

SENATE SUBSTITUTE
FOR
SENATE COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 354
AN ACT

To repeal sections 33.282, 135.305, 135.686, 135.750, 137.1018, 348.436, 414.152, and 620.1039, RSMo, and to enact in lieu thereof eleven new sections relating to tax credits, with an existing penalty provision.

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

Section A. Sections 33.282, 135.305, 135.686, 135.750, 2 137.1018, 348.436, 414.152, and 620.1039, RSMo, are repealed 3 and eleven new sections enacted in lieu thereof, to be known as 4 sections 33.282, 135.305, 135.686, 135.750, 135.755, 137.1018, 5 348.436, 414.152, 414.600, 620.1039, and 620.3210, to read as 6 follows:

33.282. 1. Subject to appropriation the office of 2 administration shall develop a tax expenditure budget for 3 submission to the general assembly in conjunction with the 4 submission of the state budget as required in section 5 33.280. The tax expenditure budget shall indicate, on an 6 annual basis, the reduction in revenue collections for each 7 fiscal year as a result of each deduction, exemption, credit 8 or other tax preference as may be authorized by law, and 9 shall indicate, where appropriate, the tax source of each 10 state-funded program. Periodically the tax expenditure 11 budget shall include a cost-benefit analysis of the 12 following:

13 (1) The neighborhood assistance program, sections 14 32.100 to 32.125;

15 (2) Tax increment financing, sections 99.800 to 99.865;

- (3) Export and infrastructure funding, sections 100.250 to 100.297;
- (4) Credit for new expanded business facility, sections 135.100 to 135.150;
- (5) Enterprise zones, sections 135.200 to 135.256;
- (6) Main street program, sections 251.470 to 251.485;
- (7) Economic development districts, sections 251.500 to 251.510;
- (8) Rural economic development, sections 620.155 to 620.165;
- (9) Export development, sections 620.170 to 620.174;
- (10) Small business incubator program, section 620.495; and
- (11) Other programs as may be practical.

Pursuant to the provisions of section 32.057, the department of revenue shall not release information as part of the tax expenditure budget in a manner that would allow the identification of any individual taxpayer.

2. On or before October first of each year each state department authorized by law to offer deductions, exemptions, credits or other tax preferences shall submit to the budget director the estimated amount of such tax expenditures for the fiscal year beginning July first of the following year and a cost/benefit analysis of such tax expenditures for the preceding fiscal year. Such estimates and analysis shall be in the manner and form prescribed by the budget director and shall be submitted by the budget director to the chairman of the senate appropriations committee and the chairman of the house budget committee by January first of each year.

[3. No new tax credits, except the senior citizens property tax credit as referenced in chapter 135, shall be issued or certified for any tax year beginning after July

49 first of the following year unless the estimate of such
50 credits have been reviewed and approved by a majority of the
51 senate appropriations committee and the house budget
52 committee.]

135.305. A Missouri wood energy producer shall be
2 eligible for a tax credit on taxes otherwise due under
3 chapter 143, except sections 143.191 to 143.261, as a
4 production incentive to produce processed wood products in a
5 qualified wood-producing facility using Missouri forest
6 product residue. The tax credit to the wood energy producer
7 shall be five dollars per ton of processed material. The
8 credit may be claimed for a period of five years and is to
9 be a tax credit against the tax otherwise due. No new tax
10 credits, provided for under sections 135.300 to 135.311,
11 shall be authorized after June 30, ~~[2020]~~ 2027. In no event
12 shall the aggregate amount of all tax credits allowed under
13 sections 135.300 to 135.311 exceed six million dollars in
14 any given fiscal year. There shall be no tax credits
15 authorized under sections 135.300 to 135.311 unless an
16 appropriation is made for such tax credits.

135.686. 1. This section shall be known and may be
2 cited as the "Meat Processing Facility Investment Tax Credit
3 Act".

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

5 (1) "Authority", the agricultural and small business
6 development authority established in chapter 348;

7 (2) "Meat processing facility", any commercial plant,
8 as defined under section 265.300, at which livestock are
9 slaughtered or at which meat or meat products are processed
10 for sale commercially and for human consumption;

11 (3) "Meat processing modernization or expansion",
12 constructing, improving, or acquiring buildings or
13 facilities, or acquiring equipment for meat processing

including the following, if used exclusively for meat processing and if acquired and placed in service in this state during tax years beginning on or after January 1, 2017, but ending on or before December 31, ~~2021~~ 2027:

(a) Building construction including livestock handling, product intake, storage, and warehouse facilities;

(b) Building additions;

(c) Upgrades to utilities including water, electric, heat, refrigeration, freezing, and waste facilities;

(d) Livestock intake and storage equipment;

(e) Processing and manufacturing equipment including cutting equipment, mixers, grinders, sausage stuffers, meat smokers, curing equipment, cooking equipment, pipes, motors, pumps, and valves;

(f) Packaging and handling equipment including sealing, bagging, boxing, labeling, conveying, and product movement equipment;

(g) Warehouse equipment including storage and curing racks;

(h) Waste treatment and waste management equipment including tanks, blowers, separators, dryers, digesters, and equipment that uses waste to produce energy, fuel, or industrial products;

(i) Computer software and hardware used for managing the claimant's meat processing operation including software and hardware related to logistics, inventory management, production plant controls, and temperature monitoring controls; and

(j) Construction or expansion of retail facilities or the purchase or upgrade of retail equipment for the commercial sale of meat products if the retail facility is located at the same location as the meat processing facility;

(4) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding withholding tax imposed under sections 143.191 to 143.265, or otherwise due under chapter 147;

(5) "Taxpayer", any individual or entity who:

(a) Is subject to the tax imposed under chapter 143, excluding withholding tax imposed under sections 143.191 to 143.265, or the tax imposed under chapter 147;

(b) In the case of an individual, is a resident of this state as verified by a 911 address or, in the absence of a 911 system, a physical address; and

(c) Owns a meat processing facility located in this state;

(6) "Used exclusively", used to the exclusion of all other uses except for use not exceeding five percent of total use.

3. For all tax years beginning on or after January 1, 2017, but ending on or before December 31, ~~2021~~ 2027, a taxpayer shall be allowed a tax credit for meat processing modernization or expansion related to the taxpayer's meat processing facility. The tax credit amount shall be equal to twenty-five percent of the amount the taxpayer paid in the tax year for meat processing modernization or expansion.

4. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state tax liability for the tax year for which the credit is claimed. No tax credit claimed under this section shall be refundable. The tax credit shall be claimed in the tax year in which the meat processing modernization or expansion expenses were paid, but any amount of credit that the taxpayer is prohibited by this section from claiming in a tax year may be carried forward to any of the taxpayer's four subsequent tax years. The total amount of tax credits that any taxpayer may claim

shall not exceed seventy-five thousand dollars per year. If two or more persons own and operate the meat processing facility, each person may claim a credit under this section in proportion to his or her ownership interest; except that, the aggregate amount of the credits claimed by all persons who own and operate the meat processing facility shall not exceed seventy-five thousand dollars per year, provided that the maximum amount of tax credits that may be authorized for meat processing modernization or expansion located in a county of the second, third, or fourth class shall be increased by ten percent. The amount of tax credits authorized in this section and section 135.679 in a calendar year shall not exceed two million dollars. Tax credits shall be issued on an as-received application basis until the calendar year limit is reached. Any credits not issued in any calendar year shall expire and shall not be issued in any subsequent year.

5. To claim the tax credit allowed under this section, the taxpayer shall submit to the authority an application for the tax credit on a form provided by the authority and any application fee imposed by the authority. The application shall be filed with the authority at the end of each calendar year in which a meat processing modernization or expansion project was completed and for which a tax credit is claimed under this section. The application shall include any certified documentation, proof of meat processing modernization or expansion, and any other information required by the authority. All required information obtained by the authority shall be confidential and not disclosed except by court order, subpoena, or as otherwise provided by law. If the taxpayer and the meat processing modernization or expansion meet all criteria required by this section and approval is granted by the

112 authority, the authority shall issue a tax credit
113 certificate in the appropriate amount. Tax credit
114 certificates issued under this section may be assigned,
115 transferred, sold, or otherwise conveyed, and the new owner
116 of the tax credit certificate shall have the same rights in
117 the tax credit as the original taxpayer. If a tax credit
118 certificate is assigned, transferred, sold, or otherwise
119 conveyed, a notarized endorsement shall be filed with the
120 authority specifying the name and address of the new owner
121 of the tax credit certificate and the value of the tax
122 credit.

123 6. Any information provided under this section shall
124 be confidential information, to be shared with no one except
125 state and federal animal health officials, except as
126 provided in subsection 5 of this section.

127 7. The authority shall promulgate rules establishing a
128 process for verifying that a facility's modernization or
129 expansion for which tax credits were allowed under this
130 section has in fact expanded the facility's production
131 within three years of the issuance of the tax credit and if
132 not, the authority shall promulgate through rulemaking a
133 process by which the taxpayer shall repay the authority an
134 amount equal to that of the tax credit allowed.

135 8. The authority shall, at least annually, submit a
136 report to the Missouri general assembly reviewing the costs
137 and benefits of the program established under this section.

138 9. The authority may promulgate rules to implement the
139 provisions of this section. Any rule or portion of a rule,
140 as that term is defined in section 536.010, that is created
141 under the authority delegated in this section shall become
142 effective only if it complies with and is subject to all of
143 the provisions of chapter 536 and, if applicable, section
144 536.028. This section and chapter 536 are nonseverable and

145 if any of the powers vested with the general assembly
146 pursuant to chapter 536 to review, to delay the effective
147 date, or to disapprove and annul a rule are subsequently
148 held unconstitutional, then the grant of rulemaking
149 authority and any rule proposed or adopted after August 28,
150 2016, shall be invalid and void.

151 10. This section shall not be subject to the Missouri
152 sunset act, sections 23.250 to 23.298.

135.750. 1. This act shall be referred to as the
2 "Show Missouri Film and Digital Media Act".

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

4 (1) "Highly compensated individual", any individual
5 who receives compensation in excess of [one million] two
6 hundred fifty thousand dollars in connection with a single
7 qualified film production project;

8 (2) "Qualified film production project", any film,
9 video, commercial, or television production, as approved by
10 the department of economic development and the office of the
11 Missouri film commission, that features a statement or logo
12 designated by the department of economic development in the
13 credits of the film indicating that the project was filmed
14 in Missouri and that is under thirty minutes in length with
15 an expected in-state expenditure budget in excess of fifty
16 thousand dollars[,] or [that] is over thirty minutes in
17 length with an expected in-state expenditure budget in
18 excess of one hundred thousand dollars. Regardless of the
19 production costs, "qualified film production project" shall
20 not include any:

21 (a) News or current events programming;

22 (b) Talk show;

23 (c) Production produced primarily for industrial,
24 corporate, or institutional purposes, and for internal use;

25 (d) Sports event or sports program;

26 (e) Gala presentation or awards show;
27 (f) Infomercial or any production that directly
28 solicits funds;
29 (g) Political ad;
30 (h) Production that is considered obscene, as defined
31 in section 573.010;

32 (3) "Qualifying in-state expenses", the sum of the
33 total amount spent in this state for the following by a
34 production company in connection with a qualified film
35 production project:

36 (a) Goods and services leased or purchased by the
37 production company. For goods with a purchase price of
38 twenty-five thousand dollars or more, the amount included in
39 qualifying in-state expenses shall be the purchase price
40 less the fair market value of the goods at the time the
41 production is completed;

42 (b) Compensation and wages paid by the production
43 company to Missouri residents on which the production
44 company remitted withholding payments to the department of
45 revenue under chapter 143. For purposes of this section,
46 compensation and wages shall not include any amounts paid to
47 a highly compensated individual;

48 (4) "Qualifying out-of-state expenses", the sum of all
49 compensation and wages paid by the production company to non-
50 Missouri residents on which the production company remitted
51 withholding payments to the department of revenue under
52 chapter 143. For purposes of this section, compensation and
53 wages shall not include any amounts paid to a highly
54 compensated individual;

55 (5) "Tax credit", a credit against the tax otherwise
56 due under chapter 143, excluding withholding tax imposed by
57 sections 143.191 to 143.265, or otherwise due under chapter
58 148;

59 ~~[(5)]~~ (6) "Taxpayer", any individual, partnership, or
60 corporation as described in section 143.441, 143.471, or
61 section 148.370 that is subject to the tax imposed in
62 chapter 143, excluding withholding tax imposed by sections
63 143.191 to 143.265, or the tax imposed in chapter 148 or any
64 charitable organization which is exempt from federal income
65 tax and whose Missouri unrelated business taxable income, if
66 any, would be subject to the state income tax imposed under
67 chapter 143.

68 ~~[2.]~~ 3. (1) For all ~~[taxable]~~ tax years beginning on
69 or after January 1, 1999, but ending on or before December
70 31, 2007, a taxpayer shall be granted a tax credit for up to
71 fifty percent of the amount of investment in production or
72 production-related activities in any film production project
73 with an expected in-state expenditure budget in excess of
74 three hundred thousand dollars.

75 (2) For all ~~[taxable]~~ tax years beginning on or after
76 January 1, 2008, but ending on or before November 28, 2013,
77 a taxpayer shall be allowed a tax credit for up to thirty-
78 five percent of the amount of qualifying expenses in a
79 qualified film production project.

80 (3) (a) For all tax years beginning on or after
81 January 1, 2021, a taxpayer shall be allowed a tax credit
82 equal to twenty-five percent of qualifying in-state expenses
83 and ten percent of qualifying out-of-state expenses. An
84 additional five percent may be earned for both qualifying in-
85 state expenses and qualifying out-of-state expenses if at
86 least fifty percent of the qualified film production project
87 is filmed in Missouri. An additional five percent may be
88 earned for both qualifying in-state expenses and qualifying
89 out-of-state expenses if the department of economic
90 development determines that the script of the qualified film
91 production project positively markets a city or region of

the state, the entire state, or a tourist attraction located
in the state.

(b) The total dollar amount of tax credits authorized
pursuant to paragraph (a) of this subsection shall be
increased by ten percent for qualified film production
projects located in a county of the second, third, or fourth
class.

(c) Each film production company shall be limited to
one qualified film production project per year. Activities
qualifying a taxpayer for the tax credit pursuant to this
subsection shall be approved by the office of the Missouri
film commission and the department of economic development.

[3.] 4. Taxpayers shall apply for the film production
tax credit by submitting an application to the department of
economic development, on a form provided by the department.
As part of the application, the expected in-state
expenditures of the qualified film production project shall
be documented. In addition, the application shall include
an economic impact statement, showing the economic impact
from the activities of the film production project. Such
economic impact statement shall indicate the impact on the
region of the state in which the film production or
production-related activities are located and on the state
as a whole.

[4.] 5. For all [taxable] tax years ending on or
before December 31, 2007, tax credits certified pursuant to
subsection [2] 3 of this section shall not exceed one
million dollars per taxpayer per year, and shall not exceed
a total for all tax credits certified of one million five
hundred thousand dollars per year. For all [taxable] tax
years beginning on or after January 1, 2008, tax credits
certified under subsection 1 of this section shall not
exceed a total for all tax credits certified of four million

five hundred thousand dollars per year. Taxpayers may carry forward unused credits for up to five tax periods, provided all such credits shall be claimed within ten tax periods following the tax period in which the film production or production-related activities for which the credits are certified by the department occurred.

[5.] 6. Notwithstanding any provision of law to the contrary, any taxpayer may sell, assign, exchange, convey or otherwise transfer tax credits allowed in subsection [2] 3 of this section. The taxpayer acquiring the tax credits may use the acquired credits to offset the tax liabilities otherwise imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or chapter 148. Unused acquired credits may be carried forward for up to five tax periods, provided all such credits shall be claimed within ten tax periods following the tax period in which the film production or production-related activities for which the credits are certified by the department occurred.

[6.] 7. Under section 23.253 of the Missouri sunset act:

(1) The provisions of the [new] program authorized under this section shall automatically sunset [six years after November 28, 2007] on December 31, 2027, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset on December thirty-first, twelve years after the effective date of the reauthorization of this section; and

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

135.755. 1. For the purposes of this section, the following terms shall mean:

3 (1) "Department", the Missouri department of revenue;

4 (2) "Higher ethanol blend", a fuel capable of being
5 dispensed directly into motor vehicle fuel tanks for
6 consumption that is comprised of at least fifteen percent
7 but not more than eighty-five percent ethanol;

8 (3) "Retail dealer", a person that owns or operates a
9 retail service station;

10 (4) "Retail service station", a location from which
11 higher ethanol blend is sold to the general public and is
12 dispensed directly into motor vehicle fuel tanks for
13 consumption.

14 2. For all tax years beginning on or after January 1,
15 2022, a retail dealer that sells higher ethanol blend at
16 such retail dealer's retail service station shall be allowed
17 a tax credit to be taken against the retail dealer's state
18 income tax liability. The amount of the credit shall equal
19 five cents per gallon of higher ethanol blend sold by the
20 retail dealer and dispensed through metered pumps at the
21 retail dealer's retail service station during the tax year
22 in which the tax credit is claimed. Tax credits authorized
23 pursuant to this section shall not be transferred, sold, or
24 assigned. If the amount of the tax credit exceeds the
25 taxpayer's state tax liability, the difference shall not be
26 refundable, but may be carried forward to any of the five
27 subsequent tax years. The total amount of tax credits
28 authorized pursuant to this section for any given fiscal
29 year shall not exceed four million dollars.

30 3. The tax credit allowed by this section shall be
31 claimed by such taxpayer at the time such taxpayer files a
32 return and shall be applied against the income tax liability
33 imposed by chapter 143 after reduction for all other credits
34 allowed thereon. The department may require any

documentation it deems necessary to implement the provisions of this section.

4. The department shall promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2021, shall be invalid and void.

5. Pursuant to section 23.253 of the Missouri sunset act:

(1) The provisions of this section shall automatically sunset on December 31, 2027, unless reauthorized by an act of the general assembly; and

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

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

137.1018. 1. The commission shall ascertain the statewide average rate of property taxes levied the preceding year, based upon the total assessed valuation of the railroad and street railway companies and the total property taxes levied upon the railroad and street railway companies. It shall determine total property taxes levied

7 from reports prescribed by the commission from the railroad
8 and street railway companies. Total taxes levied shall not
9 include revenues from the surtax on subclass three real
10 property.

11 2. The commission shall report its determination of
12 average property tax rate for the preceding year, together
13 with the taxable distributable assessed valuation of each
14 freight line company for the current year to the director no
15 later than October first of each year.

16 3. Taxes on property of such freight line companies
17 shall be collected at the state level by the director on
18 behalf of the counties and other local public taxing
19 entities and shall be distributed in accordance with
20 sections 137.1021 and 137.1024. The director shall tax such
21 property based upon the distributable assessed valuation
22 attributable to Missouri of each freight line company, using
23 the average tax rate for the preceding year of the railroad
24 and street railway companies certified by the commission.
25 Such tax shall be due and payable on or before December
26 thirty-first of the year levied and, if it becomes
27 delinquent, shall be subject to a penalty equal to that
28 specified in section 140.100.

29 4. (1) As used in this subsection, the following
30 terms mean:

31 (a) "Eligible expenses", expenses incurred in this
32 state to manufacture, maintain, or improve a freight line
33 company's qualified rolling stock;

34 (b) "Qualified rolling stock", any freight, stock,
35 refrigerator, or other railcars subject to the tax levied
36 under this section.

37 (2) For all taxable years beginning on or after
38 January 1, 2009, a freight line company shall, subject to
39 appropriation, be allowed a credit against the tax levied

40 under this section for the applicable tax year. The tax
41 credit amount shall be equal to the amount of eligible
42 expenses incurred during the calendar year immediately
43 preceding the tax year for which the credit under this
44 section is claimed. The amount of the tax credit issued
45 shall not exceed the freight line company's liability for
46 the tax levied under this section for the tax year for which
47 the credit is claimed.

48 (3) A freight line company may apply for the credit by
49 submitting to the commission an application in the form
50 prescribed by the state tax commission.

51 (4) Subject to appropriation, the state shall
52 reimburse, on an annual basis, any political subdivision of
53 this state for any decrease in revenue due to the provisions
54 of this subsection.

55 5. Pursuant to section 23.253 of the Missouri sunset
56 act:

57 (1) The program authorized under subsection 4 of this
58 section shall expire on August 28, ~~[2020]~~ 2027; and

59 (2) Subsection 4 of this section shall terminate on
60 September 1, ~~[2021]~~ 2028.

348.436. The provisions of sections 348.430 to 348.436
2 shall expire December 31, ~~[2021]~~ 2027.

414.152. 1. Any person found in violation of any
2 provision of sections 414.012 to 414.152 or section 414.600
3 shall be deemed guilty of a class A misdemeanor. The
4 prosecutor of each county in which a violation occurs shall
5 be empowered to bring an action hereunder. But if a
6 prosecutor declines to bring such action, then the attorney
7 general may bring an action instead, and in so doing shall
8 have all the powers and jurisdiction of such prosecutor.

9 2. The prosecuting attorney of any county in which a
10 violation of any provision of this chapter occurs or the

11 attorney general is hereby authorized to apply to any court
12 of competent jurisdiction for, and such court shall have
13 jurisdiction upon hearing and for cause shown to grant, a
14 temporary or permanent injunction to restrain any person
15 from violating any provision of this chapter.

16 3. Any person who is found, upon investigation by the
17 department of agriculture or by the department of revenue,
18 to be in possible violation of any provision of this chapter
19 shall be notified by certified mail of the facts
20 constituting such violation, and shall be afforded an
21 opportunity by the appropriate director to explain such
22 facts at an informal hearing to be conducted within fourteen
23 days of such notification. In the event that such person
24 fails to timely respond to such notification or upon
25 unsuccessful resolution of any issues relating to an alleged
26 violation, such person may be summoned to a formal
27 administrative hearing before a hearing officer conducted in
28 conformance with chapter 536 and if found to have committed
29 one or more violations, may be ordered to cease and desist
30 from such violation, such order to be enforceable in circuit
31 court, and, in addition, may be required to pay a penalty of
32 not more than five hundred dollars per violation and five
33 hundred dollars for each day such violation continues. Any
34 party to such hearing aggrieved by a determination of a
35 hearing officer may appeal to the circuit court of the
36 county in which such party resides, or if the party is the
37 state, in Cole County, in accordance with chapter 536.

414.600. 1. This section shall be known and may be
2 cited as the "Missouri Made Fuels Act".

3 2. For purposes of this section, the following terms
4 shall mean:

5 (1) "Biodiesel blend", a blend of diesel fuel and
6 biodiesel fuel between five percent and twenty percent for

7 on-road and off-road diesel-fueled vehicle use. Biodiesel
8 blend shall comply with the ASTM International specification
9 D7467-19, or the most recent specification;

10 (2) "Biodiesel fuel", a renewable, biodegradable, mono
11 alkyl ester combustible liquid fuel that is derived from
12 agricultural and other plant oils or animal fats and that
13 meets the ASTM International specification D6751-19, or the
14 most recent specification, for Biodiesel Fuel (B100) Blend
15 Stock for Distillate Fuels. Biodiesel produced from palm
16 oil is not biodiesel fuel for the purposes of this section,
17 unless the palm oil is contained within waste oil and grease
18 collected within the United States;

19 (3) "Higher biodiesel blend", a blend of diesel fuel
20 and biodiesel fuel between ten percent and twenty percent
21 for on-road and off-road diesel-fueled vehicle use. Higher
22 biodiesel blend shall comply with the ASTM International
23 specification D7467-19, or the most recent specification;

24 (4) "Retail dealer", a person that owns or operates a
25 retail service station;

26 (5) "Retail service station", a location from which
27 biodiesel blend is sold to the general public and is
28 dispensed directly into motor vehicle fuel tanks for
29 consumption.

30 3. Except as otherwise provided in this section, all
31 diesel fuel sold or offered for sale in Missouri for use in
32 internal combustion engines shall contain at least five
33 percent of biodiesel fuel oil by volume beginning April 1,
34 2023. The minimum content levels specified in this section
35 shall only be effective if there is a sufficient supply of
36 biodiesel available and the amount of biodiesel produced in
37 this state from feedstock grown or produced in the United
38 States is equal to at least eighty percent of the

39 anticipated demand at the maximum mandated minimum content
40 level.

41 4. The minimum content requirement of subsection 3 of
42 this section does not apply to fuel used in the following
43 equipment or for the following purposes:

44 (1) Motors located at an electric generating plant;

45 (2) Railroad locomotives;

46 (3) Off-road mining equipment and machinery;

47 (4) Off-road logging equipment and machinery;

48 (5) Heavy construction equipment and machinery;

49 (6) Vessels of the United States Coast Guard and

50 vessels subject to inspection under 46 U.S.C. Section

51 3301(1), (9), (10), (13), or (15);

52 (7) Emergency fuel reserves at state owned facilities;

53 and

54 (8) Stationary power equipment.

55 5. (1) A refinery or terminal shall provide, at the
56 time diesel fuel is sold or transferred from the refinery or
57 terminal, a bill of lading or shipping manifest to the
58 person who receives the fuel. For biodiesel-blended
59 products, the bill of lading or shipping manifest shall
60 disclose biodiesel content, stating volume percentage,
61 gallons of biodiesel per gallons of petroleum diesel base-
62 stock, or an ASTM "Bxx" designation where "xx" denotes the
63 volume percent biodiesel included in the blended product.
64 This subsection shall not apply to sales or transfers of
65 biodiesel blend stock between refineries, between terminals,
66 or between a refinery and a terminal.

67 (2) A delivery ticket required under section 413.125
68 for a biodiesel blend shall state the volume percentage of
69 biodiesel blended into the diesel fuel delivered through a
70 meter into a storage tank used for dispensing into motor

71 vehicles powered by an internal combustion engine and not
72 exempt under subsection 3 of this section.

73 6. The provisions of section 414.152 shall apply for
74 purposes of enforcement of this section.

75 7. For all tax years beginning on or after January 1,
76 2022, a retail dealer that sells higher biodiesel blend at
77 such retail dealer's retail service station shall be allowed
78 a tax credit to be taken against the retail dealer's state
79 income tax liability. The amount of the credit shall equal
80 five cents per gallon of higher biodiesel blend sold by the
81 retail dealer and dispensed through metered pumps at the
82 retail dealer's retail service station during the tax year
83 in which the tax credit is claimed. Tax credits authorized
84 pursuant to this section shall not be transferred, sold, or
85 assigned. If the amount of the tax credit exceeds the
86 taxpayer's state tax liability, the difference shall not be
87 refundable, but may be carried forward to any of the five
88 subsequent tax years. The total amount of tax credits
89 authorized pursuant to this section for any given fiscal
90 year shall not exceed four million dollars.

91 8. The tax credit allowed by this section shall be
92 claimed by such taxpayer at the time such taxpayer files a
93 return and shall be applied against the income tax liability
94 imposed by chapter 143 after reduction for all other credits
95 allowed thereon. The department of revenue may require any
96 documentation it deems necessary to implement the provisions
97 of this section.

98 9. The department of agriculture, the department of
99 natural resources, and the department of revenue shall
100 establish rules and regulations to implement the provisions
101 of this section. Any rule or portion of a rule, as that
102 term is defined in section 536.010, that is created under
103 the authority delegated in this section shall become

effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2021, shall be invalid and void.

10. Pursuant to section 23.253 of the Missouri sunset act:

(1) The provisions of subsections 7 and 8 of this section shall automatically sunset on December 31, 2027, unless reauthorized by an act of the general assembly; and

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

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

620.1039. 1. As used in this section, the [term] following terms shall mean:

(1) "Minority business enterprise", a business that is:

(a) A sole proprietorship owned and controlled by a minority;

(b) A partnership or joint venture owned and controlled by minorities in which at least fifty-one percent of the ownership interest is held by minorities and the management and daily business operations of which are controlled by one or more of the minorities who own it; or

(c) A corporation or other entity whose management and daily business operations are controlled by one or more

minorities who own it, and which is at least fifty-one percent owned by one or more minorities, or if stock is issued, at least fifty-one percent of the stock is owned by one or more minorities;

(2) "Qualified research expenses", the same meaning as prescribed in 26 U.S.C. 41;

(3) "Small business", a corporation, partnership, sole proprietorship or other business entity, including its affiliates, that:

(a) Is independently owned and operated; and

(b) Employs fifty or fewer full-time employees;

(4) "Taxpayer" [means], an individual, a partnership, or any charitable organization which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143, or a corporation as described in section 143.441 or 143.471, or section 148.370[, and the term "qualified research expenses" has the same meaning as prescribed in 26 U.S.C. 41]; and

(5) "Women's business enterprise", a business that is:

(a) A sole proprietorship owned and controlled by a woman;

(b) A partnership or joint venture owned and controlled by women in which at least fifty-one percent of the ownership interest is held by women and the management and daily business operations of which are controlled by one or more of the women who own it; or

(c) A corporation or other entity whose management and daily business operations are controlled by one or more women who own it, and which is at least fifty-one percent owned by women, or if stock is issued, at least fifty-one percent of the stock is owned by one or more women.

45 2. (1) For tax years beginning on or after January 1,
46 2001, and ending before January 1, 2005, the director of the
47 department of economic development may authorize a taxpayer
48 to receive a tax credit against the tax otherwise due
49 pursuant to chapter 143, or chapter 148, other than the
50 taxes withheld pursuant to sections 143.191 to 143.265, in
51 an amount up to six and one-half percent of the excess of
52 the taxpayer's qualified research expenses, as certified by
53 the director of the department of economic development,
54 within this state during the taxable year over the average
55 of the taxpayer's qualified research expenses within this
56 state over the immediately preceding three taxable years;
57 except that, no tax credit shall be allowed on that portion
58 of the taxpayer's qualified research expenses incurred
59 within this state during the taxable year in which the
60 credit is being claimed, to the extent such expenses exceed
61 two hundred percent of the taxpayer's average qualified
62 research expenses incurred during the immediately preceding
63 three taxable years.

64 (2) For all tax years beginning on or after January 1,
65 2022, the director of the department of economic development
66 may authorize a taxpayer to receive a tax credit against the
67 tax otherwise due under chapters 143 and 148, other than the
68 taxes withheld under sections 143.191 to 143.265, in an
69 amount up to ten percent of the excess of the taxpayer's
70 qualified research expenses, or seventeen percent of the
71 excess of the taxpayer's qualified research expenses if such
72 qualified research expenses relate to research that is
73 conducted in conjunction with a public or private college or
74 university located in this state, as certified by the
75 director of the department of economic development, within
76 this state during the tax year over the average of the
77 taxpayer's qualified research expenses within this state

over the immediately preceding three tax years; except that,
no tax credit shall be allowed on that portion of the
taxpayer's qualified research expenses incurred within this
state during the tax year in which the credit is being
claimed, to the extent such expenses exceed two hundred
percent of the taxpayer's average qualified research
expenses incurred during the immediately preceding three tax
years.

3. The director of economic development shall
prescribe the manner in which the tax credit may be applied
for. The tax credit authorized by this section may be
claimed by the taxpayer to offset the tax liability imposed
by chapter 143 or chapter 148 that becomes due in the tax
year during which such qualified research expenses were
incurred. For tax years ending before January 1, 2005,
where the amount of the credit exceeds the tax liability,
the difference between the credit and the tax liability may
only be carried forward for the next five succeeding taxable
years or until the full credit has been claimed, whichever
first occurs. For all tax years beginning on or after
January 1, 2022, where the amount of the credit exceeds the
tax liability, the difference between the credit and the tax
liability may only be carried forward for the next twelve
succeeding tax years or until the full credit has been
claimed, whichever occurs first. The application for tax
credits authorized by the director pursuant to subsection 2
of this section shall be made no later than the end of the
taxpayer's tax period immediately following the tax period
for which the credits are being claimed.

4. Certificates of tax credit issued pursuant to this
section may be transferred, sold or assigned by filing a
notarized endorsement thereof with the department which
names the transferee and the amount of tax credit

transferred. The director of economic development may allow a taxpayer to transfer, sell or assign up to forty percent of the amount of the certificates of tax credit issued to and not claimed by such taxpayer pursuant to this section during any tax year commencing on or after January 1, 1996, and ending not later than December 31, 1999, and during any tax year commencing on or after January 1, 2022. Such taxpayer shall file[, by December 31, 2001,] an application with the department which names the transferee, the amount of tax credit desired to be transferred, and a certification that the funds received by the applicant as a result of the transfer, sale or assignment of the tax credit shall be expended within three years at the state university for the sole purpose of conducting research activities agreed upon by the department, the taxpayer and the state university. Failure to expend such funds in the manner prescribed pursuant to this section shall cause the applicant to be subject to the provisions of section 620.017.

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

144 contained in the order of rulemaking shall be invalid and
145 void.

146 6. (1) For tax years ending before January 1, 2005,
147 the aggregate of all tax credits authorized pursuant to this
148 section shall not exceed nine million seven hundred thousand
149 dollars in any year.

150 (2) For all tax years beginning on or after January 1,
151 2022, the aggregate of all tax credits authorized under this
152 section shall not exceed ten million dollars in any year,
153 provided that five million dollars of such tax credits shall
154 be reserved for minority business enterprises, women's
155 business enterprises, and small businesses.

156 7. [For all tax years beginning on or after January 1,
157 2005, no tax credits shall be approved, awarded, or issued
158 to any person or entity claiming any tax credit under this
159 section.] Pursuant to section 23.253 of the Missouri sunset
160 act:

161 (1) The provisions of this section shall sunset
162 automatically on December 31, 2030, unless reauthorized by
163 an act of the general assembly; and

164 (2) If such section is reauthorized, the tax credit
165 authorized under this section shall sunset automatically
166 twelve years after the effective date of the reauthorization
167 of this section; and

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

620.3210. 1. This section shall be known and may be
2 cited as the "Capitol Complex Tax Credit Act".

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

5 (1) "Board", the Missouri development finance board, a
6 body corporate and politic created under sections 100.250 to
7 100.297 and 100.700 to 100.850;

8 (2) "Capitol complex", the following buildings located
9 in Jefferson City, Missouri:

10 (a) State capitol building, 201 West Capitol Avenue;

11 (b) Supreme court building, 207 West High Street;

12 (c) Old Federal Courthouse, 131 West High Street;

13 (d) Highway building, 105 Capitol Avenue;

14 (e) Governor's mansion, 100 Madison Street;

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

17 (4) "Department", the Missouri department of economic
18 development;

19 (5) "Eligible artifact", any items of personal
20 property specifically for display in a building in the
21 capitol complex or former fixtures which were previously
22 owned by the state and used within the capitol complex, but
23 which had been removed. The board of public buildings
24 shall, in their sole discretion, make all determinations as
25 to which items are eligible artifacts and may employ such
26 experts as may be useful to them in making such a
27 determination;

28 (6) "Eligible artifact donation", a donation of an
29 eligible artifact to the board of public buildings. The
30 value of such donation shall be set by the board of public
31 buildings who may employ such experts as may be useful to
32 them in making such a determination. The board of public
33 buildings shall, in their sole discretion, determine if an
34 artifact is to be accepted;

35 (7) "Eligible monetary donation", donations received
36 from a qualified donor to the capitol complex fund, created
37 in this section, or to an organization exempt from taxation

under 501(c)(3) of the Internal Revenue Service Code of 1986, as amended, whose mission and purpose is to restore, renovate, improve, and maintain one or more buildings in the capitol complex, that are to be used solely for projects to restore, renovate, improve, and maintain buildings and their furnishings in the capitol complex and the administration thereof. Eligible donations may include:

(a) Cash, including checks, money orders, credit card payments, or similar cash equivalents valued at the face value of the currency. Currency of other nations shall be valued based on the exchange rate on the date of the gift. The date of the donation shall be the date that cash or check is received by the applicant or the date posted to the donor's account in the case of credit or debit cards;

(b) Stocks from a publicly traded company;

(c) Bonds which are publicly traded;

(8) "Eligible recipient", the capitol complex fund, created in this section, or an organization exempt from taxation under 501(c)(3) of the Internal Revenue Service Code of 1986, as amended, whose mission and purpose is to restore, renovate, improve, and maintain one or more buildings in the capitol complex;

(9) "Qualified donor", any of the following individuals or entities who make an eligible monetary donation or eligible artifact donation to the capitol complex fund or other eligible recipient:

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

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

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

72 (d) Any other financial institution paying taxes to
73 the state of Missouri or any political subdivision of this
74 state under chapter 148;

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

77 (f) Any charitable organization, including any
78 foundation or not-for-profit corporation, which is exempt
79 from federal income tax and whose Missouri unrelated
80 business taxable income, if any, would be subject to the
81 state income tax imposed under chapter 143.

82 3. There is hereby created a fund to be known as the
83 "Capitol Complex Fund", separate and distinct from all other
84 board funds, which is hereby authorized to receive any
85 eligible monetary donation as provided in this section. The
86 capitol complex fund shall be segregated into two accounts:
87 a rehabilitation and renovation account and a maintenance
88 account. Ninety percent of the revenues received from
89 eligible donations pursuant to the provisions of this
90 section shall be deposited in the rehabilitation and
91 renovation account and seven and one-half percent of such
92 revenues shall be deposited in the maintenance account. The
93 assets of these accounts, together with any interest which
94 may accrue thereon, shall be used by the board solely for
95 the purposes of restoration and maintenance of the building
96 of the capitol complex as defined in this section, and for
97 no other purpose. The remaining two and one-half percent of
98 the revenues deposited into the fund may be used for the
99 purposes of soliciting donations to the fund, advertising
100 and promoting the fund, and administrative costs of
101 administering the fund. Any amounts not used for those
102 purposes shall be deposited back into the rehabilitation and

renovation account and the maintenance account divided in the manner set forth in this section. The board may, as an administrative cost, use the funds to hire fund raising professionals and such other experts or advisors as may be necessary to carry out the board's duties under this section. The choice of projects for which the money is to be used, as well as the determination of the methods of carrying out the project and the procurement of goods and services thereon shall be made by the commissioner of administration. No moneys shall be released from the fund for any expense without the approval of the commissioner of administration, who may delegate that authority as deemed appropriate. All contracts for rehabilitation, renovation, or maintenance work shall be the responsibility of the commissioner of administration. A memorandum of understanding may be executed between the commissioner of administration and the board determining the processes for obligation, reservation, and payment of eligible costs from the fund. The commission of administration shall not obligate costs in excess of the fund balance. The board shall not be responsible for any costs obligated in excess of available funds and shall be held harmless in any contracts related to rehabilitation, renovation, and maintenance of capitol complex buildings. No other board funds shall be used to pay obligations made by the commissioner of administration related to activities under this section.

4. For all taxable years beginning on or after January 1, 2021, any qualified donor shall be allowed a credit against the taxes otherwise due under chapters 143 and 148, except for sections 143.191 to 143.265, in an amount of fifty percent of the eligible monetary donation. The amount of the tax credit claimed may exceed the amount of the

donor's state income tax liability in the tax year for which the credit is claimed. Any amount of credit that exceeds the qualified donor's state income tax liability may be refundable or may be carried forward to any of the taxpayer's four subsequent taxable years.

5. For all taxable years beginning on or after January 1, 2021, any qualified donor shall be allowed a credit against the taxes otherwise due under chapters 143 and 148, except for sections 143.191 to 143.265, in an amount of thirty percent of the eligible artifact donation. The amount of the tax credit claimed may not exceed the amount of the qualified donor's state income tax liability in the tax year for which the credit is claimed. Any amount of credit that exceeds the qualified donor's state income tax liability shall not be refundable but may be carried forward to any other taxpayer's four subsequent taxable years.

6. To claim a credit for an eligible monetary donation as set forth in subsection 4 of this section, a qualified donor shall make an eligible monetary donation to the board as custodian of the capitol complex fund or other eligible recipient. Upon receipt of such donation, the board or other eligible recipient shall issue to the qualified donor a statement evidencing receipt of such donation, including the value of such donation, with a copy to the department. Upon receipt of the statement from the eligible recipient, the department shall issue a tax credit certificate equal to fifty percent of the amount of the donation, to the qualified donor, as indicated in the statement from the eligible recipient.

7. To claim a credit for an eligible artifact donation as set forth in subsection 5 of this section, a qualified donor shall donate an eligible artifact to the board of public buildings. If the board of public buildings

determines that artifact is an eligible artifact, and has determined to accept the artifact, it shall issue a statement of donation to the eligible donor specifying the value placed on the artifact by the board of public buildings, with a copy to the department. Upon receiving a statement from the board of public buildings, the department shall issue a tax credit certificate equal to thirty percent of the amount of the donation, to the qualified donor as indicated in the statement from the board of public buildings.

8. The department shall not authorize more than ten million dollars in tax credits provided under this section in any calendar year. Donations shall be processed for tax credits on a first come, first serve basis. Donations received in excess of the tax credit cap shall be placed in line for tax credits issued the following year or shall be given the opportunity to complete their donation without the expectation of a tax credit, or shall request to have their donation returned.

9. Tax credits issued under the provisions of this section shall not be subject to the payment of any fee required under the provisions of section 620.1900.

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

11. The department may promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is

202 created under the authority delegated in this section shall
203 become effective only if it complies with and is subject to
204 all of the provisions of chapter 536 and, if applicable,
205 section 536.028. This section and chapter 536 are
206 nonseverable and if any of the powers vested with the
207 general assembly pursuant to chapter 536 to review, to delay
208 the effective date, or to disapprove and annul a rule are
209 subsequently held unconstitutional, then the grant of
210 rulemaking authority and any rule proposed or adopted after
211 August 28, 2021, shall be invalid and void.

212 12. Pursuant to section 23.253 of the Missouri sunset
213 act:

214 (1) The provisions of the new program authorized under
215 this section shall sunset automatically six years after
216 August 28, 2021, unless reauthorized by an act of the
217 general assembly;

218 (2) If such program is reauthorized, the program
219 authorized under this section shall sunset automatically
220 twelve years after August 28, 2021; and

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