

CONFERENCE COMMITTEE SUBSTITUTE

FOR

SENATE COMMITTEE SUBSTITUTE

FOR

SENATE BILL NO. 729

AN ACT

To repeal sections 135.305, 135.710, and 137.010, RSMo, and to enact in lieu thereof five new sections relating to taxation.

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

1 Section A. Sections 135.305, 135.710, and 137.010, RSMo,
2 are repealed and five new sections enacted in lieu thereof, to be
3 known as sections 135.305, 135.710, 137.010, 620.750, and
4 620.2600, to read as follows:

5 135.305. A Missouri wood energy producer shall be eligible
6 for a tax credit on taxes otherwise due under chapter 143, except
7 sections 143.191 to 143.261, as a production incentive to produce
8 processed wood products in a qualified wood-producing facility
9 using Missouri forest product residue. The tax credit to the
10 wood energy producer shall be five dollars per ton of processed
11 material. The credit may be claimed for a period of five years
12 and is to be a tax credit against the tax otherwise due. No new
13 tax credits, provided for under sections 135.300 to 135.311,
14 shall be authorized after June 30, ~~[2013]~~ 2020. In no event
15 shall the aggregate amount of all tax credits allowed under
16 sections 135.300 to 135.311 exceed six million dollars in any

1 given fiscal year. There shall be no tax credits authorized
2 under sections 135.300 to 135.311 unless an appropriation is made
3 for such tax credits.

4 135.710. 1. As used in this section, the following terms
5 mean:

6 (1) "Alternative fuel vehicle refueling property", property
7 in this state owned by an eligible applicant and used for storing
8 alternative fuels and for dispensing such alternative fuels into
9 fuel tanks of motor vehicles owned by such eligible applicant or
10 private citizens;

11 (2) "Alternative fuels", any motor fuel at least seventy
12 percent of the volume of which consists of one or more of the
13 following:

14 (a) Ethanol;

15 (b) Natural gas;

16 (c) Compressed natural gas, or CNG;

17 (d) Liquefied natural gas, or LNG;

18 (e) Liquefied petroleum gas, or LP gas, propane, or
19 autoqas;

20 (f) Any mixture of biodiesel and diesel fuel, without
21 regard to any use of kerosene;

22 (g) Hydrogen;

23 [(2)] (3) "Department", the department of [natural
24 resources] economic development;

25 (4) "Electric vehicle recharging property", property in
26 this state owned by an eligible applicant and used for recharging
27 electric motor vehicles owned by such eligible applicant or
28 private citizens;

1 [(3)] (5) "Eligible applicant", a business entity or
2 private citizen that is the owner of [a qualified] an electric
3 vehicle recharging property or an alternative fuel vehicle
4 refueling property;

5 (6) "Qualified Missouri contractor", a contractor whose
6 principal place of business is located in Missouri and has been
7 located in Missouri for a period of not less than five years;

8 [(4)] (7) "Qualified [alternative fuel vehicle refueling]
9 property", [property in this state owned by an eligible applicant
10 and used for storing alternative fuels and for dispensing such
11 alternative fuels into fuel tanks of motor vehicles owned by such
12 eligible applicant or private citizens] an electric vehicle
13 recharging property or an alternative fuel vehicle refueling
14 property which, if constructed after August 28, [2008] 2014, was
15 constructed with at least fifty-one percent of the costs being
16 paid to qualified Missouri contractors for the:

17 (a) Fabrication of premanufactured equipment or process
18 piping used in the construction of such facility;

19 (b) Construction of such facility; and

20 (c) General maintenance of such facility during the time
21 period in which such facility receives any tax credit under this
22 section.

23
24 If no qualified Missouri contractor is located within seventy-
25 five miles of the property, the requirement that fifty-one
26 percent of the costs shall be paid to qualified Missouri
27 contractors shall not apply[;

28 (5) "Qualified Missouri contractor", a contractor whose

1 principal place of business is located in Missouri and has been
2 located in Missouri for a period of not less than five years].

3 2. For all tax years beginning on or after January 1,
4 [2009] 2015, but before January 1, [2012] 2018, any eligible
5 applicant who installs and operates a qualified [alternative fuel
6 vehicle refueling] property shall be allowed a credit against the
7 tax otherwise due under chapter 143, excluding withholding tax
8 imposed by sections 143.191 to 143.265, or due under chapter 147
9 or chapter 148 for any tax year in which the applicant is
10 constructing the [refueling] qualified property. The credit
11 allowed in this section per eligible applicant who is a private
12 citizen shall not exceed fifteen hundred dollars or per eligible
13 applicant that is a business entity shall not exceed the lesser
14 of twenty thousand dollars or twenty percent of the total costs
15 directly associated with the purchase and installation of any
16 alternative fuel storage and dispensing equipment or any
17 recharging equipment on any qualified [alternative fuel vehicle
18 refueling] property, which shall not include the following:

19 (1) Costs associated with the purchase of land upon which
20 to place a qualified [alternative fuel vehicle refueling]
21 property;

22 (2) Costs associated with the purchase of an existing
23 qualified [alternative fuel vehicle refueling] property; or

24 (3) Costs for the construction or purchase of any
25 structure.

26 3. Tax credits allowed by this section shall be claimed by
27 the eligible applicant at the time such applicant files a return
28 for the tax year in which the storage and dispensing or

1 recharging facilities were placed in service at a qualified
2 [alternative fuel vehicle refueling] property, and shall be
3 applied against the income tax liability imposed by chapter 143,
4 chapter 147, or chapter 148 after all other credits provided by
5 law have been applied. The cumulative amount of tax credits
6 which may be claimed by eligible applicants claiming all credits
7 authorized in this section shall not exceed [the following
8 amounts:

9 (1) In taxable year 2009, three million dollars;

10 (2) In taxable year 2010, two million dollars; and

11 (3) In taxable year 2011,] one million dollars in any
12 calendar year, subject to appropriations.

13 4. If the amount of the tax credit exceeds the eligible
14 applicant's tax liability, the difference shall not be
15 refundable. Any amount of credit that an eligible applicant is
16 prohibited by this section from claiming in a taxable year may be
17 carried forward to any of such applicant's two subsequent taxable
18 years. Tax credits allowed under this section may be assigned,
19 transferred, sold, or otherwise conveyed.

20 5. [An alternative fuel vehicle refueling] Any qualified
21 property, for which an eligible applicant receives tax credits
22 under this section, which ceases to sell alternative fuel or
23 recharge electric vehicles shall cause the forfeiture of such
24 eligible applicant's tax credits provided under this section for
25 the taxable year in which the [alternative fuel vehicle
26 refueling] qualified property ceased to sell alternative fuel or
27 recharge electric vehicles and for future taxable years with no
28 recapture of tax credits obtained by an eligible applicant with

1 respect to such applicant's tax years which ended before the sale
2 of alternative fuel or recharging of electric vehicles ceased.

3 6. The director of revenue shall establish the procedure by
4 which the tax credits in this section may be claimed, and shall
5 establish a procedure by which the cumulative amount of tax
6 credits is apportioned equally among all eligible applicants
7 claiming the credit. To the maximum extent possible, the
8 director of revenue shall establish the procedure described in
9 this subsection in such a manner as to ensure that eligible
10 applicants can claim all the tax credits possible up to the
11 cumulative amount of tax credits available for the taxable year.
12 No eligible applicant claiming a tax credit under this section
13 shall be liable for any interest or penalty for filing a tax
14 return after the date fixed for filing such return as a result of
15 the apportionment procedure under this subsection.

16 7. Any eligible applicant desiring to claim a tax credit
17 under this section shall submit the appropriate application for
18 such credit with the department. The application for a tax
19 credit under this section shall include any information required
20 by the department. The department shall review the applications
21 and certify to the department of revenue each eligible applicant
22 that qualifies for the tax credit.

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

1 applicable, section 536.028. This section and chapter 536 are
2 nonseverable and if any of the powers vested with the general
3 assembly pursuant to chapter 536 to review, to delay the
4 effective date, or to disapprove and annul a rule are
5 subsequently held unconstitutional, then the grant of rulemaking
6 authority and any rule proposed or adopted after August 28, 2008,
7 shall be invalid and void.

8 9. [Pursuant to] The provisions of section 23.253 of the
9 Missouri sunset act notwithstanding:

10 (1) The provisions of the new program authorized under this
11 section shall automatically sunset [~~six~~] three years after
12 [August 28, 2008] December 31, 2014, unless reauthorized by an
13 act of the general assembly; and

14 (2) If such program is reauthorized, the program authorized
15 under this section shall automatically sunset [~~twelve~~] six years
16 after the effective date of the reauthorization of this section;
17 and

18 (3) This section shall terminate on December thirty-first
19 of the calendar year immediately following the calendar year in
20 which the program authorized under this section is sunset; and

21 (4) The provisions of this subsection shall not be
22 construed to limit or in any way impair the department's ability
23 to redeem tax credits authorized on or before the date the
24 program authorized under this section expires or a taxpayer's
25 ability to redeem such tax credits.

26 137.010. The following words, terms and phrases when used
27 in laws governing taxation and revenue in the state of Missouri
28 shall have the meanings ascribed to them in this section, except

1 when the context clearly indicates a different meaning:

2 (1) "Grain and other agricultural crops in an
3 unmanufactured condition" shall mean grains and feeds including,
4 but not limited to, soybeans, cow peas, wheat, corn, oats,
5 barley, kafir, rye, flax, grain sorghums, cotton, and such other
6 products as are usually stored in grain and other elevators and
7 on farms; but excluding such grains and other agricultural crops
8 after being processed into products of such processing, when
9 packaged or sacked. The term "processing" shall not include
10 hulling, cleaning, drying, grating, or polishing;

11 (2) "Hydroelectric power generating equipment", very-low-
12 head turbine generators with a nameplate generating capacity of
13 at least four hundred kilowatts but not more than six hundred
14 kilowatts and machinery and equipment used directly in the
15 production, generation, conversion, storage, or conveyance of
16 hydroelectric power to land-based devices and appurtenances used
17 in the transmission of electrical energy;

18 (3) "Intangible personal property", for the purpose of
19 taxation, shall include all property other than real property and
20 tangible personal property, as defined by this section;

21 (4) "Real property" includes land itself, whether laid out
22 in town lots or otherwise, and all growing crops, buildings,
23 structures, improvements and fixtures of whatever kind thereon,
24 hydroelectric power generating equipment, the installed poles
25 used in the transmission or reception of electrical energy, audio
26 signals, video signals or similar purposes, provided the owner of
27 such installed poles is also an owner of a fee simple interest,
28 possessor of an easement, holder of a license or franchise, or is

1 the beneficiary of a right-of-way dedicated for public utility
2 purposes for the underlying land; attached wires, transformers,
3 amplifiers, substations, and other such devices and appurtenances
4 used in the transmission or reception of electrical energy, audio
5 signals, video signals or similar purposes when owned by the
6 owner of the installed poles, otherwise such items are considered
7 personal property; and stationary property used for
8 transportation or storage of liquid and gaseous products,
9 including, but not limited to, petroleum products, natural gas,
10 propane or LP gas equipment, water, and sewage;

11 (5) "Tangible personal property" includes every tangible
12 thing being the subject of ownership or part ownership whether
13 animate or inanimate, other than money, and not forming part or
14 parcel of real property as herein defined, but does not include
15 household goods, furniture, wearing apparel and articles of
16 personal use and adornment, as defined by the state tax
17 commission, owned and used by a person in his home or dwelling
18 place.

19 620.750. 1. The department of economic development,
20 subject to an appropriation not to exceed five million dollars
21 each fiscal year, shall develop and implement rural regional
22 development grants as provided in this section.

23 2. Rural regional development grants may be provided to
24 qualified rural regional development groups. After the award of
25 a grant, the group shall:

26 (1) Track and monitor job creation and investment in the
27 region using quantitative measures that measure progress toward
28 preestablished goals;

1 (2) Establish a process for enrolling commercial and
2 industrial development sites in the region in the state-certified
3 sites program or maintain a list of state-certified commercial
4 and industrial development sites in the region;

5 (3) Measure the skills of the region's workforce;

6 (4) Provide an organizational chart demonstrating that
7 private businesses and local governmental and educational
8 officials are involved in the group; and

9 (5) Provide documentation of the group's financial
10 activities for the current year.

11 3. A rural regional development group shall not qualify for
12 a rural regional development grant if:

13 (1) The group's region includes a county or portion of
14 another state outside the state of Missouri; or

15 (2) The group maintains an operating budget greater than
16 two hundred fifty thousand dollars.

17 4. Applications for rural regional development grants shall
18 only be submitted for a rural regional development group by a
19 regional planning commission created under chapter 251 or other
20 legally created regional planning commission. A regional
21 planning commission may submit applications on behalf of more
22 than one rural regional development group, except that a regional
23 planning commission shall not submit an application on behalf of
24 a group that the regional planning commission does not recognize
25 as the economic development authority for the county that the
26 authority represents.

27 5. The regional planning commission may charge an
28 application fee for the grants developed under this section. The

1 regional planning commission shall be allowed to claim
2 reimbursement from the grant recipient for actual costs of
3 administering the grants.

4 6. A single grant shall not exceed one hundred fifty
5 thousand dollars. Each of the nineteen regions of the state
6 represented by a regional planning commission created under
7 chapter 251 or other legally created regional planning commission
8 shall not receive more than two grants per region annually.

9 7. Grants provided under this section shall be distributed
10 based on a rural regional development group's years in operation.
11 The eligible amount shall be:

12 (1) For a group in operation two years or more on a
13 matching basis of three dollars of state funds for every one
14 dollar of funds provided or raised by the rural regional
15 development group, including the value of in-kind services,
16 supplies, or equipment;

17 (2) For groups in operation less than two years on a
18 matching basis of one dollar of state funds for every one dollar
19 of funds provided or raised by the rural regional development
20 group, including the value of in-kind services, supplies, or
21 equipment.

22 8. Uses for the grants may include, but are not limited to,
23 the following activities:

24 (1) Workforce development activities, such as evaluation
25 and education;

26 (2) Entrepreneurship training for pre-venture and existing
27 businesses;

28 (3) Development of regional marketing techniques and

1 activities;

2 (4) International trade training for new-to-export
3 businesses in the region;

4 (5) In-depth market research and financial analysis for
5 businesses in the region;

6 (6) Demographic and market opportunity research to assist
7 regional planning commissions in developing their comprehensive
8 economic development strategy.

9 9. The grant recipient shall annually report to the
10 governor; the director of the department of economic development;
11 the senate committee on commerce, consumer protection and the
12 environment; the house committee on economic development and any
13 successor committees thereto, the allocation of the grants and
14 the purposes for which the funding was used.

15 10. The department of economic development may promulgate
16 rules governing the award of grants under this section. Any rule
17 or portion of a rule, as that term is defined in section 536.010
18 that is created under the authority delegated in this section
19 shall become effective only if it complies with and is subject to
20 all the provisions of chapter 536, and, if applicable, section
21 536.028. This section and chapter 536 are nonseverable and if
22 any of the powers vested with the general assembly pursuant to
23 chapter 536, to review, to delay the effective date, or to
24 disapprove and annul a rule are subsequently held
25 unconstitutional, then the grant of rulemaking authority and any
26 rule proposed or adopted after August 28, 2014, shall be invalid
27 and void.

28 620.2600. 1. This section shall be known and may be cited

1 as the "Innovation Campus Tax Credit Act".

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

3 (1) "Certificate", a tax credit certificate issued under
4 this section;

5 (2) "Department", the Missouri department of economic
6 development;

7 (3) "Eligible donation", donations received from a taxpayer
8 by innovation campuses that are to be used solely for projects
9 that advance learning in the areas of science, technology,
10 engineering, and mathematics. Eligible donations may include
11 cash, publicly traded stocks and bonds, and real estate that
12 shall be valued and documented according to the rules promulgated
13 by the department of economic development;

14 (4) "Innovation education campus" or "innovation campus",
15 as defined in section 178.1100;

16 (5) "Taxpayer", any of the following individuals or
17 entities who make an eligible donation to any innovation campus:

18 (a) A person, firm, partner in a firm, corporation, or a
19 shareholder in an S corporation doing business in the state of
20 Missouri and subject to the state income tax imposed in chapter
21 143;

22 (b) A corporation subject to the annual corporation
23 franchise tax imposed in chapter 147;

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

26 (d) Any other financial institution paying taxes to the
27 state of Missouri or any political subdivisions of this state
28 under chapter 148;

1 (e) An individual subject to the state income tax imposed
2 in chapter 143;

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

7 3. For all taxable years beginning on or after January 1,
8 2015, any taxpayer shall be allowed a credit against the taxes
9 otherwise due under chapters 147, 148, or 143, excluding
10 withholding tax imposed by sections 143.191 to 143.265, in an
11 amount equal to fifty percent of the amount of an eligible
12 donation, subject to the restrictions in this section. The
13 amount of the tax credit claimed shall not exceed the amount of
14 the taxpayer's state income tax liability in the tax year for
15 which the credit is claimed. Any amount of credit that the
16 taxpayer is prohibited by this section from claiming in a tax
17 year shall not be refundable, but may be carried forward to any
18 of the taxpayer's four subsequent taxable years.

19 4. To claim the credit authorized in this section, an
20 innovation campus may submit to the department an application for
21 the tax credit authorized by this section on behalf of taxpayers.
22 The department shall verify that the innovation campus has
23 submitted the following items:

24 (1) A valid application in the form and format required by
25 the department;

26 (2) A statement attesting to the eligible donation
27 received, which shall include the name and taxpayer
28 identification number of the taxpayer making the eligible

1 donation, the amount of the eligible donation, and the date the
2 eligible donation was received by the innovation campus; and

3 (3) Payment from the innovation campus equal to the value
4 of the tax credit for which application is made.

5
6 If the innovation campus applying for the tax credit meets all
7 criteria required by this subsection, the department shall issue
8 a certificate in the appropriate amount.

9 5. Tax credits issued under this section may be assigned,
10 transferred, sold, or otherwise conveyed, and the new owner of
11 the tax credit shall have the same rights in the credit as the
12 taxpayer. Whenever a certificate is assigned, transferred, sold,
13 or otherwise conveyed, a notarized endorsement shall be filed
14 with the department specifying the name and address of the new
15 owner of the tax credit and the value of the credit.

16 6. The department may promulgate rules to implement the
17 provisions of this section. Any rule or portion of a rule, as
18 that term is defined in section 536.010, that is created under
19 the authority delegated in this section shall become effective
20 only if it complies with and is subject to all of the provisions
21 of chapter 536 and, if applicable, section 536.028. This section
22 and chapter 536 are nonseverable and if any of the powers vested
23 with the general assembly pursuant to chapter 536 to review, to
24 delay the effective date, or to disapprove and annul a rule are
25 subsequently held unconstitutional, then the grant of rulemaking
26 authority and any rule proposed or adopted after August 28, 2014,
27 shall be invalid and void.

28 7. Under section 23.253 of the Missouri sunset act:

