

SENATE COMMITTEE SUBSTITUTE
FOR
HOUSE COMMITTEE SUBSTITUTE FOR
FOR
HOUSE BILL NO. 849
AN ACT

To repeal section 33.282, RSMo, and to enact in lieu thereof two new sections relating to tax credits.

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

Section A. Section 33.282, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 33.282 and 620.3210, to read as follows:

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

- (1) The neighborhood assistance program, sections 32.100 to 32.125;
- (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 first of the following year unless the estimate of such credits have been reviewed and approved by a majority of the senate appropriations committee and the house budget committee.]

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

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

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

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

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

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

(c) Old federal courthouse, 131 West High Street;

(d) Maus House, 100 Jefferson Street;

(e) Union Hotel, 101 Jefferson Street;

(f) Highway building, 105 Capitol Avenue; and

(g) Governor's mansion, 100 Madison Street;

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

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

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

(6) "Eligible artifact donation", a donation of an eligible artifact to the board of public buildings. The value of such donation shall be set by the board of public buildings, who may employ such experts as may be useful in making such a determination. The board of public buildings

shall, in their sole discretion, determine if an artifact is to be accepted;

(7) "Eligible monetary donation", donations received from a qualified donor to the capitol complex fund created 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 monetary 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; and

(c) Bonds that 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 another 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) An insurance company paying an annual tax on its gross premium receipts in this state;

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

(d) An individual subject to the state income tax imposed in chapter 143; or

(e) Any charitable organization, including any foundation or not-for-profit corporation, that 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.

3. There is hereby created a fund to be known as the "Capitol Complex Fund", separate and distinct from all other board funds, that is hereby authorized to receive any eligible monetary donation as provided in this section. The capitol complex fund shall be segregated into two accounts: a rehabilitation and renovation account and a maintenance account. Ninety percent of the revenues received from eligible monetary donations pursuant to the provisions of this section shall be deposited in the rehabilitation and renovation account and seven and one-half percent of such revenues shall be deposited in the maintenance account. The assets of these accounts, together with any interest that may accrue thereon, shall be used by the board solely for the purposes of restoration and maintenance of the buildings of the capitol complex as defined in this section, and for no other purpose. The remaining two and one-half percent of the revenues deposited into the fund may be used for the purposes of soliciting donations to the fund, advertising and promoting the fund, and administering the fund. Any

amounts not used for those 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 fundraising professionals and such other experts or advisors as necessary to carry out the board's duties under this section. The choice of projects for which the moneys are 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 the commissioner deems 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 commissioner 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 tax 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 donor's four subsequent tax years.

5. For all tax 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 shall 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 of the donor's four subsequent tax 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 board or eligible recipient, the department shall issue to the qualified donor a tax credit certificate equal to fifty percent of the amount of the donation, 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 determines to accept the artifact, it shall issue a statement of donation to the qualified 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 to the qualified donor a tax credit certificate equal to thirty percent of the amount of the donation, 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-served basis. Donations received in excess of the tax credit cap shall be placed in line for tax credits issued the following year, or the qualified donor 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 originally issued the credit. If a tax credit 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 tax 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 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.

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

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

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