 implement the provisions of sections 135.1550 to 135.1575. Any  
24 rule or portion of a rule, as that term is defined in section  
25 536.010 that is created under the authority delegated in this  
26 section shall become effective only if it complies with and is  
27 subject to all of the provisions of chapter 536, and, if  
28 applicable, section 536.028. This section and chapter 536 are

1 nonseverable and if any of the powers vested with the general  
2 assembly pursuant to chapter 536, to review, to delay the  
3 effective date, or to disapprove and annul a rule are  
4 subsequently held unconstitutional, then the grant of rulemaking  
5 authority and any rule proposed or adopted after the effective  
6 date of this act, shall be invalid and void.

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

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

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

16 (3) This section shall terminate on September first of the  
17 calendar year immediately following the calendar year in which  
18 the programs authorized under sections 135.1550 to 135.1575  
19 sunset.

20 144.810. 1. As used in this section, unless the context  
21 clearly indicates otherwise, the following terms mean:

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

27 (2) "Constructing taxpayer", where more than one taxpayer  
28 is responsible for a project, a taxpayer responsible for the

1 construction of the facility, as opposed to a taxpayer  
2 responsible for the equipping and ongoing operations of the  
3 facility;

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

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

13 (a) Data processing, hosting, and related services (NAICS  
14 518210);

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

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

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

23 (6) "Expanding facility" or "expanding data storage  
24 center", an existing facility or replacement facility that  
25 expands its operations in this state on or after August 28, 2013,  
26 and has net new investment related to the expansion of operations  
27 in this state of at least five million dollars during a period of  
28 up to twelve consecutive months and results in the creation of at

1 least five new jobs during a period of up to twenty-four  
2 consecutive months from the date of conditional approval for an  
3 exemption under this section, if the average wage of the new jobs  
4 equals or exceeds one hundred and fifty percent of the county  
5 average wage. An expanding facility shall continue to be an  
6 expanding facility regardless of a subsequent change in or  
7 addition of operating taxpayers or constructing taxpayers;

8 (7) "Expanding facility project" or "expanding data storage  
9 center project", the construction, extension, improvement,  
10 equipping, and operation of an expanding facility;

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

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

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

24 (a) The facility is acquired by, or leased to, an operating  
25 taxpayer on or after August 28, 2013. A facility shall be deemed  
26 to have been acquired by, or leased to, an operating taxpayer on  
27 or after August 28, 2013, if the transfer of title to an  
28 operating taxpayer, the transfer of possession under a binding



1 contract to transfer title to an operating taxpayer, or the  
2 commencement of the term of the lease to an operating taxpayer  
3 occurs on or after August 28, 2013, or, if the facility is  
4 constructed, erected, or installed by or on behalf of an  
5 operating taxpayer, such construction, erection, or installation  
6 is commenced on or after August 28, 2013;

7 (b) If such facility was acquired by an operating or  
8 constructing taxpayer from another person or persons on or after  
9 August 28, 2013, and such facility was employed prior to August  
10 28, 2013, by any other person or persons in the operation of a  
11 data storage center the facility shall not be considered a new  
12 facility;

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

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

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

27 (f) A new facility shall continue to be a new facility  
28 regardless of a subsequent change in or addition of operating

1 taxpayers or constructing taxpayers;

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

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

27 (13) "Notice of intent", a form developed by the department  
28 of economic development, completed by the project taxpayer, and

1 submitted to the department, which states the project taxpayer's  
2 intent to construct or expand a data center and request the  
3 exemptions under this program;

4 (14) "Operating taxpayer", where more than one taxpayer is  
5 responsible for a project, a taxpayer responsible for the  
6 equipping and ongoing operations of the facility, as opposed to a  
7 taxpayer responsible for the purchasing or construction of the  
8 facility;

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

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

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

22 2. In addition to the exemptions granted under chapter 144,  
23 project taxpayers for a new data storage center project shall be  
24 entitled, for a project period not to exceed fifteen years from  
25 the date of conditional approval under this section and subject  
26 to the requirements of subsection 3 of this section, to an  
27 exemption of one hundred percent of the state and local sales and  
28 use taxes defined, levied, or calculated under section 32.085,

1 sections 144.010 to 144.525, sections 144.600 to 144.761, or  
2 section 238.235, limited to the net fiscal benefit of the state  
3 calculated over a ten-year period, on:

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

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

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

12  
13 The amount of any exemption provided under this subsection shall  
14 not exceed the projected net fiscal benefit to the state over a  
15 period of ten years, as determined by the department of economic  
16 development using the Regional Economic Modeling, Inc. dataset or  
17 comparable data.

18 3. (1) Any data storage center project seeking a tax  
19 exemption under subsection 2 of this section shall submit a  
20 notice of intent and a project plan to the department of economic  
21 development, which shall identify each known constructing  
22 taxpayer and known operating taxpayer for the project and include  
23 any additional information the department of economic development  
24 may require to determine eligibility for the exemption. The  
25 department of economic development shall review the project plan  
26 and determine whether the project is eligible for the exemption  
27 under subsection 2 of this section, conditional upon subsequent  
28 verification by the department that the project meets the

1 requirements in subsection 1 of this section for a new facility  
2 project. The department shall make such conditional  
3 determination within thirty days of submission by the operating  
4 taxpayer. Failure of the department to respond within thirty  
5 days shall result in a project plan being deemed conditionally  
6 approved.

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

27 (3) Any project that does not meet the minimum investment  
28 or new job requirements of subsection 1 of this section shall be

1 awarded exemptions under subsection 2 of this section provided  
2 such exemption shall not exceed the projected net fiscal benefit  
3 to the state over a period of ten years.

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

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

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

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

27 (3) All sales at retail of tangible personal property and  
28 materials for the purpose of constructing, repairing, or

1 remodeling any expanding data storage center.

2  
3 The amount of any exemption provided under this subsection shall  
4 not exceed the projected net fiscal benefit to the state over a  
5 period of ten years, as determined by the department of economic  
6 development using the Regional Economic Modeling, Inc. dataset or  
7 comparable data.

8 5. (1) Any data storage center project seeking a tax  
9 exemption under subsection 4 of this section shall submit a  
10 notice of intent and a project plan to the department of economic  
11 development, which shall identify each known constructing  
12 taxpayer and each known operating taxpayer for the project and  
13 include any additional information the department of economic  
14 development may reasonably require to determine eligibility for  
15 the exemption. The department of economic development shall  
16 review the project plan and determine whether the project is  
17 eligible for the exemption under subsection 4 of this section,  
18 conditional upon subsequent verification by the department that  
19 the project meets the requirements in subsection 1 of this  
20 section for an expanding facility project and the execution of  
21 the agreement specified in subsection 6 of this section. The  
22 department shall make such conditional determination within  
23 thirty days of submission by the operating taxpayer. Failure of  
24 the department to respond within thirty days shall result in a  
25 project plan being deemed conditionally approved.

26 (2) The department of economic development shall convey  
27 such conditional approval to the department of revenue and the  
28 identified project taxpayers. After a conditional approved

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

17 (3) Any project that does not meet the minimum investment  
18 or new job requirements of subsection 1 of this section shall be  
19 awarded exemptions under subsection 4 of this section provided  
20 such exemption shall not exceed the projected net fiscal benefit  
21 to the state over a period of ten years.

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

26 6. (1) The exemptions in subsections 2 and 4 of this  
27 section shall be tied to the new or expanding facility project.  
28 A certificate of exemption in the hands of a taxpayer that is no



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

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

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

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

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

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

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

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

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

19           253.550. 1. Any taxpayer incurring costs and expenses for  
20 the rehabilitation of eligible property, which is a certified  
21 historic structure or structure in a certified historic district,  
22 may, subject to the provisions of this section and section  
23 253.559, receive a credit against the taxes imposed pursuant to  
24 chapters 143 and 148, except for sections 143.191 to 143.265, on  
25 such taxpayer in an amount equal to twenty-five percent of the  
26 total costs and expenses of rehabilitation incurred after January  
27 1, 1998, which shall include, but not be limited to, qualified  
28 rehabilitation expenditures as defined under section 47(c)(2)(A)

1 of the Internal Revenue Code of 1986, as amended, and the related  
2 regulations thereunder, provided the rehabilitation costs  
3 associated with rehabilitation and the expenses exceed fifty  
4 percent of the total basis in the property and the rehabilitation  
5 meets standards consistent with the standards of the Secretary of  
6 the United States Department of the Interior for rehabilitation  
7 as determined by the state historic preservation officer of the  
8 Missouri department of natural resources.

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

27 3. For all applications for tax credits approved on or  
28 after January 1, 2010, but before the effective date of this act,

1 no more than two hundred fifty thousand dollars in tax credits  
2 may be issued for eligible costs and expenses incurred in the  
3 rehabilitation of an eligible property which is a nonincome  
4 producing single-family, owner-occupied residential property and  
5 is either a certified historic structure or a structure in a  
6 certified historic district.

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

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

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

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

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

27 5. For each fiscal year beginning on or after July 1, 2013,  
28 the department of economic development shall not approve

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

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

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

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

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

28 (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 ten million dollars, increased by any amount of  
17 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

1 expenses for an eligible property which exceed five percent of  
2 the total project costs; or

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

10 253.557. 1. If the amount of such credit exceeds the total  
11 tax liability for the year in which the rehabilitated property is  
12 placed in service, the amount that exceeds the state tax  
13 liability may be carried back to any of the three preceding years  
14 and carried forward for credit against the taxes imposed pursuant  
15 to chapter 143 and chapter 148, except for sections 143.191 to  
16 143.265 for the succeeding ten years, or until the full credit is  
17 used, whichever occurs first. For all tax credits authorized  
18 under the provisions of sections 253.545 to 253.559 on or after  
19 the effective date of this act, if the total amount of such  
20 credit exceeds the total tax liability for the year in which the  
21 rehabilitated property is placed in service, the amount that  
22 exceeds the state tax liability may be carried back to the  
23 preceding year and carried forward for credit against the taxes  
24 imposed pursuant to chapter 143 and chapter 148, except for  
25 sections 143.191 to 143.265 for the succeeding two years, or  
26 until the full credit is used, whichever occurs first.

27 Not-for-profit entities, including but not limited to  
28 corporations organized as not-for-profit corporations pursuant to

1 chapter 355 shall be ineligible for the tax credits authorized  
2 under sections 253.545 ~~through 253.561~~ to 253.559. Any  
3 taxpayer that receives state tax credits under the provisions of  
4 sections 135.350 to 135.363 for a project that is not financed  
5 through tax exempt bonds issuance shall be ineligible for the  
6 state tax credits authorized under sections 253.545 to 253.559  
7 for the same project. Taxpayers eligible for such tax credits  
8 may transfer, sell or assign the credits to any other taxpayer  
9 including, but not limited to, a not-for-profit entity. Credits  
10 granted to a partnership, a limited liability company taxed as a  
11 partnership or multiple owners of property shall be passed  
12 through to the partners, members or owners including, but not  
13 limited to, any not-for-profit entity that is a partner, member,  
14 or owner, respectively pro rata or pursuant to an executed  
15 agreement among ~~the~~ such partners, members or owners  
16 documenting an alternate distribution method.

17 2. The assignee of the tax credits, hereinafter the  
18 assignee for purposes of this subsection, may use acquired  
19 credits to offset up to one hundred percent of the tax  
20 liabilities otherwise imposed pursuant to chapter 143 and chapter  
21 148, except for sections 143.191 to 143.265. The assignor shall  
22 perfect such transfer by notifying the department of economic  
23 development in writing within thirty calendar days following the  
24 effective date of the transfer and shall provide any information  
25 as may be required by the department of economic development to  
26 administer and carry out the provisions of this section.

27 253.559. 1. To obtain approval for tax credits allowed  
28 under sections 253.545 to 253.559, a taxpayer shall submit an



1 application for tax credits to the department of economic  
2 development. Each application for approval, including any  
3 applications received for supplemental allocations of tax credits  
4 as provided under subsection 8 of this section, shall be  
5 prioritized for review and approval, in the order of the date on  
6 which the application was postmarked, with the oldest postmarked  
7 date receiving priority. Applications postmarked on the same day  
8 shall go through a lottery process to determine the order in  
9 which such applications shall be reviewed.

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

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

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

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

1 project completion date;

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

5 (5) Any other information which the department of economic  
6 development may reasonably require to review the project for  
7 approval. Only the property for which a property address is  
8 provided in the application shall be reviewed for approval. Once  
9 selected for review, a taxpayer shall not be permitted to request  
10 the review of another property for approval in the place of the  
11 property contained in such application. Any disapproved  
12 application shall be removed from the review process. If an  
13 application is removed from the review process, the department of  
14 economic development shall notify the taxpayer in writing of the  
15 decision to remove such application. Disapproved applications  
16 shall lose priority in the review process. A disapproved  
17 application, which is removed from the review process, may be  
18 resubmitted, but shall be deemed to be a new submission for  
19 purposes of the priority procedures described in this section.

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

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

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

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

17           5. In the event that the department of economic development  
18 grants approval for tax credits equal to the applicable total  
19 amount available under subsection 2, 5, or 8 of section 253.550,  
20 or sufficient that when totaled with all other approvals, the  
21 applicable amount available under subsection 2, 5, or 8 of  
22 section 253.550 is exhausted, all taxpayers with applications  
23 then awaiting approval or thereafter submitted for approval shall  
24 be notified by the department of economic development that no  
25 additional approvals shall be granted during the fiscal year and  
26 shall be notified of the priority given to such taxpayer's  
27 application then awaiting approval. Such applications shall be  
28 kept on file by the department of economic development and shall

1 be considered for approval for tax credits in the order  
2 established in this section in the event that additional credits  
3 become available due to the rescission of approvals or when a new  
4 fiscal year's allocation of credits becomes available for  
5 approval.

6 6. All taxpayers with applications receiving approval on or  
7 after the effective date of this act shall commence  
8 rehabilitation within two years of the date of issuance of the  
9 letter from the department of economic development granting the  
10 approval for tax credits. "Commencement of rehabilitation" shall  
11 mean that as of the date in which actual physical work,  
12 contemplated by the architectural plans submitted with the  
13 application, has begun, the taxpayer has incurred no less than  
14 ten percent of the estimated costs of rehabilitation provided in  
15 the application. Taxpayers with approval of a project shall  
16 submit evidence of compliance with the provisions of this  
17 subsection. If the department of economic development determines  
18 that a taxpayer has failed to comply with the requirements  
19 provided under this section, the approval for the amount of tax  
20 credits for such taxpayer shall be rescinded and such amount of  
21 tax credits shall then be included in the applicable total amount  
22 of tax credits, provided under subsection 2, 5, or 8 of section  
23 253.550, from which approvals may be granted. Any taxpayer whose  
24 approval shall be subject to rescission shall be notified of such  
25 from the department of economic development and, upon receipt of  
26 such notice, may submit a new application for the project.

27 7. To claim the credit authorized under sections 253.550 to  
28 253.559, a taxpayer with approval shall apply for final approval

1 and issuance of tax credits from the department of economic  
2 development which, in consultation with the department of natural  
3 resources, shall determine the final amount of eligible  
4 rehabilitation costs and expenses and whether the completed  
5 rehabilitation meets the standards of the Secretary of the United  
6 States Department of the Interior for rehabilitation as  
7 determined by the state historic preservation officer of the  
8 Missouri department of natural resources. For financial  
9 institutions credits authorized pursuant to sections 253.550 to  
10 253.561 shall be deemed to be economic development credits for  
11 purposes of section 148.064. The approval of all applications and  
12 the issuing of certificates of eligible credits to taxpayers  
13 shall be performed by the department of economic development.  
14 The department of economic development shall inform a taxpayer of  
15 final approval by letter and shall issue, to the taxpayer, tax  
16 credit certificates. The taxpayer shall attach the certificate  
17 to all Missouri income tax returns on which the credit is  
18 claimed.

19 8. Except as expressly provided in this subsection, tax  
20 credit certificates shall be issued in the final year that costs  
21 and expenses of rehabilitation of the project are incurred, or  
22 within the twelve-month period immediately following the  
23 conclusion of such rehabilitation. In the event the amount of  
24 eligible rehabilitation costs and expenses incurred by a taxpayer  
25 would result in the issuance of an amount of tax credits in  
26 excess of the amount provided under such taxpayer's approval  
27 granted under subsection 3 of this section, such taxpayer may  
28 apply to the department for issuance of tax credits in an amount

1 equal to such excess. Applications for issuance of tax credits  
2 in excess of the amount provided under a taxpayer's application  
3 shall be made on a form prescribed by the department. Such  
4 applications shall be subject to all provisions regarding  
5 priority provided under subsection 1 of this section.

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

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

24 447.708. 1. For eligible projects, the director of the  
25 department of economic development, with notice to the directors  
26 of the departments of natural resources and revenue, and subject  
27 to the other provisions of sections 447.700 to 447.718, may not  
28 create a new enterprise zone but may decide that a prospective

1 operator of a facility being remedied and renovated pursuant to  
2 sections 447.700 to 447.718 may receive the tax credits and  
3 exemptions pursuant to sections 135.100 to 135.150 and sections  
4 135.200 to 135.257. The tax credits allowed pursuant to this  
5 subsection shall be used to offset the tax imposed by chapter  
6 143, excluding withholding tax imposed by sections 143.191 to  
7 143.265, or the tax otherwise imposed by chapter 147, or the tax  
8 otherwise imposed by chapter 148. Notwithstanding any provisions  
9 of law to the contrary, the department shall not authorize tax  
10 credits and exemptions pursuant to this subsection after the  
11 effective date of this act. For purposes of this subsection:

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

19 (2) For receipt of the income tax exemption pursuant to  
20 section 135.220 and tax credit for new or expanded business  
21 facilities pursuant to sections 135.100 to 135.150, and 135.225,  
22 the eligible project must create at least ten new jobs or retain  
23 businesses which supply at least twenty-five existing jobs, or  
24 combination thereof. For purposes of sections 447.700 to  
25 447.718, the tax credits described in section 135.225 are  
26 modified as follows: the tax credit shall be four hundred dollars  
27 per employee per year, an additional four hundred dollars per  
28 year for each employee exceeding the minimum employment

1 thresholds of ten and twenty-five jobs for new and existing  
2 businesses, respectively, an additional four hundred dollars per  
3 year for each person who is a person difficult to employ as  
4 defined by section 135.240, and investment tax credits at the  
5 same amounts and levels as provided in subdivision (4) of  
6 subsection 1 of section 135.225;

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

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

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

21 (6) The taxpayer may claim the state tax credits authorized  
22 by this subsection and the state income exemption for a period  
23 not in excess of ten consecutive tax years. For the purpose of  
24 this section, "taxpayer" means an individual proprietorship,  
25 partnership or corporation described in section 143.441 or  
26 143.471 who operates an eligible project. The director shall  
27 determine the number of years the taxpayer may claim the state  
28 tax credits and the state income exemption based on the projected



1 net state economic benefits attributed to the eligible project;

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

17 (8) For the purpose of meeting the existing job retention  
18 requirement, if the eligible project replaces a similar facility  
19 that closed elsewhere in Missouri prior to the end of the  
20 taxpayer's tax period in which the tax credits are earned, it  
21 shall be required that at least twenty-five existing jobs be  
22 retained at, and in connection with the eligible project, on a  
23 full-time basis during the taxpayer's tax period for which the  
24 credits are earned. "Retained job" means a person who was  
25 previously employed by the taxpayer or related taxpayer, at a  
26 facility similar to the eligible project that closed elsewhere in  
27 Missouri prior to the end of the taxpayer's tax period in which  
28 the tax credits are earned, within the tax period immediately

1 preceding the time the person was employed by the taxpayer to  
2 work at, or in connection with, the eligible project on a  
3 full-time basis. "Full-time basis" means the employee works an  
4 average of at least thirty-five hours per week during the  
5 taxpayer's tax period for which the tax credits are earned;

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

22 (10) Notwithstanding any provision of law to the contrary,  
23 for the purpose of this section, the number of new jobs created  
24 and maintained, the number of existing jobs retained, and the  
25 value of new qualified investment used at the eligible project  
26 during any tax year shall be determined by dividing by twelve, in  
27 the case of jobs, the sum of the number of individuals employed  
28 at the eligible project, or in the case of new qualified

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

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

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

27 3. (1) The director of the department of economic  
28 development, with the approval of the director of the department

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

1 less than twenty thousand and the above conditions are otherwise  
2 met. The adjacent property shall independently qualify as  
3 abandoned or underutilized. The amount of the credit available  
4 for demolition not associated with remediation cannot exceed the  
5 total amount of credits approved for remediation including  
6 demolition required for remediation.

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

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

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

27 (5) No more than seventy-five percent of earned remediation  
28 tax credits may be issued when the remediation costs were paid,

1 and the remaining percentage may be issued when the department of  
2 natural resources issues a letter of completion letter or  
3 covenant not to sue following completion of the voluntary  
4 remediation activities. It shall not include any costs  
5 associated with ongoing operational environmental compliance of  
6 the facility or remediation costs arising out of spills, leaks,  
7 or other releases arising out of the ongoing business operations  
8 of the facility. In the event the department of natural  
9 resources issues a letter of completion for a portion of a  
10 property, an impacted media such as soil or groundwater, or for a  
11 site or a portion of a site improvement, a prorated amount of the  
12 remaining percentage may be released based on the percentage of  
13 the total site receiving a letter of completion.

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

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

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

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

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

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

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

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

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

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

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

18 (2) The partners of the partnership.

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

23 12. (1) For each fiscal year beginning on or after July 1,  
24 2013, in each such year the department of economic development is  
25 not lawfully permitted to issue credits under the provisions of  
26 section 99.1205, no more than thirty million dollars in tax  
27 credits shall be authorized under the provisions of section  
28 447.700 to 447.718.

1       (2) For each fiscal year beginning on or after July 1,  
2 2013, but ending on or before June 30, 2017, in each such year  
3 the department of economic development is lawfully permitted to  
4 issue credits under the provisions of section 99.1205, no more  
5 than forty million dollars in tax credits shall be authorized  
6 under the provisions of sections 447.700 to 447.718. No more  
7 than ten million dollars of such amount shall be authorized for  
8 projects receiving benefits under the provisions of section  
9 99.1205.

10       (3) For each fiscal year beginning on or after July 1,  
11 2017, in each such year the department of economic development is  
12 lawfully permitted to issue credits under the provisions of  
13 section 99.1205, no more than thirty-five million dollars in tax  
14 credits shall be authorized under the provisions of sections  
15 447.700 to 447.718. No more than five million dollars of such  
16 amount shall be authorized for projects receiving benefits under  
17 the provisions of section 99.1205.

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

34           2. The director of the department of revenue  
35 shall promulgate rules and regulations to administer  
36 the provisions of this section. Any rule or portion of  
37 a rule, as that term is defined in section 536.010,

1 that is created under the authority delegated in this  
2 section shall become effective only if it complies with  
3 and is subject to all of the provisions of chapter 536  
4 and, if applicable, section 536.028. This section and  
5 chapter 536 are nonseverable and if any of the powers  
6 vested with the general assembly pursuant to chapter  
7 536 to review, to delay the effective date, or to  
8 disapprove and annul a rule are subsequently held  
9 unconstitutional, then the grant of rulemaking  
10 authority and any rule proposed or adopted after August  
11 28, 2007, shall be invalid and void.]  
12

13 Section B. Because immediate action is necessary to  
14 encourage economic development in the state, the enactment of  
15 sections 135.1550, 135.1555, 135.1560, 135.1565, 135.1570, and  
16 135.1575 and the repeal and reenactment of sections 135.350,  
17 135.352, 135.484, 253.550, 253.557, 253.559, and 447.708 of this  
18 act is deemed necessary for the immediate preservation of the  
19 public health, welfare, peace and safety, and is hereby declared  
20 to be an emergency act within the meaning of the constitution,  
21 and the enactment of sections 135.1550, 135.1555, 135.1560,  
22 135.1565, 135.1570, and 135.1575 and the repeal and reenactment  
23 of sections 135.350, 135.352, 135.484, 253.550, 253.557, 253.559,  
24 and 447.708 of this act shall be in full force and effect upon  
25 its passage and approval.