

FIRST REGULAR SESSION

SENATE BILL NO. 25

97TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR PARSON.

Pre-filed December 1, 2012, and ordered printed.

TERRY L. SPIELER, Secretary.

0375S.011

AN ACT

To amend chapter 67, RSMo, by adding thereto two new sections relating to tax incentives to attract sporting events to Missouri.

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

Section A. Chapter 67, RSMo, is amended by adding thereto two new sections, to be known as sections 67.3000 and 67.3005, to read as follows:

67.3000. 1. As used in this section and section 67.3005, the following words shall mean:

(1) "Active member", an organization located in the state of Missouri, which solicits and services sports events, sports organizations, and other types of sports-related activities in that community;

(2) "Applicant" or "applicants", one or more certified sponsors, endorsing counties, endorsing municipalities, or a local organizing committee, acting individually or collectively;

(3) "Certified sponsor" or "certified sponsors", a nonprofit organization which is an active member of the National Association of Sports Commissions;

(4) "Department", the Missouri department of economic development;

(5) "Director", the director of revenue;

(6) "Eligible costs", shall include:

(a) Costs necessary for conducting the sporting event;

(b) Costs relating to the preparations necessary for the conduct of the sporting event; and

(c) An applicant's pledged obligations to the site selection organization as evidenced by the support contract for the sporting

22 event.

23 "Eligible costs" shall not include any cost associated with the
24 rehabilitation or construction of any facilities used to host the sporting
25 event, but may include costs associated with the retrofitting of a
26 facility necessary to accommodate the sporting event and direct
27 payments to a for-profit site selection organization;

28 (7) "Eligible donation", donations received, by a certified sponsor
29 or local organizing committee, from a taxpayer that may include cash,
30 publically traded stocks and bonds, and real estate that will be valued
31 and documented according to rules promulgated by the
32 department. Such donations shall be used solely to provide funding to
33 attract sporting events to this state;

34 (8) "Endorsing municipality" or "endorsing municipalities", any
35 city, town, incorporated village, or county that contains a site selected
36 by a site selection organization for one or more sporting events;

37 (9) "Joinder agreement", an agreement entered into by one or
38 more applicants, acting individually or collectively, and a site selection
39 organization setting out representations and assurances by each
40 applicant in connection with the selection of a site in this state for the
41 location of a sporting event;

42 (10) "Joinder undertaking", an agreement entered into by one or
43 more applicants, acting individually or collectively, and a site selection
44 organization that each applicant will execute a joinder agreement in
45 the event that the site selection organization selects a site in this state
46 for a sporting event;

47 (11) "Local organizing committee", a nonprofit corporation or its
48 successor in interest that:

49 (a) Has been authorized by one or more certified sponsors,
50 endorsing municipalities, or endorsing counties, acting individually or
51 collectively, to pursue an application and bid on its or the applicant's
52 behalf to a site selection organization for selection as the site of one or
53 more sporting events; or

54 (b) With the authorization of one or more certified sponsors,
55 endorsing municipalities, or endorsing counties, acting individually or
56 collectively, executes an agreement with a site selection organization
57 regarding a bid to host one or more sporting events;

58 (12) "Site selection organization", the National Collegiate Athletic

59 Association (NCAA); an NCAA member conference, university, or
60 institution; the National Association of Intercollegiate Athletics (NAIA);
61 the United States Olympic Committee (USOC); a national governing
62 body (NGB) or international federation of a sport recognized by the
63 USOC; the United States Golf Association (USGA); the United States
64 Tennis Association (USTA); the Amateur Softball Association of America
65 (ASA); other major regional, national, and international sports
66 associations, and amateur organizations that promote, organize, or
67 administer sporting games, or competitions; or other major regional,
68 national, and international organizations that promote or organize
69 sporting events;

70 (13) "Sporting event" or "sporting events", an amateur sporting
71 event that is competitively bid;

72 (14) "Support contract" or "support contracts", an event award
73 notification, joinder undertaking, joinder agreement, or contract
74 executed by an applicant and a site selection organization;

75 (15) "Tax credit" or "tax credits", a credit or credits issued by the
76 department against the tax otherwise due under chapter 143 or 148,
77 excluding withholding tax imposed under sections 143.191 to 143.265;

78 (16) "Taxpayer", any of the following individuals or entities who
79 make an eligible donation:

80 (a) A person, firm, partner in a firm, corporation, or a
81 shareholder in an S corporation doing business in the state of Missouri
82 and subject to the state income tax imposed under chapter 143;

83 (b) A corporation subject to the annual corporation franchise tax
84 imposed under chapter 147;

85 (c) An insurance company paying an annual tax on its gross
86 premium receipts in this state;

87 (d) Any other financial institution paying taxes to the state of
88 Missouri or any political subdivision of this state under chapter 148;

89 (e) An individual subject to the state income tax imposed under
90 chapter 143;

91 (f) Any charitable organization which is exempt from federal
92 income tax and whose Missouri unrelated business taxable income, if
93 any, would be subject to the state income tax imposed under chapter
94 143.

95 2. An applicant may submit a copy of a support contract for a

96 sporting event to the department. Within sixty days of receipt of the
97 sporting event support contract, the department may review the
98 applicant's support contract and certify such support contract if it
99 complies with the requirements of this section. Upon certification of
100 the support contract by the department, the applicant may be
101 authorized to receive the tax credit under subsection 4 of this section.

102 3. No more than thirty days following the conclusion of the
103 sporting event, the applicant shall submit eligible costs and
104 documentation of the costs evidenced by receipts, paid invoices, or
105 other documentation in a manner prescribed by the department.

106 4. No later than seven days following the conclusion of the
107 sporting event, the department, in consultation with the director, may
108 determine the total number of tickets sold at face value for such event.
109 No later than sixty days following the receipt of eligible costs and
110 documentation of such costs from the applicant as required in
111 subsection 3 of this section, the department may issue a refundable tax
112 credit to the applicant for the lesser of one hundred percent of eligible
113 costs incurred by the applicant or an amount equal to five dollars for
114 every admission ticket sold to such event. Tax credits authorized by
115 this section may be claimed against taxes imposed by chapters 143 and
116 148 and shall be claimed within one year of the close of the taxable
117 year for which the credits were issued. Tax credits authorized by this
118 section may be transferred, sold, or assigned by filing a notarized
119 endorsement thereof with the department that names the transferee,
120 the amount of tax credit transferred, and the value received for the
121 credit, as well as any other information reasonably requested by the
122 department.

123 5. In no event shall the amount of tax credits issued by the
124 department under subsection 4 of this section exceed three million
125 dollars in any fiscal year.

126 6. An applicant shall provide any information necessary as
127 determined by the department for the department and the director to
128 fulfill the duties required by this section. At any time upon the request
129 of the state of Missouri, a certified sponsor shall subject itself to an
130 audit conducted by the state.

131 7. This section shall not be construed as creating or requiring a
132 state guarantee of obligations imposed on an endorsing municipality

133 under a support contract or any other agreement relating to hosting
134 one or more sporting events in this state.

135 8. The department shall only certify an applicant's support
136 contract for a sporting event in which the site selection organization
137 has yet to select a location for the sporting event as of August 28,
138 2013. Support contracts shall not be certified by the department after
139 August 28, 2018, provided that the support contracts may be certified
140 prior to August 28, 2018, for sporting events that will be held after such
141 date.

142 9. The department may promulgate rules as necessary to
143 implement the provisions of this section. Any rule or portion of a rule,
144 as that term is defined in section 536.010 that is created under the
145 authority delegated in this section shall become effective only if it
146 complies with and is subject to all of the provisions of chapter 536, and,
147 if applicable, section 536.028. This section and chapter 536 are
148 nonseverable and if any of the powers vested with the general assembly
149 pursuant to chapter 536, to review, to delay the effective date, or to
150 disapprove and annul a rule are subsequently held unconstitutional,
151 then the grant of rulemaking authority and any rule proposed or
152 adopted after August 28, 2013, shall be invalid and void.

67.3005. 1. For all taxable years beginning on or after January
2 1, 2013, any taxpayer shall be allowed a credit against the taxes
3 otherwise due under chapter 143, 147, or 148, excluding withholding tax
4 imposed by sections 143.191 to 143.265, in an amount equal to fifty
5 percent of the amount of an eligible donation, subject to the
6 restrictions in this section. The amount of the tax credit claimed shall
7 not exceed the amount of the taxpayer's state income tax liability in the
8 tax year for which the credit is claimed. Any amount of credit that the
9 taxpayer is prohibited by this section from claiming in a tax year shall
10 not be refundable, but may be carried forward to any of the taxpayer's
11 four subsequent taxable years.

12 2. To claim the credit authorized in this section, a certified
13 sponsor or local organizing committee shall submit to the department
14 an application for the tax credit authorized by this section on behalf of
15 taxpayers. The department shall verify that the applicant has
16 submitted the following items accurately and completely:

17 (1) A valid application in the form and format required by the

18 department;

19 (2) A statement attesting to the eligible donation received, which
20 shall include the name and taxpayer identification number of the
21 individual making the eligible donation, the amount of the eligible
22 donation, and the date the eligible donation was received; and

23 (3) Payment from the certified sponsor or local organizing
24 committee equal to the value of the tax credit for which application is
25 made.

26 If the certified sponsor or local organizing committee applying for the
27 tax credit meets all criteria required by this subsection, the department
28 shall issue a certificate in the appropriate amount.

29 3. Tax credits issued under this section may be assigned,
30 transferred, sold, or otherwise conveyed, and the new owner of the tax
31 credit shall have the same rights in the credit as the
32 taxpayer. Whenever a certificate is assigned, transferred, sold, or
33 otherwise conveyed, a notarized endorsement shall be filed with the
34 department specifying the name and address of the new owner of the
35 tax credit or the value of the credit. In no event shall the amount of
36 tax credits issued by the department under this section exceed ten
37 million dollars in any fiscal year.

38 4. The department shall promulgate rules to implement the
39 provisions of this section. Any rule or portion of a rule, as that term is
40 defined in section 536.010, that is created under the authority delegated
41 in this section shall become effective only if it complies with and is
42 subject to all of the provisions of chapter 536, and, if applicable, section
43 536.028. This section and chapter 536, are nonseverable and if any of
44 the powers vested with the general assembly pursuant to chapter 536,
45 to review, to delay the effective date, or to disapprove and annul a rule
46 are subsequently held unconstitutional, then the grant of rulemaking
47 authority and any rule proposed or adopted after August 28, 2013, shall
48 be invalid and void.

49 5. Under section 23.253 of the Missouri sunset act:

50 (1) The provisions of the new program authorized under section
51 67.3000 and under this section shall automatically sunset six years after
52 August 28, 2013, unless reauthorized by an act of the general assembly;
53 and

54 (2) If such program is reauthorized, the program authorized

55 under section 67.3000 and under this section shall automatically sunset
56 twelve years after the effective date of the reauthorization of these
57 sections; and

58 (3) Section 67.3000 and this section shall terminate on September
59 first of the calendar year immediately following the calendar year in
60 which the program authorized under these sections is sunset.

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