

FIRST REGULAR SESSION

SENATE BILL NO. 226

99TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR KOENIG.

Pre-filed December 20, 2016, and ordered printed.

ADRIANE D. CROUSE, Secretary.

0888S.01I

AN ACT

To repeal sections 32.115, 99.1205, 100.286, 100.850, 135.110, 135.309, 135.363, 135.403, 135.484, 135.535, 135.700, 135.766, 135.967, 135.968, 253.557, 348.302, 348.306, 447.708, 620.650, 620.1039, 620.1881, and 620.2020, RSMo, and to enact in lieu thereof twenty-two new sections relating to the transferability of tax credits.

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

Section A. Sections 32.115, 99.1205, 100.286, 100.850, 135.110, 135.309, 135.363, 135.403, 135.484, 135.535, 135.700, 135.766, 135.967, 135.968, 253.557, 348.302, 348.306, 447.708, 620.650, 620.1039, 620.1881, and 620.2020, RSMo, are repealed and twenty-two new sections enacted in lieu thereof, to be known as sections 32.115, 99.1205, 100.286, 100.850, 135.110, 135.309, 135.363, 135.403, 135.484, 135.535, 135.700, 135.766, 135.967, 135.968, 253.557, 348.302, 348.306, 447.708, 620.650, 620.1039, 620.1881, and 620.2020, to read as follows:

32.115. 1. The department of revenue shall grant a tax credit, to be applied in the following order until used, against:

(1) The annual tax on gross premium receipts of insurance companies in chapter 148;

(2) The tax on banks determined pursuant to subdivision (2) of subsection 2 of section 148.030;

(3) The tax on banks determined in subdivision (1) of subsection 2 of section 148.030;

(4) The tax on other financial institutions in chapter 148;

(5) The corporation franchise tax in chapter 147;

(6) The state income tax in chapter 143; and

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

12 (7) The annual tax on gross receipts of express companies in chapter 153.
13 2. For proposals approved pursuant to section 32.110:
14 (1) The amount of the tax credit shall not exceed fifty percent of the total
15 amount contributed during the taxable year by the business firm or, in the case
16 of a financial institution, where applicable, during the relevant income period in
17 programs approved pursuant to section 32.110;
18 (2) Except as provided in subsection 2 or 5 of this section, a tax credit of
19 up to seventy percent may be allowed for contributions to programs where
20 activities fall within the scope of special program priorities as defined with the
21 approval of the governor in regulations promulgated by the director of the
22 department of economic development;
23 (3) Except as provided in subsection 2 or 5 of this section, the tax credit
24 allowed for contributions to programs located in any community shall be equal to
25 seventy percent of the total amount contributed where such community is a city,
26 town, or village which has fifteen thousand or less inhabitants as of the last
27 decennial census and is located in a county which is either located in:
28 (a) An area that is not part of a standard metropolitan statistical area;
29 (b) A standard metropolitan statistical area but such county has only one
30 city, town, or village which has more than fifteen thousand inhabitants; or
31 (c) A standard metropolitan statistical area and a substantial number of
32 persons in such county derive their income from agriculture.
33 Such community may also be in an unincorporated area in such county as
34 provided in subdivision (1), (2), or (3) of this subsection. Except in no case shall
35 the total economic benefit of the combined federal and state tax savings to the
36 taxpayer exceed the amount contributed by the taxpayer during the tax year;
37 (4) Such tax credit allocation, equal to seventy percent of the total amount
38 contributed, shall not exceed four million dollars in fiscal year 1999 and six
39 million dollars in fiscal year 2000 and any subsequent fiscal year. When the
40 maximum dollar limit on the seventy percent tax credit allocation is committed,
41 the tax credit allocation for such programs shall then be equal to fifty percent
42 credit of the total amount contributed. Regulations establishing special program
43 priorities are to be promulgated during the first month of each fiscal year and at
44 such times during the year as the public interest dictates. Such credit shall not
45 exceed two hundred and fifty thousand dollars annually except as provided in
46 subdivision (5) of this subsection. No tax credit shall be approved for any bank,
47 bank and trust company, insurance company, trust company, national bank,

48 savings association, or building and loan association for activities that are a part
49 of its normal course of business. Any tax credit not used in the period the
50 contribution was made may be carried over the next five succeeding calendar or
51 fiscal years until the full credit has been claimed. Except as otherwise provided
52 for proposals approved pursuant to section 32.111, 32.112, or 32.117, in no event
53 shall the total amount of all other tax credits allowed pursuant to sections 32.100
54 to 32.125 exceed thirty-two million dollars in any one fiscal year, of which six
55 million shall be credits allowed pursuant to section 135.460. If six million dollars
56 in credits are not approved, then the remaining credits may be used for programs
57 approved pursuant to sections 32.100 to 32.125;

58 (5) The credit may exceed two hundred fifty thousand dollars annually
59 and shall not be limited if community services, crime prevention, education, job
60 training, physical revitalization, or economic development, as defined by section
61 32.105, is rendered in an area defined by federal or state law as an impoverished,
62 economically distressed, or blighted area or as a neighborhood experiencing
63 problems endangering its existence as a viable and stable neighborhood, or if the
64 community services, crime prevention, education, job training, physical
65 revitalization, or economic development is limited to impoverished persons.

66 3. For proposals approved pursuant to section 32.111:

67 (1) The amount of the tax credit shall not exceed fifty-five percent of the
68 total amount invested in affordable housing assistance activities or market rate
69 housing in distressed communities as defined in section 135.530 by a business
70 firm. Whenever such investment is made in the form of an equity investment or
71 a loan, as opposed to a donation alone, tax credits may be claimed only where the
72 loan or equity investment is accompanied by a donation which is eligible for
73 federal income tax charitable deduction, and where the total value of the tax
74 credits herein plus the value of the federal income tax charitable deduction is less
75 than or equal to the value of the donation. Any tax credit not used in the period
76 for which the credit was approved may be carried over the next ten succeeding
77 calendar or fiscal years until the full credit has been allowed. If the affordable
78 housing units or market rate housing units in distressed communities for which
79 a tax is claimed are within a larger structure, parts of which are not the subject
80 of a tax credit claim, then expenditures applicable to the entire structure shall
81 be reduced on a prorated basis in proportion to the ratio of the number of square
82 feet devoted to the affordable housing units or market rate housing units in
83 distressed communities, for purposes of determining the amount of the tax

84 credit. The total amount of tax credit granted for programs approved pursuant
85 to section 32.111 for the fiscal year beginning July 1, 1991, shall not exceed two
86 million dollars, to be increased by no more than two million dollars each
87 succeeding fiscal year, until the total tax credits that may be approved reaches
88 ten million dollars in any fiscal year;

89 (2) For any year during the compliance period indicated in the land use
90 restriction agreement, the owner of the affordable housing rental units for which
91 a credit is being claimed shall certify to the commission that all tenants renting
92 claimed units are income eligible for affordable housing units and that the rentals
93 for each claimed unit are in compliance with the provisions of sections 32.100 to
94 32.125. The commission is authorized, in its discretion, to audit the records and
95 accounts of the owner to verify such certification;

96 (3) In the case of owner-occupied affordable housing units, the qualifying
97 owner occupant shall, before the end of the first year in which credits are
98 claimed, certify to the commission that the occupant is income eligible during the
99 preceding two years, and at the time of the initial purchase contract, but not
100 thereafter. The qualifying owner occupant shall further certify to the commission,
101 before the end of the first year in which credits are claimed, that during the
102 compliance period indicated in the land use restriction agreement, the cost of the
103 affordable housing unit to the occupant for the claimed unit can reasonably be
104 projected to be in compliance with the provisions of sections 32.100 to 32.125. Any
105 succeeding owner occupant acquiring the affordable housing unit during the
106 compliance period indicated in the land use restriction agreement shall make the
107 same certification;

108 (4) If at any time during the compliance period the commission determines
109 a project for which a proposal has been approved is not in compliance with the
110 applicable provisions of sections 32.100 to 32.125 or rules promulgated therefor,
111 the commission may within one hundred fifty days of notice to the owner either
112 seek injunctive enforcement action against the owner, or seek legal damages
113 against the owner representing the value of the tax credits, or foreclose on the
114 lien in the land use restriction agreement, selling the project at a public sale, and
115 paying to the owner the proceeds of the sale, less the costs of the sale and less the
116 value of all tax credits allowed herein. The commission shall remit to the director
117 of revenue the portion of the legal damages collected or the sale proceeds
118 representing the value of the tax credits. However, except in the event of
119 intentional fraud by the taxpayer, the proposal's certificate of eligibility for tax

120 credits shall not be revoked.

121 4. For proposals approved pursuant to section 32.112, the amount of the
122 tax credit shall not exceed fifty-five percent of the total amount contributed to a
123 neighborhood organization by business firms. Any tax credit not used in the
124 period for which the credit was approved may be carried over the next ten
125 succeeding calendar or fiscal years until the full credit has been allowed. The
126 total amount of tax credit granted for programs approved pursuant to section
127 32.112 shall not exceed one million dollars for each fiscal year.

128 5. The total amount of tax credits used for market rate housing in
129 distressed communities pursuant to sections 32.100 to 32.125 shall not exceed
130 thirty percent of the total amount of all tax credits authorized pursuant to
131 sections 32.111 and 32.112.

132 **6. No tax credit authorized pursuant to sections 32.100 to 32.125**
133 **shall be transferred, sold, or assigned.**

 99.1205. 1. This section shall be known and may be cited as the
2 "Distressed Areas Land Assemblage Tax Credit Act".

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

4 (1) "Acquisition costs", the purchase price for the eligible parcel, costs of
5 environmental assessments, closing costs, real estate brokerage fees, reasonable
6 demolition costs of vacant structures, and reasonable maintenance costs incurred
7 to maintain an acquired eligible parcel for a period of five years after the
8 acquisition of such eligible parcel. Acquisition costs shall not include costs for
9 title insurance and survey, attorney's fees, relocation costs, fines, or bills from a
10 municipality;

11 (2) "Applicant", any person, firm, partnership, trust, limited liability
12 company, or corporation which has:

13 (a) Incurred, within an eligible project area, acquisition costs for the
14 acquisition of land sufficient to satisfy the requirements under subdivision (8) of
15 this subsection; and

16 (b) Been appointed or selected, pursuant to a redevelopment agreement
17 by a municipal authority, as a redeveloper or similar designation, under an
18 economic incentive law, to redevelop an urban renewal area or a redevelopment
19 area that includes all of an eligible project area or whose redevelopment plan or
20 redevelopment area, which encompasses all of an eligible project area, has been
21 approved or adopted under an economic incentive law. In addition to being
22 designated the redeveloper, the applicant shall have been designated to receive

23 economic incentives only after the municipal authority has considered the amount
24 of the tax credits in adopting such economic incentives as provided in subsection
25 8 of this section. The redevelopment agreement shall provide that:

26 a. The funds generated through the use or sale of the tax credits issued
27 under this section shall be used to redevelop the eligible project area;

28 b. No more than seventy-five percent of the urban renewal area identified
29 in the urban renewal plan or the redevelopment area identified in the
30 redevelopment plan may be redeveloped by the applicant; and

31 c. The remainder of the urban renewal area or the redevelopment area
32 shall be redeveloped by co-redevelopers or redevelopers to whom the applicant
33 has assigned its redevelopment rights and obligations under the urban renewal
34 plan or the redevelopment plan;

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

36 (4) "Condemnation proceedings", any action taken by, or on behalf of, an
37 applicant to initiate an action in a court of competent jurisdiction to use the
38 power of eminent domain to acquire a parcel within the eligible project
39 area. Condemnation proceedings shall include any and all actions taken after the
40 submission of a notice of intended acquisition to an owner of a parcel within the
41 eligible project area by a municipal authority or any other person or entity under
42 section 523.250;

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

44 (6) "Economic incentive laws", any provision of Missouri law pursuant to
45 which economic incentives are provided to redevelopers of a parcel or parcels to
46 redevelop the land, such as tax abatement or payments in lieu of taxes, or
47 redevelopment plans or redevelopment projects approved or adopted which
48 include the use of economic incentives to redevelop the land. Economic incentive
49 laws include, but are not limited to, the land clearance for redevelopment
50 authority law under sections 99.300 to 99.660, the real property tax increment
51 allocation redevelopment act under sections 99.800 to 99.865, the Missouri
52 downtown and rural economic stimulus act under sections 99.915 to 99.1060, and
53 the downtown revitalization preservation program under sections 99.1080 to
54 99.1092;

55 (7) "Eligible parcel", a parcel:

56 (a) Which is located within an eligible project area;

57 (b) Which is to be redeveloped;

58 (c) On which the applicant has not commenced construction prior to

59 November 28, 2007;

60 (d) Which has been acquired without the commencement of any
61 condemnation proceedings with respect to such parcel brought by or on behalf of
62 the applicant. Any parcel acquired by the applicant from a municipal authority
63 shall not constitute an eligible parcel; and

64 (e) On which all outstanding taxes, fines, and bills levied by municipal
65 governments that were levied by the municipality during the time period that the
66 applicant held title to the eligible parcel have been paid in full;

67 (8) "Eligible project area", an area which shall have satisfied the following
68 requirements:

69 (a) The eligible project area shall consist of at least seventy-five acres and
70 may include parcels within its boundaries that do not constitute an eligible
71 parcel;

72 (b) At least eighty percent of the eligible project area shall be located
73 within a Missouri qualified census tract area, as designated by the United States
74 Department of Housing and Urban Development under 26 U.S.C. Section 42, or
75 within a distressed community as that term is defined in section 135.530;

76 (c) The eligible parcels acquired by the applicant within the eligible
77 project area shall total at least fifty acres, which may consist of contiguous and
78 noncontiguous parcels;

79 (d) The average number of parcels per acre in an eligible project area
80 shall be four or more;

81 (e) Less than five percent of the acreage within the boundaries of the
82 eligible project area shall consist of owner-occupied residences which the
83 applicant has identified for acquisition under the urban renewal plan or the
84 redevelopment plan pursuant to which the applicant was appointed or selected
85 as the redeveloper or by which the person or entity was qualified as an applicant
86 under this section on the date of the approval or adoption of such plan;

87 (9) "Interest costs", interest, loan fees, and closing costs. Interest costs
88 shall not include attorney's fees;

89 (10) "Maintenance costs", costs of boarding up and securing vacant
90 structures, costs of removing trash, and costs of cutting grass and weeds;

91 (11) "Municipal authority", any city, town, village, county, public body
92 corporate and politic, political subdivision, or land trust of this state established
93 and authorized to own land within the state;

94 (12) "Municipality", any city, town, village, or county;

95 (13) "Parcel", a single lot or tract of land, and the improvements thereon,
96 owned by, or recorded as the property of, one or more persons or entities;

97 (14) "Redeveloped", the process of undertaking and carrying out a
98 redevelopment plan or urban renewal plan pursuant to which the conditions
99 which provided the basis for an eligible project area to be included in a
100 redevelopment plan or urban renewal plan are to be reduced or eliminated by
101 redevelopment or rehabilitation; and

102 (15) "Redevelopment agreement", the redevelopment agreement or similar
103 agreement into which the applicant entered with a municipal authority and which
104 is the agreement for the implementation of the urban renewal plan or
105 redevelopment plan pursuant to which the applicant was appointed or selected
106 as the redeveloper or by which the person or entity was qualified as an applicant
107 under this section; and such appointment or selection shall have been approved
108 by an ordinance of the governing body of the municipality, or municipalities, or
109 in the case of any city not within a county, the board of aldermen, in which the
110 eligible project area is located. The redevelopment agreement shall include a
111 time line for redevelopment of the eligible project area. The redevelopment
112 agreement shall state that the named developer shall be subject to the provisions
113 of chapter 290.

114 3. Any applicant shall be entitled to a tax credit against the taxes
115 imposed under chapters 143, 147, and 148, except for sections 143.191 to 143.265,
116 in an amount equal to fifty percent of the acquisition costs, and one hundred
117 percent of the interest costs incurred for a period of five years after the
118 acquisition of an eligible parcel. No tax credits shall be issued under this section
119 until after January 1, 2008.

120 4. If the amount of such tax credit exceeds the total tax liability for the
121 year in which the applicant is entitled to receive a tax credit, the amount that
122 exceeds the state tax liability may be carried forward for credit against the taxes
123 imposed under chapters 143, 147, and 148 for the succeeding six years, or until
124 the full credit is used, whichever occurs first. The applicant shall not be entitled
125 to a tax credit for taxes imposed under sections 143.191 to 143.265. [Applicants
126 entitled to receive such tax credits may transfer, sell, or assign the tax credits.]
127 **No tax credit authorized under this section shall be transferred, sold,**
128 **or assigned.** Tax credits granted to a partnership, a limited liability company
129 taxed as a partnership, or multiple owners of property shall be passed through
130 to the partners, members, or owners respectively pro rata or pursuant to an

131 executed agreement among the partners, members, or owners documenting an
132 alternate distribution method.

133 5. [A purchaser, transferee, or assignee of the tax credits authorized
134 under this section may use acquired tax credits to offset up to one hundred
135 percent of the tax liabilities otherwise imposed under chapters 143, 147, and 148,
136 except for sections 143.191 to 143.265. A seller, transferor, or assignor shall
137 perfect such transfer by notifying the department in writing within thirty
138 calendar days following the effective date of the transfer and shall provide any
139 information as may be required by the department to administer and carry out
140 the provisions of this section.

141 6.] To claim tax credits authorized under this section, an applicant shall
142 submit to the department an application for a certificate. An applicant shall
143 identify the boundaries of the eligible project area in the application. The
144 department shall verify that the applicant has submitted a valid application in
145 the form and format required by the department. The department shall verify
146 that the municipal authority held the requisite hearings and gave the requisite
147 notices for such hearings in accordance with the applicable economic incentive
148 act, and municipal ordinances. On an annual basis, an applicant may file for the
149 tax credit for the acquisition costs, and for the tax credit for the interest costs,
150 subject to the limitations of this section. If an applicant applying for the tax
151 credit meets the criteria required under this section, the department shall issue
152 a certificate in the appropriate amount. If an applicant receives a tax credit for
153 maintenance costs as a part of the applicant's acquisition costs, the department
154 shall post on its internet website the amount and type of maintenance costs and
155 a description of the redevelopment project for which the applicant received a tax
156 credit within thirty days after the department issues the certificate to the
157 applicant.

158 [7.] 6. The total aggregate amount of tax credits authorized under this
159 section shall not exceed ninety-five million dollars. At no time shall the annual
160 amount of the tax credits issued under this section exceed twenty million dollars.
161 If the tax credits that are to be issued under this section exceed, in any year, the
162 twenty million dollar limitation, the department shall either:

163 (1) Issue tax credits to the applicant in the amount of twenty million
164 dollars, if there is only one applicant entitled to receive tax credits in that year;
165 or

166 (2) Issue the tax credits on a pro rata basis to all applicants entitled to

167 receive tax credits in that year. Any amount of tax credits, which an applicant
168 is, or applicants are, entitled to receive on an annual basis and are not issued due
169 to the twenty million dollar limitation, shall be carried forward for the benefit of
170 the applicant or applicants to subsequent years.

171 No tax credits provided under this section shall be authorized after August 28,
172 2013. Any tax credits which have been authorized on or before August 28, 2013,
173 but not issued, may be issued, subject to the limitations provided under this
174 subsection, until all such authorized tax credits have been issued.

175 **[8.] 7.** Upon issuance of any tax credits pursuant to this section, the
176 department shall report to the municipal authority the applicant's name and
177 address, the parcel numbers of the eligible parcels for which the tax credits were
178 issued, the itemized acquisition costs and interest costs for which tax credits were
179 issued, and the total value of the tax credits issued. The municipal authority and
180 the state shall not consider the amount of the tax credits as an applicant's cost,
181 but shall include the tax credits in any sources and uses and cost benefit analysis
182 reviewed or created for the purpose of awarding other economic incentives. The
183 amount of the tax credits shall not be considered an applicant's cost in the
184 evaluation of the amount of any award of any other economic incentives, but shall
185 be considered in measuring the reasonableness of the rate of return to the
186 applicant with respect to such award of other economic incentives. The municipal
187 authority shall provide the report to any relevant commission, board, or entity
188 responsible for the evaluation and recommendation or approval of other economic
189 incentives to assist in the redevelopment of the eligible project area. Tax credits
190 authorized under this section shall constitute redevelopment tax credits, as such
191 term is defined under section 135.800, and shall be subject to all provisions
192 applicable to redevelopment tax credits provided under sections 135.800 to
193 135.830.

194 **[9.] 8.** The department may promulgate rules to implement the provisions
195 of this section. Any rule or portion of a rule, as that term is defined in section
196 536.010, that is created under the authority delegated in this section shall
197 become effective only if it complies with and is subject to all of the provisions of
198 chapter 536 and, if applicable, section 536.028. This section and chapter 536 are
199 nonseverable and if any of the powers vested with the general assembly pursuant
200 to chapter 536 to review, to delay the effective date, or to disapprove and annul
201 a rule are subsequently held unconstitutional, then the grant of rulemaking
202 authority and any rule proposed or adopted after August 28, 2007, shall be

203 invalid and void.

100.286. 1. Within the discretion of the board, the development and
2 reserve fund, the infrastructure development fund or the export finance fund may
3 be pledged to secure the payment of any bonds or notes issued by the board, or
4 to secure the payment of any loan made by the board or a participating lender
5 which loan:

6 (1) Is requested to finance any project or export trade activity;

7 (2) Is requested by a borrower who is demonstrated to be financially
8 responsible;

9 (3) Can reasonably be expected to provide a benefit to the economy of this
10 state;

11 (4) Is otherwise secured by a mortgage or deed of trust on real or personal
12 property or other security satisfactory to the board; provided that loans to finance
13 export trade activities may be secured by export accounts receivable or
14 inventories of exportable goods satisfactory to the board;

15 (5) Does not exceed five million dollars;

16 (6) Does not have a term longer than five years if such loan is made to
17 finance export trade activities; and

18 (7) Is, when used to finance export trade activities, made to small or
19 medium size businesses or agricultural businesses, as may be defined by the
20 board.

21 2. The board shall prescribe standards for the evaluation of the financial
22 condition, business history, and qualifications of each borrower and the terms and
23 conditions of loans which may be secured, and may require each application to
24 include a financial report and evaluation by an independent certified public
25 accounting firm, in addition to such examination and evaluation as may be
26 conducted by any participating lender.

27 3. Each application for a loan secured by the development and reserve
28 fund, the infrastructure development fund, or the export finance fund shall be
29 reviewed in the first instance by any participating lender to whom the application
30 was submitted. If satisfied that the standards prescribed by the board are met
31 and that the loan is otherwise eligible to be secured by the development and
32 reserve fund, the infrastructure development fund, or the export finance fund, the
33 participating lender shall certify the same and forward the application for final
34 approval to the board.

35 4. The securing of any loans by the development and reserve fund, the

36 infrastructure development fund, or the export finance fund shall be conditioned
37 upon approval of the application by the board, and receipt of an annual reserve
38 participation fee, as prescribed by the board, submitted by or on behalf of the
39 borrower.

40 5. The securing of any loan by the export finance fund for export trade
41 activities shall be conditioned upon the board's compliance with any applicable
42 treaties and international agreements, such as the general agreement on tariffs
43 and trade and the subsidies code, to which the United States is then a party.

44 6. Any taxpayer, including any charitable organization that is exempt
45 from federal income tax and whose Missouri unrelated business taxable income,
46 if any, would be subject to the state income tax imposed under chapter 143, may,
47 subject to the limitations provided under subsection 8 of this section, receive a tax
48 credit against any tax otherwise due under the provisions of chapter 143,
49 excluding withholding tax imposed by sections 143.191 to 143.261, chapter 147,
50 or chapter 148, in the amount of fifty percent of any amount contributed in money
51 or property by the taxpayer to the development and reserve fund, the
52 infrastructure development fund, or the export finance fund during the taxpayer's
53 tax year, provided, however, the total tax credits awarded in any calendar year
54 beginning after January 1, 1994, shall not be the greater of ten million dollars or
55 five percent of the average growth in general revenue receipts in the preceding
56 three fiscal years. This limit may be exceeded only upon joint agreement by the
57 commissioner of administration, the director of the department of economic
58 development, and the director of the department of revenue that such action is
59 essential to ensure retention or attraction of investment in Missouri. If the board
60 receives, as a contribution, real property, the contributor at such contributor's
61 own expense shall have two independent appraisals conducted by appraisers
62 certified by the Master Appraisal Institute. Both appraisals shall be submitted
63 to the board, and the tax credit certified by the board to the contributor shall be
64 based upon the value of the lower of the two appraisals. The board shall not
65 certify the tax credit until the property is deeded to the board. Such credit shall
66 not apply to reserve participation fees paid by borrowers under sections 100.250
67 to 100.297. The portion of earned tax credits which exceeds the taxpayer's tax
68 liability may be carried forward for up to five years.

69 7. [Notwithstanding any provision of law to the contrary, any taxpayer
70 may sell, assign, exchange, convey or otherwise transfer tax credits allowed in
71 subsection 6 of this section under the terms and conditions prescribed in

72 subdivisions (1) and (2) of this subsection. Such taxpayer, hereinafter the
73 assignor for the purpose of this subsection, may sell, assign, exchange or
74 otherwise transfer earned tax credits:

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

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

79 The taxpayer acquiring earned credits, hereinafter the assignee for the purpose
80 of this subsection, may use the acquired credits to offset up to one hundred
81 percent of the tax liabilities otherwise imposed by chapter 143, excluding
82 withholding tax imposed by sections 143.191 to 143.261, chapter 147, or chapter
83 148. Unused credits in the hands of the assignee may be carried forward for up
84 to five years, provided all such credits shall be claimed within ten years following
85 the tax years in which the contribution was made. The assignor shall enter into
86 a written agreement with the assignee establishing the terms and conditions of
87 the agreement and shall perfect such transfer by notifying the board in writing
88 within thirty calendar days following the effective day of the transfer and shall
89 provide any information as may be required by the board to administer and carry
90 out the provisions of this section. Notwithstanding any other provision of law to
91 the contrary, the amount received by the assignor of such tax credit shall be
92 taxable as income of the assignor, and the excess of the par value of such credit
93 over the amount paid by the assignee for such credit shall be taxable as income
94 of the assignee.] **No tax credit authorized pursuant to subsection 6 of this**
95 **section shall be transferred, sold, or assigned.**

96 8. Provisions of subsections 1 to 7 of this section to the contrary
97 notwithstanding, no more than ten million dollars in tax credits provided under
98 this section, may be authorized or approved annually. The limitation on tax
99 credit authorization and approval provided under this subsection may be exceeded
100 only upon mutual agreement, evidenced by a signed and properly notarized letter,
101 by the commissioner of the office of administration, the director of the department
102 of economic development, and the director of the department of revenue that such
103 action is essential to ensure retention or attraction of investment in Missouri
104 provided, however, that in no case shall more than twenty-five million dollars in
105 tax credits be authorized or approved during such year. Taxpayers shall file,
106 with the board, an application for tax credits authorized under this section on a
107 form provided by the board. The provisions of this subsection shall not be

108 construed to limit or in any way impair the ability of the board to authorize tax
109 credits for issuance for projects authorized or approved, by a vote of the board,
110 on or before the thirtieth day following the effective date of this act, or a
111 taxpayer's ability to redeem such tax credits.

100.850. 1. The approved company shall remit to the board a job
2 development assessment fee, not to exceed five percent of the gross wages of each
3 eligible employee whose job was created as a result of the economic development
4 project, or not to exceed ten percent if the economic development project is located
5 within a distressed community as defined in section 135.530, for the purpose of
6 retiring bonds which fund the economic development project.

7 2. Any approved company remitting an assessment as provided in
8 subsection 1 of this section shall make its payroll books and records available to
9 the board at such reasonable times as the board shall request and shall file with
10 the board documentation respecting the assessment as the board may require.

11 3. Any assessment remitted pursuant to subsection 1 of this section shall
12 cease on the date the bonds are retired.

13 4. Any approved company which has paid an assessment for debt
14 reduction shall be allowed a tax credit equal to the amount of the
15 assessment. The tax credit may be claimed against taxes otherwise imposed by
16 chapters 143 and 148, except withholding taxes imposed under the provisions of
17 sections 143.191 to 143.265, which were incurred during the tax period in which
18 the assessment was made. **The tax credit shall not be transferred, sold, or**
19 **assigned.**

20 5. In no event shall the aggregate amount of tax credits authorized by
21 subsection 4 of this section exceed twenty-five million dollars annually. Of such
22 amount, nine hundred fifty thousand dollars shall be reserved for an approved
23 project for a world headquarters of a business whose primary function is tax
24 return preparation that is located in any home rule city with more than four
25 hundred thousand inhabitants and located in more than one county, which
26 amount reserved shall end in the year of the final maturity of the certificates
27 issued for such approved project.

28 6. The director of revenue shall issue a refund to the approved company
29 to the extent that the amount of credits allowed in subsection 4 of this section
30 exceeds the amount of the approved company's income tax.

135.110. 1. Any taxpayer who shall establish a new business facility shall
2 be allowed a credit, each year for ten years, in an amount determined pursuant

3 to subsection 2 or 3 of this section, whichever is applicable, against the tax
4 imposed by chapter 143, excluding withholding tax imposed by sections 143.191
5 to 143.265, or an insurance company which shall establish a new business facility
6 by satisfying the requirements in subdivision (7) of section 135.100 shall be
7 allowed a credit against the tax otherwise imposed by chapter 148, and in the
8 case of an insurance company exempt from the thirty percent employee
9 requirement of section 135.230, against any obligation imposed pursuant to
10 section 375.916, except that no taxpayer shall be entitled to multiple ten-year
11 periods for subsequent expansions at the same facility, except as otherwise
12 provided in this section. For the purpose of this section, the term "facility" shall
13 mean, and be limited to, the facility or facilities which are located on the same
14 site in which the new business facility is located, and in which the business
15 conducted at such facility or facilities is directly related to the business conducted
16 at the new business facility. Notwithstanding the provisions of this subsection,
17 a taxpayer may be entitled to an additional ten-year period if a new business
18 facility is expanded in the eighth, ninth, or tenth year of the current ten-year
19 period or in subsequent years following the expiration of the ten-year period, if
20 the number of new business facility employees attributed to such expansion is at
21 least twenty-five and the amount of new business facility investment attributed
22 to such expansion is at least one million dollars. Credits may not be carried
23 forward but shall be claimed for the taxable year during which commencement
24 of commercial operations occurs at such new business facility, and for each of the
25 nine succeeding taxable years. A letter of intent, as provided for in section
26 135.258, must be filed with the department of economic development no later
27 than fifteen days prior to the commencement of commercial operations at the new
28 business facility. The initial application for claiming tax credits must be made
29 in the taxpayer's tax period immediately following the tax period in which
30 commencement of commercial operations began at the new business facility. This
31 provision shall have effect on all initial applications filed on or after August 28,
32 1992. No credit shall be allowed pursuant to this section unless the number of
33 new business facility employees engaged or maintained in employment at the new
34 business facility for the taxable year for which the credit is claimed equals or
35 exceeds two; except that the number of new business facility employees engaged
36 or maintained in employment by a revenue-producing enterprise other than a
37 revenue-producing enterprise defined in paragraphs (a) to (g) and (i) to (l) of
38 subdivision (11) of section 135.100 which establishes an office as defined in

39 subdivision (8) of section 135.100 shall equal or exceed twenty-five.

40 2. For tax periods beginning after August 28, 1991, in the case of a
41 taxpayer operating an existing business facility, the credit allowed by subsection
42 1 of this section shall offset the greater of:

43 (1) Some portion of the income tax otherwise imposed by chapter 143,
44 excluding withholding tax imposed by sections 143.191 to 143.265, or in the case
45 of an insurance company, the tax on the direct premiums, as defined in chapter
46 148, and in the case of an insurance company exempt from the thirty percent
47 employee requirement of section 135.230, against any obligation imposed
48 pursuant to section 375.916 with respect to such taxpayer's new business facility
49 income for the taxable year for which such credit is allowed; or

50 (2) Up to fifty percent or, in the case of an economic development project
51 located within a distressed community as defined in section 135.530, seventy-five
52 percent of the business income tax otherwise imposed by chapter 143, excluding
53 withholding tax imposed by sections 143.191 to 143.265, or in the case of an
54 insurance company, the tax on the direct premiums, as defined in chapter 148,
55 and in the case of an insurance company exempt from the thirty percent employee
56 requirement of section 135.230, against any obligation imposed pursuant to
57 section 375.916 if the business operates no other facilities in Missouri. In the
58 case of an existing business facility operating more than one facility in Missouri,
59 the credit allowed in subsection 1 of this section shall offset up to the greater of
60 the portion prescribed in subdivision (1) of this subsection or twenty-five percent
61 or, in the case of an economic development project located within a distressed
62 community as defined in section 135.530, thirty-five percent of the business' tax,
63 except that no taxpayer operating more than one facility in Missouri shall be
64 allowed to offset more than twenty-five percent or, in the case of an economic
65 development project located within a distressed community as defined in section
66 135.530, thirty-five percent of the taxpayer's business income tax in any tax
67 period under the method prescribed in this subdivision. Such credit shall be an
68 amount equal to the sum of one hundred dollars or, in the case of an economic
69 development project located within a distressed community as defined in section
70 135.530, one hundred fifty dollars for each new business facility employee plus
71 one hundred dollars or, in the case of an economic development project located
72 within a distressed community as defined in section 135.530, one hundred fifty
73 dollars for each one hundred thousand dollars, or major fraction thereof (which
74 shall be deemed to be fifty-one percent or more) in new business facility

75 investment. For the purpose of this section, tax credits earned by a taxpayer,
76 who establishes a new business facility because it satisfies the requirements of
77 paragraph (c) of subdivision (4) of section 135.100, shall offset the greater of the
78 portion prescribed in subdivision (1) of this subsection or up to fifty percent or,
79 in the case of an economic development project located within a distressed
80 community as defined in section 135.530, seventy-five percent of the business' tax
81 provided the business operates no other facilities in Missouri. In the case of a
82 business operating more than one facility in Missouri, the credit allowed in
83 subsection 1 of this section shall offset up to the greater of the portion prescribed
84 in subdivision (1) of this subsection or twenty-five percent or, in the case of an
85 economic development project located within a distressed community as defined
86 in section 135.530, thirty-five percent of the business' tax, except that no taxpayer
87 operating more than one facility in Missouri shall be allowed to offset more than
88 twenty-five percent or, in the case of an economic development project located
89 within a distressed community as defined in section 135.530, thirty-five percent
90 of the taxpayer's business income tax in any tax period under the method
91 prescribed in this subdivision.

92 3. For tax periods beginning after August 28, 1991, in the case of a
93 taxpayer not operating an existing business facility, the credit allowed by
94 subsection 1 of this section shall offset the greater of:

95 (1) Some portion of the income tax otherwise imposed by chapter 143,
96 excluding withholding tax imposed by sections 143.191 to 143.265, or in the case
97 of an insurance company, the tax on the direct premiums, as defined in chapter
98 148, and in the case of an insurance company exempt from the thirty percent
99 employee requirement of section 135.230, against any obligation imposed
100 pursuant to section 375.916 with respect to such taxpayer's new business facility
101 income for the taxable year for which such credit is allowed; or

102 (2) Up to one hundred percent of the business income tax otherwise
103 imposed by chapter 143, excluding withholding tax imposed by sections 143.191
104 to 143.265, or in the case of an insurance company, the tax on the direct
105 premiums, as defined in chapter 148, and in the case of an insurance company
106 exempt from the thirty percent employee requirement of section 135.230, against
107 any obligation imposed pursuant to section 375.916 if the business has no other
108 facilities operating in Missouri. In the case of a taxpayer not operating an
109 existing business and operating more than one facility in Missouri, the credit
110 allowed by subsection 1 of this section shall offset up to the greater of the portion

111 prescribed in subdivision (1) of this subsection or twenty-five percent or, in the
112 case of an economic development project located within a distressed community
113 as defined in section 135.530, thirty-five percent of the business' tax, except that
114 no taxpayer operating more than one facility in Missouri shall be allowed to offset
115 more than twenty-five percent or, in the case of an economic development project
116 located within a distressed community as defined in section 135.530, thirty-five
117 percent of the taxpayer's business income tax in any tax period under the method
118 prescribed in this subdivision. Such credit shall be an amount equal to the sum
119 of seventy-five dollars or, in the case of an economic development project located
120 within a distressed community as defined in section 135.530, one hundred
121 twenty-five dollars for each new business facility employee plus seventy-five
122 dollars or, in the case of an economic development project located within a
123 distressed community as defined in section 135.530, one hundred twenty-five
124 dollars for each one hundred thousand dollars, or major fraction thereof (which
125 shall be deemed to be fifty-one percent or more) in new business facility
126 investment.

127 4. The number of new business facility employees during any taxable year
128 shall be determined by dividing by twelve the sum of the number of individuals
129 employed on the last business day of each month of such taxable year. If the new
130 business facility is in operation for less than the entire taxable year, the number
131 of new business facility employees shall be determined by dividing the sum of the
132 number of individuals employed on the last business day of each full calendar
133 month during the portion of such taxable year during which the new business
134 facility was in operation by the number of full calendar months during such
135 period. For the purpose of computing the credit allowed by this section in the
136 case of a facility which qualifies as a new business facility because it qualifies as
137 a separate facility pursuant to subsection 6 of this section, and, in the case of a
138 new business facility which satisfies the requirements of paragraph (c) of
139 subdivision (4) of section 135.100, or subdivision (10) of section 135.100, the
140 number of new business facility employees at such facility shall be reduced by the
141 average number of individuals employed, computed as provided in this subsection,
142 at the facility during the taxable year immediately preceding the taxable year in
143 which such expansion, acquisition, or replacement occurred and shall further be
144 reduced by the number of individuals employed by the taxpayer or related
145 taxpayer that was subsequently transferred to the new business facility from
146 another Missouri facility and for which credits authorized in this section are not

147 being earned, whether such credits are earned because of an expansion,
148 acquisition, relocation or the establishment of a new facility.

149 5. For the purpose of computing the credit allowed by this section in the
150 case of a facility which qualifies as a new business facility because it qualifies as
151 a separate facility pursuant to subsection 6 of this section, and, in the case of a
152 new business facility which satisfies the requirements of paragraph (c) of
153 subdivision (4) of section 135.100 or subdivision (10) of section 135.100, the
154 amount of the taxpayer's new business facility investment in such facility shall
155 be reduced by the average amount, computed as provided in subdivision (7) of
156 section 135.100 for new business facility investment, of the investment of the
157 taxpayer, or related taxpayer immediately preceding such expansion or
158 replacement or at the time of acquisition. Furthermore, the amount of the
159 taxpayer's new business facility investment shall also be reduced by the amount
160 of investment employed by the taxpayer or related taxpayer which was
161 subsequently transferred to the new business facility from another Missouri
162 facility and for which credits authorized in this section are not being earned,
163 whether such credits are earned because of an expansion, acquisition, relocation,
164 or the establishment of a new facility.

165 6. If a facility, which does not constitute a new business facility, is
166 expanded by the taxpayer, the expansion shall be considered a separate facility
167 eligible for the credit allowed by this section if:

168 (1) The taxpayer's new business facility investment in the expansion
169 during the tax period in which the credits allowed in this section are claimed
170 exceeds one hundred thousand dollars, or, if less, one hundred percent of the
171 investment in the original facility prior to expansion and if the number of new
172 business facility employees engaged or maintained in employment at the
173 expansion facility for the taxable year for which credit is claimed equals or
174 exceeds two, except that the number of new business facility employees engaged
175 or maintained in employment at the expansion facility for the taxable year for
176 which the credit is claimed equals or exceeds twenty-five if an office as defined
177 in subdivision (8) of section 135.100 is established by a revenue-producing
178 enterprise other than a revenue-producing enterprise defined in paragraphs (a)
179 to (g) and (i) to (l) of subdivision (11) of section 135.100 and the total number of
180 employees at the facility after the expansion is at least two greater than the total
181 number of employees before the expansion, except that the total number of
182 employees at the facility after the expansion is at least greater than the number

183 of employees before the expansion by twenty-five, if an office as defined in
184 subdivision (8) of section 135.100 is established by a revenue-producing enterprise
185 other than a revenue-producing enterprise defined in paragraphs (a) to (g) and
186 (i) to (l) of subdivision (11) of section 135.100; and

187 (2) The expansion otherwise constitutes a new business facility. The
188 taxpayer's investment in the expansion and in the original facility prior to
189 expansion shall be determined in the manner provided in subdivision (7) of
190 section 135.100.

191 7. No credit shall be allowed pursuant to this section to a public utility,
192 as such term is defined in section 386.020. Notwithstanding any provision of this
193 subsection to the contrary, motor carriers, barge lines, or railroads engaged in
194 transporting property for hire, or any interexchange telecommunications company
195 or local exchange telecommunications company that establishes a new business
196 facility shall be eligible to qualify for credits allowed in this section.

197 8. For the purposes of the credit described in this section, in the case of
198 a corporation described in section 143.471 or partnership, in computing Missouri's
199 tax liability, this credit shall be allowed to the following:

200 (1) The shareholders of the corporation described in section 143.471;

201 (2) The partners of the partnership. This credit shall be apportioned to
202 the entities described in subdivisions (1) and (2) of this subsection in proportion
203 to their share of ownership on the last day of the taxpayer's tax period.

204 9. Notwithstanding any provision of law to the contrary, any
205 employee-owned engineering firm classified as SIC 8711, architectural firm as
206 classified SIC 8712, or accounting firm classified SIC 8721 establishing a new
207 business facility because it qualifies as a headquarters as defined in subsection
208 10 of this section, shall be allowed the credits described in subsection 11 of this
209 section under the same terms and conditions prescribed in sections 135.100 to
210 135.150; provided:

211 (1) Such facility maintains an average of at least five hundred new
212 business facility employees as defined in subdivision (5) of section 135.100 during
213 the taxpayer's tax period in which such credits are being claimed; and

214 (2) Such facility maintains an average of at least twenty million dollars
215 in new business facility investment as defined in subdivision (7) of section
216 135.100 during the taxpayer's tax period in which such credits are being claimed.

217 10. For the purpose of the credits allowed in subsection 9 of this section:

218 (1) "Employee-owned" means the business employees own directly or

219 indirectly, including through an employee stock ownership plan or trust at least:

220 (a) Seventy-five percent of the total business stock, if the taxpayer is a
221 corporation described in section 143.441; or

222 (b) One hundred percent of the interest in the business if the taxpayer is
223 a corporation described in section 143.471, a partnership, or a limited liability
224 company; and

225 (2) "Headquarters" means:

226 (a) The administrative management of at least three integrated facilities
227 operated by the taxpayer or related taxpayer; and

228 (b) The taxpayer's business has been headquartered in this state for more
229 than fifty years.

230 11. The tax credits allowed in subsection 9 of this section shall be the
231 greater of:

232 (1) Four hundred dollars for each new business facility employee as
233 computed in subsection 4 of this section and four percent of new business facility
234 investment as computed in subsection 5 of this section; or

235 (2) Five hundred dollars for each new business facility employee as
236 computed in subsection 4 of this section, and five hundred dollars of each one
237 hundred thousand dollars of new business facility investment as computed in
238 subsection 5 of this section.

239 12. For the purpose of the credit described in subsection 9 of this section,
240 in the case of a small corporation described in section 143.471, or a partnership,
241 or a limited liability company, the credits allowed in subsection 9 of this section
242 shall be apportioned in proportion to the share of ownership of each shareholder,
243 partner, or stockholder on the last day of the taxpayer's tax period for which such
244 credits are being claimed.

245 13. For the purpose of the credit described in subsection 9 of this section,
246 tax credits earned, to the extent such credits exceed the taxpayer's Missouri tax
247 on taxable business income, shall constitute an overpayment of taxes and in such
248 case, be refunded to the taxpayer provided such refunds are used by the taxpayer
249 to purchase specified facility items. For the purpose of the refund as authorized
250 in this subsection, "specified facility items" means equipment, computers,
251 computer software, copiers, tenant finishing, furniture and fixtures installed and
252 in use at the new business facility during the taxpayer's taxable year. The
253 taxpayer shall perfect such refund by attesting in writing to the director, subject
254 to the penalties of perjury, the requirements prescribed in this subsection have

255 been met and submitting any other information the director may require.

256 14. [Notwithstanding any provision of law to the contrary, any taxpayer
257 may sell, assign, exchange, convey or otherwise transfer tax credits allowed in
258 subsection 9 of this section under the terms and conditions prescribed in
259 subdivisions (1) and (2) of this subsection. Such taxpayer, referred to as the
260 assignor for the purpose of this subsection, may sell, assign, exchange or
261 otherwise transfer earned tax credits:

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

264 (2) In an amount not to exceed one hundred percent of such earned
265 credits. The taxpayer acquiring the earned credits referred to as the assignee for
266 the purpose of this subsection may use the acquired credits to offset up to one
267 hundred percent of the tax liabilities otherwise imposed by chapter 143, excluding
268 withholding tax imposed by sections 143.191 to 143.261, or chapter 148, or in the
269 case of an insurance company exempt from the thirty percent employee
270 requirement of section 135.230, against any obligation imposed pursuant to
271 section 375.916. Unused credits in the hands of the assignee may be carried
272 forward for up to five tax periods, provided all such credits shall be claimed
273 within ten tax periods following the tax period in which commencement of
274 commercial operations occurred at the new business facility. The assignor shall
275 enter into a written agreement with the assignee establishing the terms and
276 conditions of the agreement and shall perfect such transfer by notifying the
277 director in writing within thirty calendar days following the effective date of the
278 transfer and shall provide any information as may be required by the director to
279 administer and carry out the provisions of this subsection. Notwithstanding any
280 other provision of law to the contrary, the amount received by the assignor of
281 such tax credit shall be taxable as income of the assignor, and the difference
282 between the amount paid by the assignee and the par value of the credits shall
283 be taxable as income of the assignee.] **No tax credits allowed in subsection**
284 **9 of this section shall be transferred, sold, or assigned.**

 135.309. [The wood energy producer may elect to assign to a third party
2 the approved tax credit. Certification of assignment and other appropriate forms
3 must be filed with the Missouri department of revenue.] **Tax credits**
4 **authorized under sections 135.300 to 135.311 shall not be transferred,**
5 **sold, or assigned.**

 135.363. [1. All or any portion of] Tax credits issued in accordance with

2 the provisions of sections 135.350 to 135.363 [may] **shall not** be transferred,
3 sold, or assigned [to parties who are eligible under the provisions of subsection
4 1 of section 135.352.

5 2. Beginning January 1, 1995, for qualified projects which began on or
6 after January 1, 1994, an owner or transferee desiring to make a transfer, sale
7 or assignment as described in subsection 1 of this section shall submit to the
8 director of the department of revenue a statement which describes the amount of
9 credit for which such transfer, sale or assignment of credit is eligible. The owner
10 shall provide to the director of revenue appropriate information so that the
11 low-income housing tax credit can be properly allocated.

12 3. In the event that recapture of Missouri low-income housing tax credits
13 is required pursuant to subsection 2 of section 135.355, any statement submitted
14 to the director of the department of revenue as provided in this section shall
15 include the proportion of the state credit required to be recaptured, the identity
16 of each transferee subject to recapture and the amount of credit previously
17 transferred to such transferee.

18 4. The director of the department of revenue may prescribe rules and
19 regulations necessary for the administration of the provisions of this section].

135.403. 1. Any investor who makes a qualified investment in a Missouri
2 small business shall be entitled to receive a tax credit equal to forty percent of
3 the amount of the investment or, in the case of a qualified investment in a
4 Missouri small business in a distressed community as defined by section 135.530,
5 a credit equal to sixty percent of the amount of the investment, and any investor
6 who makes a qualified investment in a community bank or a community
7 development corporation shall be entitled to receive a tax credit equal to fifty
8 percent of the amount of the investment if the investment is made in a
9 community bank or community development corporation for direct
10 investment. The total amount of tax credits available for qualified investments
11 in Missouri small businesses shall not exceed thirteen million dollars and at least
12 four million dollars of the amount authorized by this section and certified by the
13 department of economic development shall be for investment in Missouri small
14 businesses in distressed communities. Authorization for all or any part of this
15 four-million-dollar amount shall in no way restrict the eligibility of Missouri
16 small businesses in distressed communities, as defined in section 135.530, for the
17 remaining amounts authorized within this section. No more than twenty percent
18 of the tax credits available each year for investments in community banks or

19 community development corporations for direct investment shall be certified for
20 any one project, as defined in section 135.400. The tax credit shall be evidenced
21 by a tax credit certificate in accordance with the provisions of sections 135.400
22 to 135.430 and may be used to satisfy the state tax liability of the owner of the
23 certificate that becomes due in the tax year in which the qualified investment is
24 made, or in any of the ten tax years thereafter. When the qualified small
25 business is in a distressed community, as defined in section 135.530, the tax
26 credit may also be used to satisfy the state tax liability of the owner of the
27 certificate that was due during each of the previous three years in addition to the
28 year in which the investment is made and any of the ten years thereafter. No
29 investor may receive a tax credit pursuant to sections 135.400 to 135.430 unless
30 that person presents a tax credit certificate to the department of revenue for
31 payment of such state tax liability. The department of revenue shall grant tax
32 credits in the same order as established by subsection 1 of section
33 32.115. [Subject to the provisions of sections 135.400 to 135.430, certificates of
34 tax credit issued in accordance with these sections may be transferred, sold or
35 assigned by notarized endorsement thereof which names the transferee.] **No tax**
36 **credits issued under this section shall be transferred, sold, or assigned.**

37 2. Five hundred thousand dollars in tax credits shall be available
38 annually from the total amount of tax credits authorized by section 32.110 and
39 subdivision (4) of subsection 2 of section 32.115 as a result of investments in
40 community banks or community development corporations. Aggregate
41 investments eligible for tax credits in any one Missouri small business shall not
42 be more than one million dollars. Aggregate investments eligible for tax credits
43 in any one Missouri small business shall not be less than five thousand dollars
44 as of the date of issuance of the first tax credit certificate for investment in that
45 business.

46 3. This section and section 620.1039 shall become effective January 1,
47 2001.

135.484. 1. Beginning January 1, 2000, tax credits shall be allowed
2 pursuant to section 135.481 in an amount not to exceed sixteen million dollars
3 per year. Of this total amount of tax credits in any given year, eight million
4 dollars shall be set aside for projects in areas described in subdivision (6) of
5 section 135.478 and eight million dollars for projects in areas described in
6 subdivision (10) of section 135.478. The maximum tax credit for a project
7 consisting of multiple-unit qualifying residences in a distressed community shall

8 not exceed three million dollars.

9 2. Any amount of credit which exceeds the tax liability of a taxpayer for
10 the tax year in which the credit is first claimed may be carried back to any of the
11 taxpayer's three prior tax years and carried forward to any of the taxpayer's five
12 subsequent tax years. A certificate of tax credit issued to a taxpayer by the
13 department **[may] shall not** be assigned, transferred, sold, or otherwise
14 conveyed. [Whenever a certificate of tax credit is assigned, transferred, sold or
15 otherwise conveyed, a notarized endorsement shall be filed with the department
16 specifying the name and address of the new owner of the tax credit and the value
17 of the credit.]

18 3. The tax credits allowed pursuant to sections 135.475 to 135.487 may
19 not be claimed in addition to any other state tax credits, with the exception of the
20 historic structures rehabilitation tax credit authorized pursuant to sections
21 253.545 to 253.559, which insofar as sections 135.475 to 135.487 are concerned
22 may be claimed only in conjunction with the tax credit allowed pursuant to
23 subsection 4 of section 135.481. In order for a taxpayer eligible for the historic
24 structures rehabilitation tax credit to claim the tax credit allowed pursuant to
25 subsection 4 of section 135.481, the taxpayer must comply with the requirements
26 of sections 253.545 to 253.559, and in such cases, the amount of the tax credit
27 pursuant to subsection 4 of section 135.481 shall be limited to the lesser of twenty
28 percent of the taxpayer's eligible costs or forty thousand dollars.

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] shall not** be transferred,
78 sold, or assigned **[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. The total maximum credit for all entities already located in
82 distressed communities and claiming credits pursuant to subsection 4 of this
83 section shall be seven hundred and fifty thousand dollars. The department of
84 economic development in approving taxpayers for the credit as provided for in
85 subsection 6 of this section shall use information provided by the department of
86 revenue regarding taxes paid in the previous year, or projected taxes for those
87 entities newly established in the state, as the method of determining when this

88 maximum will be reached and shall maintain a record of the order of
89 approval. Any tax credit not used in the period for which the credit was approved
90 may be carried over until the full credit has been allowed.

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

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

135.700. For all tax years beginning on or after January 1, 1999, a grape
2 grower or wine producer shall be allowed a tax credit against the state tax
3 liability incurred pursuant to chapter 143, exclusive of the provisions relating to
4 the withholding of tax as provided in sections 143.191 to 143.265, in an amount
5 equal to twenty-five percent of the purchase price of all new equipment and
6 materials used directly in the growing of grapes or the production of wine in the
7 state. Each grower or producer shall apply to the department of economic
8 development and specify the total amount of such new equipment and materials
9 purchased during the calendar year. The department of economic development
10 shall certify to the department of revenue the amount of such tax credit to which
11 a grape grower or wine producer is entitled pursuant to this section. The
12 provisions of this section notwithstanding, a grower or producer may only apply
13 for and receive the credit authorized by this section for five tax periods. **Tax**
14 **credits issued under this section shall not be transferred, sold, or**
15 **assigned.**

135.766. An eligible small business, as defined in Section 44 of the
2 Internal Revenue Code, shall be allowed a credit against the tax otherwise due
3 pursuant to chapter 143, not including sections 143.191 to 143.265, in an amount
4 equal to any amount paid by the eligible small business to the United States
5 Small Business Administration as a guaranty fee pursuant to obtaining Small
6 Business Administration guaranteed financing and to programs administered by

7 the United States Department of Agriculture for rural development or farm
8 service agencies. No tax credits provided under this section shall be authorized
9 on or after the thirtieth day following the effective date of this act. The
10 provisions of this subsection shall not be construed to limit or in any way impair
11 the department's ability to issue tax credits authorized prior to the thirtieth day
12 following the effective date of this act, or a taxpayer's ability to redeem such tax
13 credits. **No tax credit issued under this section shall be transferred,**
14 **sold, or assigned.**

135.967. 1. A taxpayer who establishes a new business facility may, upon
2 approval by the department, be allowed a credit, each tax year for up to ten tax
3 years, in an amount determined as set forth in this section, against the tax
4 imposed by chapter 143, excluding withholding tax imposed by sections 143.191
5 to 143.265. No taxpayer shall receive multiple ten-year periods for subsequent
6 expansions at the same facility.

7 2. Notwithstanding any provision of law to the contrary, any taxpayer who
8 establishes a new business facility in an enhanced enterprise zone and is awarded
9 state tax credits under this section may not also receive tax credits under sections
10 135.100 to 135.150, sections 135.200 to 135.286, or section 135.535, and may not
11 simultaneously receive tax credits under sections 620.1875 to 620.1890 at the
12 same facility.

13 3. No credit shall be issued pursuant to this section unless:

14 (1) The number of new business facility employees engaged or maintained
15 in employment at the new business facility for the taxable year for which the
16 credit is claimed equals or exceeds two; and

17 (2) The new business facility investment for the taxable year for which the
18 credit is claimed equals or exceeds one hundred thousand dollars.

19 4. The annual amount of credits allowed for an approved enhanced
20 business enterprise shall be the lesser of:

21 (1) The annual amount authorized by the department for the enhanced
22 business enterprise, which shall be limited to the projected state economic
23 benefit, as determined by the department; or

24 (2) The sum calculated based upon the following:

25 (a) A credit of four hundred dollars for each new business facility
26 employee employed within an enhanced enterprise zone;

27 (b) An additional credit of four hundred dollars for each new business
28 facility employee who is a resident of an enhanced enterprise zone;

29 (c) An additional credit of four hundred dollars for each new business
30 facility employee who is paid by the enhanced business enterprise a wage that
31 exceeds the average wage paid within the county in which the facility is located,
32 as determined by the department; and

33 (d) A credit equal to two percent of new business facility investment
34 within an enhanced enterprise zone.

35 5. Prior to January 1, 2007, in no event shall the department authorize
36 more than four million dollars annually to be issued for all enhanced business
37 enterprises. After December 31, 2006, in no event shall the department authorize
38 more than twenty-four million dollars annually to be issued for all enhanced
39 business enterprises.

40 6. If a facility, which does not constitute a new business facility, is
41 expanded by the taxpayer, the expansion shall be considered eligible for the credit
42 allowed by this section if:

43 (1) The taxpayer's new business facility investment in the expansion
44 during the tax period in which the credits allowed in this section are claimed
45 exceeds one hundred thousand dollars and if the number of new business facility
46 employees engaged or maintained in employment at the expansion facility for the
47 taxable year for which credit is claimed equals or exceeds two, and the total
48 number of employees at the facility after the expansion is at least two greater
49 than the total number of employees before the expansion; and

50 (2) The taxpayer's investment in the expansion and in the original facility
51 prior to expansion shall be determined in the manner provided in subdivision (19)
52 of section 135.950.

53 7. The number of new business facility employees during any taxable year
54 shall be determined by dividing by twelve the sum of the number of individuals
55 employed on the last business day of each month of such taxable year. If the new
56 business facility is in operation for less than the entire taxable year, the number
57 of new business facility employees shall be determined by dividing the sum of the
58 number of individuals employed on the last business day of each full calendar
59 month during the portion of such taxable year during which the new business
60 facility was in operation by the number of full calendar months during such
61 period. For the purpose of computing the credit allowed by this section in the
62 case of a facility which qualifies as a new business facility under subsection 6 of
63 this section, and in the case of a new business facility which satisfies the
64 requirements of paragraph (c) of subdivision (17) of section 135.950, or

65 subdivision (25) of section 135.950, the number of new business facility employees
66 at such facility shall be reduced by the average number of individuals employed,
67 computed as provided in this subsection, at the facility during the taxable year
68 immediately preceding the taxable year in which such expansion, acquisition, or
69 replacement occurred and shall further be reduced by the number of individuals
70 employed by the taxpayer or related taxpayer that was subsequently transferred
71 to the new business facility from another Missouri facility and for which credits
72 authorized in this section are not being earned, whether such credits are earned
73 because of an expansion, acquisition, relocation, or the establishment of a new
74 facility.

75 8. In the case where a new business facility employee who is a resident
76 of an enhanced enterprise zone for less than a twelve-month period is employed
77 for less than a twelve-month period, the credits allowed by paragraph (b) of
78 subdivision (2) of subsection 4 of this section shall be determined by multiplying
79 four hundred dollars by a fraction, the numerator of which is the number of
80 calendar days during the taxpayer's tax year for which such credits are claimed,
81 in which the employee was a resident of an enhanced enterprise zone, and the
82 denominator of which is three hundred sixty-five.

83 9. For the purpose of computing the credit allowed by this section in the
84 case of a facility which qualifies as a new business facility pursuant to subsection
85 6 of this section, and in the case of a new business facility which satisfies the
86 requirements of paragraph (c) of subdivision (17) of section 135.950 or subdivision
87 (25) of section 135.950, the amount of the taxpayer's new business facility
88 investment in such facility shall be reduced by the average amount, computed as
89 provided in subdivision (19) of section 135.950 for new business facility
90 investment, of the investment of the taxpayer, or related taxpayer immediately
91 preceding such expansion or replacement or at the time of
92 acquisition. Furthermore, the amount of the taxpayer's new business facility
93 investment shall also be reduced by the amount of investment employed by the
94 taxpayer or related taxpayer which was subsequently transferred to the new
95 business facility from another Missouri facility and for which credits authorized
96 in this section are not being earned, whether such credits are earned because of
97 an expansion, acquisition, relocation, or the establishment of a new facility.

98 10. For a taxpayer with flow-through tax treatment to its members,
99 partners, or shareholders, the credit shall be allowed to members, partners, or
100 shareholders in proportion to their share of ownership on the last day of the

101 taxpayer's tax period.

102 11. Credits may not be carried forward but shall be claimed for the
103 taxable year during which commencement of commercial operations occurs at
104 such new business facility, and for each of the nine succeeding taxable years for
105 which the credit is issued.

106 12. Certificates of tax credit authorized by this section **[may] shall not**
107 be transferred, sold, or assigned **[by filing a notarized endorsement thereof with**
108 the department that names the transferee, the amount of tax credit transferred,
109 and the value received for the credit, as well as any other information reasonably
110 requested by the department. The sale price cannot be less than seventy-five
111 percent of the par value of such credits].

112 13. The director of revenue shall issue a refund to the taxpayer to the
113 extent that the amount of credits allowed in this section exceeds the amount of
114 the taxpayer's income tax.

115 14. Prior to the issuance of tax credits, the department shall verify
116 through the department of revenue, or any other state department, that the tax
117 credit applicant does not owe any delinquent income, sales, or use tax or interest
118 or penalties on such taxes, or any delinquent fees or assessments levied by any
119 state department and through the department of insurance, financial institutions
120 and professional registration that the applicant does not owe any delinquent
121 insurance taxes. Such delinquency shall not affect the authorization of the
122 application for such tax credits, except that the amount of credits issued shall be
123 reduced by the applicant's tax delinquency. If the department of revenue or the
124 department of insurance, financial institutions and professional registration, or
125 any other state department, concludes that a taxpayer is delinquent after June
126 fifteenth but before July first of any year and the application of tax credits to
127 such delinquency causes a tax deficiency on behalf of the taxpayer to arise, then
128 the taxpayer shall be granted thirty days to satisfy the deficiency in which
129 interest, penalties, and additions to tax shall be tolled. After applying all
130 available credits toward a tax delinquency, the administering agency shall notify
131 the appropriate department, and that department shall update the amount of
132 outstanding delinquent tax owed by the applicant. If any credits remain after
133 satisfying all insurance, income, sales, and use tax delinquencies, the remaining
134 credits shall be issued to the applicant, subject to the restrictions of other
135 provisions of law.

135.968. 1. A taxpayer who establishes a megaproject, approved by the

2 department, within an enhanced enterprise zone shall, in exchange for the
3 consideration provided by new tax revenues and other economic stimuli that will
4 be generated from the new jobs created by the megaproject, be allowed an income
5 tax credit equal to the percentage of actual new annual payroll of the taxpayer
6 attributable to employees directly related to the manufacturing and assembly
7 process and administration, as provided under subsection 4 of this section. A
8 taxpayer seeking approval of a megaproject shall submit an application to the
9 department. The department shall not approve any megaproject after December
10 31, 2008. The department shall not approve any credits for megaprojects to be
11 issued prior to January 1, 2013, and in no event shall the department authorize
12 more than forty million dollars to be issued annually for all megaprojects. The
13 total amount of credits issued under this section shall not exceed two hundred
14 forty million dollars.

15 2. In considering applications for approval of megaprojects, the
16 department may approve an application if:

17 (1) The taxpayer's project is financially sound and the taxpayer has
18 adequately demonstrated an ability to successfully undertake and complete the
19 megaproject. This determination shall be supported by a professional third-party
20 market feasibility analysis conducted on behalf of the state by a firm with direct
21 experience with the industry of the proposed megaproject, and by a professional
22 third-party financial analysis of the taxpayer's ability to complete the project;

23 (2) The taxpayer's plan of repayment to the state of the amount of tax
24 credits provided is reasonable and sound;

25 (3) The taxpayer's megaproject will create new jobs that were not jobs
26 previously performed by employees of the taxpayer or a related taxpayer in
27 Missouri;

28 (4) Local taxing entities are providing a significant level of incentives for
29 the megaproject relative to the projected new local tax revenues created by the
30 megaproject;

31 (5) There is at least one other state or foreign country that the taxpayer
32 verifies is being considered for the project, and receiving megaproject tax credits
33 is a major factor in the taxpayer's decision to go forward with the project and not
34 receiving the credit will result in the taxpayer not creating new jobs in Missouri;

35 (6) The megaproject will be located in an enhanced enterprise zone which
36 constitutes an economic or social liability and a detriment to the public health,
37 safety, morals, or welfare in its present condition and use;

38 (7) The completion of the megaproject will serve an essential public
39 municipal purpose by creating a substantial number of new jobs for citizens,
40 increasing their purchasing power, improving their living conditions, and
41 relieving the demand for unemployment and welfare assistance thereby promoting
42 the economic development of the enhanced enterprise zone, the municipality, and
43 the state; and

44 (8) The creation of new jobs will assist the state in providing the services
45 needed to protect the health, safety, and social and economic well-being of the
46 citizens of the state.

47 3. Prior to final approval of an application, a binding contract shall be
48 executed between the taxpayer and the department of economic development
49 which shall include, but not be limited to:

50 (1) A repayment plan providing for cash payment to the state general
51 revenue fund which shall result in a positive internal rate of return to the state
52 and fully comply with the provisions of the World Trade Organization Agreement
53 on Subsidies and Countervailing Measures. The rate of return shall be
54 commercially reasonable and, over the life of the project, exceed one hundred and
55 fifty percent of the state's borrowing costs based on the AAA-rated twenty-year
56 tax-exempt bond rate average over a twenty-year borrowing period. The rate
57 shall be verified by a professional third-party financial analysis;

58 (2) The taxpayer's obligation to construct a facility of at least one million
59 square feet within five years from the date of approval;

60 (3) A requirement that the issuance of tax credits authorized under this
61 section shall cease and the taxpayer shall immediately submit payment, to the
62 state general revenue fund, in an amount equal to all credits previously issued
63 less any amounts previously repaid, increased by an additional amount that shall
64 provide the state a reasonable rate of return, in the event the taxpayer:

65 (a) Fails to construct a facility of at least one million square feet within
66 five years of the date of approval;

67 (b) Fails to make a scheduled payment as required by the repayment plan;
68 or

69 (c) Fails to compensate new jobs at rate equal to or in excess of the county
70 average wage or fails to offer health insurance to all such new jobs and pay at
71 least eighty percent of such premiums; and

72 (4) A requirement that the department shall suspend issuance of tax
73 credits authorized under this section if, at any point, the total amount of tax

74 credits issued less the total amount of repayments received equals one hundred
75 and fifty-five million dollars.

76 4. Upon approval of an application by the department, tax credits shall
77 be issued annually for a period not to exceed eight years from the commencement
78 of commercial operations of the megaproject. The eight-year period for the
79 issuance of megaproject tax credits may extend beyond the expiration of the
80 enhanced enterprise zone. The maximum percentage of the annual payroll of the
81 taxpayer for new jobs located at the megaproject which may be approved or issued
82 by the department for tax credits shall not exceed:

83 (1) Eighty percent for the first three years that tax credits will be issued
84 for the megaproject;

85 (2) Sixty percent for the next two subsequent years;

86 (3) Fifty percent for the next two subsequent years; and

87 (4) Thirty percent for the remaining year.

88 In no event shall the department issue more than forty million dollars annually
89 in megaproject tax credits to any taxpayer. In any given year, the amount of tax
90 credits issued shall be the lesser of forty million dollars, the applicable annual
91 payroll percentage, or the amount of tax credits remaining unissued under the
92 two hundred forty million dollar limitation on megaproject tax credit issuance
93 provided under subsection 1 of this section.

94 5. Tax credits issued under this section may be claimed against the tax
95 imposed by chapter 143, excluding withholding tax imposed by sections 143.191
96 to 143.265. For taxpayers with flow-through tax treatment of its members,
97 partners, or shareholders, the credit shall be allowed to members, partners, or
98 shareholders in proportion to their share of ownership on the last day of the
99 taxpayer's tax period. The director of revenue shall issue a refund to a taxpayer
100 to the extent the amount of credits allowed in this section exceeds the amount of
101 the taxpayer's income tax liability in the year redemption is authorized. An
102 owner of tax credits issued under this section shall not be required to have any
103 Missouri income tax liability in order to redeem such tax credits and receive a
104 refund. The director of revenue shall prepare a form to permit the owner of such
105 tax credits to obtain a refund.

106 6. Certificates of tax credits authorized under this section [may] **shall**
107 **not** be transferred, sold, or assigned [by filing a notarized endorsement thereof
108 with the department that names the transferee, the amount of tax credit
109 transferred, and the value received for the credit, as well as any other

110 information reasonably requested by the department. Upon such transfer, sale,
111 or assignment, the transferee shall be the owner of such tax credits entitled to
112 claim the tax credits or any refunds with respect thereto issued to the
113 taxpayer]. Tax credits may not be carried forward past the year of issuance. Tax
114 credits authorized by this section may not be pledged or used to secure any bonds
115 or other indebtedness issued by the state or any political subdivision of the
116 state. [Once such tax credits have been issued, nothing shall prohibit the owner
117 of the tax credits from pledging the tax credits to any lender or other third party.]

118 7. Any taxpayer issued tax credits under this section shall provide an
119 annual report to the department and the house and senate appropriations
120 committees of the number of new jobs located at the megaproject, the new annual
121 payroll of such new jobs, and such other information as may be required by the
122 department to document the basis for benefits under this section. The
123 department may withhold the approval of the annual issuance of any tax credits
124 until it is satisfied that proper documentation has been provided, and shall
125 reduce the tax credits to reflect any reduction in new payroll. If the department
126 determines the average wage is below the county average wage, or the taxpayer
127 has not maintained employee health insurance as required, the taxpayer shall not
128 receive tax credits for that year.

129 8. Notwithstanding any provision of law to the contrary, any taxpayer who
130 is awarded tax credits under this section shall not also receive tax credits under
131 sections 135.100 to 135.150, sections 135.200 to 135.286, section 135.535, or
132 sections 620.1875 to 620.1890.

133 9. Any action brought in any court contesting the approval of a
134 megaproject and the issuance of the tax credits, or any other action undertaken
135 pursuant to this section related to such megaproject, shall be filed within ninety
136 days following approval of the megaproject by the department.

137 10. Records and documents relating to a proposed megaproject shall be
138 deemed closed records until such time as the application has been
139 approved. Provisions of this subsection to the contrary notwithstanding, records
140 containing business plan information which may endanger the competitiveness
141 of the business shall remain closed.

142 11. Notwithstanding any provision of this section to the contrary, no
143 taxpayer who receives megaproject tax credits authorized under this section or
144 any related taxpayer shall employ, prior to January 1, 2022, directly:

145 (1) Any elected public official of this state holding office as of January 1,

146 2008;

147 (2) Any director, deputy director, division director, or employee directly
148 involved in negotiations between the department of economic development and
149 a taxpayer relative to the megaproject who was employed as of January 1, 2008,
150 by the department.

253.557. [1.] If the amount of such credit exceeds the total tax liability for
2 the year in which the rehabilitated property is placed in service, the amount that
3 exceeds the state tax liability may be carried back to any of the three preceding
4 years and carried forward for credit against the taxes imposed pursuant to
5 chapter 143 and chapter 148, except for sections 143.191 to 143.265 for the
6 succeeding ten years, or until the full credit is used, whichever occurs
7 first. Not-for-profit entities, including but not limited to corporations organized
8 as not-for-profit corporations pursuant to chapter 355 shall be ineligible for the
9 tax credits authorized under sections 253.545 through 253.561. Taxpayers
10 eligible for such tax credits [may] **shall not** transfer, sell, or assign the
11 credits. Credits granted to a partnership, a limited liability company taxed as a
12 partnership or multiple owners of property shall be passed through to the
13 partners, members, or owners respectively pro rata or pursuant to an executed
14 agreement among the partners, members, or owners documenting an alternate
15 distribution method.

16 [2. The assignee of the tax credits, hereinafter the assignee for purposes
17 of this subsection, may use acquired credits to offset up to one hundred percent
18 of the tax liabilities otherwise imposed pursuant to chapter 143 and chapter 148,
19 except for sections 143.191 to 143.265. The assignor shall perfect such transfer
20 by notifying the department of economic development in writing within thirty
21 calendar days following the effective date of the transfer and shall provide any
22 information as may be required by the department of economic development to
23 administer and carry out the provisions of this section.]

348.302. 1. Any person who makes a qualified contribution to a qualified
2 fund shall be entitled to receive a tax credit equal to fifty percent of the amount
3 of the qualified contribution. The tax credit shall be evidenced by a tax credit
4 certificate in accordance with the provisions of sections 348.300 to 348.318 and
5 may be used to satisfy the state tax liability of the owner of such certificate that
6 becomes due in the tax year in which the qualified contribution is made, or in any
7 of the ten tax years thereafter. No person may receive a tax credit pursuant to
8 sections 348.300 to 348.318 unless that person presents a tax credit certificate to

9 the department of revenue for payment of such state tax liability.

10 2. The amount of such qualified contributions which can be made is
11 limited so that the aggregate of all tax credits authorized under the provisions of
12 sections 348.300 to 348.318 shall not exceed nine million dollars. **[All]** Tax
13 credits authorized under the provisions of this section **[may]** **shall not** be
14 transferred, sold, or assigned.

348.306. No person shall receive[, by issuance, transfer or assignment,]
2 certificates of tax credit issued under the provisions of sections 348.300 to
3 348.318 in an amount in excess of one million dollars. **[Subject to the provisions**
4 **of this section, certificates of tax credit issued in accordance with sections 348.300**
5 **to 348.318 may be transferred or assigned by notarized endorsement thereof**
6 **which names the transferee.]**

447.708. 1. For eligible projects, the director of the department of
2 economic development, with notice to the directors of the departments of natural
3 resources and revenue, and subject to the other provisions of sections 447.700 to
4 447.718, may not create a new enterprise zone but may decide that a prospective
5 operator of a facility being remedied and renovated pursuant to sections 447.700
6 to 447.718 may receive the tax credits and exemptions pursuant to sections
7 135.100 to 135.150 and sections 135.200 to 135.257. The tax credits allowed
8 pursuant to this subsection shall be used to offset the tax imposed by chapter
9 143, excluding withholding tax imposed by sections 143.191 to 143.265, or the tax
10 otherwise imposed by chapter 147, or the tax otherwise imposed by chapter
11 148. For purposes of this subsection:

12 (1) For receipt of the ad valorem tax abatement pursuant to section
13 135.215, the eligible project must create at least ten new jobs or retain businesses
14 which supply at least twenty-five existing jobs. The city, or county if the eligible
15 project is not located in a city, must provide ad valorem tax abatement of at least
16 fifty percent for a period not less than ten years and not more than twenty-five
17 years;

18 (2) For receipt of the income tax exemption pursuant to section 135.220
19 and tax credit for new or expanded business facilities pursuant to sections
20 135.100 to 135.150, and 135.225, the eligible project must create at least ten new
21 jobs or retain businesses which supply at least twenty-five existing jobs, or
22 combination thereof. For purposes of sections 447.700 to 447.718, the tax credits
23 described in section 135.225 are modified as follows: the tax credit shall be four
24 hundred dollars per employee per year, an additional four hundred dollars per

25 year for each employee exceeding the minimum employment thresholds of ten and
26 twenty-five jobs for new and existing businesses, respectively, an additional four
27 hundred dollars per year for each person who is a person difficult to employ as
28 defined by section 135.240, and investment tax credits at the same amounts and
29 levels as provided in subdivision (4) of subsection 1 of section 135.225;

30 (3) For eligibility to receive the income tax refund pursuant to section
31 135.245, the eligible project must create at least ten new jobs or retain businesses
32 which supply at least twenty-five existing jobs, or combination thereof, and
33 otherwise comply with the provisions of section 135.245 for application and use
34 of the refund and the eligibility requirements of this section;

35 (4) The eligible project operates in compliance with applicable
36 environmental laws and regulations, including permitting and registration
37 requirements, of this state as well as the federal and local requirements;

38 (5) The eligible project operator shall file such reports as may be required
39 by the director of economic development or the director's designee;

40 (6) The taxpayer may claim the state tax credits authorized by this
41 subsection and the state income exemption for a period not in excess of ten
42 consecutive tax years. For the purpose of this section, "taxpayer" means an
43 individual proprietorship, partnership, or corporation described in section 143.441
44 or 143.471 who operates an eligible project. The director shall determine the
45 number of years the taxpayer may claim the state tax credits and the state
46 income exemption based on the projected net state economic benefits attributed
47 to the eligible project;

48 (7) For the purpose of meeting the new job requirement prescribed in
49 subdivisions (1), (2) and (3) of this subsection, it shall be required that at least
50 ten new jobs be created and maintained during the taxpayer's tax period for
51 which the credits are earned, in the case of an eligible project that does not
52 replace a similar facility in Missouri. "New job" means a person who was not
53 previously employed by the taxpayer or related taxpayer within the twelve-month
54 period immediately preceding the time the person was employed by that taxpayer
55 to work at, or in connection with, the eligible project on a full-time
56 basis. "Full-time basis" means the employee works an average of at least
57 thirty-five hours per week during the taxpayer's tax period for which the tax
58 credits are earned. For the purposes of this section, "related taxpayer" has the
59 same meaning as defined in subdivision (10) of section 135.100;

60 (8) For the purpose of meeting the existing job retention requirement, if

61 the eligible project replaces a similar facility that closed elsewhere in Missouri
62 prior to the end of the taxpayer's tax period in which the tax credits are earned,
63 it shall be required that at least twenty-five existing jobs be retained at, and in
64 connection with the eligible project, on a full-time basis during the taxpayer's tax
65 period for which the credits are earned. "Retained job" means a person who was
66 previously employed by the taxpayer or related taxpayer, at a facility similar to
67 the eligible project that closed elsewhere in Missouri prior to the end of the
68 taxpayer's tax period in which the tax credits are earned, within the tax period
69 immediately preceding the time the person was employed by the taxpayer to work
70 at, or in connection with, the eligible project on a full-time basis. "Full-time
71 basis" means the employee works an average of at least thirty-five hours per week
72 during the taxpayer's tax period for which the tax credits are earned;

73 (9) In the case where an eligible project replaces a similar facility that
74 closed elsewhere in Missouri prior to the end of the taxpayer's tax period in which
75 the tax credits are earned, the owner and operator of the eligible project shall
76 provide the director with a written statement explaining the reason for
77 discontinuing operations at the closed facility. The statement shall include a
78 comparison of the activities performed at the closed facility prior to the date the
79 facility ceased operating, to the activities performed at the eligible project, and
80 a detailed account describing the need and rationale for relocating to the eligible
81 project. If the director finds the relocation to the eligible project significantly
82 impaired the economic stability of the area in which the closed facility was
83 located, and that such move was detrimental to the overall economic development
84 efforts of the state, the director may deny the taxpayer's request to claim tax
85 benefits;

86 (10) Notwithstanding any provision of law to the contrary, for the purpose
87 of this section, the number of new jobs created and maintained, the number of
88 existing jobs retained, and the value of new qualified investment used at the
89 eligible project during any tax year shall be determined by dividing by twelve, in
90 the case of jobs, the sum of the number of individuals employed at the eligible
91 project, or in the case of new qualified investment, the value of new qualified
92 investment used at the eligible project, on the last business day of each full
93 calendar month of the tax year. If the eligible project is in operation for less than
94 the entire tax year, the number of new jobs created and maintained, the number
95 of existing jobs retained, and the value of new qualified investment created at the
96 eligible project during any tax year shall be determined by dividing the sum of

97 the number of individuals employed at the eligible project, or in the case of new
98 qualified investment, the value of new qualified investment used at the eligible
99 project, on the last business day of each full calendar month during the portion
100 of the tax year during which the eligible project was in operation, by the number
101 of full calendar months during such period;

102 (11) For the purpose of this section, "new qualified investment" means
103 new business facility investment as defined and as determined in subdivision (8)
104 of section 135.100 which is used at and in connection with the eligible
105 project. New qualified investment shall not include small tools, supplies and
106 inventory. "Small tools" means tools that are portable and can be hand held.

107 2. The determination of the director of economic development pursuant
108 to subsection 1 of this section shall not affect requirements for the prospective
109 purchaser to obtain the approval of the granting of real property tax abatement
110 by the municipal or county government where the eligible project is located.

111 3. (1) The director of the department of economic development, with the
112 approval of the director of the department of natural resources, may, in addition
113 to the tax credits allowed in subsection 1 of this section, grant a remediation tax
114 credit to the applicant for up to one hundred percent of the costs of materials,
115 supplies, equipment, labor, professional engineering, consulting and architectural
116 fees, permitting fees and expenses, demolition, asbestos abatement, and direct
117 utility charges for performing the voluntary remediation activities for the
118 preexisting hazardous substance contamination and releases, including, but not
119 limited to, the costs of performing operation and maintenance of the remediation
120 equipment at the property beyond the year in which the systems and equipment
121 are built and installed at the eligible project and the costs of performing the
122 voluntary remediation activities over a period not in excess of four tax years
123 following the taxpayer's tax year in which the system and equipment were first
124 put into use at the eligible project, provided the remediation activities are the
125 subject of a plan submitted to, and approved by, the director of natural resources
126 pursuant to sections 260.565 to 260.575. The tax credit may also include up to
127 one hundred percent of the costs of demolition that are not directly part of the
128 remediation activities, provided that the demolition is on the property where the
129 voluntary remediation activities are occurring, the demolition is necessary to
130 accomplish the planned use of the facility where the remediation activities are
131 occurring, and the demolition is part of a redevelopment plan approved by the
132 municipal or county government and the department of economic

133 development. The demolition may occur on an adjacent property if the project is
134 located in a municipality which has a population less than twenty thousand and
135 the above conditions are otherwise met. The adjacent property shall
136 independently qualify as abandoned or underutilized. The amount of the credit
137 available for demolition not associated with remediation cannot exceed the total
138 amount of credits approved for remediation including demolition required for
139 remediation.

140 (2) The amount of remediation tax credits issued shall be limited to the
141 least amount necessary to cause the project to occur, as determined by the
142 director of the department of economic development.

143 (3) The director may, with the approval of the director of natural
144 resources, extend the tax credits allowed for performing voluntary remediation
145 maintenance activities, in increments of three-year periods, not to exceed five
146 consecutive three-year periods. The tax credits allowed in this subsection shall
147 be used to offset the tax imposed by chapter 143, excluding withholding tax
148 imposed by sections 143.191 to 143.265, or the tax otherwise imposed by chapter
149 147, or the tax otherwise imposed by chapter 148. The remediation tax credit
150 may be taken in the same tax year in which the tax credits are received or may
151 be taken over a period not to exceed twenty years.

152 (4) The project facility shall be projected to create at least ten new jobs
153 or at least twenty-five retained jobs, or a combination thereof, as determined by
154 the department of economic development, to be eligible for tax credits pursuant
155 to this section.

156 (5) No more than seventy-five percent of earned remediation tax credits
157 may be issued when the remediation costs were paid, and the remaining
158 percentage may be issued when the department of natural resources issues a
159 letter of completion letter or covenant not to sue following completion of the
160 voluntary remediation activities. It shall not include any costs associated with
161 ongoing operational environmental compliance of the facility or remediation costs
162 arising out of spills, leaks, or other releases arising out of the ongoing business
163 operations of the facility. In the event the department of natural resources issues
164 a letter of completion for a portion of a property, an impacted media such as soil
165 or groundwater, or for a site or a portion of a site improvement, a prorated
166 amount of the remaining percentage may be released based on the percentage of
167 the total site receiving a letter of completion.

168 4. In the exercise of the sound discretion of the director of the department

169 of economic development or the director's designee, the tax credits and
170 exemptions described in this section may be terminated, suspended, or revoked
171 if the eligible project fails to continue to meet the conditions set forth in this
172 section. In making such a determination, the director shall consider the severity
173 of the condition violation, actions taken to correct the violation, the frequency of
174 any condition violations and whether the actions exhibit a pattern of conduct by
175 the eligible facility owner and operator. The director shall also consider changes
176 in general economic conditions and the recommendation of the director of the
177 department of natural resources, or his or her designee, concerning the severity,
178 scope, nature, frequency and extent of any violations of the environmental
179 compliance conditions. The taxpayer or person claiming the tax credits or
180 exemptions may appeal the decision regarding termination, suspension, or
181 revocation of any tax credit or exemption in accordance with the procedures
182 outlined in subsections 4 and 5 of section 135.250. The director of the
183 department of economic development shall notify the directors of the departments
184 of natural resources and revenue of the termination, suspension, or revocation of
185 any tax credits as determined in this section or pursuant to the provisions of
186 section 447.716.

187 5. Notwithstanding any provision of law to the contrary, no taxpayer shall
188 earn the tax credits, exemptions, or refund otherwise allowed in subdivisions (2),
189 (3) and (4) of subsection 1 of this section and the tax credits otherwise allowed in
190 section 135.110, or the tax credits, exemptions and refund otherwise allowed in
191 sections 135.215, 135.220, 135.225 and 135.245, respectively, for the same facility
192 for the same tax period.

193 6. The total amount of the tax credits allowed in subsection 1 of this
194 section may not exceed the greater of:

195 (1) That portion of the taxpayer's income attributed to the eligible project;
196 or

197 (2) One hundred percent of the total business' income tax if the eligible
198 facility does not replace a similar facility that closed elsewhere in Missouri prior
199 to the end of the taxpayer's tax period in which the tax credits are earned, and
200 further provided the taxpayer does not operate any other facilities besides the
201 eligible project in Missouri; fifty percent of the total business' income tax if the
202 eligible facility replaces a similar facility that closed elsewhere in Missouri prior
203 to the end of the taxpayer's tax period in which the credits are earned, and
204 further provided the taxpayer does not operate any other facilities besides the

205 eligible project in Missouri; or twenty-five percent of the total business income if
206 the taxpayer operates, in addition to the eligible facility, any other facilities in
207 Missouri. In no case shall a taxpayer operating more than one eligible project in
208 Missouri be allowed to offset more than twenty-five percent of the taxpayer's
209 business income in any tax period. That portion of the taxpayer's income
210 attributed to the eligible project as referenced in subdivision (1) of this
211 subsection, for which the credits allowed in sections 135.110 and 135.225 and
212 subsection 3 of this section may apply, shall be determined in the same manner
213 as prescribed in subdivision (5) of section 135.100. That portion of the taxpayer's
214 franchise tax attributed to the eligible project for which the remediation tax
215 credit may offset, shall be determined in the same manner as prescribed in
216 paragraph (a) of subdivision (5) of section 135.100.

217 7. Taxpayers claiming the state tax benefits allowed in subdivisions (2)
218 and (3) of subsection 1 of this section shall be required to file all applicable tax
219 credit applications, forms and schedules prescribed by the director during the
220 taxpayer's tax period immediately after the tax period in which the eligible
221 project was first put into use. Otherwise, the taxpayer's right to claim such state
222 tax benefits shall be forfeited. Unused business facility and enterprise zone tax
223 credits shall not be carried forward but shall be initially claimed for the tax
224 period during which the eligible project was first capable of being used, and
225 during any applicable subsequent tax periods.

226 8. Taxpayers claiming the remediation tax credit allowed in subsection 3
227 of this section shall be required to file all applicable tax credit applications, forms
228 and schedules prescribed by the director during the taxpayer's tax period
229 immediately after the tax period in which the eligible project was first put into
230 use, or during the taxpayer's tax period immediately after the tax period in which
231 the voluntary remediation activities were performed.

232 9. [The recipient of remediation tax credits, for the purpose of this
233 subsection referred to as assignor, may assign, sell or transfer, in whole or in
234 part, the remediation tax credit allowed in subsection 3 of this section to any
235 other person, for the purpose of this subsection referred to as assignee. To perfect
236 the transfer, the assignor shall provide written notice to the director of the
237 assignor's intent to transfer the tax credits to the assignee, the date the transfer
238 is effective, the assignee's name, address and the assignee's tax period and the
239 amount of tax credits to be transferred. The number of tax periods during which
240 the assignee may subsequently claim the tax credits shall not exceed twenty tax

241 periods, less the number of tax periods the assignor previously claimed the credits
242 before the transfer occurred.

243 10. In the case where an operator and assignor of an eligible project has
244 been certified to claim state tax benefits allowed in subdivisions (2) and (3) of
245 subsection 1 of this section, and sells or otherwise transfers title of the eligible
246 project to another taxpayer or assignee who continues the same or substantially
247 similar operations at the eligible project, the director shall allow the assignee to
248 claim the credits for a period of time to be determined by the director; except
249 that, the total number of tax periods the tax credits may be earned by the
250 assignor and the assignee shall not exceed ten. To perfect the transfer, the
251 assignor shall provide written notice to the director of the assignor's intent to
252 transfer the tax credits to the assignee, the date the transfer is effective, the
253 assignee's name, address, and the assignee's tax period, and the amount of tax
254 credits to be transferred.

255 **11.] No tax credit authorized under this section shall be**
256 **transferred, sold, or assigned.**

257 **10.** For the purpose of the state tax benefits described in this section, in
258 the case of a corporation described in section 143.471 or partnership, in
259 computing Missouri's tax liability, such state benefits shall be allowed to the
260 following:

261 (1) The shareholders of the corporation described in section 143.471;

262 (2) The partners of the partnership.

263 The credit provided in this subsection shall be apportioned to the entities
264 described in subdivisions (1) and (2) of this subsection in proportion to their share
265 of ownership on the last day of the taxpayer's tax period.

266 **[12.] 11.** Notwithstanding any provision of law to the contrary, in any
267 county of the first classification that has a charter form of government and that
268 has a population of over nine hundred thousand inhabitants, all demolition costs
269 incurred during the redevelopment of any former automobile manufacturing plant
270 shall be allowable costs eligible for tax credits under sections 447.700 to 447.718
271 so long as the redevelopment of such former automobile manufacturing plant
272 shall be projected to create at least two hundred fifty new jobs or at least three
273 hundred retained jobs, or a combination thereof, as determined by the department
274 of economic development. The amount of allowable costs eligible for tax credits
275 shall be limited to the least amount necessary to cause the project to occur, as
276 determined by the director of the department of economic development, provided

277 that no tax credit shall be issued under this subsection until July 1, 2017. For
278 purposes of this subsection, "former automobile manufacturing plant" means a
279 redevelopment area that qualifies as an eligible project under section 447.700,
280 that consists of at least one hundred acres, and that was used primarily for the
281 manufacture of automobiles but, after 2007, ceased such manufacturing.

620.650. 1. The sole purpose of each qualified fund is to make
2 investments. One hundred percent of investments made from qualified
3 contributions shall be qualified investments.

4 2. Any person who makes a qualified contribution to a qualified fund shall
5 receive a tax credit against the tax otherwise due pursuant to chapter 143,
6 chapter 147, or chapter 148, other than taxes withheld pursuant to sections
7 143.191 to 143.265, in an amount equal to one hundred percent of such person's
8 qualified contribution.

9 3. Such person shall submit to the department an application for the tax
10 credit on a form provided by the department. The department shall award tax
11 credits in the order the applications are received and based upon the strategy
12 approved by the corporation. Tax credits issued pursuant to this section may be
13 claimed for the tax year in which the qualified contribution is made or in any of
14 the following ten years, and [may] **shall not** be assigned, transferred, or sold.

15 4. There is hereby imposed on each qualified fund a tax equal to fifteen
16 percent of the qualified fund's uninvested capital at the close of such qualified
17 fund's tax year. For purposes of tax computation, any distribution made by a
18 qualified fund during a tax year is deemed made at the end of such tax
19 year. Each tax year, every qualified fund shall remit the tax imposed by this
20 section to the director of the department of revenue for deposit in the state
21 treasury to the credit of the general revenue fund.

620.1039. 1. As used in this section, the term "taxpayer" means an
2 individual, a partnership, or any charitable organization which is exempt from
3 federal income tax and whose Missouri unrelated business taxable income, if any,
4 would be subject to the state income tax imposed under chapter 143, or a
5 corporation as described in section 143.441 or 143.471, or section 148.370, and the
6 term "qualified research expenses" has the same meaning as prescribed in 26
7 U.S.C. 41.

8 2. For tax years beginning on or after January 1, 2001, the director of the
9 department of economic development may authorize a taxpayer to receive a tax
10 credit against the tax otherwise due pursuant to chapter 143, or chapter 148,

11 other than the taxes withheld pursuant to sections 143.191 to 143.265, in an
12 amount up to six and one-half percent of the excess of the taxpayer's qualified
13 research expenses, as certified by the director of the department of economic
14 development, within this state during the taxable year over the average of the
15 taxpayer's qualified research expenses within this state over the immediately
16 preceding three taxable years; except that, no tax credit shall be allowed on that
17 portion of the taxpayer's qualified research expenses incurred within this state
18 during the taxable year in which the credit is being claimed, to the extent such
19 expenses exceed two hundred percent of the taxpayer's average qualified research
20 expenses incurred during the immediately preceding three taxable years.

21 3. The director of economic development shall prescribe the manner in
22 which the tax credit may be applied for. The tax credit authorized by this section
23 may be claimed by the taxpayer to offset the tax liability imposed by chapter 143
24 or chapter 148 that becomes due in the tax year during which such qualified
25 research expenses were incurred. Where the amount of the credit exceeds the tax
26 liability, the difference between the credit and the tax liability may only be
27 carried forward for the next five succeeding taxable years or until the full credit
28 has been claimed, whichever first occurs. The application for tax credits
29 authorized by the director pursuant to subsection 2 of this section shall be made
30 no later than the end of the taxpayer's tax period immediately following the tax
31 period for which the credits are being claimed.

32 4. Certificates of tax credit issued pursuant to this section [may] **shall**
33 **not** be transferred, sold, or assigned [by filing a notarized endorsement thereof
34 with the department which names the transferee and the amount of tax credit
35 transferred. The director of economic development may allow a taxpayer to
36 transfer, sell or assign up to forty percent of the amount of the certificates of tax
37 credit issued to and not claimed by such taxpayer pursuant to this section during
38 any tax year commencing on or after January 1, 1996, and ending not later than
39 December 31, 1999. Such taxpayer shall file, by December 31, 2001, an
40 application with the department which names the transferee, the amount of tax
41 credit desired to be transferred, and a certification that the funds received by the
42 applicant as a result of the transfer, sale or assignment of the tax credit shall be
43 expended within three years at the state university for the sole purpose of
44 conducting research activities agreed upon by the department, the taxpayer and
45 the state university. Failure to expend such funds in the manner prescribed
46 pursuant to this section shall cause the applicant to be subject to the provisions

47 of section 620.017].

48 5. No rule or portion of a rule promulgated under the authority of this
49 section shall become effective unless it has been promulgated pursuant to the
50 provisions of chapter 536. All rulemaking authority delegated prior to June 27,
51 1997, is of no force and effect and repealed; however, nothing in this section shall
52 be interpreted to repeal or affect the validity of any rule filed or adopted prior to
53 June 27, 1997, if such rule complied with the provisions of chapter 536. The
54 provisions of this section and chapter 536 are nonseverable and if any of the
55 powers vested with the general assembly pursuant to chapter 536, including the
56 ability to review, to delay the effective date, or to disapprove and annul a rule or
57 portion of a rule, are subsequently held unconstitutional, then the purported
58 grant of rulemaking authority and any rule so proposed and contained in the
59 order of rulemaking shall be invalid and void.

60 6. The aggregate of all tax credits authorized pursuant to this section
61 shall not exceed nine million seven hundred thousand dollars in any year.

62 7. For all tax years beginning on or after January 1, 2005, no tax credits
63 shall be approved, awarded, or issued to any person or entity claiming any tax
64 credit under this section.

620.1881. 1. The department of economic development shall respond
2 within thirty days to a company who provides a notice of intent with either an
3 approval or a rejection of the notice of intent. The department shall give
4 preference to qualified companies and projects targeted at an area of the state
5 which has recently been classified as a disaster area by the federal
6 government. Failure to respond on behalf of the department of economic
7 development shall result in the notice of intent being deemed an approval for the
8 purposes of this section. A qualified company who is provided an approval for a
9 project shall be allowed a benefit as provided in this program in the amount and
10 duration provided in this section. A qualified company may receive additional
11 periods for subsequent new jobs at the same facility after the full initial period
12 if the minimum thresholds are met as set forth in sections 620.1875 to
13 620.1890. There is no limit on the number of periods a qualified company may
14 participate in the program, as long as the minimum thresholds are achieved and
15 the qualified company provides the department with the required reporting and
16 is in proper compliance for this program or other state programs. A qualified
17 company may elect to file a notice of intent to start a new project period
18 concurrent with an existing project period if the minimum thresholds are

19 achieved and the qualified company provides the department with the required
20 reporting and is in proper compliance for this program and other state programs;
21 however, the qualified company may not receive any further benefit under the
22 original approval for jobs created after the date of the new notice of intent, and
23 any jobs created before the new notice of intent may not be included as new jobs
24 for the purpose of benefit calculation in relation to the new approval. When a
25 qualified company has filed and received approval of a notice of intent and
26 subsequently files another notice of intent, the department shall apply the
27 definition of project facility under subdivision (19) of section 620.1878 to the new
28 notice of intent as well as all previously approved notices of intent and shall
29 determine the application of the definitions of new job, new payroll, project
30 facility base employment, and project facility base payroll accordingly.

31 2. Notwithstanding any provision of law to the contrary, any qualified
32 company that is awarded benefits under this program may not simultaneously
33 receive tax credits or exemptions under sections 135.100 to 135.150, sections
34 135.200 to 135.286, section 135.535, or sections 135.900 to 135.906 at the same
35 project facility. The benefits available to the company under any other state
36 programs for which the company is eligible and which utilize withholding tax
37 from the new jobs of the company must first be credited to the other state
38 program before the withholding retention level applicable under the Missouri
39 quality jobs act will begin to accrue. These other state programs include, but are
40 not limited to, the Missouri works jobs training program under sections 620.800
41 to 620.809, the real property tax increment allocation redevelopment act, sections
42 99.800 to 99.865, or the Missouri downtown and rural economic stimulus act
43 under sections 99.915 to 99.980. If any qualified company also participates in the
44 Missouri works jobs training program in sections 620.800 to 620.809, the company
45 shall retain no withholding tax, but the department shall issue a refundable tax
46 credit for the full amount of benefit allowed under this subdivision. The calendar
47 year annual maximum amount of tax credits which may be issued to a qualifying
48 company that also participates in the new job training program shall be increased
49 by an amount equivalent to the withholding tax retained by that company under
50 the new jobs training program. However, if the combined benefits of the quality
51 jobs program and the new jobs training program exceed the projected state
52 benefit of the project, as determined by the department of economic development
53 through a cost-benefit analysis, the increase in the maximum tax credits shall be
54 limited to the amount that would not cause the combined benefits to exceed the

55 projected state benefit. Any taxpayer who is awarded benefits under this
56 program who knowingly hires individuals who are not allowed to work legally in
57 the United States shall immediately forfeit such benefits and shall repay the
58 state an amount equal to any state tax credits already redeemed and any
59 withholding taxes already retained.

60 3. The types of projects and the amount of benefits to be provided are:

61 (1) Small and expanding business projects: in exchange for the
62 consideration provided by the new tax revenues and other economic stimuli that
63 will be generated by the new jobs created by the program, a qualified company
64 may retain an amount equal to the withholding tax as calculated under
65 subdivision (33) of section 620.1878 from the new jobs that would otherwise be
66 withheld and remitted by the qualified company under the provisions of sections
67 143.191 to 143.265 for a period of three years from the date the required number
68 of new jobs were created if the average wage of the new payroll equals or exceeds
69 the county average wage or for a period of five years from the date the required
70 number of new jobs were created if the average wage of the new payroll equals
71 or exceeds one hundred twenty percent of the county average wage;

72 (2) Technology business projects: in exchange for the consideration
73 provided by the new tax revenues and other economic stimuli that will be
74 generated by the new jobs created by the program, a qualified company may
75 retain an amount equal to a maximum of five percent of new payroll for a period
76 of five years from the date the required number of jobs were created from the
77 withholding tax of the new jobs that would otherwise be withheld and remitted
78 by the qualified company under the provisions of sections 143.191 to 143.265 if
79 the average wage of the new payroll equals or exceeds the county average wage.
80 An additional one-half percent of new payroll may be added to the five percent
81 maximum if the average wage of the new payroll in any year exceeds one hundred
82 twenty percent of the county average wage in the county in which the project
83 facility is located, plus an additional one-half percent of new payroll may be
84 added if the average wage of the new payroll in any year exceeds one hundred
85 forty percent of the average wage in the county in which the project facility is
86 located. The department shall issue a refundable tax credit for any difference
87 between the amount of benefit allowed under this subdivision and the amount of
88 withholding tax retained by the company, in the event the withholding tax is not
89 sufficient to provide the entire amount of benefit due to the qualified company
90 under this subdivision;

91 (3) High impact projects: in exchange for the consideration provided by
92 the new tax revenues and other economic stimuli that will be generated by the
93 new jobs created by the program, a qualified company may retain an amount from
94 the withholding tax of the new jobs that would otherwise be withheld and
95 remitted by the qualified company under the provisions of sections 143.191 to
96 143.265, equal to three percent of new payroll for a period of five years from the
97 date the required number of jobs were created if the average wage of the new
98 payroll equals or exceeds the county average wage of the county in which the
99 project facility is located. For high-impact projects in a facility located within two
100 adjacent counties, the new payroll shall equal or exceed the higher county
101 average wage of the adjacent counties. The percentage of payroll allowed under
102 this subdivision shall be three and one-half percent of new payroll if the average
103 wage of the new payroll in any year exceeds one hundred twenty percent of the
104 county average wage in the county in which the project facility is located. The
105 percentage of payroll allowed under this subdivision shall be four percent of new
106 payroll if the average wage of the new payroll in any year exceeds one hundred
107 forty percent of the county average wage in the county in which the project
108 facility is located. An additional one percent of new payroll may be added to
109 these percentages if local incentives equal between ten percent and twenty-four
110 percent of the new direct local revenue; an additional two percent of new payroll
111 is added to these percentages if the local incentives equal between twenty-five
112 percent and forty-nine percent of the new direct local revenue; or an additional
113 three percent of payroll is added to these percentages if the local incentives equal
114 fifty percent or more of the new direct local revenue. The department shall issue
115 a refundable tax credit for any difference between the amount of benefit allowed
116 under this subdivision and the amount of withholding tax retained by the
117 company, in the event the withholding tax is not sufficient to provide the entire
118 amount of benefit due to the qualified company under this subdivision;

119 (4) Job retention projects: a qualified company may receive a tax credit
120 for the retention of jobs in this state, provided the qualified company and the
121 project meets all of the following conditions:

122 (a) For each of the twenty-four months preceding the year in which
123 application for the program is made the qualified company must have maintained
124 at least one thousand full-time employees at the employer's site in the state at
125 which the jobs are based, and the average wage of such employees must meet or
126 exceed the county average wage;

127 (b) The qualified company retained at the project facility the level of
128 full-time employees that existed in the taxable year immediately preceding the
129 year in which application for the program is made;

130 (c) The qualified company is considered to have a significant statewide
131 effect on the economy, and has been determined to represent a substantial risk
132 of relocation from the state by the quality jobs advisory task force established in
133 section 620.1887; provided, however, until such time as the initial at-large
134 members of the quality jobs advisory task force are appointed, this determination
135 shall be made by the director of the department of economic development;

136 (d) The qualified company in the project facility will cause to be invested
137 a minimum of seventy million dollars in new investment prior to the end of two
138 years or will cause to be invested a minimum of thirty million dollars in new
139 investment prior to the end of two years and maintain an annual payroll of at
140 least seventy million dollars during each of the years for which a credit is
141 claimed; and

142 (e) The local taxing entities shall provide local incentives of at least fifty
143 percent of the new direct local revenues created by the project over a ten-year
144 period.

145 The quality jobs advisory task force may recommend to the department of
146 economic development that appropriate penalties be applied to the company for
147 violating the agreement. The amount of the job retention credit granted may be
148 equal to up to fifty percent of the amount of withholding tax generated by the
149 full-time jobs at the project facility for a period of five years. The calendar year
150 annual maximum amount of tax credit that may be issued to any qualified
151 company for a job retention project or combination of job retention projects shall
152 be seven hundred fifty thousand dollars per year, but the maximum amount may
153 be increased up to one million dollars if such action is proposed by the
154 department and approved by the quality jobs advisory task force established in
155 section 620.1887; provided, however, until such time as the initial at-large
156 members of the quality jobs advisory task force are appointed, this determination
157 shall be made by the director of the department of economic development. In
158 considering such a request, the task force shall rely on economic modeling and
159 other information supplied by the department when requesting the increased
160 limit on behalf of the job retention project. In no event shall the total amount of
161 all tax credits issued for the entire job retention program under this subdivision
162 exceed three million dollars annually. Notwithstanding the above, no tax credits

163 shall be issued for job retention projects approved by the department after August
164 30, 2013;

165 (5) Small business job retention and flood survivor relief: a qualified
166 company may receive a tax credit under sections 620.1875 to 620.1890 for the
167 retention of jobs and flood survivor relief in this state for each job retained over
168 a three-year period, provided that:

169 (a) The qualified company did not receive any state or federal benefits,
170 incentives, or tax relief or abatement in locating its facility in a flood plain;

171 (b) The qualified company and related companies have fewer than one
172 hundred employees at the time application for the program is made;

173 (c) The average wage of the qualified company's and related companies'
174 employees must meet or exceed the county average wage;

175 (d) All of the qualified company's and related companies' facilities are
176 located in this state;

177 (e) The facilities at the primary business site in this state have been
178 directly damaged by floodwater rising above the level of a five hundred year flood
179 at least two years, but fewer than eight years, prior to the time application is
180 made;

181 (f) The qualified company made significant efforts to protect the facilities
182 prior to any impending danger from rising floodwaters;

183 (g) For each year it receives tax credits under sections 620.1875 to
184 620.1890, the qualified company and related companies retained, at the
185 company's facilities in this state, at least the level of full-time, year-round
186 employees that existed in the taxable year immediately preceding the year in
187 which application for the program is made; and

188 (h) In the years it receives tax credits under sections 620.1875 to
189 620.1890, the company cumulatively invests at least two million dollars in capital
190 improvements in facilities and equipment located at such facilities that are not
191 located within a five hundred year flood plain as designated by the Federal
192 Emergency Management Agency, and amended from time to time. The amount
193 of the small business job retention and flood survivor relief credit granted may
194 be equal to up to one hundred percent of the amount of withholding tax generated
195 by the full-time jobs at the project facility for a period of three years. The
196 calendar year annual maximum amount of tax credit that may be issued to any
197 qualified company for a small business job retention and survivor relief project
198 shall be two hundred fifty thousand dollars per year, but the maximum amount

199 may be increased up to five hundred thousand dollars if such action is proposed
200 by the department and approved by the quality jobs advisory task force
201 established in section 620.1887. In considering such a request, the task force
202 shall rely on economic modeling and other information supplied by the
203 department when requesting an increase in the limit on behalf of the small
204 business job retention and flood survivor relief project. In no event shall the total
205 amount of all tax credits issued for the entire small business job retention and
206 flood survivor relief program under this subdivision exceed five hundred thousand
207 dollars annually. Notwithstanding the provisions of this subdivision to the
208 contrary, no tax credits shall be issued for small business job retention and flood
209 survivor relief projects approved by the department after August 30, 2010.

210 4. The qualified company shall provide an annual report of the number
211 of jobs and such other information as may be required by the department to
212 document the basis for the benefits of this program. The department may
213 withhold the approval of any benefits until it is satisfied that proper
214 documentation has been provided, and shall reduce the benefits to reflect any
215 reduction in full-time employees or new payroll. Upon approval by the
216 department, the qualified company may begin the retention of the withholding
217 taxes when it reaches the minimum number of new jobs and the average wage
218 exceeds the county average wage. Tax credits, if any, may be issued upon
219 satisfaction by the department that the qualified company has exceeded the
220 county average wage and the minimum number of new jobs. In such annual
221 report, if the average wage is below the county average wage, the qualified
222 company has not maintained the employee insurance as required, or if the
223 number of new jobs is below the minimum, the qualified company shall not
224 receive tax credits or retain the withholding tax for the balance of the benefit
225 period. In the case of a qualified company that initially filed a notice of intent
226 and received an approval from the department for high-impact benefits and the
227 minimum number of new jobs in an annual report is below the minimum for
228 high-impact projects, the company shall not receive tax credits for the balance of
229 the benefit period but may continue to retain the withholding taxes if it otherwise
230 meets the requirements of a small and expanding business under this program.

231 5. The maximum calendar year annual tax credits issued for the entire
232 program shall not exceed eighty million dollars. Notwithstanding any provision
233 of law to the contrary, the maximum annual tax credits authorized under section
234 135.535 are hereby reduced from ten million dollars to eight million dollars, with

235 the balance of two million dollars transferred to this program. There shall be no
236 limit on the amount of withholding taxes that may be retained by approved
237 companies under this program.

238 6. The department shall allocate the annual tax credits based on the date
239 of the approval, reserving such tax credits based on the department's best
240 estimate of new jobs and new payroll of the project, and the other factors in the
241 determination of benefits of this program. However, the annual issuance of tax
242 credits is subject to the annual verification of the actual new payroll. The
243 allocation of tax credits for the period assigned to a project shall expire if, within
244 two years from the date of commencement of operations, or approval if applicable,
245 the minimum thresholds have not been achieved. The qualified company may
246 retain authorized amounts from the withholding tax under this section once the
247 minimum new jobs thresholds are met for the duration of the project period. No
248 benefits shall be provided under this program until the qualified company meets
249 the minimum new jobs thresholds. In the event the qualified company does not
250 meet the minimum new job threshold, the qualified company may submit a new
251 notice of intent or the department may provide a new approval for a new project
252 of the qualified company at the project facility or other facilities.

253 7. For a qualified company with flow-through tax treatment to its
254 members, partners, or shareholders, the tax credit shall be allowed to members,
255 partners, or shareholders in proportion to their share of ownership on the last
256 day of the qualified company's tax period.

257 8. Tax credits may be claimed against taxes otherwise imposed by
258 chapters 143 and 148, and may not be carried forward but shall be claimed within
259 one year of the close of the taxable year for which they were issued, except as
260 provided under subdivision (4) of subsection 3 of this section.

261 9. Tax credits authorized by this section **[may] shall not** be transferred,
262 sold, or assigned **[by filing a notarized endorsement thereof with the department**
263 **that names the transferee, the amount of tax credit transferred, and the value**
264 **received for the credit, as well as any other information reasonably requested by**
265 **the department]**.

266 10. Prior to the issuance of tax credits, the department shall verify
267 through the department of revenue, or any other state department, that the tax
268 credit applicant does not owe any delinquent income, sales, or use tax or interest
269 or penalties on such taxes, or any delinquent fees or assessments levied by any
270 state department and through the department of insurance, financial institutions

271 and professional registration that the applicant does not owe any delinquent
272 insurance taxes. Such delinquency shall not affect the authorization of the
273 application for such tax credits, except that at issuance credits shall be first
274 applied to the delinquency and any amount issued shall be reduced by the
275 applicant's tax delinquency. If the department of revenue or the department of
276 insurance, financial institutions and professional registration, or any other state
277 department, concludes that a taxpayer is delinquent after June fifteenth but
278 before July first of any year and the application of tax credits to such delinquency
279 causes a tax deficiency on behalf of the taxpayer to arise, then the taxpayer shall
280 be granted thirty days to satisfy the deficiency in which interest, penalties, and
281 additions to tax shall be tolled. After applying all available credits toward a tax
282 delinquency, the administering agency shall notify the appropriate department
283 and that department shall update the amount of outstanding delinquent tax owed
284 by the applicant. If any credits remain after satisfying all insurance, income,
285 sales, and use tax delinquencies, the remaining credits shall be issued to the
286 applicant, subject to the restrictions of other provisions of law.

287 11. Except as provided under subdivision (4) of subsection 3 of this
288 section, the director of revenue shall issue a refund to the qualified company to
289 the extent that the amount of credits allowed in this section exceeds the amount
290 of the qualified company's income tax.

291 12. An employee of a qualified company will receive full credit for the
292 amount of tax withheld as provided in section 143.211.

293 13. If any provision of sections 620.1875 to 620.1890 or application thereof
294 to any person or circumstance is held invalid, the invalidity shall not affect other
295 provisions or application of these sections which can be given effect without the
296 invalid provisions or application, and to this end, the provisions of sections
297 620.1875 to 620.1890 are hereby declared severable.

620.2020. 1. The department shall respond to a written request, by or on
2 behalf of a qualified company, for a proposed benefit award under the provisions
3 of this program within five business days of receipt of such request. Such
4 response shall contain either a proposal of benefits for the qualified company, or
5 a written response refusing to provide such a proposal and stating the reasons for
6 such refusal. A qualified company that intends to seek benefits under the
7 program shall submit to the department a notice of intent. The department shall
8 respond within thirty days to a notice of intent with an approval or a rejection,
9 provided that the department may withhold approval or provide a contingent

10 approval until it is satisfied that proper documentation of eligibility has been
11 provided. Failure to respond on behalf of the department shall result in the
12 notice of intent being deemed approved. A qualified company receiving approval
13 for program benefits may receive additional benefits for subsequent new jobs at
14 the same facility after the full initial project period if the applicable minimum job
15 requirements are met. There shall be no limit on the number of project periods
16 a qualified company may participate in the program, and a qualified company
17 may elect to file a notice of intent to begin a new project period concurrent with
18 an existing project period if the applicable minimum job requirements are
19 achieved, the qualified company provides the department with the required
20 annual reporting, and the qualified company is in compliance with this program
21 and any other state programs in which the qualified company is currently or has
22 previously participated. However, the qualified company shall not receive any
23 further program benefits under the original approval for any new jobs created
24 after the date of the new notice of intent, and any jobs created before the new
25 notice of intent shall not be included as new jobs for purposes of the benefit
26 calculation for the new approval. When a qualified company has filed and
27 received approval of a notice of intent and subsequently files another notice of
28 intent, the department shall apply the definition of project facility under
29 subdivision (18) of section 620.2005 to the new notice of intent as well as all
30 previously approved notices of intent and shall determine the application of the
31 definitions of new job, new payroll, project facility base employment, and project
32 facility base payroll accordingly.

33 2. Notwithstanding any provision of law to the contrary, the benefits
34 available to the qualified company under any other state programs for which the
35 company is eligible and which utilize withholding tax from the new or retained
36 jobs of the company shall first be credited to the other state program before the
37 withholding retention level applicable under this program will begin to accrue.
38 If any qualified company also participates in a job training program utilizing
39 withholding tax, the company shall retain no withholding tax under this program,
40 but the department shall issue a refundable tax credit for the full amount of
41 benefit allowed under this program. The calendar year annual maximum amount
42 of tax credits which may be issued to a qualifying company that also participates
43 in a job training program shall be increased by an amount equivalent to the
44 withholding tax retained by that company under a jobs training program.

45 3. A qualified company receiving benefits under this program shall

46 provide an annual report of the number of jobs and such other information as
47 may be required by the department to document the basis for program benefits
48 available no later than ninety days prior to the end of the qualified company's tax
49 year immediately following the tax year for which the benefits provided under the
50 program are attributed. In such annual report, if the average wage is below the
51 applicable percentage of the county average wage, the qualified company has not
52 maintained the employee insurance as required, or if the number of jobs is below
53 the number required, the qualified company shall not receive tax credits or retain
54 the withholding tax for the balance of the project period. Failure to timely file
55 the annual report required under this section shall result in the forfeiture of tax
56 credits attributable to the year for which the reporting was required and a
57 recapture of withholding taxes retained by the qualified company during such
58 year.

59 4. The department may withhold the approval of any benefits under this
60 program until it is satisfied that proper documentation has been provided, and
61 shall reduce the benefits to reflect any reduction in full-time employees or
62 payroll. Upon approval by the department, the qualified company may begin the
63 retention of the withholding taxes when it reaches the required number of jobs
64 and the average wage meets or exceeds the applicable percentage of county
65 average wage. Tax credits, if any, may be issued upon satisfaction by the
66 department that the qualified company has exceeded the applicable percentage
67 of county average wage and the required number of jobs.

68 5. Any qualified company approved for benefits under this program shall
69 provide to the department, upon request, any and all information and records
70 reasonably required to monitor compliance with program requirements. This
71 program shall be considered a business recruitment tax credit under subdivision
72 (4) of subsection 2 of section 135.800, and any qualified company approved for
73 benefits under this program shall be subject to the provisions of sections 135.800
74 to 135.830.

75 6. Any taxpayer who is awarded benefits under this program who
76 knowingly hires individuals who are not allowed to work legally in the United
77 States shall immediately forfeit such benefits and shall repay the state an
78 amount equal to any state tax credits already redeemed and any withholding
79 taxes already retained.

80 7. The maximum amount of tax credits that may be authorized under this
81 program for any fiscal year shall be limited as follows, less the amount of any tax

82 credits previously obligated for that fiscal year under any of the tax credit
83 programs referenced in subsection 13 of this section:

84 (1) For the fiscal year beginning on July 1, 2013, but ending on or before
85 June 30, 2014, no more than one hundred six million dollars in tax credits may
86 be authorized;

87 (2) For the fiscal year beginning on July 1, 2014, but ending on or before
88 June 30, 2015, no more than one hundred eleven million dollars in tax credits
89 may be authorized; and

90 (3) For any fiscal year beginning on or after July 1, 2015, no more than
91 one hundred sixteen million dollars in tax credits may be authorized for each
92 fiscal year.

93 8. For tax credits for the creation of new jobs under section 620.2010, the
94 department shall allocate the annual tax credits based on the date of the
95 approval, reserving such tax credits based on the department's best estimate of
96 new jobs and new payroll of the project, and any other applicable factors in
97 determining the amount of benefits available to the qualified company under this
98 program. However, the annual issuance of tax credits shall be subject to annual
99 verification of actual payroll by the department. Any authorization of tax credits
100 shall expire if, within two years from the date of commencement of operations, or
101 approval if applicable, the qualified company has failed to meet the applicable
102 minimum job requirements. The qualified company may retain authorized
103 amounts from the withholding tax under the project once the applicable minimum
104 job requirements have been met for the duration of the project period. No
105 benefits shall be provided under this program until the qualified company meets
106 the applicable minimum new job requirements. In the event the qualified
107 company does not meet the applicable minimum new job requirements, the
108 qualified company may submit a new notice of intent or the department may
109 provide a new approval for a new project of the qualified company at the project
110 facility or other facilities.

111 9. Tax credits provided under this program may be claimed against taxes
112 otherwise imposed by chapters 143 and 148, and may not be carried forward, but
113 shall be claimed within one year of the close of the taxable year for which they
114 were issued. Tax credits provided under this program [may] **shall not** be
115 transferred, sold, or assigned [by filing a notarized endorsement thereof with the
116 department that names the transferee, the amount of tax credit transferred, and
117 the value received for the credit, as well as any other information reasonably

118 requested by the department]. For a qualified company with flow-through tax
119 treatment to its members, partners, or shareholders, the tax credit shall be
120 allowed to members, partners, or shareholders in proportion to their share of
121 ownership on the last day of the qualified company's tax period.

122 10. Prior to the issuance of tax credits or the qualified company beginning
123 to retain withholding taxes, the department shall verify through the department
124 of revenue and any other applicable state department that the tax credit
125 applicant does not owe any delinquent income, sales, or use tax or interest or
126 penalties on such taxes, or any delinquent fees or assessments levied by any state
127 department and through the department of insurance, financial institutions and
128 professional registration that the applicant does not owe any delinquent
129 insurance taxes or other fees. Such delinquency shall not affect the approval,
130 except that any tax credits issued shall be first applied to the delinquency and
131 any amount issued shall be reduced by the applicant's tax delinquency. If the
132 department of revenue, the department of insurance, financial institutions and
133 professional registration, or any other state department concludes that a taxpayer
134 is delinquent after June fifteenth but before July first of any year and the
135 application of tax credits to such delinquency causes a tax deficiency on behalf of
136 the taxpayer to arise, then the taxpayer shall be granted thirty days to satisfy the
137 deficiency in which interest, penalties, and additions to tax shall be tolled. After
138 applying all available credits toward a tax delinquency, the administering agency
139 shall notify the appropriate department and that department shall update the
140 amount of outstanding delinquent tax owed by the applicant. If any credits
141 remain after satisfying all insurance, income, sales, and use tax delinquencies,
142 the remaining credits shall be issued to the applicant, subject to the restrictions
143 of other provisions of law.

144 11. The director of revenue shall issue a refund to the qualified company
145 to the extent that the amount of tax credits allowed under this program exceeds
146 the amount of the qualified company's tax liability under chapter 143 or 148.

147 12. An employee of a qualified company shall receive full credit for the
148 amount of tax withheld as provided in section 143.211.

149 13. Notwithstanding any provision of law to the contrary, beginning
150 August 28, 2013, no new benefits shall be authorized for any project that had not
151 received from the department a proposal or approval for such benefits prior to
152 August 28, 2013, under the development tax credit program created under
153 sections 32.100 to 32.125, the rebuilding communities tax credit program created

154 under section 135.535, the enhanced enterprise zone tax credit program created
155 under sections 135.950 to 135.973, and the Missouri quality jobs program created
156 under sections 620.1875 to 620.1890. The provisions of this subsection shall not
157 be construed to limit or impair the ability of any administering agency to
158 authorize or issue benefits for any project that had received an approval or a
159 proposal from the department under any of the programs referenced in this
160 subsection prior to August 28, 2013, or the ability of any taxpayer to redeem any
161 such tax credits or to retain any withholding tax under an approval issued prior
162 to that date. The provisions of this subsection shall not be construed to limit or
163 in any way impair the ability of any governing authority to provide any local
164 abatement or designate a new zone under the enhanced enterprise zone program
165 created by sections 135.950 to 135.963. Notwithstanding any provision of law to
166 the contrary, no qualified company that is awarded benefits under this program
167 shall:

168 (1) Simultaneously receive benefits under the programs referenced in this
169 subsection at the same capital investment; or

170 (2) Receive benefits under the provisions of section 620.1910 for the same
171 jobs.

172 14. If any provision of sections 620.2000 to 620.2020 or application thereof
173 to any person or circumstance is held invalid, the invalidity shall not affect other
174 provisions or application of these sections which can be given effect without the
175 invalid provisions or application, and to this end, the provisions of sections
176 620.2000 to 620.2020 are hereby declared severable.

177 15. By no later than January 1, 2014, and the first day of each calendar
178 quarter thereafter, the department shall present a quarterly report to the general
179 assembly detailing the benefits authorized under this program during the
180 immediately preceding calendar quarter to the extent such information may be
181 disclosed under state and federal law. The report shall include, at a minimum:

182 (1) A list of all approved and disapproved applicants for each tax credit;

183 (2) A list of the aggregate amount of new or retained jobs that are directly
184 attributable to the tax credits authorized;

185 (3) A statement of the aggregate amount of new capital investment
186 directly attributable to the tax credits authorized;

187 (4) Documentation of the estimated net state fiscal benefit for each
188 authorized project and, to the extent available, the actual benefit realized upon
189 completion of such project or activity; and

190 (5) The department's response time for each request for a proposed benefit
191 award under this program.

192 16. The department may adopt such rules, statements of policy,
193 procedures, forms, and guidelines as may be necessary to carry out the provisions
194 of sections 620.2000 to 620.2020. Any rule or portion of a rule, as that term is
195 defined in section 536.010, that is created under the authority delegated in this
196 section shall become effective only if it complies with and is subject to all of the
197 provisions of chapter 536 and, if applicable, section 536.028. This section and
198 chapter 536 are nonseverable and if any of the powers vested with the general
199 assembly pursuant to chapter 536 to review, to delay the effective date, or to
200 disapprove and annul a rule are subsequently held unconstitutional, then the
201 grant of rulemaking authority and any rule proposed or adopted after August 28,
202 2013, shall be invalid and void.

203 17. Under section 23.253 of the Missouri sunset act:

204 (1) The provisions of the new program authorized under sections 620.2000
205 to 620.2020 shall automatically sunset six years after August 28, 2013, unless
206 reauthorized by an act of the general assembly; and

207 (2) If such program is reauthorized, the program authorized under this
208 section shall automatically sunset twelve years after the effective date of this
209 reauthorization of sections 620.2000 to 620.2020; and

210 (3) Sections 620.2000 to 620.2020 shall terminate on September first of
211 the calendar year immediately following the calendar year in which the program
212 authorized under sections 620.2000 to 620.2020 is sunset.

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