

FIRST REGULAR SESSION

SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 57

101ST GENERAL ASSEMBLY

1075S.05C

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal section 135.750, RSMo, and to enact in lieu thereof two new sections relating to incentives for economic development.

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

Section A. Section 135.750, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 135.750 and 650.550, to read as follows:

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

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

- (1) "Highly compensated individual", any individual who receives compensation in excess of [one million] **two hundred fifty thousand** dollars in connection with a single qualified film production project;
- (2) "Qualified film production project", any film, video, commercial, or television production, as approved by the department of economic development and the office of the Missouri film commission, **that features a statement or logo designated by the department of economic development in the credits of the film indicating that the project was filmed in Missouri and** that is under thirty minutes in length with an expected in-state expenditure budget in excess of fifty thousand dollars[,] or [that] is over thirty minutes in length with an expected in-state expenditure budget in

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

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

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

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

104 [3.] 4. Taxpayers shall apply for the film production
105 tax credit by submitting an application to the department of
106 economic development, on a form provided by the department.
107 As part of the application, the expected in-state
108 expenditures of the qualified film production project shall
109 be documented. In addition, the application shall include
110 an economic impact statement, showing the economic impact
111 from the activities of the film production project. Such
112 economic impact statement shall indicate the impact on the
113 region of the state in which the film production or

114 production-related activities are located and on the state
115 as a whole.

116 [4.] 5. For all [taxable] **tax** years ending on or
117 before December 31, 2007, tax credits certified pursuant to
118 subsection [2] 3 of this section shall not exceed one
119 million dollars per taxpayer per year, and shall not exceed
120 a total for all tax credits certified of one million five
121 hundred thousand dollars per year. For all [taxable] **tax**
122 years beginning on or after January 1, 2008, tax credits
123 certified under subsection 1 of this section shall not
124 exceed a total for all tax credits certified of four million
125 five hundred thousand dollars per year. Taxpayers may carry
126 forward unused credits for up to five tax periods, provided
127 all such credits shall be claimed within ten tax periods
128 following the tax period in which the film production or
129 production-related activities for which the credits are
130 certified by the department occurred.

131 [5.] 6. Notwithstanding any provision of law to the
132 contrary, any taxpayer may sell, assign, exchange, convey or
133 otherwise transfer tax credits allowed in subsection [2] 3
134 of this section. The taxpayer acquiring the tax credits may
135 use the acquired credits to offset the tax liabilities
136 otherwise imposed by chapter 143, excluding withholding tax
137 imposed by sections 143.191 to 143.265, or chapter 148.
138 Unused acquired credits may be carried forward for up to
139 five tax periods, provided all such credits shall be claimed
140 within ten tax periods following the tax period in which the
141 film production or production-related activities for which
142 the credits are certified by the department occurred.

143 [6.] 7. Under section 23.253 of the Missouri sunset
144 act:

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

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

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

650.550. 1. **There is hereby created in the state**
2 **treasury the "Economic Distress Zone Fund", which shall**
3 **consist of money collected under this section. The state**
4 **treasurer shall be custodian of the fund. In accordance**
5 **with sections 30.170 and 30.180, the state treasurer may**
6 **approve disbursements. The fund shall be a dedicated fund**
7 **and money in the fund shall be used solely by the department**
8 **of economic development to provide funding to organizations**
9 **registered with the United States Internal Revenue Service**
10 **as a 501(c)(3) corporation that provide services to**
11 **residents of this state in areas of high incidents of crime**
12 **and deteriorating infrastructure, for the purpose of**
13 **economic development and deterring criminal behavior in such**
14 **areas. Any moneys appropriated and any other moneys made**
15 **available by gift, grant, bequest, contribution, or**
16 **otherwise to carry out the purpose of this section, and all**
17 **interest earned on, and income generated from, moneys in the**
18 **fund shall be paid to, and deposited in, the economic**
19 **distress zone fund.**

20 2. **Notwithstanding the provisions of section 33.080 to**
21 **the contrary, any moneys remaining in the fund at the end of**

22 the biennium shall not revert to the credit of the general
23 revenue fund.

24 3. The department of economic development shall
25 promulgate rules to carry out the provisions of this
26 section, including delineating what constitutes an area with
27 high incidents of crime and deteriorating infrastructure.
28 Any rule or portion of a rule, as that term is defined in
29 section 536.010, that is created under the authority
30 delegated in this section shall become effective only if it
31 complies with and is subject to all of the provisions of
32 chapter 536 and, if applicable, section 536.028. This
33 section and chapter 536 are nonseverable and if any of the
34 powers vested with the general assembly pursuant to chapter
35 536 to review, to delay the effective date, or to disapprove
36 and annul a rule are subsequently held unconstitutional,
37 then the grant of rulemaking authority and any rule proposed
38 or adopted after August 28, 2021, shall be invalid and void.

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