

FIRST REGULAR SESSION  
[P E R F E C T E D]  
SENATE SUBSTITUTE FOR  
SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE BILLS NOS. 20,  
15 & 19**

**97TH GENERAL ASSEMBLY**

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INTRODUCED BY SENATOR DIXON.

Offered January 28, 2013.

Senate Substitute adopted, January 28, 2013.

Taken up for Perfection January 28, 2013. Bill declared Perfected and Ordered Printed, as amended.

TERRY L. SPIELER, Secretary.

0063S.06P

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**AN ACT**

To repeal sections 135.090, 135.326, 135.327, 135.535, 135.562, 135.630, 135.647, and 135.800, RSMo, and to enact in lieu thereof nine new sections relating to certain benevolent tax credits, with an emergency clause.

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

Section A. Sections 135.090, 135.326, 135.327, 135.535, 135.562, 135.630, 135.647, and 135.800, RSMo, are repealed and nine new sections enacted in lieu thereof, to be known as sections 135.090, 135.326, 135.327, 135.341, 135.535, 135.562, 135.630, 135.647, and 135.800, to read as follows:

135.090. 1. As used in this section, the following terms mean:

(1) "Homestead", the dwelling in Missouri owned by the surviving spouse and not exceeding five acres of land surrounding it as is reasonably necessary for use of the dwelling as a home. As used in this section, "homestead" shall not include any dwelling which is occupied by more than two families;

(2) "Public safety officer", any firefighter, police officer, capitol police officer, parole officer, probation officer, correctional employee, water patrol officer, park ranger, conservation officer, commercial motor enforcement officer, emergency medical technician, first responder, or highway patrolman employed by the state of Missouri or a political subdivision thereof who is killed in the line of duty, unless the death was the result of the officer's own misconduct or abuse

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

12 of alcohol or drugs;

13 (3) "Surviving spouse", a spouse, who has not remarried, of a public safety  
14 officer.

15 2. For all tax years beginning on or after January 1, 2008, a surviving  
16 spouse shall be allowed a credit against the tax otherwise due under chapter 143,  
17 excluding withholding tax imposed by sections 143.191 to 143.265, in an amount  
18 equal to the total amount of the property taxes on the surviving spouse's  
19 homestead paid during the tax year for which the credit is claimed. A surviving  
20 spouse may claim the credit authorized under this section for each tax year  
21 beginning the year of death of the public safety officer spouse until the tax year  
22 in which the surviving spouse remarries. No credit shall be allowed for the tax  
23 year in which the surviving spouse remarries. If the amount allowable as a credit  
24 exceeds the income tax reduced by other credits, then the excess shall be  
25 considered an overpayment of the income tax.

26 3. The department of revenue shall promulgate rules to implement the  
27 provisions of this section.

28 4. Any rule or portion of a rule, as that term is defined in section 536.010,  
29 that is created under the authority delegated in this section shall become effective  
30 only if it complies with and is subject to all of the provisions of chapter 536 and,  
31 if applicable, section 536.028. This section and chapter 536 are nonseverable and  
32 if any of the powers vested with the general assembly pursuant to chapter 536 to  
33 review, to delay the effective date, or to disapprove and annul a rule are  
34 subsequently held unconstitutional, then the grant of rulemaking authority and  
35 any rule proposed or adopted after August 28, 2007, shall be invalid and void.

36 5. Pursuant to section 23.253 of the Missouri sunset act:

37 (1) [The provisions of the new program authorized under this section shall  
38 automatically sunset six years after August 28, 2007, unless reauthorized by an  
39 act of the general assembly; and

40 (2) If such program is reauthorized,] The program authorized under this  
41 section shall [automatically sunset twelve years after the effective date of the  
42 reauthorization of this section] **expire on December 31, 2019, unless**  
43 **reauthorized by the general assembly; and**

44 [(3)] (2) This section shall terminate on September first of the calendar  
45 year immediately following the calendar year in which the program authorized  
46 under this section is sunset; **and**

47 (3) **The provisions of this subsection shall not be construed to**

48 **limit or in any way impair the department's ability to redeem tax**  
49 **credits authorized on or before the date the program authorized under**  
50 **this section expires or a taxpayer's ability to redeem such tax credits.**

135.326. As used in sections 135.325 to 135.339, the following terms shall

2 mean:

3 (1) "Business entity", person, firm, a partner in a firm, corporation or a  
4 shareholder in an S corporation doing business in the state of Missouri and  
5 subject to the state income tax imposed by the provisions of chapter 143, or a  
6 corporation subject to the annual corporation franchise tax imposed by the  
7 provisions of chapter 147, or an insurance company paying an annual tax on its  
8 gross premium receipts in this state, or other financial institution paying taxes  
9 to the state of Missouri or any political subdivision of this state under the  
10 provisions of chapter 148, or an express company which pays an annual tax on  
11 its gross receipts in this state pursuant to chapter 153;

12 (2) "Handicap", a mental, physical, or emotional impairment that  
13 substantially limits one or more major life activities, whether the impairment is  
14 congenital or acquired by accident, injury or disease, and where the impairment  
15 is verified by medical findings;

16 (3) "Nonrecurring adoption expenses", reasonable and necessary adoption  
17 fees, court costs, attorney fees, and other expenses which are directly related to  
18 the legal adoption of a special needs child and which are not incurred in violation  
19 of federal, state, or local law;

20 (4) "Special needs child", a child for whom it has been determined by the  
21 division of family services, or by a child-placing agency licensed by the state, or  
22 by a court of competent jurisdiction to be a child:

23 (a) That cannot or should not be returned to the home of his or her  
24 parents; and

25 (b) Who has a specific factor or condition such as [ethnic background,]  
26 age, membership in a minority or sibling group, medical condition, or handicap  
27 because of which it is reasonable to conclude that such child cannot be easily  
28 placed with adoptive parents, **except that ethnic background or**  
29 **membership in a minority group shall not be the sole factor for**  
30 **determining that a child who meets the requirement of paragraph (a)**  
31 **of this subdivision meets the requirements of this subdivision;**

32 (5) "State tax liability", any liability incurred by a taxpayer under the  
33 provisions of chapter 143, chapter 147, chapter 148, and chapter 153, exclusive

34 of the provisions relating to the withholding of tax as provided for in sections  
35 143.191 to 143.265 and related provisions.

135.327. 1. [As used in this section, the following terms shall mean:

2 (1) "CASA", an entity which receives funding from the court-appointed  
3 special advocate fund established under section 476.777, including an association  
4 based in this state, affiliated with a national association, organized to provide  
5 support to entities receiving funding from the court-appointed special advocate  
6 fund;

7 (2) "Child advocacy centers", the regional child assessment centers listed  
8 in subsection 2 of section 210.001;

9 (3) "Contribution", amount of donation to qualified agency;

10 (4) "Crisis care center", entities contracted with this state which provide  
11 temporary care for children whose age ranges from birth through seventeen years  
12 of age whose parents or guardian are experiencing an unexpected and unstable  
13 or serious condition that requires immediate action resulting in short-term care,  
14 usually three to five continuous, uninterrupted days, for children who may be at  
15 risk for child abuse, neglect, or in an emergency situation;

16 (5) "Department", the department of revenue;

17 (6) "Director", the director of the department of revenue;

18 (7) "Qualified agency", CASA, child advocacy centers, or a crisis care  
19 center;

20 (8) "Tax liability", the tax due under chapter 143 other than taxes  
21 withheld under sections 143.191 to 143.265.

22 2.] Any person residing in this state who legally adopts a special needs  
23 child on or after January 1, 1988, and before January 1, 2000, shall be eligible to  
24 receive a tax credit of up to ten thousand dollars for nonrecurring adoption  
25 expenses for each child adopted that may be applied to taxes due under chapter  
26 143. Any business entity providing funds to an employee to enable that employee  
27 to legally adopt a special needs child shall be eligible to receive a tax credit of up  
28 to ten thousand dollars for nonrecurring adoption expenses for each child adopted  
29 that may be applied to taxes due under such business entity's state tax liability,  
30 except that only one ten thousand dollar credit is available for each special needs  
31 child that is adopted.

32 [3.] 2. Any person residing in this state who proceeds in good faith with  
33 the adoption of a special needs child on or after January 1, 2000, shall be eligible  
34 to receive a tax credit of up to ten thousand dollars for nonrecurring adoption

35 expenses for each child that may be applied to taxes due under chapter 143;  
36 provided, however, that beginning on [or after July 1, 2004, two million dollars  
37 of] **the effective date of this act**, the tax credits [allowed] shall **only** be  
38 allocated for the adoption of special needs children who are residents or wards of  
39 residents of this state at the time the adoption is initiated. Any business entity  
40 providing funds to an employee to enable that employee to proceed in good faith  
41 with the adoption of a special needs child shall be eligible to receive a tax credit  
42 of up to ten thousand dollars for nonrecurring adoption expenses for each child  
43 that may be applied to taxes due under such business entity's state tax liability,  
44 except that only one ten thousand dollar credit is available for each special needs  
45 child that is adopted.

46 [4.] **3.** Individuals and business entities may claim a tax credit for their  
47 total nonrecurring adoption expenses in each year that the expenses are incurred.  
48 A claim for fifty percent of the credit shall be allowed when the child is placed in  
49 the home. A claim for the remaining fifty percent shall be allowed when the  
50 adoption is final. The total of these tax credits shall not exceed the maximum  
51 limit of ten thousand dollars per child. The cumulative amount of tax credits  
52 which may be claimed by taxpayers claiming the credit for nonrecurring adoption  
53 expenses in any one fiscal year prior to July 1, 2004, shall not exceed two million  
54 dollars. The cumulative amount of tax credits that may be claimed by taxpayers  
55 claiming the credit for nonrecurring adoption expenses shall not be more than  
56 [four] **two** million dollars but may be increased by appropriation in any fiscal  
57 year beginning on or after July 1, 2004[; provided, however, that by December  
58 thirty-first following each July, if less than two million dollars in credits have  
59 been issued for adoption of special needs children who are not residents or wards  
60 of residents of this state at the time the adoption is initiated, the remaining  
61 amount of the cap shall be available for the adoption of special needs children  
62 who are residents or wards of residents of this state at the time the adoption is  
63 initiated]. For all fiscal years beginning on or after July 1, 2006, applications to  
64 claim the adoption tax credit for special needs children who are residents or  
65 wards of residents of this state at the time the adoption is initiated shall be filed  
66 between July first and April fifteenth of each fiscal year. [For all fiscal years  
67 beginning on or after July 1, 2006, applications to claim the adoption tax credit  
68 for special needs children who are not residents or wards of residents of this state  
69 at the time the adoption is initiated shall be filed between July first and  
70 December thirty-first of each fiscal year.]

71           [5.] 4. Notwithstanding any provision of law to the contrary, any  
72 individual or business entity may assign, transfer or sell tax credits allowed in  
73 this section. Any sale of tax credits claimed pursuant to this section shall be at  
74 a discount rate of seventy-five percent or greater of the amount sold.

75           [6. The director of revenue shall establish a procedure by which, for each  
76 fiscal year, the cumulative amount of tax credits authorized in this section is  
77 equally apportioned among all taxpayers within the two categories specified in  
78 subsection 3 of this section claiming the credit in that fiscal year. To the  
79 maximum extent possible, the director of revenue shall establish the procedure  
80 described in this subsection in such a manner as to ensure that taxpayers within  
81 each category can claim all the tax credits possible up to the cumulative amount  
82 of tax credits available for the fiscal year.

83           7. For all tax years beginning on or after January 1, 2006, a tax credit  
84 may be claimed in an amount equal to up to fifty percent of a verified  
85 contribution to a qualified agency and shall be named the children in crisis tax  
86 credit. The minimum amount of any tax credit issued shall not be less than fifty  
87 dollars and shall be applied to taxes due under chapter 143, excluding sections  
88 143.191 to 143.265. A contribution verification shall be issued to the taxpayer by  
89 the agency receiving the contribution. Such contribution verification shall include  
90 the taxpayer's name, Social Security number, amount of tax credit, amount of  
91 contribution, the name and address of the agency receiving the credit, and the  
92 date the contribution was made. The tax credit provided under this subsection  
93 shall be initially filed for the year in which the verified contribution is made.

94           8. The cumulative amount of the tax credits redeemed shall not exceed the  
95 unclaimed portion of the resident adoption category allocation as described in this  
96 section. The director of revenue shall determine the unclaimed portion  
97 available. The amount available shall be equally divided among the three  
98 qualified agencies: CASA, child advocacy centers, or crisis care centers to be used  
99 towards tax credits issued. In the event tax credits claimed under one agency do  
100 not total the allocated amount for that agency, the unused portion for that agency  
101 will be made available to the remaining agencies equally. In the event the total  
102 amount of tax credits claimed for any one agency exceeds the amount available  
103 for that agency, the amount redeemed shall and will be apportioned equally to all  
104 eligible taxpayers claiming the credit under that agency. After all children in  
105 crisis tax credits have been claimed, any remaining unclaimed portion of the  
106 reserved allocation for adoptions of special needs children who are residents or

wards of residents of this state shall then be made available for adoption tax credit claims of special needs children who are not residents or wards of residents of this state at the time the adoption is initiated.

9. Prior to December thirty-first of each year, the entities listed under the definition of qualified agency shall apply to the department of social services in order to verify their qualified agency status. Upon a determination that the agency is eligible to be a qualified agency, the department of social services shall provide a letter of eligibility to such agency. No later than February first of each year, the department of social services shall provide a list of qualified agencies to the department of revenue. All tax credit applications to claim the children in crisis tax credit shall be filed between July first and April fifteenth of each fiscal year. A taxpayer shall apply for the children in crisis tax credit by attaching a copy of the contribution verification provided by a qualified agency to such taxpayer's income tax return.

10. The tax credits provided under this section shall be subject to the provisions of section 135.333.

11. (1) In the event a credit denial, due to lack of available funds, causes a balance-due notice to be generated by the department of revenue, or any other redeeming agency, the taxpayer will not be held liable for any penalty or interest, provided the balance is paid, or approved payment arrangements have been made, within sixty days from the notice of denial.

(2) In the event the balance is not paid within sixty days from the notice of denial, the remaining balance shall be due and payable under the provisions of chapter 143.

12. The director shall calculate the level of appropriation necessary to issue all tax credits for nonresident special needs adoptions applied for under this section and provide such calculation to the speaker of the house of representatives, the president pro tempore of the senate, and the director of the division of budget and planning in the office of administration by January thirty-first of each year.

13. The department may promulgate such rules or regulations as are necessary to administer the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers

143 vested with the general assembly pursuant to chapter 536 to review, to delay the  
144 effective date, or to disapprove and annul a rule are subsequently held  
145 unconstitutional, then the grant of rulemaking authority and any rule proposed  
146 or adopted after August 28, 2006, shall be invalid and void.

147 14. Pursuant to section 23.253 of the Missouri sunset act:

148 (1) The provisions of the new program authorized under subsections 7 to  
149 12 of this section shall automatically sunset six years after August 28, 2006,  
150 unless reauthorized by an act of the general assembly; and

151 (2) If such program is reauthorized, the program authorized under this  
152 section shall automatically sunset twelve years after the effective date of the  
153 reauthorization of this section; and

154 (3) This section shall terminate on September first of the calendar year  
155 immediately following the calendar year in which the program authorized under  
156 this section is sunset.]

135.341. 1. As used in this section, the following terms shall  
2 mean:

3 (1) "CASA", an entity which receives funding from the  
4 court-appointed special advocate fund established under section  
5 476.777, including an association based in this state, affiliated with a  
6 national association, organized to provide support to entities receiving  
7 funding from the court-appointed special advocate fund;

8 (2) "Child advocacy centers", the regional child assessment  
9 centers listed in subsection 2 of section 210.001;

10 (3) "Contribution", the amount of donation to a qualified agency;

11 (4) "Crisis care center", entities contracted with this state which  
12 provide temporary care for children whose age ranges from birth  
13 through seventeen years of age whose parents or guardian are  
14 experiencing an unexpected and unstable or serious condition that  
15 requires immediate action resulting in short-term care, usually three  
16 to five continuous, uninterrupted days, for children who may be at risk  
17 for child abuse, neglect, or in an emergency situation;

18 (5) "Department", the department of revenue;

19 (6) "Director", the director of the department of revenue;

20 (7) "Qualified agency", CASA, child advocacy centers, or a crisis  
21 care center;

22 (8) "Tax liability", the tax due under chapter 143 other than taxes



23 withheld under sections 143.191 to 143.265.

24       2. For all tax years beginning on or after January 1, 2013, a tax  
25 credit may be claimed in an amount equal to up to fifty percent of a  
26 verified contribution to a qualified agency and shall be named the  
27 champion for children tax credit. The minimum amount of any tax  
28 credit issued shall not be less than fifty dollars and shall be applied to  
29 taxes due under chapter 143, excluding sections 143.191 to 143.265. A  
30 contribution verification shall be issued to the taxpayer by the agency  
31 receiving the contribution. Such contribution verification shall include  
32 the taxpayer's name, Social Security number, amount of tax credit,  
33 amount of contribution, the name and address of the agency receiving  
34 the credit, and the date the contribution was made. The tax credit  
35 provided under this subsection shall be initially filed for the year in  
36 which the verified contribution is made.

37       3. The cumulative amount of the tax credits redeemed shall not  
38 exceed one million dollars in any tax year. The amount available shall  
39 be equally divided among the three qualified agencies: CASA, child  
40 advocacy centers, or crisis care centers to be used towards tax credits  
41 issued. In the event tax credits claimed under one agency do not total  
42 the allocated amount for that agency, the unused portion for that  
43 agency will be made available to the remaining agencies equally. In the  
44 event the total amount of tax credits claimed for any one agency  
45 exceeds the amount available for that agency, the amount redeemed  
46 shall and will be apportioned equally to all eligible taxpayers claiming  
47 the credit under that agency.

48       4. Prior to December thirty-first of each year, each qualified  
49 agency shall apply to the department of social services in order to  
50 verify their qualified agency status. Upon a determination that the  
51 agency is eligible to be a qualified agency, the department of social  
52 services shall provide a letter of eligibility to such agency. No later  
53 than February first of each year, the department of social services shall  
54 provide a list of qualified agencies to the department of revenue. All  
55 tax credit applications to claim the champion for children tax credit  
56 shall be filed between July first and April fifteenth of each fiscal year.  
57 A taxpayer shall apply for the champion for children tax credit by  
58 attaching a copy of the contribution verification provided by a  
59 qualified agency to such taxpayer's income tax return.

60           5. Any amount of tax credit which exceeds the tax due or which  
61 is applied for and otherwise eligible for issuance but not issued shall  
62 not be refunded but may be carried over to any subsequent taxable  
63 year, not to exceed a total of five years.

64           6. Tax credits may be assigned, transferred or sold.

65           7. (1) In the event a credit denial, due to lack of available funds,  
66 causes a balance-due notice to be generated by the department of  
67 revenue, or any other redeeming agency, the taxpayer will not be held  
68 liable for any penalty or interest, provided the balance is paid, or  
69 approved payment arrangements have been made, within sixty days  
70 from the notice of denial.

71           (2) In the event the balance is not paid within sixty days from  
72 the notice of denial, the remaining balance shall be due and payable  
73 under the provisions of chapter 143.

74           8. The department may promulgate such rules or regulations as  
75 are necessary to administer the provisions of this section. Any rule or  
76 portion of a rule, as that term is defined in section 536.010, that is  
77 created under the authority delegated in this section shall become  
78 effective only if it complies with and is subject to all of the provisions  
79 of chapter 536 and, if applicable, section 536.028. This section and  
80 chapter 536 are nonseverable and if any of the powers vested with the  
81 general assembly pursuant to chapter 536 to review, to delay the  
82 effective date, or to disapprove and annul a rule are subsequently held  
83 unconstitutional, then the grant of rulemaking authority and any rule  
84 proposed or adopted after August 28, 2013, shall be invalid and void.

85           9. Pursuant to section 23.253, of the Missouri sunset act:

86           (1) The program authorized under this section shall be  
87 reauthorized as of the effective date of this act and shall expire on  
88 December 31, 2019, unless reauthorized by the general assembly; and

89           (2) This section shall terminate on September first of the  
90 calendar year immediately following the calendar year in which the  
91 program authorized under this section is sunset; and

92           (3) The provisions of this subsection shall not be construed to  
93 limit or in any way impair the department's ability to redeem tax  
94 credits authorized on or before the date the program authorized under  
95 this section expires or a taxpayer's ability to redeem such credits.

135.535. 1. A corporation, limited liability corporation, partnership or

2 sole proprietorship, which moves its operations from outside Missouri or outside  
3 a distressed community into a distressed community, or which commences  
4 operations in a distressed community on or after January 1, 1999, and in either  
5 case has more than seventy-five percent of its employees at the facility in the  
6 distressed community, and which has fewer than one hundred employees for  
7 whom payroll taxes are paid, and which is a manufacturing, biomedical, medical  
8 devices, scientific research, animal research, computer software design or  
9 development, computer programming, including internet, web hosting, and other  
10 information technology, wireless or wired or other telecommunications or a  
11 professional firm shall receive a forty percent credit against income taxes owed  
12 pursuant to chapter 143, 147 or 148, other than taxes withheld pursuant to  
13 sections 143.191 to 143.265, for each of the three years after such move, if  
14 approved by the department of economic development, which shall issue a  
15 certificate of eligibility if the department determines that the taxpayer is eligible  
16 for such credit. The maximum amount of credits per taxpayer set forth in this  
17 subsection shall not exceed one hundred twenty-five thousand dollars for each of  
18 the three years for which the credit is claimed. The department of economic  
19 development, by means of rule or regulation promulgated pursuant to the  
20 provisions of chapter 536, shall assign appropriate North American Industry  
21 Classification System numbers to the companies which are eligible for the tax  
22 credits provided for in this section. Such three-year credits shall be awarded only  
23 one time to any company which moves its operations from outside of Missouri or  
24 outside of a distressed community into a distressed community or to a company  
25 which commences operations within a distressed community. A taxpayer shall  
26 file an application for certification of the tax credits for the first year in which  
27 credits are claimed and for each of the two succeeding taxable years for which  
28 credits are claimed.

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

38 to the employee and the department of revenue.

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

50           4. A corporation, partnership or sole partnership, which has no more than  
51 one hundred employees for whom payroll taxes are paid, which is already located  
52 in a distressed community and which expends funds for such equipment pursuant  
53 to subsection 3 of this section in an amount exceeding its average of the prior two  
54 years for such equipment, shall be eligible to receive a tax credit against income  
55 taxes owed pursuant to chapters 143, 147 and 148 in an amount equal to the  
56 lesser of seventy-five thousand dollars or twenty-five percent of the funds  
57 expended for such additional equipment per such entity. Tax credits allowed  
58 pursuant to this subsection or subsection 1 of this section may be carried back to  
59 any of the three prior tax years and carried forward to any of the **next** five tax  
60 years.

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

74 professional firm.

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

79           7. The tax credits allowed pursuant to subsections 1, 2, 3, 4 and 5 of this  
80 section shall be for an amount of no more than ten million dollars for each year  
81 beginning in 1999. [To the extent there are available tax credits remaining under  
82 the ten million dollar cap provided in this section, up to one hundred thousand  
83 dollars in the remaining credits shall first be used for tax credits authorized  
84 under section 135.562.] The total maximum credit for all entities already located  
85 in distressed communities and claiming credits pursuant to subsection 4 of this  
86 section shall be seven hundred and fifty thousand dollars. The department of  
87 economic development in approving taxpayers for the credit as provided for in  
88 subsection 6 of this section shall use information provided by the department of  
89 revenue regarding taxes paid in the previous year, or projected taxes for those  
90 entities newly established in the state, as the method of determining when this  
91 maximum will be reached and shall maintain a record of the order of  
92 approval. Any tax credit not used in the period for which the credit was approved  
93 may be carried over until the full credit has been allowed.

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

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

135.562. 1. If any taxpayer with a federal adjusted gross income of thirty  
2 thousand dollars or less incurs costs for the purpose of making all or any portion  
3 of such taxpayer's principal dwelling accessible to an individual with a disability  
4 who permanently resides with the taxpayer, such taxpayer shall receive a tax

5 credit against such taxpayer's Missouri income tax liability in an amount equal  
6 to the lesser of one hundred percent of such costs or two thousand five hundred  
7 dollars per taxpayer, per tax year.

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

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

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

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

31         5. The tax credits allowed, including the maximum amount that may be  
32 claimed, pursuant to this section shall be reduced by an amount sufficient to  
33 offset any amount of such costs a taxpayer has already deducted from such  
34 taxpayer's federal adjusted gross income or to the extent such taxpayer has  
35 applied any other state or federal income tax credit to such costs.

36         6. A taxpayer shall claim a credit allowed by this section in the same  
37 taxable year as the credit is issued, and at the time such taxpayer files his or her  
38 Missouri income tax return; provided that such return is timely filed.

39         7. The department may, in consultation with the department of social  
40 services, promulgate such rules or regulations as are necessary to administer the

41 provisions of this section. Any rule or portion of a rule, as that term is defined  
42 in section 536.010, that is created under the authority delegated in this section  
43 shall become effective only if it complies with and is subject to all of the  
44 provisions of chapter 536 and, if applicable, section 536.028. This section and  
45 chapter 536 are nonseverable and if any of the powers vested with the general  
46 assembly pursuant to chapter 536 to review, to delay the effective date or to  
47 disapprove and annul a rule are subsequently held unconstitutional, then the  
48 grant of rulemaking authority and any rule proposed or adopted after August 28,  
49 2007, shall be invalid and void.

50 8. The provisions of this section shall apply to all tax years beginning on  
51 or after January 1, 2008.

52 9. The provisions of this section shall expire December 31, [2013] **2019,**  
53 **unless reauthorized by the general assembly. This section shall**  
54 **terminate on September first of the calendar year immediately**  
55 **following the calendar year in which the program authorized under**  
56 **this section is sunset. The provisions of this subsection shall not be**  
57 **construed to limit or in any way impair the department's ability to**  
58 **redeem tax credits authorized on or before the date the program**  
59 **authorized under this section expires or a taxpayer's ability to redeem**  
60 **such tax credits.**

61 10. In no event shall the aggregate amount of all tax credits allowed  
62 pursuant to this section exceed one hundred thousand dollars in any given fiscal  
63 year. The tax credits issued pursuant to this section shall be on a first-come,  
64 first-served filing basis.

135.630. 1. As used in this section, the following terms mean:

2 (1) "Contribution", a donation of cash, stock, bonds, or other marketable  
3 securities, or real property;

4 (2) "Director", the director of the department of social services;

5 (3) "Pregnancy resource center", a nonresidential facility located in this  
6 state:

7 (a) Established and operating primarily to provide assistance to women  
8 with crisis pregnancies or unplanned pregnancies by offering pregnancy testing,  
9 counseling, emotional and material support, and other similar services to  
10 encourage and assist such women in carrying their pregnancies to term; and

11 (b) Where childbirths are not performed; and

12 (c) Which does not perform, induce, or refer for abortions and which does

13 not hold itself out as performing, inducing, or referring for abortions; and

14 (d) Which provides direct client services at the facility, as opposed to  
15 merely providing counseling or referral services by telephone; and

16 (e) Which provides its services at no cost to its clients; and

17 (f) When providing medical services, such medical services must be  
18 performed in accordance with Missouri statute; and

19 (g) Which is exempt from income taxation pursuant to the Internal  
20 Revenue Code of 1986, as amended;

21 (4) "State tax liability", in the case of a business taxpayer, any liability  
22 incurred by such taxpayer pursuant to the provisions of chapters 143, 147, 148,  
23 and 153, excluding sections 143.191 to 143.265 and related provisions, and in the  
24 case of an individual taxpayer, any liability incurred by such taxpayer pursuant  
25 to the provisions of chapter 143, excluding sections 143.191 to 143.265 and  
26 related provisions;

27 (5) "Taxpayer", a person, firm, a partner in a firm, corporation, or a  
28 shareholder in an S corporation doing business in the state of Missouri and  
29 subject to the state income tax imposed by the provisions of chapter 143, or a  
30 corporation subject to the annual corporation franchise tax imposed by the  
31 provisions of chapter 147, or an insurance company paying an annual tax on its  
32 gross premium receipts in this state, or other financial institution paying taxes  
33 to the state of Missouri or any political subdivision of this state pursuant to the  
34 provisions of chapter 148, or an express company which pays an annual tax on  
35 its gross receipts in this state pursuant to chapter 153, or an individual subject  
36 to the state income tax imposed by the provisions of chapter 143, or any  
37 charitable organization which is exempt from federal income tax and whose  
38 Missouri unrelated business taxable income, if any, would be subject to the state  
39 income tax imposed under chapter 143.

40 2. For all tax years beginning on or after January 1, 2007, a taxpayer  
41 shall be allowed to claim a tax credit against the taxpayer's state tax liability in  
42 an amount equal to fifty percent of the amount such taxpayer contributed to a  
43 pregnancy resource center.

44 3. The amount of the tax credit claimed shall not exceed the amount of the  
45 taxpayer's state tax liability for the taxable year for which the credit is claimed,  
46 and such taxpayer shall not be allowed to claim a tax credit in excess of fifty  
47 thousand dollars per taxable year. However, any tax credit that cannot be  
48 claimed in the taxable year the contribution was made may be carried over to the



49 next four succeeding taxable years until the full credit has been claimed.

50           4. Except for any excess credit which is carried over pursuant to  
51 subsection 3 of this section, a taxpayer shall not be allowed to claim a tax credit  
52 unless the total amount of such taxpayer's contribution or contributions to a  
53 pregnancy resource center or centers in such taxpayer's taxable year has a value  
54 of at least one hundred dollars.

55           5. The director shall determine, at least annually, which facilities in this  
56 state may be classified as pregnancy resource centers. The director may require  
57 of a facility seeking to be classified as a pregnancy resource center whatever  
58 information which is reasonably necessary to make such a determination. The  
59 director shall classify a facility as a pregnancy resource center if such facility  
60 meets the definition set forth in subsection 1 of this section.

61           6. The director shall establish a procedure by which a taxpayer can  
62 determine if a facility has been classified as a pregnancy resource  
63 center. Pregnancy resource centers shall be permitted to decline a contribution  
64 from a taxpayer. The cumulative amount of tax credits which may be claimed by  
65 all the taxpayers contributing to pregnancy resource centers in any one fiscal year  
66 shall not exceed two million dollars. Tax credits shall be issued in the order  
67 contributions are received.

68           7. The director shall establish a procedure by which, from the beginning  
69 of the fiscal year until some point in time later in the fiscal year to be determined  
70 by the director, the cumulative amount of tax credits are equally apportioned  
71 among all facilities classified as pregnancy resource centers. If a pregnancy  
72 resource center fails to use all, or some percentage to be determined by the  
73 director, of its apportioned tax credits during this predetermined period of time,  
74 the director may reapportion these unused tax credits to those pregnancy  
75 resource centers that have used all, or some percentage to be determined by the  
76 director, of their apportioned tax credits during this predetermined period of  
77 time. The director may establish more than one period of time and reapportion  
78 more than once during each fiscal year. To the maximum extent possible, the  
79 director shall establish the procedure described in this subsection in such a  
80 manner as to ensure that taxpayers can claim all the tax credits possible up to  
81 the cumulative amount of tax credits available for the fiscal year.

82           8. Each pregnancy resource center shall provide information to the  
83 director concerning the identity of each taxpayer making a contribution to the  
84 pregnancy resource center who is claiming a tax credit pursuant to this section

85 and the amount of the contribution. The director shall provide the information  
86 to the director of revenue. The director shall be subject to the confidentiality and  
87 penalty provisions of section 32.057 relating to the disclosure of tax information.

88 9. [Notwithstanding any other law to the contrary, any tax credits granted  
89 under this section may be assigned, transferred, sold, or otherwise conveyed  
90 without consent or approval. Such taxpayer, hereinafter the assignor for  
91 purposes of this section, may sell, assign, exchange, or otherwise transfer earned  
92 tax credits:

93 (1) For no less than seventy-five percent of the par value of such credits;  
94 and

95 (2) In an amount not to exceed one hundred percent of annual earned  
96 credits.

97 10.] Pursuant to section 23.253 of the Missouri sunset act:

98 (1) [Any new program authorized under this section shall automatically  
99 sunset six years after August 28, 2006, unless reauthorized by an act of the  
100 general assembly; and

101 (2) If such program is reauthorized,] The program authorized under this  
102 section shall [automatically sunset twelve years after the effective date of the  
103 reauthorization of this section] **be reauthorized as of the effective date of**  
104 **this act and shall expire on December 31, 2019, unless reauthorized by**  
105 **the general assembly; and**

106 [(3)] (2) This section shall terminate on September first of the calendar  
107 year immediately following the calendar year in which a program authorized  
108 under this section is sunset; **and**

109 (3) **The provisions of this subsection shall not be construed to**  
110 **limit or in any way impair the department's ability to issue tax credits**  
111 **authorized on or before the date the program authorized under this**  
112 **section expires or a taxpayer's ability to redeem such tax credits.**

135.647. 1. As used in this section, the following terms shall mean:

2 (1) "Local food pantry", any food pantry that is:

3 (a) Exempt from taxation under section 501(c)(3) of the Internal Revenue  
4 Code of 1986, as amended; and

5 (b) Distributing emergency food supplies to Missouri low-income people  
6 who would otherwise not have access to food supplies in the area in which the  
7 taxpayer claiming the tax credit under this section resides;

8 (2) "Taxpayer", an individual, a firm, a partner in a firm, corporation, or

9 a shareholder in an S corporation doing business in this state and subject to the  
10 state income tax imposed by chapter 143, excluding withholding tax imposed by  
11 sections 143.191 to 143.265.

12 2. For all tax years beginning on or after January 1, 2007, any taxpayer  
13 who donates cash or food, unless such food is donated after the food's expiration  
14 date, to any local food pantry shall be allowed a credit against the tax otherwise  
15 due under chapter 143, excluding withholding tax imposed by sections 143.191  
16 to 143.265, in an amount equal to fifty percent of the value of the donations made  
17 to the extent such amounts that have been subtracted from federal adjusted gross  
18 income or federal taxable income are added back in the determination of Missouri  
19 adjusted gross income or Missouri taxable income before the credit can be  
20 claimed. Each taxpayer claiming a tax credit under this section shall file an  
21 affidavit with the income tax return verifying the amount of their  
22 contributions. The amount of the tax credit claimed shall not exceed the amount  
23 of the taxpayer's state tax liability for the tax year that the credit is claimed, and  
24 shall not exceed two thousand five hundred dollars per taxpayer claiming the  
25 credit. Any amount of credit that the taxpayer is prohibited by this section from  
26 claiming in a tax year shall not be refundable, but may be carried forward to any  
27 of the taxpayer's three subsequent taxable years. No tax credit granted under  
28 this section shall be transferred, sold, or assigned. No taxpayer shall be eligible  
29 to receive a credit pursuant to this section if such taxpayer employs persons who  
30 are not authorized to work in the United States under federal law.

31 3. The cumulative amount of tax credits under this section which may be  
32 allocated to all taxpayers contributing to a local food pantry in any one fiscal year  
33 shall not exceed [two million] **one million two hundred fifty thousand**  
34 dollars. The director of revenue shall establish a procedure by which the  
35 cumulative amount of tax credits is apportioned among all taxpayers claiming the  
36 credit by April fifteenth of the fiscal year in which the tax credit is claimed. To  
37 the maximum extent possible, the director of revenue shall establish the  
38 procedure described in this subsection in such a manner as to ensure that  
39 taxpayers can claim all the tax credits possible up to the cumulative amount of  
40 tax credits available for the fiscal year.

41 4. Any local food pantry may accept or reject any donation of food made  
42 under this section for any reason. For purposes of this section, any donations of  
43 food accepted by a local food pantry shall be valued at fair market value, or at  
44 wholesale value if the taxpayer making the donation of food is a retail grocery

45 store, food broker, wholesaler, or restaurant.

46 5. The department of revenue shall promulgate rules to implement the  
47 provisions of this section. Any rule or portion of a rule, as that term is defined  
48 in section 536.010, that is created under the authority delegated in this section  
49 shall become effective only if it complies with and is subject to all of the  
50 provisions of chapter 536 and, if applicable, section 536.028. This section and  
51 chapter 536 are nonseverable and if any of the powers vested with the general  
52 assembly pursuant to chapter 536 to review, to delay the effective date, or to  
53 disapprove and annul a rule are subsequently held unconstitutional, then the  
54 grant of rulemaking authority and any rule proposed or adopted after August 28,  
55 2007, shall be invalid and void.

56 6. Under section 23.253 of the Missouri sunset act:

57 (1) [The provisions of the new program authorized under this section shall  
58 automatically sunset four years after August 28, 2007, unless reauthorized by an  
59 act of the general assembly; and

60 (2) If such program is reauthorized,] The program authorized under this  
61 section shall [automatically sunset twelve years after the effective date of the  
62 reauthorization of this section] **be reauthorized as of the effective date of**  
63 **this act and shall expire on December 31, 2019, unless reauthorized by**  
64 **the general assembly; and**

65 [(3)] (2) This section shall terminate on September first of the calendar  
66 year immediately following the calendar year in which the program authorized  
67 under this section is sunset; **and**

68 (3) **The provisions of this subsection shall not be construed to**  
69 **limit or in any way impair the department's ability to redeem tax**  
70 **credits authorized on or before the date the program authorized under**  
71 **this section expires or a taxpayer's ability to redeem such tax credits.**

72 7. **This section shall apply to any donation of cash or food**  
73 **allowed under this section made on or after the effective date of this**  
74 **act.**

135.800. 1. The provisions of sections 135.800 to 135.830 shall be known  
2 and may be cited as the "Tax Credit Accountability Act of 2004".

3 2. As used in sections 135.800 to 135.830, the following terms mean:

4 (1) "Administering agency", the state agency or department charged with  
5 administering a particular tax credit program, as set forth by the program's  
6 enacting statute; where no department or agency is set forth, the department of

7 revenue;

8 (2) "Agricultural tax credits", the agricultural product utilization  
9 contributor tax credit created pursuant to section 348.430, the new generation  
10 cooperative incentive tax credit created pursuant to section 348.432, the family  
11 farm breeding livestock loan tax credit created under section 348.505, the  
12 qualified beef tax credit created under section 135.679, and the wine and grape  
13 production tax credit created pursuant to section 135.700;

14 (3) "All tax credit programs", or "any tax credit program", the tax credit  
15 programs included in the definitions of agricultural tax credits, business  
16 recruitment tax credits, community development tax credits, domestic and social  
17 tax credits, entrepreneurial tax credits, environmental tax credits, financial and  
18 insurance tax credits, housing tax credits, redevelopment tax credits, and training  
19 and educational tax credits;

20 (4) "Business recruitment tax credits", the business facility tax credit  
21 created pursuant to sections 135.110 to 135.150 and section 135.258, the  
22 enterprise zone tax benefits created pursuant to sections 135.200 to 135.270, the  
23 business use incentives for large-scale development programs created pursuant  
24 to sections 100.700 to 100.850, the development tax credits created pursuant to  
25 sections 32.100 to 32.125, the rebuilding communities tax credit created pursuant  
26 to section 135.535, the film production tax credit created pursuant to section  
27 135.750, the enhanced enterprise zone created pursuant to sections 135.950 to  
28 **[135.975] 135.970**, and the Missouri quality jobs program created pursuant to  
29 sections 620.1875 to 620.1900;

30 (5) "Community development tax credits", the neighborhood assistance tax  
31 credit created pursuant to sections 32.100 to 32.125, the family development  
32 account tax credit created pursuant to sections 208.750 to 208.775, the dry fire  
33 hydrant tax credit created pursuant to section 320.093, and the transportation  
34 development tax credit created pursuant to section 135.545;

35 (6) "Domestic and social tax credits", the youth opportunities tax credit  
36 created pursuant to section 135.460 and sections 620.1100 to 620.1103, the  
37 shelter for victims of domestic violence created pursuant to section 135.550, the  
38 senior citizen or disabled person property tax credit created pursuant to sections  
39 135.010 to 135.035, the special needs adoption tax credit **[and children in crisis**  
40 **tax credit]** created pursuant to sections 135.325 to 135.339, **the champion for**  
41 **children tax credit created pursuant to section 135.341**, the maternity  
42 home tax credit created pursuant to section 135.600, the surviving spouse tax

43 credit created pursuant to section 135.090, the residential treatment agency tax  
44 credit created pursuant to section 135.1150, the pregnancy resource center tax  
45 credit created pursuant to section 135.630, the food pantry tax credit created  
46 pursuant to section 135.647, the health care access fund tax credit created  
47 pursuant to section 135.575, the residential dwelling access tax credit created  
48 pursuant to section 135.562, **the developmental disability care provider tax**  
49 **credit created under section 135.1180**, and the shared care tax credit created  
50 pursuant to section 660.055;

51 (7) "Entrepreneurial tax credits", the capital tax credit created pursuant  
52 to sections 135.400 to 135.429, the certified capital company tax credit created  
53 pursuant to sections 135.500 to 135.529, the seed capital tax credit created  
54 pursuant to sections 348.300 to 348.318, the new enterprise creation tax credit  
55 created pursuant to sections 620.635 to 620.653, the research tax credit created  
56 pursuant to section 620.1039, the small business incubator tax credit created  
57 pursuant to section 620.495, the guarantee fee tax credit created pursuant to  
58 section 135.766, and the new generation cooperative tax credit created pursuant  
59 to sections 32.105 to 32.125;

60 (8) "Environmental tax credits", the charcoal producer tax credit created  
61 pursuant to section 135.313, the wood energy tax credit created pursuant to  
62 sections 135.300 to 135.311, and the alternative fuel stations tax credit created  
63 pursuant to section 135.710;

64 (9) "Financial and insurance tax credits", the bank franchise tax credit  
65 created pursuant to section 148.030, the bank tax credit for S corporations  
66 created pursuant to section 143.471, the exam fee tax credit created pursuant to  
67 section 148.400, the health insurance pool tax credit created pursuant to section  
68 376.975, the life and health insurance guaranty tax credit created pursuant to  
69 section 376.745, the property and casualty guaranty tax credit created pursuant  
70 to section 375.774, and the self-employed health insurance tax credit created  
71 pursuant to section 143.119;

72 (10) "Housing tax credits", the neighborhood preservation tax credit  
73 created pursuant to sections 135.475 to 135.487, the low-income housing tax  
74 credit created pursuant to sections 135.350 to 135.363, and the affordable housing  
75 tax credit created pursuant to sections 32.105 to 32.125;

76 (11) "Recipient", the individual or entity who is the original applicant for  
77 and who receives proceeds from a tax credit program directly from the  
78 administering agency, the person or entity responsible for the reporting

79 requirements established in section 135.805;

80 (12) "Redevelopment tax credits", the historic preservation tax credit  
81 created pursuant to sections 253.545 to [253.561] **253.559**, the brownfield  
82 redevelopment program tax credit created pursuant to sections 447.700 to  
83 447.718, the community development corporations tax credit created pursuant to  
84 sections 135.400 to 135.430, the infrastructure tax credit created pursuant to  
85 subsection 6 of section 100.286, the bond guarantee tax credit created pursuant  
86 to section 100.297, the disabled access tax credit created pursuant to section  
87 135.490, the new markets tax credit created pursuant to section 135.680, and the  
88 distressed areas land assemblage tax credit created pursuant to section 99.1205;  
89 (13) "Training and educational tax credits", the community college new  
90 jobs tax credit created pursuant to sections 178.892 to 178.896.

Section B. Because immediate action is necessary to ensure continued  
2 operation of certain benevolent tax credits, section A of this act is deemed  
3 necessary for the immediate preservation of the public health, welfare, peace and  
4 safety, and is hereby declared to be an emergency act within the meaning of the  
5 constitution, and section A of this act shall be in full force and effect upon its  
6 passage and approval.

Bill ✓

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