

SECOND REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]
CONFERENCE COMMITTEE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 729

97TH GENERAL ASSEMBLY

2014

5108S.07T

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:

Section A. Sections 135.305, 135.710, and 137.010, RSMo, are repealed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

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

135.710. 1. As used in this section, the following terms mean:
2 (1) "Alternative fuel vehicle refueling property", property in this
3 state owned by an eligible applicant and used for storing alternative
4 fuels and for dispensing such alternative fuels into fuel tanks of motor

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

5 **vehicles owned by such eligible applicant or private citizens;**

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

8 (a) Ethanol;

9 (b) Natural gas;

10 (c) Compressed natural gas, **or CNG**;

11 (d) Liquefied natural gas, **or LNG**;

12 (e) Liquefied petroleum gas, **or LP gas, propane, or autogas**;

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

15 (g) Hydrogen;

16 [(2)] (3) "Department", the department of [natural resources] **economic**
17 **development**;

18 (4) "**Electric vehicle recharging property**", **property in this state**
19 **owned by an eligible applicant and used for recharging electric motor**
20 **vehicles owned by such eligible applicant or private citizens**;

21 [(3)] (5) "Eligible applicant", a business entity **or private citizen** that
22 is the owner of [a qualified] **an electric vehicle recharging property or an**
23 **alternative fuel vehicle refueling property**;

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

27 [(4)] (7) "Qualified [alternative fuel vehicle refueling] property",
28 [property in this state owned by an eligible applicant and used for storing
29 alternative fuels and for dispensing such alternative fuels into fuel tanks of motor
30 vehicles owned by such eligible applicant or private citizens] **an electric vehicle**
31 **recharging property or an alternative fuel vehicle refueling property**
32 which, if constructed after August 28, [2008] **2014**, was constructed with at least

33 fifty-one percent of the costs being paid to qualified Missouri contractors for the:

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

36 (b) Construction of such facility; and

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

39 If no qualified Missouri contractor is located within seventy-five miles of the
40 property, the requirement that fifty-one percent of the costs shall be paid to

41 qualified Missouri contractors shall not apply[;

42 (5) "Qualified Missouri contractor", a contractor whose principal place of
43 business is located in Missouri and has been located in Missouri for a period of
44 not less than five years].

45 2. For all tax years beginning on or after January 1, [2009] **2015**, but
46 before January 1, [2012] **2018**, any eligible applicant who installs and operates
47 a qualified [alternative fuel vehicle refueling] property shall be allowed a credit
48 against the tax otherwise due under chapter 143, excluding withholding tax
49 imposed by sections 143.191 to 143.265, or due under chapter 147 or chapter 148
50 for any tax year in which the applicant is constructing the [refueling] **qualified**
51 property. The credit allowed in this section per **eligible applicant who is a**
52 **private citizen shall not exceed fifteen hundred dollars or per** eligible
53 applicant **that is a business entity** shall not exceed the lesser of twenty
54 thousand dollars or twenty percent of the total costs directly associated with the
55 purchase and installation of any alternative fuel storage and dispensing
56 equipment **or any recharging equipment** on any qualified [alternative fuel
57 vehicle refueling] property, which shall not include the following:

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

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

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

63 3. Tax credits allowed by this section shall be claimed by the eligible
64 applicant at the time such applicant files a return for the tax year in which the
65 storage and dispensing **or recharging** facilities were placed in service at a
66 qualified [alternative fuel vehicle refueling] property, and shall be applied
67 against the income tax liability imposed by chapter 143, chapter 147, or chapter
68 148 after all other credits provided by law have been applied. The cumulative
69 amount of tax credits which may be claimed by eligible applicants claiming all
70 credits authorized in this section shall not exceed [the following amounts:

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

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

73 (3) In taxable year 2011,] one million dollars **in any calendar year,**
74 **subject to appropriations.**

75 4. If the amount of the tax credit exceeds the eligible applicant's tax
76 liability, the difference shall not be refundable. Any amount of credit that an

77 eligible applicant is prohibited by this section from claiming in a taxable year
78 may be carried forward to any of such applicant's two subsequent taxable
79 years. Tax credits allowed under this section may be assigned, transferred, sold,
80 or otherwise conveyed.

81 5. [An alternative fuel vehicle refueling] **Any qualified** property, for
82 which an eligible applicant receives tax credits under this section, which ceases
83 to sell alternative fuel **or recharge electric vehicles** shall cause the forfeiture
84 of such eligible applicant's tax credits provided under this section for the taxable
85 year in which the [alternative fuel vehicle refueling] **qualified** property ceased
86 to sell alternative fuel **or recharge electric vehicles** and for future taxable
87 years with no recapture of tax credits obtained by an eligible applicant with
88 respect to such applicant's tax years which ended before the sale of alternative
89 fuel **or recharging of electric vehicles** ceased.

90 6. The director of revenue shall establish the procedure by which the tax
91 credits in this section may be claimed, and shall establish a procedure by which
92 the cumulative amount of tax credits is apportioned equally among all eligible
93 applicants claiming the credit. To the maximum extent possible, the director of
94 revenue shall establish the procedure described in this subsection in such a
95 manner as to ensure that eligible applicants can claim all the tax credits possible
96 up to the cumulative amount of tax credits available for the taxable year. No
97 eligible applicant claiming a tax credit under this section shall be liable for any
98 interest or penalty for filing a tax return after the date fixed for filing such return
99 as a result of the apportionment procedure under this subsection.

100 7. Any eligible applicant desiring to claim a tax credit under this section
101 shall submit the appropriate application for such credit with the
102 department. The application for a tax credit under this section shall include any
103 information required by the department. The department shall review the
104 applications and certify to the department of revenue each eligible applicant that
105 qualifies for the tax credit.

106 8. The department and the department of revenue may promulgate rules
107 to implement the provisions of this section. Any rule or portion of a rule, as that
108 term is defined in section 536.010, that is created under the authority delegated
109 in this section shall become effective only if it complies with and is subject to all
110 of the provisions of chapter 536 and, if applicable, section 536.028. This section
111 and chapter 536 are nonseverable and if any of the powers vested with the
112 general assembly pursuant to chapter 536 to review, to delay the effective date,

113 or to disapprove and annul a rule are subsequently held unconstitutional, then
114 the grant of rulemaking authority and any rule proposed or adopted after August
115 28, 2008, shall be invalid and void.

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

118 (1) The provisions of the new program authorized under this section shall
119 automatically sunset [~~six~~] **three** years after [August 28, 2008] **December 31,**
120 **2014**, unless reauthorized by an act of the general assembly; and

121 (2) If such program is reauthorized, the program authorized under this
122 section shall automatically sunset [~~twelve~~] **six** years after the effective date of
123 the reauthorization of this section; and

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

127 (4) **The provisions of this subsection shall not be construed to**
128 **limit or in any way impair the department's ability to redeem tax**
129 **credits authorized on or before the date the program authorized under**
130 **this section expires or a taxpayer's ability to redeem such tax credits.**

137.010. The following words, terms and phrases when used in laws
2 governing taxation and revenue in the state of Missouri shall have the meanings
3 ascribed to them in this section, except when the context clearly indicates a
4 different meaning:

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

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

18 (3) "Intangible personal property", for the purpose of taxation, shall

19 include all property other than real property and tangible personal property, as
20 defined by this section;

21 (4) "Real property" includes land itself, whether laid out in town lots or
22 otherwise, and all growing crops, buildings, structures, improvements and
23 fixtures of whatever kind thereon, hydroelectric power generating equipment, the
24 installed poles used in the transmission or reception of electrical energy, audio
25 signals, video signals or similar purposes, provided the owner of such installed
26 poles is also an owner of a fee simple interest, possessor of an easement, holder
27 of a license or franchise, or is the beneficiary of a right-of-way dedicated for
28 public utility purposes for the underlying land; attached wires, transformers,
29 amplifiers, substations, and other such devices and appurtenances used in the
30 transmission or reception of electrical energy, audio signals, video signals or
31 similar purposes when owned by the owner of the installed poles, otherwise such
32 items are considered personal property; and stationary property used for
33 transportation **or storage** of liquid and gaseous products, including, but not
34 limited to, petroleum products, natural gas, **propane or LP gas equipment**,
35 water, and sewage;

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

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

**5 2. Rural regional development grants may be provided to
6 qualified rural regional development groups. After the award of a
7 grant, the group shall:**

8 (1) **Track and monitor job creation and investment in the region
9 using quantitative measures that measure progress toward
10 preestablished goals;**

11 (2) **Establish a process for enrolling commercial and industrial
12 development sites in the region in the state-certified sites program or
13 maintain a list of state-certified commercial and industrial**

14 **development sites in the region;**

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

16 **(4) Provide an organizational chart demonstrating that private**
17 **businesses and local governmental and educational officials are**
18 **involved in the group; and**

19 **(5) Provide documentation of the group's financial activities for**
20 **the current year.**

21 **3. A rural regional development group shall not qualify for a**
22 **rural regional development grant if:**

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

25 **(2) The group maintains an operating budget greater than two**
26 **hundred fifty thousand dollars.**

27 **4. Applications for rural regional development grants shall only**
28 **be submitted for a rural regional development group by a regional**
29 **planning commission created under chapter 251 or other legally**
30 **created regional planning commission. A regional planning commission**
31 **may submit applications on behalf of more than one rural regional**
32 **development group, except that a regional planning commission shall**
33 **not submit an application on behalf of a group that the regional**
34 **planning commission does not recognize as the economic development**
35 **authority for the county that the authority represents.**

36 **5. The regional planning commission may charge an application**
37 **fee for the grants developed under this section. The regional planning**
38 **commission shall be allowed to claim reimbursement from the grant**
39 **recipient for actual costs of administering the grants.**

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

45 **7. Grants provided under this section shall be distributed based**
46 **on a rural regional development group's years in operation. The**
47 **eligible amount shall be:**

48 **(1) For a group in operation two years or more on a matching**
49 **basis of three dollars of state funds for every one dollar of funds**
50 **provided or raised by the rural regional development group, including**

51 the value of in-kind services, supplies, or equipment;

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

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

58 (1) Workforce development activities, such as evaluation and
59 education;

60 (2) Entrepreneurship training for pre-venture and existing
61 businesses;

62 (3) Development of regional marketing techniques and activities;

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

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

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

70 9. The grant recipient shall annually report to the governor; the
71 director of the department of economic development; the senate
72 committee on commerce, consumer protection and the environment; the
73 house committee on economic development and any successor
74 committees thereto, the allocation of the grants and the purposes for
75 which the funding was used.

76 10. The department of economic development may promulgate
77 rules governing the award of grants under this section. Any rule or
78 portion of a rule, as that term is defined in section 536.010 that is
79 created under the authority delegated in this section shall become
80 effective only if it complies with and is subject to all the provisions of
81 chapter 536, and, if applicable, section 536.028. This section and
82 chapter 536 are nonseverable and if any of the powers vested with the
83 general assembly pursuant to chapter 536, to review, to delay the
84 effective date, or to disapprove and annul a rule are subsequently held
85 unconstitutional, then the grant of rulemaking authority and any rule
86 proposed or adopted after August 28, 2014, shall be invalid and void.

620.2600. 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 program authorized under this section shall expire six
80 years after the effective date of this act unless reauthorized by an act
81 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 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.

✓

Bill

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