

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 729
97TH GENERAL ASSEMBLY

Reported from the Committee on Jobs, Economic Development and Local Government, February 20, 2014, with recommendation that the Senate Committee Substitute do pass and be placed on the Consent Calendar.

5108S.04C

TERRY L. SPIELER, Secretary.

AN ACT

To amend chapter 620, RSMo, by adding thereto one new section relating to a tax credit for donations to innovation campuses.

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

Section A. Chapter 620, RSMo, is amended by adding thereto one new
2 section, to be known as section 620.700, to read as follows:

620.700. 1. This section shall be known and may be cited as the
2 **"Innovation Campus Tax Credit Act".**

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

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

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

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

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

16 **(5) "Taxpayer", any of the following individuals or entities who**
17 **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 Missouri**
20 **and subject to the state income tax imposed in chapter 143;**

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

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

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

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

29 (f) Any charitable organization which is exempt from federal
30 income tax and whose Missouri unrelated business taxable income, if
31 any, would be subject to the state income tax imposed under chapter
32 143.

33 3. For all taxable years beginning on or after January 1, 2015,
34 any taxpayer shall be allowed a credit against the taxes otherwise due
35 under chapters 147, 148, or 143, excluding withholding tax imposed by
36 sections 143.191 to 143.265, in an amount equal to fifty percent of the
37 amount of an eligible donation, subject to the restrictions in this
38 section. The amount of the tax credit claimed shall not exceed the
39 amount of the taxpayer's state income tax liability in the tax year for
40 which the credit is claimed. Any amount of credit that the taxpayer is
41 prohibited by this section from claiming in a tax year shall not be
42 refundable, but may be carried forward to any of the taxpayer's four
43 subsequent taxable years.

44 4. To claim the credit authorized in this section, an innovation
45 campus may submit to the department an application for the tax credit
46 authorized by this section on behalf of taxpayers. The department shall
47 verify that the innovation campus has submitted the following items:

48 (1) A valid application in the form and format required by the
49 department;

50 (2) A statement attesting to the eligible donation received, which
51 shall include the name and taxpayer identification number of the
52 taxpayer making the eligible donation, the amount of the eligible
53 donation, and the date the eligible donation was received by the
54 innovation campus; and

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

57 If the innovation campus applying for the tax credit meets all criteria

58 required by this subsection, the department shall issue a certificate in
59 the appropriate amount.

60 5. Tax credits issued under this section may be assigned,
61 transferred, sold, or otherwise conveyed, and the new owner of the tax
62 credit shall have the same rights in the credit as the
63 taxpayer. Whenever a certificate is assigned, transferred, sold, or
64 otherwise conveyed, a notarized endorsement shall be filed with the
65 department specifying the name and address of the new owner of the
66 tax credit and the value of the credit.

67 6. The department may promulgate rules to implement the
68 provisions of this section. Any rule or portion of a rule, as that term is
69 defined in section 536.010, that is created under the authority delegated
70 in this section shall become effective only if it complies with and is
71 subject to all of the provisions of chapter 536 and, if applicable, section
72 536.028. This section and chapter 536 are nonseverable and if any of
73 the powers vested with the general assembly pursuant to chapter 536
74 to review, to delay the effective date, or to disapprove and annul a rule
75 are subsequently held unconstitutional, then the grant of rulemaking
76 authority and any rule proposed or adopted after August 28, 2014, shall
77 be invalid and void.

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

79 (1) The provisions of the new program authorized under this
80 section shall automatically sunset six years after the effective date of
81 this section unless reauthorized by an act of the general assembly; and

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

85 (3) This section shall terminate on September first of the
86 calendar year immediately following the calendar year in which the
87 program authorized under this section is sunset.

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