

FIRST REGULAR SESSION

SENATE BILL NO. 175

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR CRAWFORD.

Pre-filed December 12, 2018, and ordered printed.

ADRIANE D. CROUSE, Secretary.

0358S.01I

AN ACT

To repeal section 148.064, RSMo, and to enact in lieu thereof one new section relating to a tax credit for certain financial institutions.

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

Section A. Section 148.064, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 148.064, to read as follows:

148.064. 1. Notwithstanding any law to the contrary, this section shall determine the ordering and limit reductions for certain taxes and tax credits which may be used as credits against various taxes paid or payable by banking institutions. Except as adjusted in subsections 2, 3 and 6 of this section, such credits shall be applied in the following order until used against:

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

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

(3) The state income tax in section 143.071.

2. The tax credits permitted against taxes payable pursuant to subdivision (2) of subsection 2 of section 148.030 shall be utilized first and include taxes referenced in subdivisions (2) and (3) of subsection 1 of this section, which shall be determined without reduction for any tax credits identified in subsection 5 of this section which are used to reduce such taxes. Where a banking institution subject to this section joins in the filing of a consolidated state income tax return under chapter 143, the credit allowed under this section for state income taxes payable under chapter 143 shall be determined based upon the consolidated state income tax liability of the group and allocated to a banking institution, without reduction for any tax credits identified in subsection 5 of this section which are

21 used to reduce such consolidated taxes as provided in chapter 143.

22 3. The taxes referenced in subdivisions (2) and (3) of subsection 1 of this
23 section may be reduced by the tax credits in subsection 5 of this section without
24 regard to any adjustments in subsection 2 of this section.

25 4. To the extent that certain tax credits which the taxpayer is entitled to
26 claim are transferable, such transferability may include transfers among such
27 taxpayers who are members of a single consolidated income tax return, and this
28 subsection shall not impact other tax credit transferability.

29 5. For the purpose of this section, the tax credits referred to in
30 subsections 2 and 3 shall include tax credits available for economic development,
31 low-income housing and neighborhood assistance which the taxpayer is entitled
32 to claim for the year, including by way of example and not of limitation, tax
33 credits pursuant to the following sections: section 32.115, section 100.286, and
34 sections 135.110, 135.225, 135.352 and 135.403.

35 6. For tax returns filed on or after January 1, 2001, including returns
36 based on income in the year 2000, and after, a banking institution shall be
37 entitled to an annual tax credit equal to one-sixtieth of one percent of its
38 outstanding shares and surplus employed in this state if the outstanding shares
39 and surplus exceed one million dollars, determined in the same manner as in
40 section 147.010. This tax credit shall be taken as a dollar-for-dollar credit
41 against the bank tax provided for in subdivision (2) of subsection 2 of section
42 148.030; if such bank tax was already reduced to zero by other credits, then
43 against the corporate income tax provided for in chapter 143. **For all tax years**
44 **beginning on or after January 1, 2020, no tax credit shall be authorized**
45 **under this subsection.**

46 7. In the event the corporation franchise tax in chapter 147 is repealed by
47 the general assembly, there shall also be a reduction in the taxation of banks as
48 follows: in lieu of the loss of the corporation franchise tax credit reduction in
49 subdivision (1) of subsection 2 of section 148.030, the bank shall receive a tax
50 credit equal to one and one-half percent of net income as determined in this
51 chapter. This subsection shall take effect at the same time the corporation
52 franchise tax in chapter 147 is repealed.

53 8. An S corporation bank or bank holding company that otherwise
54 qualifies to distribute tax credits to its shareholders shall pass through any tax
55 credits referred to in subsection 5 of this section to its shareholders as otherwise
56 provided for in subsection 10 of section 143.471 with no reductions or limitations

57 resulting from the transfer through such S corporation, and on the same terms
58 originally made available to the original taxpayer, subject to any original dollar
59 or percentage limitations on such credits, and when such S corporation is the
60 original taxpayer, treating such S corporation as having not elected Subchapter
61 S status.

62 9. Notwithstanding any law to the contrary, in the event the corporation
63 franchise tax in chapter 147 is repealed by the general assembly, after such
64 repeal all Missouri taxes of any nature and type imposed directly or used as a tax
65 credit against the bank's taxes shall be passed through to the S corporation bank
66 or bank holding company shareholder in the form otherwise permitted by law,
67 except for the following:

68 (1) Credits for taxes on real estate and tangible personal property owned
69 by the bank and held for lease or rental to others;

70 (2) Contributions paid pursuant to the unemployment compensation tax
71 law of Missouri; or

72 (3) State and local sales and use taxes collected by the bank on its sales
73 of tangible personal property and the services enumerated in chapter 144.

Bill ✓

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